103D CONGRESS
2D SESSION

H. R. 4723

To authorize the Administrator of the Small Business Administration to establish an Accredited Lenders Program for qualified State and local development companies.

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 1994

Mr. POSHARD introduced the following bill; which was referred to the Committee on Small Business

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A BILL

To authorize the Administrator of the Small Business Administration to establish an Accredited Lenders Program for qualified State and local development companies.

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. ACCREDITED LENDERS PROGRAM.**

4 (a) ESTABLISHMENT.—Title V of the Small Business

5 Investment Act of 1958 (15 U.S.C. 695 et seq.) is amend-

6 ed by adding at the end the following new section:

7 **"SEC. 507. ACCREDITED LENDERS PROGRAM.**

8 ''(a) The Administration is authorized to establish an

9 Accredited Lenders Program for qualified State and local

1 development companies which meet the requirements of

2 subsection (b).

3 ''(b) The Administration may designate a qualified

4 State or local development company as an accredited lend-

5 er if such company—

6 ''(1) has been an active participant in the devel-

7 opment company program for the 12-month period

8 preceding the designation;

9 ''(2) has well-trained, qualified personnel who

10 are knowledgeable in the Administration's lending

11 policies and procedures for the development company

12 program;

13 ''(3) has the ability to process, close, and serv-

14 ice financing for plant and equipment under section

15 502 of this Act;

16 ''(4) has a loss rate on its debentures that is

17 acceptable to the Administration;

18 ''(5) has consistently submitted to the Adminis-

19 tration complete and accurate debenture guarantee

20 application packages; and

21 ''(6) has demonstrated the ability to serve small

22 business credit needs for financing plant and equip-

23 ment as provided in section 502 of this Act.

24 ''(c) The Administration shall expedite the processing

25 of all loan applications and servicing actions submitted by

1 a qualified State or local development company that has

2 been designated as an accredited lender in accordance with

3 subsection (b).

4   ''(d) The designation of a qualified State or local de-

5 velopment company as an accredited lender may be sus-

6 pended or revoked if the Administration determines that—

7   ''(1) the development company has not contin-

8   ued to meet the criteria for eligibility under sub-

9   section (b); or

10   ''(2) the development company has failed to ad-

11   here to the Administration's rules and regulations or

12   is violating any other applicable provision of law.

13 A suspension or revocation under this subsection shall not

14 affect any outstanding debenture guarantee.

15   ''(e) For purposes of this section, the term 'qualified

16 State or local development company' has the meaning

17 given such term in section 503(e).''.

18   (b) REGULATIONS.—Not later than 90 days after the

19 date of the enactment of this Act, the Administration shall

20 issue regulations to carry out section 507 of the Small

21 Business Investment Act of 1958, as added by subsection

22 (a) of this section.

23   (c) ANNUAL REPORT.—

24   (1) IN GENERAL.—Not later than 1 year after

25   the date of the enactment of this Act, and annually

1 thereafter, the Administration shall submit to the
2 Committees on Small Business of the House of Rep-
3 resentatives and the Senate a report on the imple-
4 mentation of this section.

5 (2) CONTENTS.—Each report to be submitted
6 under paragraph (1) shall contain—

7 (A) data on the number of development
8 companies designated as accredited lenders;

9 (B) data on the debenture guarantee vol-
10 ume of such companies;

11 (C) data on the loss rate on debentures is-
12 sued by such companies;

13 (D) data on the average processing time on
14 guarantee applications submitted to the Admin-
15 istration by such companies; and

16 (E) such other information as the Admin-
17 istration considers appropriate.

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