

118TH CONGRESS
1ST SESSION

H. R. 449

To amend the Small Business Act to increase transparency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2023

Mr. BURCHETT (for himself, Mr. KIM of New Jersey, and Mr. FITZGERALD) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to increase transparency, 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 “Microloan Trans-
5 parency and Accountability Act of 2023”.

6 **SEC. 2. PORTFOLIO RISK ANALYSIS OF MICROLOANS.**

7 Section 7(m)(10) of the Small Business Act (15
8 U.S.C. 636(m)(10)) is amended—

1 (1) by redesignating subparagraphs (A) through
2 (F) as clauses (i) through (vi), respectively, and ad-
3 justing the margins accordingly;

4 (2) by amending clause (iv), as so redesignated,
5 to read as follows:

6 “(vi) the number, amount, and per-
7 centage of microloans made by inter-
8 mediaries to small business concerns—

9 “(I) that went into default in the
10 previous year; and

11 “(II) that were charged off in the
12 previous year by such inter-
13 mediaries;”;

14 (3) in clause (vi), as so redesignated, by strik-
15 ing “and” at the end;

16 (4) by redesignating subparagraph (G) as
17 clause (xviii), and adjusting the margin accordingly;

18 (5) by striking “On November 1, 1995,” and all
19 that follows through “the following:” and inserting
20 the following:

21 “(A) IN GENERAL.—Beginning on Feb-
22 ruary 1, 2023, and annually thereafter, the Ad-
23 ministrator shall submit to the Committee on
24 Small Business and Entrepreneurship of the
25 Senate and the Committee on Small Business

1 of the House of Representatives, and make
2 available to the public on the website of the Ad-
3 ministration, a report on the effectiveness of
4 the microloan program during the fiscal year
5 preceding the date of the report. Such report
6 shall include—”;

7 (6) in subparagraph (A), as so designated, by
8 inserting after clause (vi) the following new clauses:

9 “(vii) the number and type of enforce-
10 ment actions taken by the Administrator
11 against noncompliant intermediaries;

12 “(viii) an analysis of compliance by
13 intermediaries with the credit availability
14 requirements of paragraph (3)(E) for loans
15 in an amount greater than \$20,000;

16 “(ix) the extent to which microloans
17 are provided to small business concerns in
18 rural areas;

19 “(x) the number of underserved bor-
20 rowers, as defined by the Administration,
21 participating in the microloan program;

22 “(xi) the average rate of interest for
23 each microloan;

24 “(xii) the average amount of fees
25 charged for each microloan;

1 “(xiii) the average size of each
2 microloan, including—

3 “(I) the number of loans made in
4 an amount greater than \$20,000; and

5 “(II) the average size and
6 charge-off rate of such loans;

7 “(xiv) the subsidy cost to the Admin-
8 istration;

9 “(xv) the number and percentage of
10 microloans that were made to refinance
11 other loans;

12 “(xvi) the number and percentage of
13 microloans made to new program partici-
14 pants and the number and percentage of
15 microloans made to previous program par-
16 ticipants;

17 “(xvii) the average amount of tech-
18 nical assistance grant monies spent on
19 each loan; and”;

20 (7) by adding at the end the following:

21 “(B) PRIVACY.—Each report submitted
22 under subparagraph (A) shall not contain any
23 personally identifiable information of any bor-
24 rower.”.