

119TH CONGRESS
2^D SESSION

H. R. 5788

IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 15), 2026

Received; read twice and referred to the Committee on Small Business and
Entrepreneurship

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “504 Program Risk
3 Oversight Act”.

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

6 Title V of the Small Business Investment Act of 1958
7 (15 U.S.C. 695 et seq.) is amended by adding at the end
8 the following:

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

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

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

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

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

24 “(3) without identifying individual development
25 companies by name, a consolidated analysis of the
26 risk created by development companies making loans

1 under this title that are responsible for not less than
2 1 percent of gross loan approvals under this title, set
3 forth separately by—

4 “(A) the dollar value of the loans made by
5 such development companies;

6 “(B) the number of loans made by such
7 development companies; and

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

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

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

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

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

17 “(4) an analysis of the program risk for loan
18 guarantees made under this title for loans that were
19 originated—

20 “(A) less than one year before the date of
21 submission of the report;

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

24 “(C) more than two years before such
25 date;

1 “(5) an analysis of the program risk for loan
2 guarantees made under this title for loans that were
3 originated—

4 “(A) to a borrower that uses such loan to
5 open a business;

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

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

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

16 “(7) steps taken by the Administrator to miti-
17 gate the risks identified in paragraphs (1), (2), (3),
18 (4), (5), and (6);

19 “(8) the number of development companies, the
20 number of loans made, and the gross dollar amount
21 of the loans made under this title;

22 “(9) the number and total dollar amount of
23 purchases by the Administrator of the principal and
24 interest of loans guaranteed under this title that are
25 in default, the total dollar amount of collections re-

1 covered on such purchases, and the number and
2 total dollar amount of charge-offs for such pur-
3 chases;

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

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

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

16 “(d) LIMITED OR SPECIAL PURPOSE PROPERTY DE-
17 FINED.—In this section, the term ‘limited or special pur-
18 pose property’ has the meaning given by the Administrator
19 in the guidance titled ‘Lender and Development Company
20 Loan Programs’ (SOP 50 10 8; as in effect on June 1,
21 2025).”.

Passed the House of Representatives January 20,
2026.

Attest:

KEVIN F. MCCUMBER,

Clerk.