

## Union Calendar No. 76

118TH CONGRESS  
1ST SESSION

# H. R. 1644

**[Report No. 118-99]**

To amend the Small Business Act to require a report on 7(a) agents, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2023

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

JUNE 5, 2023

Additional sponsor: Mr. LUETKEMEYER

JUNE 5, 2023

Reported from the Committee on Small Business; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# **A BILL**

To amend the Small Business Act to require a report on  
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 “7(a) Loan Agent Over-  
5 sight Act”.

6 **SEC. 2. REPORT ON 7(a) AGENTS.**

7       Section 47 of the Small Business Act (15 U.S.C.  
8 657t) is amended by adding at the end the following new  
9 subsection:

10       “(j) ANNUAL REPORT.—

11               “(1) IN GENERAL.—The Director shall submit  
12 to Congress, in addition to the report required under  
13 subsection (h)(2), an annual report including, for  
14 the calendar year covered by the report—

15                       “(A) the number of 7(a) agents assisting  
16 applicants for loans under section 7(a),  
17 disaggregated by 7(a) agents who are attorneys,  
18 accountants, consultants, packagers, and lender  
19 service providers (as defined by section 103.1 of  
20 title 13, Code of Federal Regulations);

21                       “(B) the number of fraudulent loans made  
22 for which an applicant used services of a 7(a)  
23 agent;

1           “(C) the purchase rate by the Adminis-  
2           trator of loans for which an applicant used  
3           services of a 7(a) agent;

4           “(D) the number and aggregate dollar  
5           value of referral fees paid to 7(a) agents,  
6           disaggregated by whether the applicant or 7(a)  
7           lender paid such fees;

8           “(E) without identifying individual 7(a)  
9           agents by name, a consolidated analysis of the  
10          risk created by the individual 7(a) agents re-  
11          sponsible for not less than 1 percent of—

12                  “(i) the dollar value of loans made  
13                  with the assistance of 7(a) agents; and

14                  “(ii) the number of loans made with  
15                  the assistance of 7(a) agents;

16          “(F) an analysis of interest rates on loans  
17          for which an applicant or 7(a) lender used serv-  
18          ices of an agent; and

19          “(G) a description of how the Adminis-  
20          trator communicates with 7(a) agents.

21          “(2) DEFINITIONS.—In this subsection:

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

1           “(B) COVERED SERVICES.—The term ‘cov-  
2           ered services’ means—

3                   “(i) assistance with completing an ap-  
4                   plication for a loan under section 7(a) (in-  
5                   cluding preparing a business plan, cash  
6                   flow projections, financial statements, and  
7                   related documents); or

8                   “(ii) consulting, broker, or referral  
9                   services with respect to a loan under sec-  
10                  tion 7(a).”.

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1<sup>ST</sup> Session

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