

Union Calendar No. 352

119TH CONGRESS
1ST SESSION

H. R. 5788

[Report No. 119–404]

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.

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

DECEMBER 12, 2025

Additional sponsors: Mr. CISNEROS and Ms. GOODLANDER

DECEMBER 12, 2025

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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”.

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

8 Title V of the Small Business Investment Act of 1958
9 (15 U.S.C. 695 et seq.) is amended by adding at the end
10 the following:

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

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

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

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

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

1 “(3) without identifying individual development
2 companies by name, a consolidated analysis of the
3 risk created by development companies making loans
4 under this title that are responsible for not less than
5 1 percent of gross loan approvals under this title, set
6 forth separately by—

7 “(A) the dollar value of the loans made by
8 such development companies;

9 “(B) the number of loans made by such
10 development companies; and

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

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

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

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

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

20 “(4) an analysis of the program risk for loan
21 guarantees made under this title for loans that were
22 originated—

23 “(A) less than one year before the date of
24 submission of the report;

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

3 “(C) more than two years before such
4 date;

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

8 “(A) to a borrower that uses such loan to
9 open a business;

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

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

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

20 “(7) steps taken by the Administrator to miti-
21 gate the risks identified in paragraphs (1), (2), (3),
22 (4), (5), and (6);

23 “(8) the number of development companies, the
24 number of loans made, and the gross dollar amount
25 of the loans made under this title;

1 “(9) the number and total dollar amount of
2 purchases by the Administrator of the principal and
3 interest of loans guaranteed under this title that are
4 in default, the total dollar amount of collections re-
5 covered on such purchases, and the number and
6 total dollar amount of charge-offs for such pur-
7 chases;

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

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

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

20 “(d) LIMITED OR SPECIAL PURPOSE PROPERTY DE-
21 FINED.—In this section, the term ‘limited or special pur-
22 pose property’ has the meaning given by the Administrator
23 in the guidance titled ‘Lender and Development Company
24 Loan Programs’ (SOP 50 10 8; as in effect on June 1,
25 2025).”.

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