

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7401

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## AN ACT

To require employees of the Small Business Administration to certify that the employee does not have any prohibited conflicts of interest with respect to loans in which the employee is involved, 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 “Small Business Lend-  
3 ing Fraud Prevention Act”.

4 **SEC. 2. SMALL BUSINESS ADMINISTRATION EMPLOYEE**  
5 **CONFLICT OF INTEREST CERTIFICATION.**

6 (a) IN GENERAL.—Beginning on the date that is 270  
7 days after the date of the enactment of this Act, an em-  
8 ployee of the Administration that will personally and sub-  
9 stantially participate in the origination, review, or ap-  
10 proval of a loan administered by the Administration shall,  
11 prior to such participation in such loan, certify to the Ad-  
12 ministrator in writing that such employee—

13 (1) to their knowledge, does not have any con-  
14 flict of interest prohibited under section 208 of title  
15 18, United States Code, or section 2635.502 of title  
16 5, Code of Federal Regulations, with respect to such  
17 participation in such loan;

18 (2) upon learning of any such conflict of inter-  
19 est after submitting such certification, will imme-  
20 diately disclose such conflict of interest to the super-  
21 visor of such employee and recuse themselves from  
22 participating in such loan; and

23 (3) understands the requirements applicable to  
24 such employee under Federal law and regulations of  
25 the Administration regarding conflicts of interest  
26 with respect to such participation in such loan.

1       (b) REGULATIONS.—Not later than 180 days after  
2 the date of enactment, the Administrator shall issue regu-  
3 lations implementing this Act.

4       (c) DEFINITIONS.—In this Act:

5           (1) ADMINISTRATION.—The term “Administra-  
6 tion” means the Small Business Administration.

7           (2) ADMINISTRATOR.—The term “Adminis-  
8 trator” means the Administrator of the Administra-  
9 tion.

Passed the House of Representatives June 24, 2026.

Attest:

*Clerk.*

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