

119TH CONGRESS  
2D SESSION

# S. 3980

To authorize the creation of “Lending.gov” as a shared services platform to provide a single source of access to loans provided by Federal agencies, and modern technology to support effective management of Federal credit programs, in order to reduce costs, prevent fraud, increase the speed of origination, improve transparency, improve access and customer experience, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 4, 2026

Mrs. BLACKBURN (for herself and Ms. HASSAN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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## A BILL

To authorize the creation of “Lending.gov” as a shared services platform to provide a single source of access to loans provided by Federal agencies, and modern technology to support effective management of Federal credit programs, in order to reduce costs, prevent fraud, increase the speed of origination, improve transparency, improve access and customer experience, 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 “Federal Loan Systems  
3 Modernization Act of 2026”.

4 **SEC. 2. DEFINITIONS.**

5       In this Act:

6           (1) **ADMINISTRATOR; ADMINISTRATION.**—The  
7       terms “Administrator” and “Administration” mean  
8       the Administrator of General Services and the Gen-  
9       eral Services Administration, respectively.

10          (2) **AGENCY.**—The term “agency” has the  
11       meaning given the term in section 551 of title 5,  
12       United States Code.

13          (3) **APPROPRIATE CONGRESSIONAL COMMIT-**  
14       **TEES.**—The term “appropriate congressional com-  
15       mittees” means—

16           (A) the Committee on Homeland Security  
17       and Governmental Affairs of the Senate; and

18           (B) the Committee on Oversight and Gov-  
19       ernment Reform of the House of Representa-  
20       tives.

21          (4) **CUSTOMER AGENCY.**—The term “customer  
22       agency” means an agency participating in the Plat-  
23       form.

24          (5) **DIRECTOR.**—The term “Director” means  
25       the Director of the Office of Management and Budg-  
26       et.

1           (6) FEDERAL LOAN PROGRAM.—The term  
 2           “Federal loan program” means any direct or guar-  
 3           anteed Federal loan or credit program administered  
 4           by an agency.

5           (7) LOAN MANAGEMENT.—The term “loan  
 6           management” means a collection of credit program  
 7           loan and loan guarantee administrative activities,  
 8           such as application intake and process, under-  
 9           writing, servicing, close-out, information exchange,  
 10          document creation, reporting, and fraud detection,  
 11          that—

12                   (A) are executed at the various phases of  
 13                   the Federal lending process;

14                   (B) are core to effective program delivery,  
 15                   financial management, and customer experi-  
 16                   ence;

17                   (C) are subject to modernization; and

18                   (D) do not entail any change of authority  
 19                   of the agency overseeing the function of a Fed-  
 20                   eral loan program.

21          (8) LOAN MANAGEMENT TECHNOLOGY.—The  
 22          term “loan management technology” means commer-  
 23          cial use software adapted to meet Federal loan pro-  
 24          gram requirements to streamline the execution of

1 administrative activities relating to Federal loan  
2 management.

3 (9) PLATFORM.—The term “Platform” means a  
4 centralized shared services lending platform estab-  
5 lished under section 4(a), which includes an elec-  
6 tronic portal for Federal direct lending applications,  
7 which shall be known as “Lending.gov”.

8 (10) PROVIDER.—The term “Provider” means  
9 a shared service provider of the Platform.

10 **SEC. 3. PURPOSE.**

11 The purposes of this Act are to—

12 (1) address the inefficiencies caused by using  
13 outdated and fragmented technology to manage mul-  
14 tiple Federal lending processes and Federal lending  
15 programs across agencies and mitigate consumer dif-  
16 ficulties accessing Federal loan programs by incor-  
17 porating commercially available technology to im-  
18 prove program effectiveness across all agencies  
19 through a dedicated loan application platform;

20 (2) authorize the creation of a centralized loan  
21 platform, to be known as “Lending.gov”, utilizing  
22 industry-standard, commercially available loan proc-  
23 essing software to streamline access to, and the ad-  
24 ministrative activities of, Federal loan programs in

1       accordance with section 3307 of title 41, United  
2       States Code;

3           (3) establish Government-wide requirements for  
4       loan management, which will serve as the guiding  
5       criteria in the selection of commercially available  
6       technology to manage the Platform; and

7           (4) provide agencies with the responsibility and  
8       authority for establishing and maintaining oversight  
9       of the Platform.

10 **SEC. 4. ESTABLISHMENT OF THE LENDING.GOV PLATFORM.**

11       Not later than 6 months after the date of enactment  
12 of this Act, the Administrator shall submit to the Director  
13 and the appropriate congressional committees a plan to  
14 establish the Platform utilizing commercially available  
15 loan management technology, which shall include—

16           (1) designation of a lead agency as the initial  
17       Provider and operational host of the Platform;

18           (2) a review of Federal loan programs subject  
19       to integration into the Platform, in coordination  
20       with the Federal Credit Policy Council, including the  
21       agency that is the designated authority for each  
22       such Federal loan program;

23           (3) common deficiencies and areas of wasteful  
24       spending resulting from the use of outdated systems,  
25       including the findings of reports from various in-

1       spectors general of agencies and reports from the  
2       Government Accountability Office, among agencies  
3       that can be addressed through the creation of the  
4       Platform utilizing modern loan management tech-  
5       nology;

6           (4) the proposed operational framework of the  
7       Platform;

8           (5) a plan to integrate commercial loan man-  
9       agement technology to assist with standing-up and  
10      operating the Platform at the best value to the Fed-  
11      eral Government, in accordance with section 3307 of  
12      title 41, United States Code;

13          (6) a timeline for implementation of the Plat-  
14      form; and

15          (7) an estimate of the costs of implementing the  
16      Platform.

17   **SEC. 5. OPERATIONS OF THE LENDING.GOV PLATFORM.**

18      (a) RESPONSIBILITIES OF THE PROVIDER.—The  
19   Provider shall—

20          (1) operate, maintain, and continuously improve  
21      the Platform, including all associated systems, tools,  
22      infrastructure, and customer-facing services nec-  
23      essary to support Federal loan programs;

1           (2) provide onboarding, technical assistance,  
2           and ongoing operational support to agencies migrat-  
3           ing to, or utilizing, the Platform;

4           (3) provide participating agencies loan servicing  
5           and portfolio management solutions encompassing  
6           both financial and non-financial elements necessary  
7           to support service levels, cost benchmarking, pro-  
8           gram oversight, risk management, and customer ex-  
9           perience metrics for both agencies and borrowers;

10          (4) ensure that the Platform complies with all  
11          applicable Federal requirements relating to cyberse-  
12          curity, privacy, information security, data govern-  
13          ance, cloud authorization, financial management,  
14          and credit program management;

15          (5) integrate commercially available loan man-  
16          agement technology appropriate for the efficient op-  
17          eration of Federal loan programs, including tools for  
18          application intake, underwriting, servicing, report-  
19          ing, fraud detection, and customer-experience man-  
20          agement;

21          (6) enter into interagency agreements, service-  
22          level agreements, or other arrangements necessary to  
23          provide shared services to customer agencies and to  
24          recover costs as appropriate;

1           (7) include auditable financial management and  
 2           subledger capabilities in the Platform that support  
 3           agency oversight, reconciliation, and documentation  
 4           of borrower remediation;

5           (8) ensure that customer agencies retain owner-  
 6           ship and full access to all program data generated  
 7           or maintained through the Platform; and

8           (9) ensure the portability of customer agency  
 9           data, including the ability to export all records in  
 10          standardized, non-proprietary formats.

11          (b) PROGRAM MANAGER SATISFACTION.—

12           (1) PRIMARY PERFORMANCE STANDARD.—Pro-  
 13          gram manager satisfaction at customer agencies  
 14          shall be a primary performance standard governing  
 15          the operation of the Platform.

16           (2) ANNUAL SURVEY.—The Provider shall, not  
 17          less frequently than annually, conduct a standard-  
 18          ized survey of relevant program managers and staff  
 19          at each customer agency to assess satisfaction with  
 20          the performance, functionality, service quality, and  
 21          reliability of the Platform.

22           (3) PUBLICATION OF RESULTS.—The Provider  
 23          shall—

24                   (A) transmit survey results to the Adminis-  
 25                   trator and the Director;



1 (B) provide such results to each customer  
2 agency; and

3 (C) make survey results publicly available  
4 in a manner consistent with applicable law and  
5 protection of sensitive information.

6 (4) REMEDIATION PLANS.—If survey results in-  
7 dicate that satisfaction for any customer agency or  
8 functional area falls below thresholds established  
9 jointly by the Provider and the Administrator, the  
10 Provider shall—

11 (A) develop a remediation plan to address  
12 identified deficiencies;

13 (B) submit the plan described in subpara-  
14 graph (A) to the customer agency and Adminis-  
15 trator not later than 60 days after survey re-  
16 sults are finalized;

17 (C) implement the plan described in sub-  
18 paragraph (A) promptly; and

19 (D) report quarterly to the customer agen-  
20 cy and Administrator on progress in resolving  
21 deficiencies until satisfaction thresholds are  
22 met.

23 (5) CONSULTATION REQUIREMENT.—In devel-  
24 oping remediation plans under paragraph (4), the  
25 Provider shall consult directly with the program

1 managers and senior officials of the affected cus-  
2 tomer agency.

3 (c) CUSTOMER AGENCY ACCESS.—Employees of the  
4 Provider shall be provided with appropriate badges and  
5 system access by customer agencies to facilitate seamless  
6 service provision and communications with employees of  
7 the customer agency.

8 (d) PERFORMANCE DASHBOARDS AND REPORT-  
9 ING.—The Provider shall establish, maintain, and make  
10 available to the Administrator, the Director, and customer  
11 agencies performance dashboards and regular reports on  
12 Platform availability, processing times, service levels, sys-  
13 tem performance, and other operational metrics, including  
14 metrics derived from subsection (b).

15 (e) COORDINATION AND OVERSIGHT.—The Provider  
16 shall carry out its responsibilities under this section in co-  
17 ordination with the Administrator and the Director and  
18 subject to oversight under section 7.

19 **SEC. 6. MIGRATION TO PLATFORM.**

20 (a) IN GENERAL.—Not later than 2 years after the  
21 date on which the Administrator submits the report re-  
22 quired under section 4, the Director, in consultation with  
23 the Administrator and the Provider and in collaboration  
24 with the heads of relevant agencies, shall commence mi-

1 gration of other agency loan management systems to the  
2 Platform, as outlined in the report.

3 (b) DEADLINE.—Not later than 3 years after the  
4 date of enactment of this Act, each agency that admin-  
5 isters a Federal loan program shall complete migration of  
6 its loan management systems to the Platform established  
7 under section 4, unless granted an exception by the Direc-  
8 tor under subsection (c)(2).

9 (c) MIGRATION CRITERIA AND EXCEPTIONS.—

10 (1) CRITERIA FOR MIGRATION.—The Director  
11 shall, in consultation with the Administrator, estab-  
12 lish and publish criteria for determining which agen-  
13 cies shall migrate their loan management systems to  
14 the Platform, which shall include loan programs—

15 (A) that originate or service more than 50  
16 loans annually; or

17 (B) with loan amounts of more than  
18 \$10,000,000 in the aggregate.

19 (2) EXCEPTIONS.—

20 (A) IN GENERAL.—The Director may  
21 grant an exception to the migration require-  
22 ment under this section if the Director—

23 (i) determines that migration would  
24 be impracticable or contrary to the interest  
25 of program efficiency; and

1 (ii) notifies the appropriate congressional committees not later than 30 days  
2 after making that determination.

3 (B) DURATION.—The Director may grant  
4 an exception under subparagraph (A) for a period of no longer than 3 years.

5 (C) NOTIFICATION.—The Director shall  
6 notify the Administrator of any exception  
7 granted under this paragraph not later than 15  
8 days after making such determination.

9 (D) PLAN.—Any agency that is granted an  
10 exception under subparagraph (A) shall, not  
11 later than 2 years of being granted an exception,  
12 develop a plan for migration after the initial  
13 exception period under subparagraph (B).

14 **SEC. 7. OVERSIGHT OF MIGRATION AND MANAGEMENT.**

15 (a) IN GENERAL.—The Administrator shall provide  
16 oversight of the migration to, and management of, the  
17 Platform established under this Act, including—

18 (1) reviewing the adequacy of the operational  
19 framework of the Administration for the Platform,  
20 in consultation with the Federal Credit Policy Council;  
21

22 (2) establishing Government-wide standards for  
23 loan management, in coordination with the Director  
24  
25

1 and the Federal Credit Policy Council, that shall  
2 apply to the Provider and all Federal credit pro-  
3 grams, and that shall facilitate migration to the  
4 Platform and efficient operations of loan manage-  
5 ment activities;

6 (3) providing a recommendation to the Director  
7 on each exception granted under section 6(c), includ-  
8 ing an analysis of the impact of such an exception  
9 on the long-term Government-wide cost effectiveness  
10 of loan management and the financial sustainability  
11 of the Platform;

12 (4) monitoring agency compliance with migra-  
13 tion requirements under section; and

14 (5) submitting to the appropriate congressional  
15 committees an annual report on the status of agency  
16 migrations, any exceptions granted by the Director  
17 under section 6(c)(2), the service levels provided to  
18 customer agencies of the Platform, any rec-  
19 ommended investments or policy changes required to  
20 improve the functionality of the Platform, and an  
21 analysis of the long-term government-wide cost effec-  
22 tiveness of loan management.

23 (b) AUTHORITY TO ESTABLISH A MARKETPLACE.—

24 (1) IN GENERAL.—After establishment of the  
25 initial Platform, the Administrator shall make an as-

1        sessment to determine if further adoption, service  
 2        level improvements, and cost efficiencies would be  
 3        achieved through the designation of additional Pro-  
 4        viders to create a shared services marketplace, and  
 5        if so, make such a recommendation to the Director.

6            (2) ADDITIONAL DESIGNATIONS.—

7            (A) IN GENERAL.—Based on the rec-  
 8            ommendation made under paragraph (1), the  
 9            Director may designate up to 3 additional agen-  
 10          cies as shared service providers to assume and  
 11          fulfill the authorities and responsibilities out-  
 12          lined for the Provider in section 5.

13          (B) REQUIREMENTS.—Any additional des-  
 14          ignated shared service providers under subpara-  
 15          graph (A)—

16            (i) shall utilize the public facing capa-  
 17            bilities established and managed by the ini-  
 18            tial Provider and operational host of the  
 19            Platform designated under section 4(a) to  
 20            promote a consistent experience for loan  
 21            applicants through the Platform and re-  
 22            duce fragmentation across systems; and

23            (ii) may otherwise manage separate  
 24            loan management support functions, with  
 25            the approval of the Administrator.

1 **SEC. 8. FINANCING OPERATIONS.**

2 (a) IN GENERAL.—Customer agencies shall reim-  
3 burse the Provider for services through interagency agree-  
4 ments, service-level agreements, or other arrangements  
5 necessary to provide shared services through the Platform  
6 to participating customer agencies and to recover costs as  
7 appropriate.

8 (b) REMITTANCE FEE.—

9 (1) IN GENERAL.—To provide for ongoing oper-  
10 ations and maintenance efforts to maintain the func-  
11 tioning standards of the Platform, the Provider may  
12 collect a remittance fee that shall be applied with re-  
13 spect to each Federal loan serviced through the Plat-  
14 form.

15 (2) AMOUNT.—The amount of the remittance  
16 fee collected under paragraph (1) shall be deter-  
17 mined by the Provider in consultation with the Ad-  
18 ministrator, but shall be not more than 0.25 percent  
19 of the face value of the Federal loan serviced, unless  
20 otherwise authorized by law or guidance issued by  
21 the Director.

22 (3) LIMIT FOR DIRECT LOANS TO INDIVID-  
23 UALS.—A remittance fee under paragraph (1) shall  
24 not be assessed with respect to any direct loan made  
25 to an individual borrower unless the head of the  
26 agency administering the applicable Federal loan

1       program submit to the Director a certification  
2       that—

3               (A) provides that the assessment of the fee  
4               will not materially impair borrower afford-  
5               ability, program access, or the statutory objec-  
6               tives of the Federal loan program;

7               (B) includes an analysis of borrower im-  
8               pact; and

9               (C) shall be made available to the Adminis-  
10              trator and on the Platform.

11       (c) FUND.—All remittance fees collected under this  
12       section shall be held in a dedicated fund and shall be used  
13       exclusively for the operations of, and maintenance activi-  
14       ties related to, the Platform, which funds—

15              (1) may be transferred by the Provider to cus-  
16              tomer agencies, with the approval of the Adminis-  
17              trator, to support necessary migration, operations,  
18              and maintenance activities; and

19              (2) shall remain available until expended.

○