117TH CONGRESS
1ST SESSION

H. R. ______

To amend the Consumer Financial Protection Act of 2010 to require the
Bureau of Consumer Financial Protection to require reports and conduct
examinations on a periodic basis of nondepository financial institutions
for purposes of assessing compliance with the requirements of the Equal
Credit Opportunity Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. ______ introduced the following bill; which was referred to the
Committee on ______

A BILL

To amend the Consumer Financial Protection Act of 2010
to require the Bureau of Consumer Financial Protection
to require reports and conduct examinations on a peri-
odic basis of nondepository financial institutions for pur-
poses of assessing compliance with the requirements of
the Equal Credit Opportunity Act, and for other pur-
poses.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Promoting Fair Lending to Small Businesses Act”.

SEC. 2. SUPERVISION OF NONDEPOSITORY PERSONS SUBJECT TO SMALL BUSINESS DATA COLLECTION REQUIREMENTS.

(a) IN GENERAL.—The Consumer Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.) is amended by adding, after section 1024, the following:

“SEC. 1024A. SUPERVISION OF NONDEPOSITORY PERSONS SUBJECT TO SMALL BUSINESS DATA COLLECTION REQUIREMENTS.

“(a) IN GENERAL.—

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

“(A) assessing compliance with the requirements of the Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.);

“(B) obtaining information about the activities and compliance systems or procedures of such nondepository financial institutions; and

“(C) detecting and assessing risks to small businesses and to markets for small business credit.”
“(2) RISK-BASED SUPERVISION PROGRAM.—

The Bureau shall exercise the Bureau’s authority under paragraph (1) in a manner designed to ensure that such exercise, with respect to nondepository financial institutions, is based on the assessment by the Bureau of the risks posed to small businesses in the relevant product markets and geographic markets, and taking into consideration, as applicable—

“(A) the annual revenue of the nondepository financial institution;

“(B) the volume of transactions involving small business credit in which the nondepository financial institution engages;

“(C) the risks to small businesses created by the provision of such small business credit;

“(D) the extent to which the nondepository financial institution is subject to oversight by State authorities for fair lending in the provision of small business credit; and

“(E) any other factors that the Bureau determines to be relevant to a class of nondepository financial institutions.

“(b) DEFINITIONS.—In this section:
“(1) NONDEPOSITORY FINANCIAL INSTITUTION.—The term ‘nondepository financial institution’ means a person who—

“(A) is a financial institution, as defined in section 704B(h) of the Equal Credit Opportunity Act (15 U.S.C. 1691c-2(h));

“(B) is required to collect and report information under Bureau regulations prescribed under section 704B(g) of the Equal Credit Opportunity Act (15 U.S.C. 1691c-2(g)); and

“(C) is not an insured depository institution or an insured credit union.

“(2) SMALL BUSINESS.—The term ‘small business’ has the meaning given that term under 704B(h) of the Equal Credit Opportunity Act (15 U.S.C. 1691c-2(h)) and any regulations issued by the Bureau.”.

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

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