

Editorial Notes**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.”

Statutory Notes and Related Subsidiaries**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 a 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.)

Statutory Notes and Related Subsidiaries**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).”

CHAPTER 14B—SMALL BUSINESS INVESTMENT PROGRAM

SUBCHAPTER I—GENERAL PROVISIONS

- Sec.
- 661. Congressional declaration of policy.
- 662. Definitions.

SUBCHAPTER II—SMALL BUSINESS INVESTMENT DIVISION OF SMALL BUSINESS ADMINISTRATION

- 671. Establishment; Associate Administrator; appointment and compensation.
- 672. Repealed.

SUBCHAPTER III—INVESTMENT DIVISION PROGRAMS

PART A—SMALL BUSINESS INVESTMENT COMPANIES

- 681. Organization.
- 682. Capital requirements.
- 683. Borrowing operations.
- 684. Equity capital for small-business concerns.
- 685. Long-term loans to small-business concerns.
- 686. Aggregate limitations on amount of assistance to any single enterprise.
- 687. Operation and regulation of companies.
- 687a. Revocation and suspension of licenses; cease and desist orders.
- 687b. Investigations and examinations; power to subpoena and take oaths and affirmations; aid of courts; examiners; reports.
- 687c. Injunctions and other orders.
- 687d. Conflicts of interest.
- 687e. Removal or suspension of management officials.
- 687f. Unlawful acts and omissions by officers, directors, employees, or agents.
- 687g. Penalties and forfeitures.
- 687h. Jurisdiction and service of process.
- 687i, 687j. Repealed.
- 687k. Guaranteed obligations not eligible for purchase by Federal Financing Bank.
- 687l. Issuance and guarantee of trust certificates.
- 687m. Periodic issuance of guarantees and trust certificates.
- 688. Repealed.

PART B—NEW MARKETS VENTURE CAPITAL PROGRAM

- 689. Definitions.
- 689a. Purposes.
- 689b. Establishment.
- 689c. Selection of New Markets Venture Capital companies.
- 689d. Debentures.
- 689e. Issuance and guarantee of trust certificates.
- 689f. Fees.
- 689g. Operational assistance grants.
- 689h. Bank participation.
- 689i. Federal Financing Bank.
- 689j. Reporting requirement.
- 689k. Examinations.
- 689l. Injunctions and other orders.
- 689m. Additional penalties for noncompliance.
- 689n. Unlawful acts and omissions; breach of fiduciary duty.
- 689o. Removal or suspension of directors or officers.
- 689p. Regulations.
- 689q. Authorization of appropriations.

PART C—RENEWABLE FUEL CAPITAL INVESTMENT PILOT PROGRAM

- 690. Definitions.

- Sec.
- 690a. Purposes.
- 690b. Establishment.
- 690c. Selection of Renewable Fuel Capital Investment companies.
- 690d. Debentures.
- 690e. Issuance and guarantee of trust certificates.
- 690f. Fees.
- 690g. Fee contribution.
- 690h. Operational assistance grants.
- 690i. Bank participation.
- 690j. Federal Financing Bank.
- 690k. Reporting requirement.
- 690l. Examinations.
- 690m. Miscellaneous.
- 690n. Removal or suspension of directors or officers.
- 690o. Regulations.
- 690p. Authorizations of appropriations.
- 690q. Termination.

SUBCHAPTER IV—STATE CHARTERED INVESTMENT COMPANIES AND STATE DEVELOPMENT COMPANIES

- 691. Repealed.

SUBCHAPTER IV-A—GUARANTEES

PART A—COMMERCIAL OR INDUSTRIAL LEASE AND QUALIFIED CONTRACT GUARANTEES

- 692. Authority of Administration to guarantee payment of rentals by small business concerns under leases of commercial and industrial property.
- 693. Powers of Administration respecting loans; liquidation of obligations through creation of new leases, execution of subleases, and assignments of leases.
- 694. Repealed.
- 694-1. Planning design or installation of pollution control facilities.
- 694-2. Revolving fund for qualified contract guarantees; investment of idle funds.

PART B—SURETY BOND GUARANTEES

- 694a. Definitions.
- 694b. Surety bond guarantees.
- 694c. Revolving fund for surety bond guarantees.

SUBCHAPTER V—LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

- 695. State development companies.
- 696. Loans for plant acquisition, construction, conversion and expansion.
- 697. Development company debentures.
- 697a. Private debenture sales.
- 697b. Pooling of debentures.
- 697c. Restrictions on development company assistance.
- 697d. Accredited Lenders Program.
- 697e. Premier Certified Lenders Program.
- 697f. Prepayment of development company debentures.
- 697g. Foreclosure and liquidation of loans.

SUBCHAPTER I—GENERAL PROVISIONS

§ 661. Congressional declaration of policy

It is declared to be the policy of the Congress and the purpose of this chapter to improve and stimulate the national economy in general and the small-business segment thereof in particular by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for the sound financing of their business operations and for their growth, expansion, and modernization, and which are not available