

percent were in plain English. Most were rated difficult or very difficult to read. There is no other way to describe it. It is unacceptable.

Furthermore, of the 33 million small businesses operating in America, 74,000, only 0.22 percent, successfully secure Federal contracts. Mr. Speaker, 0.22 percent is just 1 in every 446 contracts. That is all.

When small businesses are shut out from opportunities because they are overwhelmed by the language, we don't just lose a bidder. We lose innovation. We lose local job creation. Oftentimes, we lose a better price.

The government should facilitate small businesses and not be a barrier. Federal agencies should speak in terms that are clear, consistent, and accessible to the American people.

The Plain Language in Contracting Act does just that. This bill creates a level playing field and ensures every small business can compete for a government contract without needing a lawyer.

I thank Chairman WILLIAMS and his staff, my colleagues from both sides of the aisle, and the entire Small Business Committee for supporting this commonsense solution.

Mr. Speaker, I urge all Members to support this bill.

MCGARVEY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. TRAN).

Mr. TRAN. Mr. Speaker, I rise today in support of H.R. 787, the Plain Language in Contracting Act.

Far too often, bureaucratic barriers and complex government jargon prevent small business owners, especially veterans and immigrant entrepreneurs, from accessing and securing Federal contracting opportunities.

I consistently hear from small business owners in Orange County that the main reason they do not apply for Federal contracts is that the barriers to entry are simply too high.

H.R. 787 will address this barrier facing small business owners and mandate Federal agencies to use clear and accessible language in their contracting opportunities.

I am proud to co-lead this bill, and I thank the gentleman from Long Island (Mr. LALOTA) for working with me to improve the SBA and simplify the Federal contracting process. Let's continue to empower local businesses and ensure that every entrepreneur has the opportunity to succeed.

Mr. Speaker, I urge my colleagues to vote "yes" on this bipartisan bill.

Mr. MCGARVEY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we will put this in really plain words, since that is what the bill does. Small businesses need to be able to understand what is happening in these contracts. Having language that is easy to understand will enable them to apply for these contracts, which enables them to bring their talents and their innovation to bear in our Federal Government.

Over the last decade, small businesses have been leaving at an alarming rate. Nothing we are doing is working to reverse that trend. In fact, the number of small business vendors in the government's ecosystem has been cut nearly in half.

Having this bill will make it easier for small business owners, people who are already working around the clock, to make their business successful for themselves, their communities, and their employees. They will now have an easier chance of applying for a contract with the Federal Government.

I am hopeful when this legislation is implemented, it will contribute to that goal. I thank the bill's sponsors.

Mr. Speaker, I yield back the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, I urge my colleagues to support this commonsense legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. WILLIAMS) that the House suspend the rules and pass the bill, H.R. 787, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TRANSPARENCY AND PREDICTABILITY IN SMALL BUSINESS OPPORTUNITIES ACT

Mr. WILLIAMS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 789) to require the Administrator of the Small Business Administration to issue rules for cancelled covered solicitations, to amend the Small Business Act to provide assistance to small business concerns relating to certain cancelled solicitations, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Transparency and Predictability in Small Business Opportunities Act".

SEC. 2. SMALL BUSINESS ADMINISTRATION RULES FOR CANCELLED COVERED SOLICITATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue rules as follows:

(1) Requiring disclosure of information about a covered solicitation that was issued and cancelled that includes the following:

(A) A justification for the cancellation of such covered solicitation.

(B) Available information about any plans to reissue such covered solicitation and any associated timeframes for such reissuance.

(C) Available information about any plans to include the requirements of such covered solicitation in another contract or task order of the Federal agency.

(2) With respect to a cancelled covered solicitation which the Federal agency does not intend to reissue, establishing procedures for the referral of a small business concern (as defined under section 3 of the Small Business Act (15 U.S.C. 632)) that prepared a bid for such covered solicitation to the Director of Small and Disadvantaged Business Utilization (as defined in section 15(k) of such Act (15 U.S.C. 644(k))) of the Federal agency for assistance in identifying similar contracting opportunities.

(b) PUBLICATION.—The information required under subsection (a) shall be made publicly accessible on the single, Government-wide point of entry described under section 1708 of title 41, United States Code.

(c) COVERED SOLICITATION DEFINED.—In this section, the term "covered solicitation" means a solicitation of a Federal agency for a procurement for which two or more small business concerns were eligible to submit a bid.

SEC. 3. DUTIES FOR DIRECTORS OF OFFICES OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION RELATING TO CERTAIN CANCELLED SOLICITATIONS.

Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended—

(1) in paragraph (21), by striking the period at the end and inserting "; and"; and

(2) by adding at the end the following new paragraph:

"(22) shall, when notified by a small business concern that a Federal agency cancelled a solicitation for which such concern prepared a bid and such Federal agency does not intend to reissue such solicitation, assist such concern with identifying similar contracting opportunities.".

SEC. 4. NO ADDITIONAL FUNDS AUTHORIZED.

No additional funds are authorized to carry out the requirements of this Act and the amendments made by this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. WILLIAMS) and the gentleman from Kentucky (Mr. MCGARVEY) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in full support of H.R. 789, the Transparency and Predictability in Small Business Opportunities Act, introduced by Representatives LATIMER, ALFORD, and MFUME.

H.R. 789 seeks to bring clarity to small business owners when solicitations for contracts are canceled. Often, small businesses devote a considerable amount of time and resources in preparing these proposals for solicitations.

Unfortunately, these solicitations are often canceled by agencies with no explanation provided to the businesses that have already submitted proposals.

H.R. 789 will require agencies to share with the SBA information as to why the solicitation was canceled. Moreover, this bill requires agencies to assist small businesses impacted by the canceled solicitation by identifying similar contracts to bid on.

Small businesses deserve to have a full understanding of what opportunities are available to them and to know how agencies will fulfill their buying needs.

Mr. Speaker, I urge my colleagues to support H.R. 789, and I reserve the balance of my time.

Mr. MCGARVEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleagues, Representatives LATIMER, ALFORD, and MFUME, for their work on this important legislation.

Mr. Speaker, prior to this administration, government contracts provided small businesses with stability and predictability. The government was considered a reliable partner that could be trusted to keep its word and pay its bills.

Yet even before the chaos of the Trump administration, there were times when requirements legitimately changed and something the government intended to buy or do was no longer necessary.

In those previously rare instances, the government then canceled the solicitation. Unfortunately, any small business working on a bid lost all the time and money they had invested in the proposal.

Last year, a small business owner testified that it cost him an average of \$10,000 per proposal. If that solicitation was later canceled, the government did not have to provide him with any assistance or even any information.

This bill will change that. While we cannot make small businesses whole, we can make sure they are given additional information and assistance to help them adjust their operations and plans moving forward and hopefully to continue their participation in the Federal market.

Mr. Speaker, I reserve the balance of my time.

□ 1545

Mr. MCGARVEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LATIMER).

Mr. LATIMER. Mr. Speaker, I thank Mr. MCGARVEY for yielding.

Mr. Speaker, I recognize the colleagues who have joined me in leading this bill, Congressman ALFORD of Missouri, Congressman MFUME of Maryland, and Congresswoman GOODLANDER of New Hampshire. I appreciate the opportunity to work together and to highlight why this important legislation is needed.

Small business owners are often resource constrained. Every day, these individuals play the role of salesman, compliance officer, marketing professional, and more, often juggling a variety of business-related activities to support their business.

When a small business owner submits a proposal to work with the Federal Government, they invest considerable time and resources into making their submission the best it can be. They are also forced to navigate a complex and time-consuming contracting process while balancing their other important responsibilities.

Last year, the Small Business Committee heard testimony from a small business owner who said that solicitation proposals can cost a small business upward of \$10,000 worth of labor to draft, develop, review, and execute.

With that in mind, it can be rightfully frustrating for a small business owner if a Federal agency decides to cancel a solicitation without transparency into why that decision has been made. Without insight into how the decision was made, it can feel as though their hard work and considerable investment to submit a proposal was made in vain.

If we are serious about bringing more small businesses into Federal contracting, then we must ensure that businessowners have confidence and trust in their Federal partners. This bipartisan bill, the Transparency and Predictability in Small Business Opportunities Act, would improve accountability in the Federal contracting process for small businesses.

The bill would require SBA to issue rules requiring that when an agency cancels a solicitation, they must share a justification for why they are canceling the solicitation and provide information about any plans to reissue it. If an agency does not plan to reissue the solicitation, then the bill would create procedures for a small business to receive assistance in identifying similar contracting opportunities.

This bill passed the Small Business Committee unanimously in March and passed the House by voice vote in the last Congress. It is a bipartisan and commonsense solution to help our small businesses more successfully navigate the Federal contracting process.

Mr. Speaker, I urge all of my colleagues here to support this important bill.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. ALFORD).

Mr. ALFORD. Mr. Speaker, I thank the chair for yielding, and I thank our friend from Kentucky for his leadership.

Mr. Speaker, I rise today in strong support of H.R. 789, the Transparency and Predictability in Small Business Opportunities Act.

Small businesses aren't just part of our economy. They are our economy, Mr. Speaker. They are the innovators, the job creators, the backbone of our communities, and the heartbeat of Main Street America.

Far too often, as we have seen, they have been overlooked, underserved, and, frankly, undermined by the very

government they pay taxes to support. Federal agencies are simply not doing enough to open the door for small businesses to compete. Mr. Speaker, this must change.

To do that, I am proud to co-lead this bipartisan bill because supporting our small businesses should never be a Republican or Democratic issue. It is an American issue, Mr. Speaker.

Here is what is happening: When a Federal agency determines they have a need for certain products or services, then that agency's acquisition personnel will post a solicitation on the Federal Government's SAM.gov website for a contract to fill the requirements. That solicitation lays out what the agency wants to buy, how it will evaluate the bids, and when responses are due.

In good faith, small businesses dedicate precious time, money, and resources, sometimes thousands of dollars, to just submit these proposals. Too often, they are met with silence, confusion, or outright cancellation of the solicitation without any explanation. That is not just inefficient. That is unfair.

Agencies right now have broad discretion to cancel or amend solicitations without any transparency whatsoever. A small business can go all in on a contract proposal only to watch it vanish like that with no reason given. That is unacceptable.

H.R. 789 brings much-needed transparency and accountability to this process. It requires agencies to disclose why a solicitation was canceled because our small businesses deserve to know. Additionally, our bill requires a Federal agency's Office of Small Business and Disadvantaged Business Utilization to help small businesses find additional opportunities if a solicitation on which they made an offer is canceled so that they can go after these opportunities.

Small businesses create most of the new jobs in this country. In fact, in Missouri's Fourth Congressional District and in rural communities across America, they are the lifeline and fabric of our communities, but time and time again, they are squeezed out by overregulation and ignored by the bureaucracy. They are pushed aside in favor of corporations with high-paid consultants and armies of lobbyists.

That is wrong, and by passing H.R. 789, we take a concrete step toward restoring fairness in Federal contracting and rebuilding the relationship between our government and the small businesses it is supposed to serve.

I thank Congressmen LATIMER and MFUME for their partnership on this legislation. I also applaud the Small Business Committee chairman, ROGER WILLIAMS, for his leadership in putting Main Street America first.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support the Transparency and Predictability in Small Business Opportunities Act.

Mr. MCGARVEY. Mr. Speaker, in closing, we know that providing a little

more predictability and stability can help reduce the barriers that keep small businesses from bidding on and winning government projects. That is what this bill will do.

Mr. Speaker, again, I thank Mr. LATIMER and Mr. ALFORD for their work to bring this to the floor today and to increase transparency and accountability for our small business government contractors. I urge my colleagues to support it, as well, and I yield back the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, I urge my colleagues to support this commonsense legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. WILLIAMS) that the House suspend the rules and pass the bill, H.R. 789, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

7(a) LOAN AGENT OVERSIGHT ACT

Mr. WILLIAMS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1804) to amend the Small Business Act to require a report on 7(a) agents, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “7(a) Loan Agent Oversight Act”.

SEC. 2. REPORT ON 7(a) AGENTS.

Section 47 of the Small Business Act (15 U.S.C. 657t) is amended by adding at the end the following new subsection:

“(j) ANNUAL REPORT.—

“(1) IN GENERAL.—The Director shall submit to Congress, in addition to the report required under subsection (h)(2), an annual report including, for the calendar year covered by the report—

“(A) the number of 7(a) agents assisting applicants for loans under section 7(a), disaggregated by the type of 7(a) agents consistent with information reported on the Fee Disclosure and Compensation Agreement, or any subsequent agreement forms that collect such information;

“(B) the number of fraudulent loans made for which an applicant used services of a 7(a) agent;

“(C) the purchase rate by the Administrator of loans for which an applicant used services of a 7(a) agent;

“(D) the number and aggregate dollar value of referral fees paid to 7(a) agents, disaggregated by whether the applicant or 7(a) lender paid such fees;

“(E) without identifying individual 7(a) agents by name, a consolidated analysis of the risk created by the individual 7(a) agents responsible for not less than 1 percent of—

“(i) the dollar value of loans made with the assistance of 7(a) agents; and

“(ii) the number of loans made with the assistance of 7(a) agents;

“(F) an analysis of interest rates on loans for which an applicant or 7(a) lender used services of an agent; and

“(G) a description of how the Administrator communicates with 7(a) agents.

“(2) DEFINITIONS.—In this subsection:

“(A) 7(a) AGENT.—The term ‘7(a) agent’ means a person who provides covered services on behalf of a lender or applicant.

“(B) COVERED SERVICES.—The term ‘covered services’ means—

“(i) assistance with completing an application for a loan under section 7(a) (including preparing a business plan, cash flow projections, financial statements, and related documents); or

“(ii) consulting, broker, or referral services with respect to a loan under section 7(a).”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. WILLIAMS) and the gentleman from Kentucky (Mr. MCGARVEY) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 1804, the 7(a) Loan Agent Oversight Act, introduced by Representatives MEUSER and MCIVER.

H.R. 1804 is an important piece of legislation that brings an additional layer of transparency in the fight against fraud in the Small Business Administration’s flagship 7(a) loan program.

This bill would require the SBA Office of Credit Risk Management to submit annual reports to Congress on the 7(a) loan program. The reports would include the number and dollar value of fraudulent loans associated with loan agents. The SBA already collects this information, and an annual reporting requirement would allow for more effective oversight.

Similar versions of this bill have passed on the House floor with bipartisan support in both the 117th and 118th Congresses. I look forward to seeing the Senate take swift action on this bill, which supports President Trump’s agenda to root out fraud and abuse.

Mr. Speaker, I urge my colleagues to support H.R. 1804, and I reserve the balance of my time.

Mr. MCGARVEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1804, the 7(a) Loan Agent Oversight Act.

The 7(a) loan program is the SBA’s largest traditional lending program, providing access to capital for small businesses that cannot find it elsewhere. In fiscal year 2024, SBA approved more than 70,000 loans, totaling more than \$31 billion.

Loan agents are an integral part of the 7(a) lending program, helping to facilitate access to capital for small businesses by connecting borrowers with SBA lenders or by offering other products. As of 2020, these agents helped facilitate 11 percent of the loans administered.

Unfortunately, some dishonest loan agents can contribute to fraud, casting a stain on the SBA’s largest lending program and, ultimately, hurting borrowers and lenders alike.

As SBA increases its reliance on loan agents, it is essential that the agency have proper oversight of their involvement to minimize fraud. This will ensure that competent and honest agents can help screen borrowers, prepare forms, and better reach communities that need this capital most.

That is why this bill is so essential. The 7(a) Loan Agent Oversight Act would require SBA to establish a registration system that collects data on 7(a) loan agents to better track and evaluate the performance of loans for each individual agent.

Mr. Speaker, I thank Mr. MEUSER and Mrs. MCIVER for their bipartisan collaboration on this bill, and I reserve the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from the great State of Pennsylvania (Mr. MEUSER).

Mr. MEUSER. Mr. Speaker, I thank our chairman, Chairman WILLIAMS, for his continued leadership.

Mr. Speaker, I rise today along with my colleague, Democratic Member Mrs. MCIVER, in support of my bill, H.R. 1804, the 7(a) Loan Agent Oversight Act, which provides the Small Business Administration with the oversight capabilities to monitor its flagship loan program responsibly. This bipartisan legislation requires the SBA Office of Credit Risk Management to report on fraudulent loans made by a loan agent as well as the overall default rate on loans issued by those agents.

Loan agents are often the middlemen between the SBA, a 7(a) lender, and a small business. This legislation is necessary due to the increased role of loan agents in facilitating 7(a) loans to American small businesses.

The SBA inspector general reported that nearly one out of every seven loans involved a loan agent. Unfortunately, the inspector general also noted that there has been over \$335 million in documented loan agent fraud. This, of course, needs to be corrected and changed, Mr. Speaker.

Additionally, my legislation requires the SBA to submit their findings to Congress, which allows us to conduct proper oversight of the 7(a) loan program, ensuring it remains a successful public-private partnership that helps small businesses thrive.

Though Administrator Loeffler is bringing a lot to this office and has reined in the Biden administration’s weakening, frankly, of underwriting