

117TH CONGRESS
2D SESSION

H. R. 7971

To amend the Small Business Act to require certain lenders and development companies to refer certain borrowers to a resource partner, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2022

Ms. SÁNCHEZ (for herself, Mr. LOWENTHAL, Ms. PORTER, Mrs. NAPOLITANO, Ms. BASS, Ms. CHU, Ms. ROYBAL-ALLARD, Mr. LIEU, Mr. VARGAS, Ms. NORTON, Mrs. CHERFILUS-McCORMICK, Ms. BROWN of Ohio, and Mrs. TORRES of California) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to require certain lenders and development companies to refer certain borrowers to a resource partner, 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 “Supporting Entre-
5 preneurs and Economic Development Act” or the “SEED
6 Act”.

1 **SEC. 2. RESOURCE PARTNER REFERRALS.**

2 (a) 7(a) LOANS.—Section 7(a) of the Small Business
3 Act (15 U.S.C. 636(a)) is amended by adding at the end
4 the following new paragraph:

5 “(38) RESOURCE PARTNER REFERRALS.—

6 “(A) IN GENERAL.—If a lender determines
7 that a borrower is not eligible for a loan under
8 this subsection, such lender shall refer the bor-
9 rower to a resource partner (as defined in sec-
10 tion 5004 of the American Rescue Plan Act of
11 2021). Such referral shall include—

12 “(i) the address, phone number, and
13 website (if available) of such resource part-
14 ner; and

15 “(ii) a description of the services of-
16 fered by such resource partner.

17 “(B) REPORT.—A lender shall submit to
18 the Administrator an annual report describing
19 referrals made under this paragraph.”.

20 (b) DISASTER ASSISTANCE LOANS.—Section 7(f) of
21 the Small Business Act (15 U.S.C. 636(f)) (relating to
22 Additional requirements for 7(b) loans) is amended by
23 adding at the end the following new paragraph:

24 “(2) RESOURCE PARTNER REFERRALS.—

25 “(A) IN GENERAL.—If a lender determines
26 that a borrower is not eligible for a loan under

1 subsection (b), such lender shall refer the bor-
2 rower to a resource partner (as defined in sec-
3 tion 5004 of the American Rescue Plan Act of
4 2021). Such referral shall include—

5 “(i) the address, phone number, and
6 website (if available) of such resource part-
7 ner; and

8 “(ii) a description of the services of-
9 fered by such resource partner.

10 “(B) REPORT.—A lender shall submit to
11 the Administrator an annual report describing
12 referrals made under this paragraph.”.

13 (c) MICROLOANS.—Section 7(m)(6) of the Small
14 Business Act (15 U.S.C. 636(m)(6)) is amended by add-
15 ing at the end the following new subparagraph:

16 “(F) RESOURCE PARTNER REFERRALS.—

17 “(i) IN GENERAL.—If an eligible
18 intermediary determines that a person is
19 not eligible for a loan under this sub-
20 section, eligible intermediary lender shall
21 refer the borrower to a resource partner
22 (as defined in section 5004 of the Amer-
23 ican Rescue Plan Act of 2021). Such refer-
24 ral shall include—

1 “(I) the address, phone number,
2 and website (if available) of such re-
3 source partner; and

4 “(II) a description of the services
5 offered by such resource partner.

6 “(ii) REPORT.—An eligible inter-
7 mediary shall submit to the Administrator
8 an annual report describing referrals made
9 under this subparagraph.”.

10 (d) STATE AND LOCAL DEVELOPMENT COMPANY
11 LOANS.—Section 502 of the Small Business Investment
12 Act of 1958 (15 U.S.C. 696) is amended by adding at
13 the end the following new paragraph:

14 “(8) RESOURCE PARTNER REFERRALS.—

15 “(A) IN GENERAL.—If a development com-
16 pany determines that a person is not eligible for
17 assistance under this title, such development
18 company shall refer the borrower to a resource
19 partner (as defined in section 5004 of the
20 American Rescue Plan Act of 2021). Such re-
21 ferral shall include—

22 “(i) the address, phone number, and
23 website (if available) of such resource part-
24 ner; and

1 “(ii) a description of the services of-
2 ferred by such resource partner.

3 “(B) REPORT.—A development company
4 shall submit to the Administrator an annual re-
5 port describing referrals made under this para-
6 graph.”.

7 (e) REPORTS.—

8 (1) LENDER REPORTS.—Each lender and devel-
9 opment company (as defined in section 103 of the
10 Small Business Investment Act of 1958 (15 U.S.C.
11 662)) authorized to make loans by the Adminis-
12 trator of the Small Business Administration shall
13 submit to the Administrator an annual report detail-
14 ing referrals made by such lender or development
15 company pursuant to a covered provision, as applica-
16 ble.

17 (2) ADMINISTRATOR REPORTS.—Section 10 of
18 the Small Business Act (15 U.S.C. 639) is amended
19 by adding at the end the following new subsection:

20 “(i) LENDER REFERRAL REPORT.—

21 “(1) IN GENERAL.—Along with the report re-
22 quired under subsection (a), the Administrator shall
23 include a description of the number of referrals to
24 resource partners made by lenders or development
25 companies pursuant to a covered provision. Such re-

1 port shall be published on a website of the Adminis-
2 tration and shall include the following:

3 “(A) An analysis of the effectiveness of a
4 referral and any resulting services provided by
5 the resource partner.

6 “(B) The nature of the services provided
7 by a resource partner, including (if applicable)
8 the number of training or counseling sessions
9 provided and the number of hours of assistance
10 provided.

11 “(C) Whether any persons received assist-
12 ance as a result of such a referral.

13 “(2) COVERED PROVISION DEFINED.—In this
14 subsection, the term ‘covered provision’ means sec-
15 tions 7(a)(38), 7(f)(2), 7(m)(6)(F), and section
16 502(8) of the Small Business Investment Act of
17 1958.”.

18 (f) GAO REPORT.—

19 (1) IN GENERAL.—Not later than February 1,
20 2023, and every two years thereafter, the Comp-
21 troller General of the United States shall submit to
22 Congress, and publish on a publicly available
23 website, a report on the rate of referrals to resource
24 partners made by lenders or development companies
25 pursuant to a covered provision and data on persons

1 that received assistance as a result of such a refer-
2 ral.

3 (2) DEFINITIONS.—In this subsection:

4 (A) RESOURCE PARTNER.—The term “re-
5 source partner” has the meaning given in sec-
6 tion 5004 of the American Rescue Plan Act of
7 2021 (15 U.S.C. 9013).

8 (B) COVERED PROVISION.—The term
9 “covered provision” means—

10 (i) sections 7(a)(38), 7(f)(2), and
11 7(m)(6)(F) of the Small Business Act (15
12 U.S.C. 631 et seq.), as added by this Act;
13 and

14 (ii) section 502(8) of the Small Busi-
15 ness Investment Act of 1958 (15 U.S.C.
16 696), as added by this Act.

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