

portfolio risk analysis conducted under paragraph (1) during the fiscal year preceding the submission of the report, which shall include—

(A) an analysis of the overall program risk of loans guaranteed under section 7(a);

(B) an analysis of the program risk, set forth separately by industry concentration;

(C) without identifying individual 7(a) lenders by name, a consolidated analysis of the risk created by the individual 7(a) lenders responsible for not less than 1 percent of the gross loan approvals set forth separately for the year covered by the report by—

(i) the dollar value of the loans made by such 7(a) lenders; and

(ii) the number of loans made by such 7(a) lenders;

(D) steps taken by the Administrator to mitigate the risks identified in subparagraphs (A), (B), and (C);

(E) the number of 7(a) lenders, the number of loans made, and the gross and net dollar amount of loans made;

(F) the number and dollar amount of total losses, the number and dollar amount of total purchases, and the percentage and dollar amount of recoveries at the Administration;

(G) the number and type of enforcement actions recommended by the Director;

(H) the number and type of enforcement actions approved by the Lender Oversight Committee established under section 657u of this title;

(I) the number and type of enforcement actions disapproved by the Lender Oversight Committee; and

(J) the number and dollar amount of civil monetary penalties assessed.

**(i) Budget submission and justification**

The Director shall annually provide, in writing, a fiscal year budget submission for the Office and a justification for such submission to the Administrator. Such submission and justification shall—

(1) include salaries and expenses of the Office and the charge for the lender oversight fees;

(2) be submitted at or about the time of the budget submission by the President under section 1105(a) of title 31; and

(3) be maintained in an indexed form and made available for public review for a period of not less than 5 years beginning on the date of submission and justification.

(Pub. L. 85-536, §2[47], as added and amended Pub. L. 115-189, §3(a)(2), (b), June 21, 2018, 132 Stat. 1492, 1495.)

**PRIOR PROVISIONS**

A prior section 2[47] of Pub. L. 85-536 was renumbered section 2[49] and is set out as a note under section 631 of this title.

**AMENDMENTS**

2018—Subsec. (d). Pub. L. 115-189, §3(b), amended subsec. (d) generally. Prior to amendment, text read as follows: “With respect to 7(a) lenders, an employee of the Office shall—

“(1) be present for and supervise any such review that is conducted by a contractor of the Office on the premise of the 7(a) lender; and

“(2) supervise any such review that is not conducted on the premise of the 7(a) lender.”

**CHANGE OF NAME**

Pub. L. 115-189, §3(d)(1), June 21, 2018, 132 Stat. 1496, provided that: “Any reference in a law, regulation, guidance, document, paper, or other record of the United States to the Office of Credit Risk Management of the Small Business Administration shall be deemed a reference to the Office of Credit Risk Management, established under section 47 of the Small Business Act [15 U.S.C. 657t], as added by subsection (a).”

**EFFECTIVE DATE OF 2018 AMENDMENT**

Pub. L. 115-189, §3(b), June 21, 2018, 132 Stat. 1495, provided that the amendment made by section 3(b) is effective Jan. 1, 2019.

**TRANSFER OF FUNCTIONS**

Pub. L. 115-189, §3(c)(1), June 21, 2018, 132 Stat. 1496, provided that: “All functions of the Office of Credit Risk Management of the Small Business Administration, including the personnel, assets, and obligation of the Office of Credit Risk Management, as in existence on the day before the date of the enactment of this Act [June 21, 2018], shall be transferred to the Office of Credit Risk Management established under section 47 of the Small Business Act [15 U.S.C. 657t], as added by subsection (a).”

**ESTABLISHING A PROCESS FOR WAIVERS**

Pub. L. 115-189, §6, June 21, 2018, 132 Stat. 1498, provided that:

“(a) **IN GENERAL.**—If the Administrator [of the Small Business Administration] exercises statutory or regulatory authority to waive a regulation or requirement in the Standard Operating Procedures Manual or Policy Notice related to a program or function of the Office of Capital Access of the [Small Business] Administration, the waiver shall be in writing and be maintained in an indexed form.

“(b) **NO NEW WAIVER AUTHORITY.**—Nothing in subsection (a) shall be construed as creating new authority for the Administrator to waive regulations of the Administration.”

**DEFINITIONS OF TERMS USED IN PUB. L. 115-189**

Pub. L. 115-189, §2, June 21, 2018, 132 Stat. 1492, provided that: “In this Act [see Short Title of 2018 Amendment note set out under section 631 of this title], the terms ‘Administration’ and ‘Administrator’ mean the Small Business Administration and the Administrator thereof, respectively.”

**§ 657u. Lender Oversight Committee**

**(a) Establishment**

There is established within the Administration the Lender Oversight Committee (in this section referred to as the “Committee”).

**(b) Membership**

The Committee shall consist of at least 8 members selected by the Administrator, of which—

(1) 3 members shall be voting members, 2 of whom shall be career appointees in the Senior Executive Service (as defined in section 3132 of title 5); and

(2) the remaining members shall be non-voting members who shall serve in an advisory capacity on the Committee.

**(c) Duties**

The Committee shall—

(1) review reports on lender oversight activities;

(2) review formal enforcement action recommendations of the Director of the Office of Credit Risk Management with respect to any lender making loans under section 636(a) of this title and any Lending Partner or Intermediary participant of the Administration in a lending program of the Office of Capital Access of the Administration;

(3) in carrying out paragraph (2) with respect to formal enforcement actions taken under subsection (d) or (e) of section 650 of this title, vote to recommend or not recommend action to the Administrator or a designee of the Administrator;

(4) in carrying out paragraph (2) with respect to any formal enforcement action not specified under subsection (d) or (e) of section 650 of this title, vote to approve, disapprove, or modify the action;

(5) review, in an advisory capacity, any lender oversight, portfolio risk management, or program integrity matters brought by the Director; and

(6) take such other actions and perform such other functions as may be delegated to the Committee by the Administrator.

#### (d) Meetings

##### (1) In general

The Committee shall meet as necessary, but not less frequently than on a quarterly basis.

##### (2) Reports

The Committee shall submit to the Administrator a report detailing each meeting of the Committee, including if the Committee does or does not vote to approve a formal enforcement action of the Director of the Office of Credit Risk Management with respect to a lender.

(Pub. L. 85-536, §2[48], as added Pub. L. 115-189, §3(a)(2), June 21, 2018, 132 Stat. 1494.)

##### CHANGE OF NAME

Pub. L. 115-189, §3(d)(2), June 21, 2018, 132 Stat. 1496, provided that: "Any reference in a law, regulation, guidance, document, paper, or other record of the United States to the Lender Oversight Committee of the Small Business Administration shall be deemed a reference to the Lender Oversight Committee, established under section 48 of the Small Business Act [15 U.S.C. 657u], as added by subsection (a)."

##### TRANSFER OF FUNCTIONS

Pub. L. 115-189, §3(c)(2), June 21, 2018, 132 Stat. 1496, provided that: "All functions of the Lender Oversight Committee of the Small Business Administration, including the personnel, assets, and obligations of the Lender Oversight Committee, as in existence on the day before the date of the enactment of this Act [June 21, 2018], shall be transferred to the Lender Oversight Committee established under section 48 of the Small Business Act [15 U.S.C. 657u], as added by subsection (a)."

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