

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 5788

To amend title V of the Small Business Investment Act of 1958 to require an annual portfolio risk analysis of loans guaranteed under such title, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 17, 2025

Mr. TRAN (for himself and Mr. PATRONIS) introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To amend title V of the Small Business Investment Act of 1958 to require an annual portfolio risk analysis of loans guaranteed under such title, 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 “504 Program Risk  
5 Oversight Act”.

1 **SEC. 2. PORTFOLIO RISK ANALYSIS OF LOANS GUARAN-**  
2 **TEED UNDER THE 504 PROGRAM.**

3 Title V of the Small Business Investment Act of 1958  
4 (15 U.S.C. 695 et seq.) is amended by adding at the end  
5 the following:

6 **“SEC. 511. PORTFOLIO RISK ANALYSIS.**

7 “(a) IN GENERAL.—The Administrator shall annu-  
8 ally conduct a risk analysis of the portfolio of the Adminis-  
9 tration with respect to all loans guaranteed under this  
10 title.

11 “(b) REPORT TO CONGRESS.—Not later than Decem-  
12 ber 1, 2025, and annually thereafter, the Administrator  
13 shall submit to Congress a report containing the results  
14 of each portfolio risk analysis conducted under subsection  
15 (a) during the fiscal year preceding the submission of the  
16 report, which shall include—

17 “(1) an analysis of the overall program risk of  
18 loans guaranteed under this title;

19 “(2) an analysis of the program risk, set forth  
20 separately by industry concentration;

21 “(3) without identifying individual development  
22 companies by name, a consolidated analysis of the  
23 risk created by development companies making loans  
24 under this title that are responsible for not less than  
25 1 percent of gross loan approvals under this title, set  
26 forth separately by—

1           “(A) the dollar value of the loans made by  
2 such development companies;

3           “(B) the number of loans made by such  
4 development companies; and

5           “(C) an analysis of the program risk for  
6 such loans with a dollar value—

7                   “(i) less than or equal to \$500,000;

8                   “(ii) greater than \$500,000 and less  
9 than or equal to \$1,000,000;

10                   “(iii) greater than \$1,000,000 and  
11 less than or equal to \$2,000,000; and

12                   “(iv) greater than \$2,000,000 and  
13 less than or equal to \$5,500,000;

14           “(4) an analysis of the program risk for loan  
15 guarantees made under this title for loans that were  
16 originated—

17                   “(A) less than one year before the date of  
18 submission of the report;

19                   “(B) at least one year, but not more than  
20 two years before such date; and

21                   “(C) more than two years before such  
22 date;

23           “(5) an analysis of the program risk for loan  
24 guarantees made under this title for loans that were  
25 originated—

1           “(A) to a borrower that uses such loan to  
2           open a business;

3           “(B) to a borrower not described in sub-  
4           paragraph (A) that is a business concern that  
5           has been in operation for less than or equal to  
6           two years before the date of origination; and

7           “(C) to a borrower that is a business con-  
8           cern that has been in operation for more than  
9           two years on the date of origination;

10          “(6) an analysis of the program risk for loan  
11          guarantees made under this title for loans that were  
12          originated for limited or special purpose properties;

13          “(7) steps taken by the Administrator to miti-  
14          gate the risks identified in paragraphs (1), (2), (3),  
15          (4), (5), and (6);

16          “(8) the number of development companies, the  
17          number of loans made, and the gross dollar amount  
18          of the loans made under this title;

19          “(9) the number and total dollar amount of  
20          purchases by the Administrator of the principal and  
21          interest of loans guaranteed under this title that are  
22          in default, the total dollar amount of collections re-  
23          covered on such purchases, and the number and  
24          total dollar amount of charge-offs for such pur-  
25          chases;

1           “(10) the number and type of enforcement ac-  
2           tions with respect to a loan made by a development  
3           company under this title recommended by the Ad-  
4           ministrator; and

5           “(11) the number and dollar amount of any  
6           civil monetary penalty assessed pursuant to an en-  
7           forcement action described in paragraph (10).

8           “(c) AVAILABILITY OF REPORT.—The Administrator  
9           shall make available to the public on a website of the Ad-  
10          ministration the report required under subsection (b) not  
11          later than 7 days after the Administrator submits such  
12          report to Congress.

13          “(d) LIMITED OR SPECIAL PURPOSE PROPERTY DE-  
14          FINED.—In this section, the term ‘limited or special pur-  
15          pose property’ has the meaning given by the Administrator  
16          in the guidance titled ‘Lender and Development Company  
17          Loan Programs’ (SOP 50 10 8; as in effect on June 1,  
18          2025).”.

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