

117TH CONGRESS
2D SESSION

H. R. 7351

To amend the Consumer Financial Protection Act of 2010 to provide for the supervision of nondepository persons offering or making small business loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2022

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Consumer Financial Protection Act of 2010 to provide for the supervision of nondepository persons offering or making small business loans, 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 “Promoting Fair Lend-
5 ing to Small Businesses Act”.

1 **SEC. 2. SUPERVISION OF NONDEPOSITORY PERSONS OF-**
 2 **FERING OR MAKING SMALL BUSINESS LOANS.**

3 (a) IN GENERAL.—The Consumer Financial Protec-
 4 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended by
 5 inserting after section 1024 the following:

6 **“SEC. 1024A. SUPERVISION OF NONDEPOSITORY PERSONS**
 7 **OFFERING OR MAKING SMALL BUSINESS**
 8 **LOANS.**

9 “(a) DEFINITIONS.—In this section:

10 “(1) COVERED NONDEPOSITORY LENDER.—The
 11 term ‘covered nondepository lender’ means a finan-
 12 cial institution (as defined under section 704B(h) of
 13 the Equal Credit Opportunity Act (15 U.S.C.
 14 1691c–2(h))) that—

15 “(A) is not a depository institution or cred-
 16 it union; and

17 “(B) is required to compile, maintain, and
 18 report information pursuant to section 704B of
 19 the Equal Credit Opportunity Act (15 U.S.C.
 20 1691c–2).

21 “(2) ECOA TERMS.—The terms ‘minority-
 22 owned business’, ‘women-owned business’, and ‘small
 23 business’ have the meaning given those terms, re-
 24 spectively, under section 704B(h) of the Equal Cred-
 25 it Opportunity Act (15 U.S.C. 1691c–2(h)).

26 “(b) SUPERVISION.—

1 “(1) IN GENERAL.—The Bureau shall require
2 reports and conduct examinations on a periodic basis
3 of covered nondepository lenders for purposes of—

4 “(A) assessing compliance with the re-
5 quirements of the Equal Credit Opportunity
6 Act (15 U.S.C. 1691 et seq.);

7 “(B) obtaining information about the ac-
8 tivities and compliance systems or procedures of
9 the covered nondepository lender; and

10 “(C) detecting and assessing risks to mi-
11 nority-owned businesses, women-owned busi-
12 nesses, and small businesses and to markets for
13 credit to such businesses.

14 “(2) RISK-BASED SUPERVISION PROGRAM.—
15 The Bureau shall exercise its authority under para-
16 graph (1) in a manner designed to ensure that such
17 exercise, with respect to covered nondepository lend-
18 ers, is based on the assessment by the Bureau of the
19 risks posed to minority-owned businesses, women-
20 owned businesses, and small businesses in the rel-
21 evant product markets and geographic markets, and
22 taking into consideration, as applicable—

23 “(A) the asset size of the covered non-
24 depository lender;

1 “(B) the volume of transactions involving
 2 extending credit to minority-owned businesses,
 3 women-owned businesses, and small businesses
 4 in which the covered nondepository lender en-
 5 gages;

6 “(C) the risks to minority-owned busi-
 7 nesses, women-owned businesses, and small
 8 businesses created by the provision of such
 9 credit;

10 “(D) the extent to which the covered non-
 11 depository lender is subject to oversight by
 12 State authorities for fair lending in the provi-
 13 sion of such credit; and

14 “(E) any other factors that the Bureau de-
 15 termines to be relevant to a class of covered
 16 nondepository lenders.”.

17 (b) CLERICAL AMENDMENT.—The table of contents
 18 in section 1(b) of the Dodd-Frank Wall Street Reform and
 19 Consumer Protection Act is amended by inserting after
 20 the item relating to section 1024 the following:

“Sec. 1024A. Supervision of nondepository persons offering or making small
 business loans.”.

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