

103^D CONGRESS
1ST SESSION

H. R. 2742

To amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in Midwest communities participating in the national flood insurance program.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 1993

Mr. WHEAT (for himself and Ms. DANNER) introduced the following bill;
which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in Midwest communities participating in the national flood insurance program.

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. REDUCTION OF INTEREST RATES ON SBA DIS-**
4 **ASTER LOANS.**

5 (a) INTEREST RATE.—Section 7(c) of the Small
6 Business Act (16 U.S.C. 636(c)) is amended by adding
7 at the end the following new paragraph:

1 “(8)(A)(i) The interest rate on the Federal share of
2 any loan made under subsection (b)(1) or (b)(2) to a
3 homeowner or business or other concern, including agri-
4 cultural cooperatives, unable to obtain credit elsewhere for
5 losses resulting from flooding in the Midwest during the
6 period beginning on June 1, 1993, and ending on May
7 31, 1994, shall be 1 percent per year.

8 “(ii)(I) Except as provided by subclause (II), with re-
9 spect to any loan described in clause (i) which is outstand-
10 ing on the date of the enactment of this paragraph, the
11 Administrator shall make such change in the interest rate
12 on the balance of such loan as is required under clause
13 (i) effective as of such date of enactment.

14 “(II) Notwithstanding clause (i), the recipient of a
15 loan described in clause (i) which is outstanding on the
16 date of the enactment of this paragraph may elect that
17 the Administrator not make any change in the interest
18 rate on the balance of such loan. In any such case, the
19 loan shall not be considered to be a loan received pursuant
20 to this paragraph for purposes of subparagraph (C).

21 “(B) Subparagraph (A) shall apply only to loans with
22 respect to losses on property located in communities par-
23 ticipating in the national flood insurance program.

24 “(C) No person receiving a loan pursuant to this
25 paragraph may receive any disaster assistance under this

1 Act or any other Federal law for losses resulting from any
2 subsequent flooding disaster, unless such person (if eligi-
3 ble) has obtained flood insurance under the national flood
4 insurance program for the property involved.”.

5 (b) CONFORMING AMENDMENT.—Section 7(c)(5) of
6 such Act is amended by inserting “except as provided by
7 paragraph (8),” after “October 1, 1982,”.

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