

106TH CONGRESS
1ST SESSION

H. R. 1568

IN THE SENATE OF THE UNITED STATES

JUNE 30, 1999

Received; read twice and referred to the Committee on Small Business

AN ACT

To provide technical, financial, and procurement assistance to veteran owned small businesses, 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 “Veterans Entrepre-
3 neurship and Small Business Development Act of 1999”.

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1 **TITLE I—GENERAL PROVISIONS**

2 **SEC. 101. FINDINGS.**

3 Congress finds the following:

4 (1) Veterans of the United States Armed
5 Forces have been and continue to be vital to the
6 small business enterprises of the United States.

7 (2) In serving the United States, veterans often
8 faced great risks to preserve the American dream of
9 freedom and prosperity.

10 (3) The United States has done too little to as-
11 sist veterans, particularly service-disabled veterans,
12 in playing a greater role in the economy of the
13 United States by forming and expanding small busi-
14 ness enterprises.

15 (4) Medical advances and new medical tech-
16 nologies have made it possible for service-disabled
17 veterans to play a much more active role in the for-
18 mation and expansion of small business enterprises
19 in the United States.

20 (5) The United States must provide additional
21 assistance and support to veterans to better equip
22 them to form and expand small business enterprises,
23 thereby enabling them to realize the American
24 dream that they fought to protect.

1 **SEC. 102. PURPOSE.**

2 The purpose of this Act is to expand existing and es-
3 tablish new assistance programs for veterans who own or
4 operate small businesses. This Act accomplishes this pur-
5 pose by—

6 (1) expanding the eligibility for certain small
7 business assistance programs to include veterans;

8 (2) directing certain departments and agencies
9 of the United States to take actions that enhance
10 small business assistance to veterans; and

11 (3) establishing new institutions to provide
12 small business assistance to veterans or to support
13 the institutions that provide such assistance.

14 **SEC. 103. DEFINITIONS.**

15 (a) **SMALL BUSINESS ACT.**—Section 3 of the Small
16 Business Act (15 U.S.C. 632) is amended by adding at
17 the end the following:

18 “(q) **DEFINITIONS RELATING TO VETERANS.**—In
19 this Act, the following definitions apply:

20 “(1) **SERVICE-DISABLED VETERAN.**—The term
21 ‘service-disabled veteran’ means a veteran with a
22 disability that is service-connected (as defined in sec-
23 tion 101(16) of title 38, United States Code).

24 “(2) **SMALL BUSINESS CONCERN OWNED AND**
25 **CONTROLLED BY SERVICE-DISABLED VETERANS.**—
26 The term ‘small business concern owned and con-

1 trolled by service-disabled veterans’ means a small
2 business concern—

3 “(A) not less than 51 percent of which is
4 owned by one or more service-disabled veterans
5 or, in the case of any publicly owned business,
6 not less than 51 percent of the stock of which
7 is owned by one or more service-disabled vet-
8 erans; and

9 “(B) the management and daily business
10 operations of which are controlled by one or
11 more service-disabled veterans or, in the case of
12 a veteran with permanent and severe disability,
13 the spouse or permanent caregiver of such vet-
14 eran.

15 “(3) SMALL BUSINESS CONCERN OWNED AND
16 CONTROLLED BY VETERANS.—The term ‘small busi-
17 ness concern owned and controlled by veterans’
18 means a small business concern—

19 “(A) not less than 51 percent of which is
20 owned by one or more veterans or, in the case
21 of any publicly owned business, not less than 51
22 percent of the stock of which is owned by one
23 or more veterans; and

1 “(B) the management and daily business
2 operations of which are controlled by one or
3 more veterans.

4 “(4) VETERAN.—The term ‘veteran’ has the
5 meaning given the term in section 101(2) of title 38,
6 United States Code.”.

7 (b) APPLICABILITY TO THIS ACT.—In this Act, the
8 definitions contained in section 3(q) of the Small Business
9 Act, as added by this section, apply.

10 **TITLE II—VETERANS BUSINESS** 11 **DEVELOPMENT**

12 **SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE** 13 **SMALL BUSINESS ADMINISTRATION.**

14 (a) IN GENERAL.—Section 4(b)(1) of the Small Busi-
15 ness Act (15 U.S.C. 633(b)(1)) is amended—

16 (1) in the fifth sentence, by striking “four Asso-
17 ciate Administrators” and inserting “five Associate
18 Administrators”; and

19 (2) by inserting after the fifth sentence the fol-
20 lowing: “One such Associate Administrator shall be
21 the Associate Administrator for Veterans Business
22 Development, who shall administer the Office of Vet-
23 erans Business Development established under sec-
24 tion 32.”.

1 (b) OFFICE OF VETERANS BUSINESS DEVELOP-
2 MENT; ASSOCIATE ADMINISTRATOR.—The Small Business
3 Act (15 U.S.C. 631 et seq.) is further amended—

4 (1) by redesignating section 32 as section 34;
5 and

6 (2) by inserting after section 31 the following:

7 **“SEC. 32. VETERANS PROGRAMS.**

8 “(a) OFFICE OF VETERANS BUSINESS DEVELOP-
9 MENT.—There is established in the Administration an Of-
10 fice of Veterans Business Development, which shall be ad-
11 ministered by the Associate Administrator for Veterans
12 Business Development (in this section referred to as the
13 ‘Associate Administrator’) appointed under section
14 4(b)(1).

15 “(b) ASSOCIATE ADMINISTRATOR FOR VETERANS
16 BUSINESS DEVELOPMENT.—The Associate
17 Administrator—

18 “(1) shall be an appointee in the Senior Execu-
19 tive Service;

20 “(2) shall be responsible for the formulation,
21 execution, and promotion of policies and programs of
22 the Administration that provide assistance to small
23 business concerns owned and controlled by veterans
24 and small business concerns owned and controlled by
25 service-disabled veterans. The Associate Adminis-

1 trator shall act as an ombudsman for full consider-
2 ation of veterans in all programs of the Administra-
3 tion; and

4 “(3) shall report to and be responsible directly
5 to the Administrator.”.

6 **SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT**
7 **CORPORATION.**

8 The Small Business Act (15 U.S.C. 631 et seq.) is
9 further amended by adding after section 32 (as added by
10 this Act) the following:

11 **“SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT**
12 **CORPORATION.**

13 “(a) ESTABLISHMENT.—There is established a feder-
14 ally chartered corporation to be known as the National
15 Veterans Business Development Corporation (in this sec-
16 tion referred to as the ‘Corporation’) which shall be incor-
17 porated under the laws of the District of Columbia and
18 which shall have the powers granted in this section.

19 “(b) PURPOSES OF THE CORPORATION.—The pur-
20 poses of the Corporation shall be—

21 “(1) to expand the provision of and improve ac-
22 cess to technical assistance regarding entrepreneur-
23 ship for the Nation’s veterans; and

24 “(2) to assist veterans, including service-dis-
25 abled veterans, with the formation and expansion of

1 small business concerns by working with and orga-
2 nizing public and private resources, including those
3 of the Small Business Administration, the Depart-
4 ment of Veterans Affairs, the Department of Labor,
5 the Department of Commerce, the Department of
6 Defense, the Service Corps of Retired Executives
7 (described in section 8(b)(1)(B) of this Act), the
8 Small Business Development Centers (described in
9 section 21 of this Act), and the business develop-
10 ment staffs of each department and agency of the
11 United States.

12 “(c) BOARD OF DIRECTORS.—

13 “(1) IN GENERAL.—The management of the
14 Corporation shall be vested in a Board of Directors
15 composed of nine voting members and three non-
16 voting ex officio members.

17 “(2) APPOINTMENT OF VOTING MEMBERS.—
18 The President shall appoint United States citizens
19 to be voting members of the Board of Directors as
20 follows:

21 “(A) One from a list of individuals nomi-
22 nated by the chairman of the Committee on
23 Small Business of the House of Representa-
24 tives.

1 “(B) One from a list of individuals nomi-
2 nated by the chairman of the Committee on
3 Small Business of the Senate.

4 “(C) One from a list of individuals nomi-
5 nated by the ranking minority member of the
6 Committee on Small Business of the House of
7 Representatives.

8 “(D) One from a list of individuals nomi-
9 nated by the ranking minority members of the
10 Committee on Small Business of the Senate.

11 “(E) One from a list of individuals nomi-
12 nated by the chairman of the Committee on
13 Veterans’ Affairs of the House of Representa-
14 tives.

15 “(F) One from a list of individuals nomi-
16 nated by the chairman of the Committee on
17 Veterans’ Affairs of the Senate.

18 “(G) One from a list of individuals nomi-
19 nated by the ranking minority member of the
20 Committee on Veterans’ Affairs of the House of
21 Representatives.

22 “(H) One from a list of individuals nomi-
23 nated the ranking minority member of the
24 Committee on Veterans’ Affairs of the Senate.

25 “(I) One of the President’s own choosing.

1 “(3) EX OFFICIO MEMBERS.—The Adminis-
2 trator of the Small Business Administration, the
3 Secretary of Defense, and the Secretary of Veterans
4 Affairs shall serve as the nonvoting ex officio mem-
5 bers of the Board of Directors.

6 “(4) CHAIRPERSON.—The members of the
7 Board of Directors appointed under paragraph (2)
8 shall elect one such member to serve as chairperson
9 of the Board of Directors for a term of 2 years.

10 “(5) TERMS OF APPOINTED MEMBERS.—

11 “(A) IN GENERAL.—Each member of the
12 Board of Directors appointed under paragraph
13 (2) shall serve a term of 6 years, except as pro-
14 vided in subparagraph (B).

15 “(B) TERMS OF INITIAL APPOINTEES.—As
16 designated by the President at the time of ap-
17 pointment, of the members first appointed—

18 “(i) three shall be for a term of 2
19 years; and

20 “(ii) three shall be for a term of 4
21 years.

22 “(C) UNEXPIRED TERMS.—Any member of
23 the Board of Directors appointed to fill a va-
24 cancy occurring before the expiration of the
25 term for which the member’s predecessor was

1 appointed shall be appointed only for the re-
2 mainder of the term. A member may serve after
3 the expiration of that member's term until a
4 successor has taken office.

5 “(6) VACANCIES.—Any vacancy on the Board
6 of Directors shall be filled in the manner in which
7 the original appointment was made. In the case of
8 a vacancy in the office of the Administrator of the
9 Small Business Administration or the Secretary of
10 Veterans Affairs, and pending the appointment of a
11 successor, an acting appointee for such vacancy may
12 serve as an ex officio member.

13 “(7) INELIGIBILITY FOR OTHER OFFICES.—No
14 voting member of the Board of Directors may be an
15 officer or employee of the United States while serv-
16 ing as a member of the Board of Directors or during
17 the 2-year period preceding such service.

18 “(8) IMPARTIALITY AND NONDISCRIMINA-
19 TION.—The Board of Directors shall administer the
20 affairs of the Corporation fairly and impartially and
21 without discrimination.

22 “(9) OBLIGATIONS AND EXPENSES.—The
23 Board of Directors shall prescribe the manner in
24 which the obligations of the Corporation may be in-

1 curred and in which its expenses shall be allowed
2 and paid.

3 “(10) QUORUM.—Five voting members of the
4 Board of Directors shall constitute a quorum, but a
5 lesser number may hold hearings.

6 “(d) CORPORATE POWERS.—On October 1, 1999, the
7 Corporation shall become a body corporate and as such
8 shall have the authority to do the following:

9 “(1) To adopt and use a corporate seal.

10 “(2) To have succession until dissolved by an
11 Act of Congress.

12 “(3) To make contracts or grants.

13 “(4) To sue and be sued, and to file and defend
14 against lawsuits in State or Federal court.

15 “(5) To appoint, through the actions of its
16 Board of Directors, officers and employees of the
17 Corporation, to define their duties and responsibil-
18 ities, fix their compensations, and to dismiss at will
19 such officers or employees.

20 “(6) To prescribe, through the actions of its
21 Board of Directors, bylaws not inconsistent with
22 Federal law and the law of the State of incorpora-
23 tion, regulating the manner in which its general
24 business may be conducted and the manner in which
25 the privileges granted to it by law may be exercised.

1 “(7) To exercise, through the actions of its
2 Board of Directors or duly authorized officers, all
3 powers specifically granted by the provisions of this
4 section, and such incidental powers as shall be nec-
5 essary.

6 “(8) To solicit, receive, and disburse funds from
7 private, Federal, State and local organizations.

8 “(9) To accept and employ or dispose of in fur-
9 therance of the purposes of this section any money
10 or property, real, personal, or mixed, tangible or in-
11 tangible, received by gift, devise, bequest, or other-
12 wise.

13 “(10) To accept voluntary and uncompensated
14 services.

15 “(e) CORPORATE FUNDS.—

16 “(1) DEPOSIT OF FUNDS.—The Board of Di-
17 rectors shall deposit all funds of the Corporation in
18 federally chartered and insured depository institu-
19 tions until such funds are disbursed under para-
20 graph (2).

21 “(2) DISBURSEMENT OF FUNDS.—Funds of the
22 Corporation may be disbursed only for purposes that
23 are—

24 “(A) approved by the Board of Directors
25 by a recorded vote with a quorum present; and

1 “(B) in accordance with the purposes of
2 the Corporation as specified in subsection (b).

3 “(f) NETWORK OF INFORMATION AND ASSISTANCE
4 CENTERS.—In carrying out the purpose described in sub-
5 section (b), the Corporation shall establish and maintain
6 a network of information and assistance centers for use
7 by veterans and the public.

8 “(g) ANNUAL REPORT.—On or before October 1 of
9 each year, the Board of Directors shall transmit a report
10 to the President and the Congress describing the activities
11 and accomplishments of the Corporation for the preceding
12 year and the Corporation’s findings regarding the efforts
13 of Federal, State and private organizations to assist vet-
14 erans in the formation and expansion of small business
15 concerns.

16 “(h) ASSUMPTION OF DUTIES OF ADVISORY COM-
17 MITTEE.—On October 1, 2004, the Corporation estab-
18 lished under this section shall assume the duties, respon-
19 sibilities, and authority of the Advisory Committee on Vet-
20 erans Affairs established under section 203 of this Act.

21 “(i) USE OF MAILS.—The Corporation may use the
22 United States mails in the same manner and under the
23 same conditions as the departments and agencies of the
24 United States.

1 “(j) PROFESSIONAL CERTIFICATION ADVISORY
2 BOARD.—

3 “(1) IN GENERAL.—Acting through the Board
4 of Directors, the Corporation shall establish a Pro-
5 fessional Certification Advisory Board to create uni-
6 form guidelines and standards for the professional
7 certification of members of the Armed Services to
8 aid in their efficient and orderly transition to civilian
9 occupations and professions and to remove potential
10 barriers in the areas of licensure and certification.

11 “(2) MEMBERSHIP.—The members of the Advi-
12 sory Board shall serve without compensation, shall
13 meet in the District of Columbia no less than quar-
14 terly, and shall be appointed by the Board of Direc-
15 tors as follows:

16 “(A) PRIVATE SECTOR MEMBERS.—The
17 Corporation shall appoint not less than seven
18 members for terms of 2 years to represent pri-
19 vate sector organizations and associations, in-
20 cluding the American Association of Community
21 Colleges, the Society for Human Resource Man-
22 agers, the Coalition for Professional Certifi-
23 cation, the Council on Licensure and Enforce-
24 ment, and the American Legion.

1 “(B) PUBLIC SECTOR MEMBERS.—The
2 Corporation shall invite public sector members
3 to serve at the discretion of their departments
4 or agencies and shall—

5 “(i) encourage the participation of the
6 Under Secretary of Defense for Personnel
7 and Readiness;

8 “(ii) encourage the participation of
9 two officers from each branch of the
10 Armed Forces to represent the Training
11 Commands of their branch; and

12 “(iii) seek the participation and guid-
13 ance of the Assistant Secretary of Labor
14 for Veterans’ Employment and Training.

15 “(k) AUTHORIZATION OF APPROPRIATIONS.—

16 “(1) IN GENERAL.—There are authorized to be
17 appropriated to the Corporation to carry out this
18 section the following amounts:

19 “(A) \$2,000,000 for fiscal year 2000;

20 “(B) \$4,000,000 for fiscal year 2001;

21 “(C) \$4,000,000 for fiscal year 2002; and

22 “(D) \$2,000,000 for fiscal year 2003.

23 “(2) PRIVATIZATION.—The Corporation shall
24 institute and implement a plan to raise private funds
25 and become a self-sustaining corporation.”.

1 **SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS**
2 **AFFAIRS.**

3 (a) IN GENERAL.—There is established an advisory
4 committee to be known as the “Advisory Committee on
5 Veterans Business Affairs” (in this section referred to as
6 the “Committee”), which shall serve as an independent
7 source of advice and policy recommendations to—

8 (1) the Administrator of the Small Business
9 Administration (in this section referred to as the
10 “Administrator”);

11 (2) the Associate Administrator for Veterans
12 Business Development of the Small Business Admin-
13 istration;

14 (3) the Congress;

15 (4) the President; and

16 (5) other United States policymakers.

17 (b) MEMBERSHIP.—

18 (1) IN GENERAL.—The Committee shall be
19 composed of 15 members, of whom—

20 (A) eight shall be veterans who are owners
21 of small business concerns (within the meaning
22 of the term under section 3 of the Small Busi-
23 ness Act (15 U.S.C. 632)); and

24 (B) seven shall be representatives of vet-
25 erans organizations.

26 (2) APPOINTMENT.—

1 (A) IN GENERAL.—The members of the
2 Committee shall be appointed by the Adminis-
3 trator in accordance with this section.

4 (B) INITIAL APPOINTMENTS.—Not later
5 than 90 days after the date of enactment of
6 this Act, the Administrator shall appoint the
7 initial members of the Committee.

8 (3) POLITICAL AFFILIATION.—Not more than
9 eight members of the Committee shall be of the
10 same political party as the President.

11 (4) PROHIBITION ON FEDERAL EMPLOY-
12 MENT.—

13 (A) IN GENERAL.—Except as provided in
14 subsection (B), no member of the Committee
15 may serve as an officer or employee of the
16 United States.

17 (B) EXCEPTION.—A member of the Com-
18 mittee who accepts a position as an officer or
19 employee of the United States after the date of
20 the member's appointment to the Committee
21 may continue to serve on the Committee for not
22 more than 30 days after such acceptance.

23 (5) TERM OF SERVICE.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B), the term of service of each member
3 of the Committee shall be 3 years.

4 (B) TERMS OF INITIAL APPOINTEES.—As
5 designated by the Administrator at the time of
6 appointment, of the members first appointed—

7 (i) six shall be appointed for a term of
8 4 years; and

9 (ii) five shall be appointed for a term
10 of 5 years.

11 (6) VACANCIES.—The Administrator shall fill
12 any vacancies on the membership of the Committee
13 not later than 30 days after the date on which such
14 vacancy occurs.

15 (7) CHAIRPERSON.—

16 (A) IN GENERAL.—The members of the
17 Committee shall elect one of the members to be
18 Chairperson of the Committee.

19 (B) VACANCIES IN OFFICE OF CHAIR-
20 PERSON.—Any vacancy in the office of the
21 Chairperson of the Committee shall be filled by
22 the Committee at the first meeting of the Com-
23 mittee following the date on which the vacancy
24 occurs.

1 (c) DUTIES.—The duties of the Committee shall be
2 the following:

3 (1) Review, coordinate, and monitor plans and
4 programs developed in the public and private sec-
5 tors, that affect the ability of small business con-
6 cerns owned and controlled by veterans to obtain
7 capital and credit and to access markets.

8 (2) Promote the collection of business informa-
9 tion and survey data as they relate to veterans and
10 small business concerns owned and controlled by vet-
11 erans.

12 (3) Monitor and promote plans, programs, and
13 operations of the departments and agencies of the
14 United States that may contribute to the formation
15 and growth of small business concerns owned and
16 controlled by veterans.

17 (4) Develop and promote initiatives, policies,
18 programs, and plans designed to foster small busi-
19 ness concerns owned and controlled by veterans.

20 (5) In cooperation with the National Veterans
21 Business Development Corporation, develop a com-
22 prehensive plan, to be updated annually, for joint
23 public-private sector efforts to facilitate growth and
24 development of small business concerns owned and
25 controlled by veterans.

1 (d) POWERS.—

2 (1) HEARINGS.—Subject to subsection (e), the
3 Committee may hold such hearings, sit and act at
4 such times and places, take such testimony, and re-
5 ceive such evidence as the Committee considers ad-
6 visable to carry out its duties.

7 (2) INFORMATION FROM FEDERAL AGENCIES.—
8 Upon request of the Chairperson of the Committee,
9 the head of any department or agency of the United
10 States shall furnish such information to the Com-
11 mittee as the Committee considers to be necessary to
12 carry out its duties.

13 (3) USE OF MAILS.—The Committee may use
14 the United States mails in the same manner and
15 under the same conditions as other departments and
16 agencies of the United States.

17 (4) GIFTS.—The Committee may accept, use,
18 and dispose of gifts or donations of services or prop-
19 erty.

20 (e) MEETINGS.—

21 (1) IN GENERAL.—The Committee shall meet,
22 not less than three times per year, at the call of the
23 Chairperson or at the request of the Administrator.

24 (2) LOCATION.—Each meeting of the full Com-
25 mittee shall be held at the headquarters of the Small

1 Business Administration located in Washington, Dis-
2 trict of Columbia. The Administrator shall provide
3 suitable meeting facilities and such administrative
4 support as may be necessary for each full meeting
5 of the Committee.

6 (3) TASK GROUPS.—The Committee may, from
7 time to time, establish temporary task groups as
8 may be necessary in order to carry out its duties.

9 (f) COMPENSATION AND EXPENSES.—

10 (1) NO COMPENSATION.—Members of the Com-
11 mittee shall serve without compensation for their
12 service to the Committee.

13 (2) EXPENSES.—The members of the Com-
14 mittee shall be reimbursed for travel and subsistence
15 expenses in accordance with section 5703 of title 5,
16 United States Code.

17 (g) REPORT.—Not later than 30 days after the end
18 of each fiscal year beginning after the date of enactment
19 of this section, the Committee shall transmit to the Con-
20 gress and the President a report describing the activities
21 of the Committee and any recommendations developed by
22 the Committee for the promotion of small business con-
23 cerns owned and controlled by veterans.

24 (h) TERMINATION.—The Committee shall terminate
25 its business on September 30, 2004.

1 **TITLE III—TECHNICAL**
2 **ASSISTANCE**

3 **SEC. 301. SCORE PROGRAM.**

4 (a) **IN GENERAL.**—The Administrator of the Small
5 Business Administration shall enter into a memorandum
6 of understanding with the Service Core of Retired Execu-
7 tives (described in section 8(b)(1)(B) of the Small Busi-
8 ness Act (15 U.S.C. 637(b)(1)(B)) and in this section re-
9 ferred to as “SCORE”) to provide for the following:

10 (1) The appointment by SCORE in its national
11 office of an individual to act as National Veterans
12 Business Coordinator, whose duties shall relate ex-
13 clusively to veterans business matters, and who shall
14 be responsible for the establishment and administra-
15 tion of a program to coordinate counseling and
16 training regarding entrepreneurship to veterans
17 through the chapters of SCORE throughout the
18 United States.

19 (2) The assistance of SCORE in the estab-
20 lishing and maintaining a toll-free telephone number
21 and an Internet website to provide access for vet-
22 erans to information about the counseling and train-
23 ing regarding entrepreneurship available to veterans
24 through SCORE.

1 (3) The collection of statistics concerning serv-
2 ices provided by SCORE to veterans, including serv-
3 ice-disabled veterans, for inclusion in each annual
4 report published by the Administrator under section
5 4(b)(2)(B) of the Small Business Act (15 U.S.C.
6 633(b)(2)(B)).

7 (b) RESOURCES.—The Administrator shall provide to
8 SCORE such resources as the Administrator determines
9 necessary for SCORE to carry out the requirements of the
10 memorandum of understanding specified in paragraph (1).

11 **SEC. 302. ENTREPRENEURIAL ASSISTANCE.**

12 Not later than 180 days after the date of enactment
13 of this Act, the Secretary of Veterans Affairs, the Admin-
14 istrator of the Small Business Administration, and the
15 head of the association formed pursuant to section
16 21(a)(3)(A) of the Small Business Act (15 U.S.C.
17 648(a)(3)(A)) shall enter into a memorandum of under-
18 standing with respect to entrepreneurial assistance to vet-
19 erans, including service-disabled veterans, through Small
20 Business Development Centers (described in section 21 of
21 the Small Business Act (15 U.S.C. 648)) and facilities of
22 the Department of Veterans Affairs. Such assistance shall
23 include the following:

24 (1) Conducting of studies and research, and the
25 distribution of information generated by such studies

1 and research, on the formation, management, fi-
2 nancing, marketing, and operation of small business
3 concerns by veterans.

4 (2) Provision of training and counseling to vet-
5 erans concerning the formation, management, fi-
6 nancing, marketing, and operation of small business
7 concerns.

8 (3) Provision of management and technical as-
9 sistance to the owners and operators of small busi-
10 ness concerns regarding international markets, the
11 promotion of exports, and the transfer of technology.

12 (4) Provision of assistance and information to
13 veterans regarding procurement opportunities with
14 Federal, State, and local agencies, especially such
15 agencies funded in whole or in part with Federal
16 funds.

17 (5) Establishment of an information clearing-
18 house to collect and distribute information, including
19 by electronic means, on the assistance programs of
20 Federal, State, and local governments, and of the
21 private sector, including information on office loca-
22 tions, key personnel, telephone numbers, mail and
23 electronic addresses, and contracting and subcon-
24 tracting opportunities.

1 (6) Provision of Internet or other distance
2 learning academic instruction for veterans in busi-
3 ness subjects, including accounting, marketing, and
4 business fundamentals.

5 (7) Compilation of a list of small business con-
6 cerns owned and controlled by service-disabled vet-
7 erans that provide products or services that could be
8 procured by the United States and delivery of such
9 list to each department and agency of the United
10 States. Such list shall be delivered in hard copy and
11 electronic form and shall include the name and ad-
12 dress of each such small business concern and the
13 products or services that it provides.

14 **SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT AS-**
15 **SISTANCE FOR MILITARY RESERVISTS'**
16 **SMALL BUSINESSES.**

17 (a) IN GENERAL.—Section 8 of the Small Business
18 Act (15 U.S.C. 637) is amended by adding at the end the
19 following:

20 “(1) MANAGEMENT ASSISTANCE FOR SMALL BUSI-
21 NESSES AFFECTED BY MILITARY OPERATIONS.—The Ad-
22 ministration shall utilize, as appropriate, its entrepre-
23 neurial development and management assistance pro-
24 grams, including programs involving State or private sec-
25 tor partners, to provide business counseling and training

1 to any small business concern adversely affected by the
2 deployment of units of the Armed Forces of the United
3 States in support of a period of military conflict (as de-
4 fined in section 7(n)(1)).”.

5 (b) ENHANCED PUBLICITY DURING OPERATION AL-
6 LIED FORCE.—For the duration of Operation Allied Force
7 and for 120 days thereafter, the Administration shall en-
8 hance its publicity of the availability of assistance provided
9 pursuant to the amendment made by this section, includ-
10 ing information regarding the appropriate local office at
11 which affected small businesses may seek such assistance.

12 (c) GUIDELINES.—Not later than 30 days after the
13 date of enactment of this section, the Administrator of the
14 Small Business Administration shall issue such guidelines
15 as the Administrator determines to be necessary to carry
16 out this section and the amendment made by this section.

17 **TITLE IV—FINANCIAL** 18 **ASSISTANCE**

19 **SEC. 401. GENERAL BUSINESS LOAN PROGRAM.**

20 (a) DEFINITION OF HANDICAPPED INDIVIDUAL.—
21 Section 3(f) of the Small Business Act (15 U.S.C. 632(f))
22 is amended to read as follows:

23 “(f) For purposes of section 7 of this Act, the term
24 ‘handicapped individual’ means an individual—

1 “(1) who has a physical, mental, or emotional
2 impairment, defect, ailment, disease, or disability of
3 a permanent nature which in any way limits the se-
4 lection of any type of employment for which the per-
5 son would otherwise be qualified or qualifiable; or

6 “(2) who is a service-disabled veteran.”.

7 (b) AUTHORIZATION TO MAKE LOANS.—Section
8 7(a)(10) of the Small Business Act (15 U.S.C.
9 636(a)(10)) is amended—

10 (1) by inserting “guaranteed” after “provide”;

11 and

12 (2) by inserting, “, including service-disabled
13 veterans,” after “handicapped individual”.

14 **SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERV-**
15 **ISTS.**

16 (a) REPAYMENT DEFERRAL FOR ACTIVE DUTY RE-
17 SERVISTS.—Section 7 of the Small Business Act (15
18 U.S.C. 636) is amended by adding at the end the fol-
19 lowing:

20 “(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RE-
21 SERVISTS.—

22 “(1) DEFINITIONS.—In this subsection:

23 “(A) ELIGIBLE RESERVIST.—The term ‘el-
24 igible reservist’ means a member of a reserve

1 component of the Armed Forces ordered to ac-
2 tive duty during a period of military conflict.

3 “(B) ESSENTIAL EMPLOYEE.—The term
4 ‘essential employee’ means an individual who is
5 employed by a small business concern and
6 whose managerial or technical expertise is crit-
7 ical to the successful day-to-day operations of
8 that small business concern.

9 “(C) PERIOD OF MILITARY CONFLICT.—
10 The term ‘period of military conflict’ means—

11 “(i) a period of war declared by the
12 Congress;

13 “(ii) a period of national emergency
14 declared by the Congress or by the Presi-
15 dent; or

16 “(iii) a period of a contingency oper-
17 ation, as defined in section 101(a) of title
18 10, United States Code.

19 “(D) QUALIFIED BORROWER.—The term
20 ‘qualified borrower’ means—

21 “(i) an individual who is an eligible
22 reservist and who received a direct loan
23 under subsection (a) or (b) before being
24 ordered to active duty; or

1 “(ii) a small business concern that re-
2 ceived a direct loan under subsection (a) or
3 (b) before an eligible reservist, who is an
4 essential employee, was ordered to active
5 duty.

6 “(2) DEFERRAL OF DIRECT LOANS.—

7 “(A) IN GENERAL.—The Administration
8 shall, upon written request, defer repayment of
9 principal and interest due on a direct loan made
10 under subsection (a) or (b), if such loan was in-
11 curred by a qualified borrower.

12 “(B) PERIOD OF DEFERRAL.—The period
13 of deferral for repayment under this paragraph
14 shall begin on the date on which the eligible re-
15 servist is ordered to active duty and shall termi-
16 nate on the date that is 180 days after the date
17 such eligible reservist is discharged or released
18 from active duty.

19 “(C) INTEREST RATE REDUCTION DURING
20 DEFERRAL.—Notwithstanding any other provi-
21 sion of law, during the period of deferral de-
22 scribed in subparagraph (B), the Administra-
23 tion may, in its discretion, reduce the interest
24 rate on any loan qualifying for a deferral under
25 this paragraph.

1 “(3) DEFERRAL OF LOAN GUARANTEES AND
2 OTHER FINANCINGS.—The Administration shall—

3 “(A) encourage intermediaries partici-
4 pating in the program under subsection (m) to
5 defer repayment of a loan made with proceeds
6 made available under that subsection, if such
7 loan was incurred by a small business concern
8 that is eligible to apply for assistance under
9 subsection (b)(3); and

10 “(B) not later than 30 days after the date
11 of enactment of this subsection, establish guide-
12 lines to—

13 “(i) encourage lenders and other
14 intermediaries to defer repayment of, or
15 provide other relief relating to, loan guar-
16 antees under subsection (a) and financings
17 under section 504 of the Small Business
18 Investment Act of 1958 that were incurred
19 by small business concerns that are eligible
20 to apply for assistance under subsection
21 (b)(3), and loan guarantees provided under
22 subsection (m) if the intermediary provides
23 relief to a small business concern under
24 this paragraph; and

1 “(ii) implement a program to provide
2 for the deferral of repayment or other re-
3 lief to any intermediary providing relief to
4 a small business borrower under this para-
5 graph.”.

6 (b) DISASTER LOAN ASSISTANCE FOR MILITARY RE-
7 SERVISTS’ SMALL BUSINESSES.—Section 7(b) of the
8 Small Business Act (15 U.S.C. 636(b)) is amended by in-
9 serting after the undesignated paragraph that begins with
10 “*Provided, That no loan*”, the following:

11 “(3)(A) In this paragraph—

12 “(i) the term ‘essential employee’ means
13 an individual who is employed by a small busi-
14 ness concern and whose managerial or technical
15 expertise is critical to the successful day-to-day
16 operations of that small business concern;

17 “(ii) the term ‘period of military conflict’
18 has the meaning given the term in subsection
19 (n)(1); and

20 “(iii) the term ‘substantial economic in-
21 jury’ means an economic harm to a business
22 concern that results in the inability of the busi-
23 ness concern—

24 “(I) to meet its obligations as they
25 mature;

1 “(II) to pay its ordinary and nec-
2 essary operating expenses; or

3 “(III) to market, produce, or provide
4 a product or service ordinarily marketed,
5 produced, or provided by the business con-
6 cern.

7 “(B) The Administration may make such dis-
8 aster loans (either directly or in cooperation with
9 banks or other lending institutions through agree-
10 ments to participate on an immediate or deferred
11 basis) to assist a small business concern that has
12 suffered or that is likely to suffer substantial eco-
13 nomic injury as the result of an essential employee
14 of such small business concern being ordered to ac-
15 tive military duty during a period of military con-
16 flict.

17 “(C) A small business concern described in sub-
18 paragraph (B) shall be eligible to apply for assist-
19 ance under this paragraph during the period begin-
20 ning on the date on which the essential employee is
21 ordered to active duty and ending on the date that
22 is 90 days after the date on which such essential
23 employee is discharged or released from active duty.

1 “(D) Any loan or guarantee extended pursuant
2 to this paragraph shall be made at the same interest
3 rate as economic injury loans under paragraph (2).

4 “(E) No loan may be made under this para-
5 graph, either directly or in cooperation with banks
6 or other lending institutions through agreements to
7 participate on an immediate or deferred basis, if the
8 total amount outstanding and committed to the bor-
9 rower under this subsection would exceed
10 \$1,500,000, unless such applicant constitutes a
11 major source of employment in its surrounding area,
12 as determined by the Administration, in which case
13 the Administration, in its discretion, may waive the
14 \$1,500,000 limitation.

15 “(F) For purposes of assistance under this
16 paragraph, no declaration of a disaster area shall be
17 required.”.

18 (c) ENHANCED PUBLICITY DURING OPERATION AL-
19 LIED FORCE.—For the duration of Operation Allied Force
20 and for 120 days thereafter, the Administration shall en-
21 hance its publicity of the availability of assistance provided
22 pursuant to the amendments made by this section, includ-
23 ing information regarding the appropriate local office at
24 which affected small businesses may seek such assistance.

1 (d) GUIDELINES.—Not later than 30 days after the
2 date of enactment of this section, the Administrator of the
3 Small Business Administration shall issue such guidelines
4 as the Administrator determines to be necessary to carry
5 out this section and the amendments made by this section.

6 (e) EFFECTIVE DATES.—

7 (1) IN GENERAL.—Except as provided in para-
8 graph (2), the amendments made by this section
9 shall take effect on the date of the enactment of this
10 section.

11 (2) DISASTER LOANS.—The amendments made
12 by subsection (b) shall apply to economic injury suf-
13 fered or likely to be suffered as the result of a period
14 of military conflict occurring or ending on or after
15 March 24, 1999.

16 **SEC. 403. MICROLOAN PROGRAM.**

17 Section 7(m)(1)(A)(i) of the Small Business Act (15
18 U.S.C. 636(m)(1)(A)(i)) is amended by inserting “veteran
19 (within the meaning of such term under section 3(q)),”
20 after “low-income,”.

21 **SEC. 404. DELTA LOAN PROGRAM.**

22 Section 7(a)(21)(A) Small Business Act (15 U.S.C.
23 636(a)(21)(A)) is amended in subclause (ii) by inserting
24 “or a veteran” after “qualified individual”.

1 **SEC. 405. STATE DEVELOPMENT COMPANY PROGRAM.**

2 Section 501(d)(3) of the Small Business Investment
3 Act (15 U.S.C. 695(d)(3)) is amended—

4 (1) by redesignating subparagraphs (E), (F),
5 and (G) as subparagraphs (F), (G), and (H), respec-
6 tively; and

7 (2) by inserting after subparagraph (D) the fol-
8 lowing:

9 “(E) expansion of small business concerns
10 owned and controlled by veterans, as defined in
11 section 3(q) of the Small Business Act (15
12 U.S.C. 632(q)), especially service-disabled vet-
13 erans, as defined in such section 3(q),”.

14 **TITLE V—PROCUREMENT**
15 **ASSISTANCE**

16 **SEC. 501. SUBCONTRACTING.**

17 (a) STATEMENT OF POLICY.—Section 8(d)(1) of the
18 Small Business Act (15 U.S.C. 637(d)(1)) is amended by
19 inserting “small business concerns owned and controlled
20 by service-disabled veterans,” after “small business con-
21 cerns,” the first place it appears in the first and second
22 sentences.

23 (b) CONTRACT CLAUSE.—The contract clause speci-
24 fied in section 8(d)(3) of the Small Business Act (15
25 U.S.C. 637(d)(3)) is amended as follows:

1 (1) Subparagraph (A) of such clause is amend-
2 ed by inserting “small business concerns owned and
3 controlled by veterans,” after “small business con-
4 cerns,” the first place it appears in the first and sec-
5 ond sentences.

6 (2) Subparagraphs (E) and (F) of such clause
7 are redesignated as subparagraphs (F) and (G), re-
8 spectively, and the following new subparagraph is in-
9 serted after subparagraph (D) of such clause:

10 “(E) The term ‘small business concern owned
11 and controlled by veterans’ shall mean a small busi-
12 ness concern—

13 “(i) which is at least 51 per centum owned
14 by one or more eligible veterans; or, in the case
15 of any publicly owned business, at least 51 per
16 centum of the stock of which is owned by one
17 or more veterans; and

18 “(ii) whose management and daily business
19 operations are controlled by such veterans. The
20 contractor shall treat as veterans all individuals
21 who are veterans within the meaning of the
22 term under section 3(q) of the Small Business
23 Act.”.

24 (3) Subparagraph (F) of such clause, as redesi-
25 gnated by paragraph (2) of this subsection, is

1 amended by inserting “small business concern owned
2 and controlled by veterans,” after “small business
3 concern,” the first place it appears.

4 (c) CONFORMING AMENDMENTS.—Section 8(d) of
5 the Small Business Act (15 U.S.C. 637(d)) is further
6 amended by inserting “small business concerns owned and
7 controlled by veterans,” after “small business concerns,”
8 the first place it appears in paragraphs (4)(D), (4)(E),
9 (6)(A), (6)(C), (6)(F), and (10)(B).

10 **SEC. 502. PARTICIPATION IN FEDERAL PROCUREMENT.**

11 (a) GOVERNMENT-WIDE PARTICIPATION GOALS.—
12 Subsection (g)(1) of section 15 of the Small Business Act
13 (15 U.S.C. 644) is amended—

14 (1) in the first sentence, by inserting “small
15 business concerns owned and controlled by service
16 disabled veterans,” after “small business concerns,”
17 the first place it appears;

18 (2) by inserting after the second sentence, the
19 following: “The Government-wide goal for participa-
20 tion by small business concerns owned and con-
21 trolled by service-disabled veterans shall be estab-
22 lished at not less than 5 percent of the total value
23 of all prime contract and subcontract awards for
24 each fiscal year.”; and

1 (3) in the second to last sentence, by inserting
2 “small business concerns owned and controlled by
3 service-disabled veterans,” after “small business con-
4 cerns,” the first place it appears.

5 (b) AGENCY PARTICIPATION GOALS.—Subsection
6 (g)(2) of section 15 of the Small Business Act (15 U.S.C.
7 644) is amended—

8 (1) in the first sentence, by inserting “by small
9 business concerns owned and controlled by service-
10 disabled veterans,” after “small business concerns,”;
11 the first place it appears;

12 (2) in the second sentence, by inserting “small
13 business concerns owned and controlled by service-
14 disabled veterans,” after “small business concerns,”
15 the first place it appears; and

16 (3) in the fourth sentence, by inserting “small
17 business concerns owned and controlled by service-
18 disabled veterans, by” after “including participation
19 by”.

20 **TITLE VI—REPORTS AND DATA** 21 **COLLECTION**

22 **SEC. 601. REPORTING REQUIREMENTS.**

23 (a) REPORTS TO SMALL BUSINESS ADMINISTRA-
24 TION.—Subsection (h)(1) of section 15 of the Small Busi-
25 ness Act (15 U.S.C. 644) is amended by inserting “small

1 business concerns owned and controlled by veterans (in-
2 cluding service-disabled veterans),” after “small business
3 concerns,” the first place it appears.

4 (b) REPORTS TO THE PRESIDENT AND THE CON-
5 GRESS.—Subsection (h)(2) of section 15 of the Small
6 Business Act (15 U.S.C. 644) is amended—

7 (1) by inserting “and the Congress” before the
8 period at the end of first sentence; and

9 (2) in subparagraphs (A), (D), and (E), by in-
10 sserting “small business concerns owned and con-
11 trolled by service-disabled veterans,” after “small
12 business concerns,” the first place it appears.

13 **SEC. 602. REPORT ON SMALL BUSINESS AND COMPETITION.**

14 Section 303(e) of the Small Business Economic Pol-
15 icy Act of 1980 (15 U.S.C. 631b(e)) is amended—

16 (1) in paragraph (1), by striking “and” after
17 the semicolon;

18 (2) in paragraph (2), by striking the period at
19 the end and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(3) small business concerns owned and con-
22 trolled by veterans, as defined in section 3(q) of the
23 Small Business Act (15 U.S.C. 632(q)), and small
24 business concerns owned and controlled by service-
25 disabled veterans, as defined in such section 3(q).”.

1 **SEC. 603. ANNUAL REPORT OF THE ADMINISTRATOR.**

2 The Administrator of the Small Business Administra-
3 tion shall transmit annually to the Committees on Small
4 Business and Veterans Affairs of the House of Represent-
5 atives and the Senate a report on the needs of small busi-
6 ness concerns owned and controlled by veterans and small
7 business concerns owned and controlled by service-disabled
8 veterans, which shall include information on—

9 (1) the availability of Small Business Adminis-
10 tration programs for such small business concerns
11 and the degree of utilization of such programs by
12 such small business concerns during the preceding
13 12-month period, including statistical information on
14 such utilization as compared to the small business
15 community as a whole;

16 (2) the percentage and dollar value of Federal
17 contracts awarded to such small business concerns
18 during the preceding 12-month period; and

19 (3) proposals to improve the access of such
20 small business concerns to the assistance made avail-
21 able by the United States.

22 **SEC. 604. DATA AND INFORMATION COLLECTION.**

23 (a) INFORMATION ON FEDERAL PROCUREMENT
24 PRACTICES.—The Administrator of the Small Business
25 Administration shall, for each fiscal year—

1 (1) collect information concerning the procure-
2 ment practices and procedures of each department
3 and agency of the United States having procurement
4 authority;

5 (2) publish and disseminate such information to
6 procurement officers in all Federal agencies; and

7 (3) make such information available to any
8 small business concern requesting such information.

9 (b) IDENTIFICATION OF SMALL BUSINESS CONCERNS
10 OWNED BY ELIGIBLE VETERANS.—Each fiscal year, the
11 Secretary of Veterans Affairs shall, in consultation with
12 the Assistant Secretary of Labor for Veterans' Employ-
13 ment and Training and the Administrator of the Small
14 Business Administration, identify small business concerns
15 owned and controlled by veterans in the United States.
16 The Secretary shall inform each small business concern
17 identified under this paragraph that information on Fed-
18 eral procurement is available from the Administrator.

19 (c) SELF-EMPLOYMENT OPPORTUNITIES.—The Sec-
20 retary of Labor, the Secretary of Veterans Affairs, and
21 the Administrator of the Small Business Administration
22 shall enter into a memorandum of understanding to pro-
23 vide for coordination of vocational rehabilitation services,
24 technical and managerial assistance, and financial assist-
25 ance to veterans, including service-disabled veterans, seek-

1 ing to employ themselves by forming or expanding small
 2 business concerns. The memorandum of understanding
 3 shall include recommendations for expanding existing pro-
 4 grams or establishing new programs to provide such serv-
 5 ices or assistance to such veterans.

6 **TITLE VII—MISCELLANEOUS**
 7 **PROVISIONS**

8 **SEC. 701. ADMINISTRATOR’S ORDER.**

9 The Administrator of the Small Business Administra-
 10 tion shall strengthen and reissue the Administrator’s order
 11 regarding the third sentence of section 4(b)(1) of the
 12 Small Business Act (15 U.S.C. 633(b)(1)), relating to
 13 nondiscrimination and special considerations for veterans,
 14 and take all necessary steps to ensure that its provisions
 15 are fully and vigorously implemented.

16 **SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF**
 17 **ADVOCACY.**

18 Section 202 of Public Law 94–305 (15 U.S.C. 634b)
 19 is amended—

20 (1) in paragraph (10), by striking “and” at the
 21 end;

22 (2) in paragraph (11), by striking the period at
 23 the end and inserting “; and”; and

24 (3) by adding at the end the following:

1 “(12) evaluate the efforts of each department
2 and agency of the United States, and of private in-
3 dustry, to assist small business concerns owned and
4 controlled by veterans, as defined in section 3(q) of
5 the Small Business Act (15 U.S.C. 632(q)), and
6 small business concerns owned and controlled by
7 serviced-disabled veterans, as defined in such section
8 3(q), and to provide statistical information on the
9 utilization of such programs by such small business
10 concerns, and to make appropriate recommendations
11 to the Administrator of the Small Business Adminis-
12 tration and to the Congress in order to promote the
13 establishment and growth of those small business
14 concerns.”.

15 **SEC. 703. STUDY OF FIXED-ASSET SMALL BUSINESS LOANS.**

16 (a) IN GENERAL.—The Comptroller General shall
17 conduct a study on whether there would exist any addi-
18 tional risk or cost to the United States if—

19 (1) up to 10 percent of the loans guaranteed
20 under chapter 37 of title 38, United States Code,
21 were made for the acquisition or construction of
22 fixed assets used in a trade or business rather than
23 for the construction or purchase of residential build-
24 ings; and

1 (2) such loans for acquisition or construction of
2 fixed assets were for a term of not more than 10
3 years and the terms regarding eligibility, loan limits,
4 interest, fees, and down payment were the same as
5 for other loans guaranteed under such chapter.

6 (b) REPORT.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the enactment of this Act, the Comptroller
9 General shall transmit the report described in sub-
10 section (a) to the Committees on Veterans' Affairs
11 and the Committees on Small Business of the House
12 of Representatives and the Senate.

13 (2) CONTENTS OF REPORT.—The report re-
14 quired by paragraph (1) shall specifically address
15 the following:

16 (A) With respect to the change in the vet-
17 erans' housing loan program contemplated
18 under subsection (a):

19 (i) The increase or decrease in admin-
20 istrative costs to the Department of Vet-
21 erans Affairs.

22 (ii) The increase or decrease in the
23 degree of exposure of the United States as
24 the guarantor of the loans.

1 (iii) The increase or decrease in the
2 Federal subsidy rate that would be pos-
3 sible.

4 (iv) Any increase in the interest rate
5 or fees charged to the borrower or lender
6 that would be required to maintain present
7 program costs.

8 (B) Information regarding the delinquency
9 rates, default rates, length of time required for
10 recovery after default, for fixed-asset business
11 loans, of a size and duration comparable to
12 those contemplated under subsection (a), made
13 available in the private market or under section
14 503 of the Small Business Investment Act.

Passed the House of Representatives June 29, 1999.

Attest:

JEFF TRANDAHL,

Clerk.