

117TH CONGRESS
1ST SESSION

S. 2162

To require the Small Business Administration to publish loan default rates by franchise brand, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2021

Ms. CORTEZ MASTO (for herself and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To require the Small Business Administration to publish loan default rates by franchise brand, 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 “SBA Franchise Loan
5 Default Disclosure Act”.

6 **SEC. 2. PUBLICATION OF DEFAULT RATES BY FRANCHISE**
7 **BRAND.**

8 (a) DEFINITIONS.—In this section—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof, respectively; and

4 (2) the term “franchise” has the meaning given
5 the term in section 436.1 of title 16, Code of Fed-
6 eral Regulations, as in effect on July 1, 2007.

7 (b) PUBLICATION OF DEFAULT RATES.—The Ad-
8 ministrator shall publish and update on a quarterly basis
9 loan default rates by franchise brand during the preceding
10 10-year period on the website of the Administration in a
11 manner that is publicly accessible and linked to the Fran-
12 chise Directory of the Administration.

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