
15 U.S. Code § 650

Supervisory and enforcement authority for small business lending companies

(a) In general

The Administrator is authorized—

- (1) to supervise the safety and soundness of small business lending companies and non-Federally regulated lenders;
- (2) with respect to small business lending companies to set capital standards to regulate, to examine, and to enforce laws governing such companies, in accordance with the purposes of this chapter; and
- (3) with respect to non-Federally regulated lenders to regulate, to examine, and to enforce laws governing the lending activities of such lenders under section 636(a) of this title in accordance with the purposes of this chapter.

(b) Capital directive

(1) In general

If the Administrator determines that a small business lending company is being operated in an imprudent manner, the Administrator may, in addition to any other action authorized by law, issue a directive to such company to increase capital to such level as the Administrator determines will result in the safe and sound operation of such company.

(2) Delegation

The Administrator may not delegate the authority granted under paragraph (1) except to an Associate Deputy Administrator.

(3) Regulations

The Administrator shall issue regulations outlining the conditions under which the Administrator may determine the level of capital pursuant to paragraph (1).

(c) Civil action

If a small business lending company violates this chapter, the Administrator may institute a civil action in an appropriate district court to terminate the rights, privileges, and franchises of the company under this chapter.

(d) Revocation or suspension of loan authority

(1) The Administrator may revoke or suspend the authority of a small business lending company or a non-Federally regulated lender to make, service or liquidate business loans authorized by section 636(a) of this title—

- (A) for false statements knowingly made in any written submission required under this chapter;
- (B) for omission of a material fact from any written submission required under this chapter;
- (C) for willful or repeated violation of this chapter;

(D) for willful or repeated violation of any condition imposed by the Administrator with respect to any application, request, or agreement under this chapter; or

(E) for violation of any cease and desist order of the Administrator under this section.

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