To amend the Small Business Act to establish requirements for 7(a) agents,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. PHILLIPS (for himself and Mr. MEUSER) introduced the following bill;
which was referred to the Committee on

A BILL

To amend the Small Business Act to establish requirements
for 7(a) agents, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3

SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Small Business 7(a)
5 Loan Agent Transparency Act”.

SEC. 2. REQUIREMENTS FOR 7(a) AGENTS.

6 (a) OFFICE OF CREDIT RISK MANAGEMENT DU-
7 TIES.—Section 47(b) of the Small Business Act (15
8 U.S.C. 657t(b)) is amended—
(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period and inserting a semicolon; and

(3) by adding at the end the following new paragraph:

“(4) any 7(a) agent.”.

(b) **ENFORCEMENT AUTHORITY.**—

(2) **OFFICE OF CREDIT RISK MANAGEMENT.**— Section 47(e) of the Small Business Act (15 U.S.C. 657t(e)) is amended by inserting “or 7(a) agent” after “7(a) lender” each place such term appears.

(3) **LENDER OVERSIGHT COMMITTEE.**—Section 48(c)(2) of the Small Business Act is amended by striking “and any Lending Partner or Intermediary participant” and inserting “, any 7(a) agent (as defined in section 47), or any Lending Partner or Intermediary participant”.

(c) **REGISTRATION SYSTEM.**—Section 47 of the Small Business Act (15 U.S.C. 657t) is amended by adding at the end the following new subsections:

“(j) **REGISTRATION SYSTEM FOR 7(a) AGENTS.**—

“(1) **IN GENERAL.**—The Director shall establish a registration system for 7(a) agents that assigns a unique identifier to each 7(a) agent and collects data
necessary for the Director to submit the report re-
quired under paragraph (4).

“(2) REQUIREMENTS.—A 7(a) agent shall—

“(A) register in the system established
under paragraph (1) before providing covered
services to a lender or applicant; and

“(B) effective 1 year after the date of the
enactment of this subsection, submit an annual
fee for such registration to the Director.

“(3) DATABASE.—The Director shall establish
and maintain an electronic database of the types of
covered services provided by each 7(a) agent.

“(k) DEFINITIONS.—In this section:

“(1) 7(A) AGENT.—The term ‘7(a) agent’ means
a person who provides covered services on behalf of
a lender or applicant.

“(2) COVERED SERVICES.—The term ‘covered
services’ means—

“(A) assistance with completing an applica-
tion for a loan under section 7(a) (including
preparing a business plan, cash flow projec-
tions, financial statements, and related docu-
ments); or

“(B) consulting, broker, or referral services
with respect to a loan under section 7(a).”
(d) **Effective Date.**—This Act and the amendments made by this Act shall take effect 6 months after the date of the enactment of this Act.