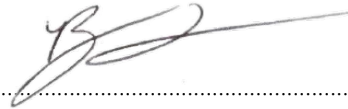


[117H6217]



(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To authorize the Administrator of the Small Business Administration to license lending institutions to make loans under section 7(a) of the Small Business Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DONALDS introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize the Administrator of the Small Business Administration to license lending institutions to make loans under section 7(a) of the Small Business Act, 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 “Expanding Access to
5 Affordable Credit for Small Businesses Act”.

1 **SEC. 2. LICENSING OF LENDING INSTITUTIONS.**

2 (a) IN GENERAL.—Section 7(a)(17) of the Small
3 Business Act (15 U.S.C. 636(a)(17)) is amended to read
4 as follows:

5 “(17) LICENSING OF LENDING INSTITU-
6 TIONS.—

7 “(A) IN GENERAL.—The Administration
8 may license lending institutions to make loans
9 authorized under this subsection.

10 “(B) CRITERIA.—In authorizing lending
11 institutions under subparagraph (A), the Ad-
12 ministrator shall ensure that each such institu-
13 tion—

14 “(i) provides an independent audit by
15 a third party or internal audit department
16 that examines adherence to all applicable
17 Federal laws and regulations relating to
18 anti-money laundering, terrorist financing,
19 sanctions, and financial crimes; and

20 “(ii) has in place a compliance pro-
21 gram that conforms with the requirements
22 described in the ‘Bank Secrecy Act/Anti-
23 Money Laundering Examination Manual’
24 of the Financial Institutions Examination
25 Council and other applicable Federal anti-

1 money laundering regulatory guidance, in-
2 cluding—

3 “(I) an annual financial crimes
4 risk assessment;

5 “(II) designation of an individual
6 to serve as an anti-money laundering
7 officer;

8 “(III) a customer identification
9 program;

10 “(IV) customer due diligence and
11 enhanced due diligence;

12 “(V) suspicious activity moni-
13 toring and reporting;

14 “(VI) information sharing;

15 “(VII) record retention;

16 “(VIII) sanctions implemented by
17 the Office of Foreign Assets Control;

18 “(IX) annual employee training,
19 including general training and job-
20 specific training; and

21 “(X) monitoring and testing.

22 “(C) PROHIBITION ON MORATORIUM.—The
23 Administrator may not impose a moratorium on
24 the licensing of lending institutions described in
25 subparagraph (A).

1 “(D) NEW APPLICANTS.—Not later than 1
2 year after the date of the enactment of this
3 paragraph, the Administrator shall begin ac-
4 cepting applications for the licensing of lending
5 institutions.

6 “(E) REPORTS.—Not later than 1 year
7 after the date of the enactment of this para-
8 graph, and annually thereafter, the Adminis-
9 trator shall submit to the Committee on Small
10 Business and Entrepreneurship of the Senate
11 and the Committee on Small Business of the
12 House of Representatives a report that in-
13 cludes, with respect to the year preceding the
14 report—

15 “(i) the number of lending institutions
16 that applied to make loans under this sub-
17 section;

18 “(ii) the number of such lending insti-
19 tutions that the Administrator approved to
20 make loans under this subsection;

21 “(iii) the reason for any denial of an
22 application of such a lending institution;

23 “(iv) the number and total amount of
24 loans made by under this subsection by
25 lending institutions; and

1 “(v) demographic information on the
2 recipients of the loans described in clause
3 (iv).

4 “(F) RULE OF CONSTRUCTION.—Nothing
5 in this paragraph shall be construed to provide
6 authority to the Administrator to regulate small
7 business lending companies, non-Federally reg-
8 ulated lenders, or nondepository lending institu-
9 tions, or banks.

10 “(G) DEFINITIONS.—In this paragraph:

11 “(i) BANK.—The term ‘bank’ has the
12 meaning given in section 3 of the Federal
13 Deposit Insurance Act.

14 “(ii) LENDING INSTITUTION.—The
15 term ‘lending institution’ has the meaning
16 given such term by the Administrator and
17 shall include a small business lending com-
18 pany, a non-Federally regulated lender, a
19 nondepository lending institution, or a
20 bank.

21 “(iii) NON-FEDERALLY REGULATED
22 LENDER; SMALL BUSINESS LENDING COM-
23 PANY.—The terms ‘non-Federally regu-
24 lated lender’ and ‘small business lending

1 company' have the meanings given, respec-
2 tively, under section 23.''.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated for the Office of Credit Risk
5 Management of the Small Business Administration such
6 sums as may be necessary to conduct oversight of lending
7 institutions and other entities as described under para-
8 graph (17) of section 7(a) of the Small Business Act (15
9 U.S.C. 636(a)), as added by subsection (a).