

103^D CONGRESS
2^D SESSION

S. 2235

To authorize the establishment of an Accredited Lenders Program for qualified State or local development companies under the Small Business Investment Act of 1958 and an Accredited Loan Packagers Pilot Program for loan packagers under the Small Business Act.

IN THE SENATE OF THE UNITED STATES

JUNE 23 (legislative day, JUNE 7), 1994

Mr. WELLSTONE introduced the following bill; which was read twice and referred to the Committee on Small Business

A BILL

To authorize the establishment of an Accredited Lenders Program for qualified State or local development companies under the Small Business Investment Act of 1958 and an Accredited Loan Packagers Pilot Program for loan packagers under the Small Business Act.

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 Title V of the Small Business Investment Act of 1958
5 (15 U.S.C. 695 et seq.) is amended by inserting after sec-
6 tion 504 the following new section:

1 **“SEC. 504A. ACCREDITED LENDERS PROGRAM.**

2 “(a) IN GENERAL.—The Administration shall estab-
3 lish an Accredited Lenders Program for qualified State
4 or local development companies that meet the require-
5 ments of subsection (b).

6 “(b) DESIGNATION OF ACCREDITED LENDERS.—The
7 Administration shall designate a qualified State or local
8 development company as an accredited lender if such com-
9 pany—

10 “(1) demonstrates adequate knowledge of appli-
11 cable laws and regulations concerning the guaran-
12 teed loan program under section 504;

13 “(2) demonstrates proficiency in meeting the
14 requirements of such guaranteed loan program; and

15 “(3) meets such other requirements as the Ad-
16 ministration may prescribe by regulation.

17 “(c) EXPEDITED PROCESSING.—The Administration
18 may expedite the processing of any loan application or
19 servicing action submitted by a qualified State or local de-
20 velopment company that has been designated as an ac-
21 credited lender in accordance with subsection (b).

22 “(d) SUSPENSION OR REVOCATION OF DESIGNA-
23 TION.—The designation of a qualified State or local devel-
24 opment company as an accredited lender shall be sus-
25 pended or revoked if the Administration determines that—

1 “(1) the development company is not adhering
 2 to the Administration’s rules and regulations or is
 3 violating any other applicable provision of law; or

4 “(2) the loss experience of the development
 5 company is excessive as compared to other lenders;
 6 but such suspension or revocation shall not affect any out-
 7 standing loan guarantee.

8 “(e) DEFINITION.—For purposes of this section, the
 9 term ‘qualified State or local development company’ has
 10 the same meaning as in section 503(e).

11 “(f) REGULATIONS.—The Administration shall pro-
 12 mulgate such regulations as may be necessary to carry out
 13 this section.”.

14 **SEC. 2. ACCREDITED LOAN PACKAGERS PILOT PROGRAM.**

15 Section 7(a) of the Small Business Act (15 U.S.C.
 16 636(a)) is amended by adding at the end the following
 17 new paragraph:

18 “(22) ACCREDITED LOAN PACKAGERS PILOT
 19 PROGRAM.—

20 “(A) IN GENERAL.—The Administration
 21 shall establish an Accredited Loan Packagers
 22 Pilot Program (hereafter in this paragraph re-
 23 ferred to as the ‘Program’) for loan packagers,
 24 which shall be administered in accordance with
 25 subparagraphs (B) through (G).

1 “(B) DESIGNATION OF ACCREDITED LOAN
2 PACKAGERS.—

3 “(i) QUALIFICATIONS.—Subject to the
4 limitation contained in clause (ii), the Ad-
5 ministration may designate a loan pack-
6 ager as an accredited loan packager if such
7 loan packager—

8 “(I) is located in a rural area in
9 which, in the determination of the Ad-
10 ministration, there is a severe short-
11 age or an absence of lenders that have
12 been designated as—

13 “(aa) certified lenders under
14 the Certified Lenders Program
15 authorized by paragraph (19); or

16 “(bb) preferred lenders
17 under the Preferred Lenders
18 Program authorized by section
19 5(b)(7);

20 “(II) demonstrates adequate
21 knowledge of applicable laws and reg-
22 ulations concerning guaranteed loan
23 programs under this subsection;

1 “(III) demonstrates proficiency
2 in meeting the requirements of such
3 guaranteed loan programs; and

4 “(IV) meets such other require-
5 ments as the Administration may pre-
6 scribe by regulation.

7 “(ii) TOTAL NUMBER.—In carrying
8 out the Program, the Administration shall
9 designate not less than 10 and not more
10 than 15 loan packagers as accredited loan
11 packagers.

12 “(C) EXPEDITED PROCESSING.—During
13 the 3-year period described in subparagraph
14 (G), the Administration may expedite the proc-
15 essing of any loan application or servicing ac-
16 tion prepared by a loan packager that has been
17 designated as an accredited loan packager in
18 accordance with subparagraph (B).

19 “(D) SUSPENSION OR REVOCATION OF
20 DESIGNATION.—The designation of a loan pack-
21 ager as an accredited loan packager shall be
22 suspended or revoked if the Administration de-
23 termines that—

24 “(i) the loan packager is not adhering
25 to the Administration’s rules and regula-

1 tions or is violating any other applicable
2 provision of law; or

3 “(ii) the loss experience of the loan
4 packager is excessive as compared to other
5 loan packagers;

6 but such suspension or revocation shall not af-
7 fect any outstanding loan guarantee.

8 “(E) DEFINITION.—For purposes of this
9 paragraph, the term ‘loan packager’ means
10 any—

11 “(i) qualified State or local develop-
12 ment company, as such term is defined in
13 section 503(e) of the Small Business In-
14 vestment Act of 1958; or

15 “(ii) other regional or local develop-
16 ment organization selected by the Adminis-
17 tration.

18 “(F) REGULATIONS.—The Administration
19 shall promulgate such regulations as may be
20 necessary to carry out this paragraph.

21 “(G) SUNSET.—The Program shall termi-
22 nate 3 years after the date of enactment of this
23 paragraph.”.

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