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(Original Signature of Member)

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 periodic basis of nondepository financial institutions for purposes of assessing compliance with the requirements of the Equal Credit Opportunity Act, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Promoting Fair Lend-
3 ing to Small Businesses Act”.

4 **SEC. 2. SUPERVISION OF NONDEPOSITORY PERSONS SUB-**
5 **JECT TO SMALL BUSINESS DATA COLLEC-**
6 **TION REQUIREMENTS.**

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

10 **“SEC. 1024A. SUPERVISION OF NONDEPOSITORY PERSONS**
11 **SUBJECT TO SMALL BUSINESS DATA COLLEC-**
12 **TION REQUIREMENTS.**

13 “(a) IN GENERAL.—

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

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

21 “(B) obtaining information about the ac-
22 tivities and compliance systems or procedures of
23 such nondepository financial institutions; and

24 “(C) detecting and assessing risks to small
25 businesses and to markets for small business
26 credit.

1 “(2) RISK-BASED SUPERVISION PROGRAM.—

2 The Bureau shall exercise the Bureau’s authority
3 under paragraph (1) in a manner designed to ensure
4 that such exercise, with respect to nondepository fi-
5 nancial institutions, is based on the assessment by
6 the Bureau of the risks posed to small businesses in
7 the relevant product markets and geographic mar-
8 kets, and taking into consideration, as applicable—

9 “(A) the annual revenue of the nondeposi-
10 tory financial institution;

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

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

16 “(D) the extent to which the nondepository
17 financial institution is subject to oversight by
18 State authorities for fair lending in the provi-
19 sion of small business credit; and

20 “(E) any other factors that the Bureau de-
21 termines to be relevant to a class of nondeposi-
22 tory financial institutions.

23 “(b) DEFINITIONS.—In this section:

1 “(1) NONDEPOSITORY FINANCIAL INSTITU-
2 TION.—The term ‘nondepository financial institu-
3 tion’ means a person who—

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

7 “(B) is required to collect and report infor-
8 mation under Bureau regulations prescribed
9 under section 704B(g) of the Equal Credit Op-
10 portunity Act (15 U.S.C. 1691c-2(g)); and

11 “(C) is not an insured depository institu-
12 tion or an insured credit union.

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

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

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