

109TH CONGRESS  
2D SESSION

# S. 4097

To improve the disaster loan program of the Small Business Administration,  
and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2006

Ms. SNOWE (for herself, Mr. KERRY, Ms. LANDRIEU, and Mr. VITTER) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

---

## A BILL

To improve the disaster loan program of the Small Business  
Administration, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Small Business Disaster Response and Loan Improve-  
6 ments Act of 2006”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—PRIVATE DISASTER LOANS

- Sec. 101. Private disaster loans.  
 Sec. 102. Technical and conforming amendments.

#### TITLE II—DISASTER RELIEF AND RECONSTRUCTION

- Sec. 201. Definition of disaster area.  
 Sec. 202. Disaster loans to nonprofits.  
 Sec. 203. Disaster loan amounts.  
 Sec. 204. Small business development center portability grants.  
 Sec. 205. Assistance to out-of-State businesses.  
 Sec. 206. Outreach programs.  
 Sec. 207. Small business bonding threshold.  
 Sec. 208. Contracting priority for local small businesses.  
 Sec. 209. Termination of program.  
 Sec. 210. Increasing collateral requirements.

#### TITLE III—DISASTER RESPONSE

- Sec. 301. Definitions.  
 Sec. 302. Business expedited disaster assistance loan program.  
 Sec. 303. Catastrophic national disasters.  
 Sec. 304. Public awareness of disaster declaration and application periods.  
 Sec. 305. Consistency between Administration regulations and standard operating procedures.  
 Sec. 306. Processing disaster loans.  
 Sec. 307. Development and implementation of major disaster response plan.  
 Sec. 308. Congressional oversight.

#### TITLE IV—ENERGY EMERGENCIES

- Sec. 401. Findings.  
 Sec. 402. Small business energy emergency disaster loan program.  
 Sec. 403. Agricultural producer emergency loans.  
 Sec. 404. Guidelines and rulemaking.  
 Sec. 405. Reports.

### 1 **SEC. 2. DEFINITIONS.**

2 In this Act—

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

6 (2) the term “small business concern” has the  
 7 same meaning as in section 3 of the Small Business  
 8 Act (15 U.S.C. 632); and

9 (3) the term “small business concern owned  
 10 and controlled by socially and economically disadvan-

1       tagged individuals” has the same meaning as in sec-  
2       tion 8 of the Small Business Act (15 U.S.C. 637).

3       **TITLE I—PRIVATE DISASTER**  
4       **LOANS**

5       **SEC. 101. PRIVATE DISASTER LOANS.**

6       (a) IN GENERAL.—Section 7 of the Small Business  
7       Act (15 U.S.C. 636) is amended—

8               (1) by redesignating subsections (c) and (d) as  
9       subsections (d) and (e), respectively; and

10              (2) by inserting after subsection (b) the fol-  
11       lowing:

12       “(c) PRIVATE DISASTER LOANS.—

13              “(1) DEFINITIONS.—In this subsection—

14                      “(A) the term ‘disaster area’ means a  
15       county, parish, or similar unit of general local  
16       government in which a disaster was declared  
17       under subsection (b);

18                      “(B) the term ‘eligible small business con-  
19       cern’ means a business concern that is—

20                              “(i) a small business concern, as de-  
21       fined in this Act; or

22                              “(ii) a small business concern, as de-  
23       fined in section 103 of the Small Business  
24       Investment Act of 1958; and

1           “(C) the term ‘qualified private lender’  
2           means any privately-owned bank or other lend-  
3           ing institution that the Administrator deter-  
4           mines meets the criteria established under para-  
5           graph (9).

6           “(2) AUTHORIZATION.—The Administrator may  
7           guarantee timely payment of principal and interest,  
8           as scheduled on any loan issued by a qualified pri-  
9           vate lender to an eligible small business concern lo-  
10          cated in a disaster area.

11          “(3) USE OF LOANS.—A loan guaranteed by  
12          the Administrator under this subsection may be used  
13          for any purpose authorized under subsection (a) or  
14          (b).

15          “(4) ONLINE APPLICATIONS.—

16                 “(A) ESTABLISHMENT.—The Adminis-  
17                 trator may establish, directly or through an  
18                 agreement with another entity, an online appli-  
19                 cation process for loans guaranteed under this  
20                 subsection.

21                 “(B) OTHER FEDERAL ASSISTANCE.—The  
22                 Administrator may coordinate with the head of  
23                 any other appropriate Federal agency so that  
24                 any application submitted through an online ap-  
25                 plication process established under this para-

1 graph may be considered for any other Federal  
2 assistance program for disaster relief.

3 “(C) CONSULTATION.—In establishing an  
4 online application process under this paragraph,  
5 the Administrator shall consult with appro-  
6 priate persons from the public and private sec-  
7 tors, including private lenders.

8 “(5) MAXIMUM AMOUNTS.—

9 “(A) GUARANTEE PERCENTAGE.—The Ad-  
10 ministrator may guarantee not more than 85  
11 percent of a loan under this subsection.

12 “(B) LOAN AMOUNTS.—The maximum  
13 amount of a loan guaranteed under this sub-  
14 section shall be \$3,000,000.

15 “(6) LOAN TERM.—The longest term of a loan  
16 for a loan guaranteed under this subsection shall  
17 be—

18 “(A) 15 years for any loan that is issued  
19 without collateral; and

20 “(B) 25 years for any loan that is issued  
21 with collateral.

22 “(7) FEES.—

23 “(A) IN GENERAL.—The Administrator  
24 may not collect a guarantee fee under this sub-  
25 section.

1           “(B) ORIGINATION FEE.—The Adminis-  
2           trator may pay a qualified private lender an  
3           origination fee for a loan guaranteed under this  
4           subsection in an amount agreed upon in ad-  
5           vance between the qualified private lender and  
6           the Administrator.

7           “(8) DOCUMENTATION.—A qualified private  
8           lender may use its own loan documentation for a  
9           loan guaranteed by the Administrator, to the extent  
10          authorized by the Administrator. The ability of a  
11          lender to use its own loan documentation for a loan  
12          offered under this subsection shall not be considered  
13          part of the criteria for becoming a qualified private  
14          lender under the regulations promulgated under  
15          paragraph (9).

16          “(9) IMPLEMENTATION REGULATIONS.—

17                 “(A) IN GENERAL.—Not later than 1 year  
18                 after the date of enactment of the Small Busi-  
19                 ness Disaster Response and Loan Improve-  
20                 ments Act of 2006, the Administrator shall  
21                 issue final regulations establishing permanent  
22                 criteria for qualified private lenders.

23                 “(B) REPORT TO CONGRESS.—Not later  
24                 than 6 months after the date of enactment of  
25                 the Small Business Disaster Response and

1           Loan Improvements Act of 2006, the Adminis-  
2           trator shall submit a report on the progress of  
3           the regulations required by subparagraph (A) to  
4           the Committee on Small Business and Entre-  
5           preneurship of the Senate and the Committee  
6           on Small Business of the House of Representa-  
7           tives.

8           “(10) AUTHORIZATION OF APPROPRIATIONS.—

9           “(A) IN GENERAL.—Amounts necessary to  
10          carry out this subsection shall be made avail-  
11          able from amounts appropriated to the Admin-  
12          istration under subsection (b).

13          “(B) AUTHORITY TO REDUCE INTEREST  
14          RATES.—Funds appropriated to the Adminis-  
15          tration to carry out this subsection, may be  
16          used by the Administrator, to the extent avail-  
17          able, to reduce the applicable rate of interest  
18          for a loan guaranteed under this subsection by  
19          not more than 3 percentage points.”.

20          (b) EFFECTIVE DATE.—The amendments made by  
21          this section shall apply to disasters declared under section  
22          7(b)(2) of the Small Business Act (631 U.S.C. 636(b)(2))  
23          before, on, or after the date of enactment of this Act.

1 **SEC. 102. TECHNICAL AND CONFORMING AMENDMENTS.**

2 The Small Business Act (15 U.S.C. 631 et seq.) is  
3 amended—

4 (1) in section 4(c)—

5 (A) in paragraph (1), by striking “7(c)(2)”  
6 and inserting “7(d)(2)”; and

7 (B) in paragraph (2)—

8 (i) by striking “7(c)(2)” and inserting  
9 “7(d)(2)”; and

10 (ii) by striking “7(e),”; and

11 (2) in section 7(b), in the undesignated matter  
12 following paragraph (3)—

13 (A) by striking “That the provisions of  
14 paragraph (1) of subsection (c)” and inserting  
15 “That the provisions of paragraph (1) of sub-  
16 section (d)”; and

17 (B) by striking “Notwithstanding the pro-  
18 visions of any other law the interest rate on the  
19 Administration’s share of any loan made under  
20 subsection (b) except as provided in subsection  
21 (c),” and inserting “Notwithstanding any other  
22 provision of law, and except as provided in sub-  
23 section (d), the interest rate on the Administra-  
24 tion’s share of any loan made under subsection  
25 (b)”.



1 **TITLE II—DISASTER RELIEF AND**  
2 **RECONSTRUCTION**

3 **SEC. 201. DEFINITION OF DISASTER AREA.**

4 In this title, the term “disaster area” means an area  
5 affected by a natural or other disaster, as determined for  
6 purposes of paragraph (1) or (2) of section 7(b) of the  
7 Small Business Act (15 U.S.C. 636(b)), during the period  
8 of such declaration.

9 **SEC. 202. DISASTER LOANS TO NONPROFITS.**

10 Section 7(b) of the Small Business Act (15 U.S.C.  
11 636(b)) is amended by inserting immediately after para-  
12 graph (3) the following:

13 “(4) LOANS TO NONPROFITS.—In addition to  
14 any other loan authorized by this subsection, the Ad-  
15 ministrator may make such loans (either directly or  
16 in cooperation with banks or other lending institu-  
17 tions through agreements to participate on an imme-  
18 diate or deferred basis) as the Administrator deter-  
19 mines appropriate to a nonprofit organization lo-  
20 cated or operating in an area affected by a natural  
21 or other disaster, as determined under paragraph  
22 (1) or (2), or providing services to persons who have  
23 evacuated from any such area.”.

1 **SEC. 203. DISASTER LOAN AMOUNTS.**

2 (a) INCREASED LOAN CAPS.—Section 7(b) of the  
3 Small Business Act (15 U.S.C. 636(b)) is amended by in-  
4 serting immediately after paragraph (4), as added by this  
5 title, the following:

6 “(5) INCREASED LOAN CAPS.—

7 “(A) AGGREGATE LOAN AMOUNTS.—Ex-  
8 cept as provided in clause (ii), and notwith-  
9 standing any other provision of law, the aggre-  
10 gate loan amount outstanding and committed to  
11 a borrower under this subsection may not ex-  
12 ceed \$5,000,000.

13 “(B) WAIVER AUTHORITY.—The Adminis-  
14 trator may, at the discretion of the Adminis-  
15 trator, waive the aggregate loan amount estab-  
16 lished under clause (i).”.

17 (b) DISASTER MITIGATION.—

18 (1) IN GENERAL.—Section 7(b)(1)(A) of the  
19 Small Business Act (15 U.S.C. 636(b)(1)(A)) is  
20 amended by inserting “of the aggregate costs of  
21 such damage or destruction (whether or not com-  
22 pensated for by insurance or otherwise)” after “20  
23 per centum”.

24 (2) EFFECTIVE DATE.—The amendment made  
25 by paragraph (1) shall apply with respect to a loan

1 or guarantee made after the date of enactment of  
2 this Act.

3 (c) TECHNICAL AMENDMENTS.—Section 7(b) of the  
4 Small Business Act (15 U.S.C. 636(b)) is amended—

5 (1) in the matter preceding paragraph (1), by  
6 striking “the, Administration” and inserting “the  
7 Administration”;

8 (2) in paragraph (2)(A), by striking “Disaster  
9 Relief and Emergency Assistance Act” and inserting  
10 “Robert T. Stafford Disaster Relief and Emergency  
11 Assistance Act (42 U.S.C. 5121 et seq.)”; and

12 (3) in the undesignated matter at the end—

13 (A) by striking “, (2), and (4)” and insert-  
14 ing “and (2)”; and

15 (B) by striking “, (2), or (4)” and insert-  
16 ing “(2)”.

17 **SEC. 204. SMALL BUSINESS DEVELOPMENT CENTER PORT-**  
18 **ABILITY GRANTS.**

19 Section 21(a)(4)(C)(viii) of the Small Business Act  
20 (15 U.S.C. 648(a)(4)(C)(viii)) is amended—

21 (1) in the first sentence, by striking “as a re-  
22 sult of a business or government facility down sizing  
23 or closing, which has resulted in the loss of jobs or  
24 small business instability” and inserting “due to

1 events that have resulted or will result in, business  
2 or government facility downsizing or closing”; and

3 (2) by adding at the end “At the discretion of  
4 the Administrator, the Administrator may make an  
5 award greater than \$100,000 to a recipient to ac-  
6 commodate extraordinary occurrences having a cata-  
7 strophic impact on the small business concerns in a  
8 community.”.

9 **SEC. 205. ASSISTANCE TO OUT-OF-STATE BUSINESSES.**

10 Section 21(b)(3) of the Small Business Act (15  
11 U.S.C. 648(b)(3)) is amended—

12 (1) by striking “At the discretion” and insert-  
13 ing the following: “SMALL BUSINESS DEVELOPMENT  
14 CENTERS.—

15 “(A) IN GENERAL.—At the discretion”;

16 and

17 (2) by adding at the end the following:

18 “(B) DURING DISASTERS.—

19 “(i) IN GENERAL.—At the discretion  
20 of the Administrator, the Administrator  
21 may authorize a small business develop-  
22 ment center to provide such assistance to  
23 small business concerns located outside of  
24 the State, without regard to geographic  
25 proximity, if the small business concerns

1 are located in a disaster area declared  
2 under section 7(b)(2)(A).

3 “(ii) CONTINUITY OF SERVICES.—A  
4 small business development center that  
5 provides counselors to an area described in  
6 clause (i) shall, to the maximum extent  
7 practicable, ensure continuity of services in  
8 any State in which such small business de-  
9 velopment center otherwise provides serv-  
10 ices.

11 “(iii) ACCESS TO DISASTER RECOVERY  
12 FACILITIES.—For purposes of providing  
13 disaster recovery assistance under this sub-  
14 paragraph, the Administrator shall, to the  
15 maximum extent practicable, permit small  
16 business development center personnel to  
17 use any site or facility designated by the  
18 Administrator for use to provide disaster  
19 recovery assistance.”.

20 **SEC. 206. OUTREACH PROGRAMS.**

21 (a) IN GENERAL.—Not later than 30 days after the  
22 date of the declaration of a disaster area, the Adminis-  
23 trator may establish a contracting outreach and technical  
24 assistance program for small business concerns which have

1 had a primary place of business in, or other significant  
2 presence in, such disaster area.

3 (b) ADMINISTRATOR ACTION.—The Administrator  
4 may fulfill the requirement of subsection (a) by acting  
5 through—

6 (1) the Administration;

7 (2) the Federal agency small business officials  
8 designated under section 15(k)(1) of the Small Busi-  
9 ness Act (15 U.S.C. 644(k)(1)); or

10 (3) any Federal, State, or local government en-  
11 tity, higher education institution, procurement tech-  
12 nical assistance center, or private nonprofit organi-  
13 zation that the Administrator may determine appro-  
14 priate, upon conclusion of a memorandum of under-  
15 standing or assistance agreement, as appropriate,  
16 with the Administrator.

17 **SEC. 207. SMALL BUSINESS BONDING THRESHOLD.**

18 (a) IN GENERAL.—Except as provided in subsection  
19 (b), and notwithstanding any other provision of law, for  
20 any procurement related to a major disaster (as that term  
21 is defined in section 102 of the Robert T. Stafford Dis-  
22 aster Relief and Emergency Assistance Act (42 U.S.C.  
23 5122)), the Administrator may, upon such terms and con-  
24 ditions as the Administrator may prescribe, guarantee and  
25 enter into commitments to guarantee any surety against

1 loss resulting from a breach of the terms of a bid bond,  
 2 payment bond, performance bond, or bonds ancillary  
 3 thereto, by a principal on any total work order or contract  
 4 amount at the time of bond execution that does not exceed  
 5 \$5,000,000.

6 (b) INCREASE OF AMOUNT.—Upon request of the  
 7 head of any Federal agency other than the Administration  
 8 involved in reconstruction efforts in response to a major  
 9 disaster, the Administrator may guarantee and enter into  
 10 a commitment to guarantee any security against loss  
 11 under subsection (a) on any total work order or contract  
 12 amount at the time of bond execution that does not exceed  
 13 \$10,000,000.

14 **SEC. 208. CONTRACTING PRIORITY FOR LOCAL SMALL**  
 15 **BUSINESSES.**

16 Section 15(d) of the Small Business Act (15 U.S.C.  
 17 644(d)) is amended—

18 (1) by striking “(d) For purposes” and insert-  
 19 ing the following:

20 “(d) CONTRACTING PRIORITIES.—

21 “(1) IN GENERAL.—For purposes”; and

22 (2) by adding at the end the following:

23 “(2) DISASTER CONTRACTING PRIORITY IN  
 24 GENERAL.—The Administrator shall designate any  
 25 disaster area as an area of concentrated unemploy-

1       ment or underemployment, or a labor surplus area  
2       for purposes of paragraph (1).

3           “(3) LOCAL SMALL BUSINESSES.—

4               “(A) IN GENERAL.—The head of each ex-  
5       ecutive agency shall give priority in the award-  
6       ing of contracts and the placement of sub-  
7       contracts for disaster relief to local small busi-  
8       ness concerns by using, as appropriate—

9                   “(i) preferential factors in evaluations  
10                  of contract bids and proposals;

11                   “(ii) competitions restricted to local  
12                  small business concerns, where there is a  
13                  reasonable expectation of receiving com-  
14                  petitive, reasonably priced bids or pro-  
15                  posals from not fewer than 2 local small  
16                  business concerns;

17                   “(iii) requirements of preference for  
18                  local small business concerns in subcon-  
19                  tracting plans; and

20                   “(iv) assessments of liquidated dam-  
21                  ages and other contractual penalties, in-  
22                  cluding contract termination.

23               “(B) OTHER DISASTER ASSISTANCE.—Pri-  
24       ority shall be given to local small business con-  
25       cerns in the awarding of contracts and the



1 placement of subcontracts for disaster relief in  
2 any Federal procurement and any procurement  
3 by a State or local government made with Fed-  
4 eral disaster assistance funds.

5 “(4) DEFINITIONS.—In this subsection—

6 “(A) the term ‘declared disaster’ means a  
7 disaster, as designated by the Administrator;

8 “(B) the term ‘disaster area’ means any  
9 State or area affected by a declared disaster, as  
10 determined by the Administrator;

11 “(C) the term ‘executive agency’ has the  
12 same meaning as in section 105 of title 5,  
13 United States Code; and

14 “(D) the term ‘local small business con-  
15 cern’ means a small business concern that—

16 “(i) on the date immediately pre-  
17 ceding the date on which a declared dis-  
18 aster occurred—

19 “(I) had a principal office in the  
20 disaster area for such declared dis-  
21 aster; and

22 “(II) employed a majority of the  
23 workforce of such small business con-  
24 cern in the disaster area for such de-  
25 clared disaster; and

1                   “(ii) is capable of performing a sub-  
 2                   stantial proportion of any contract or sub-  
 3                   contract for disaster relief within the dis-  
 4                   aster area for such declared disaster, as  
 5                   determined by the Administrator.”.

6 **SEC. 209. TERMINATION OF PROGRAM.**

7           Section 711(c) of the Small Business Competitive  
 8 Demonstration Program Act of 1988 (15 U.S.C. 644 note)  
 9 is amended by inserting after “January 1, 1989” the fol-  
 10 lowing: “, and shall terminate on the date of enactment  
 11 of the Small Business Disaster Response and Loan Im-  
 12 provements Act of 2006”.

13 **SEC. 210. INCREASING COLLATERAL REQUIREMENTS.**

14           Section 7(d)(6) of the Small Business Act (15 U.S.C.  
 15 636), as so designated by section 101, is amended by  
 16 striking “\$10,000 or less” and inserting “\$14,000 or less  
 17 (or such higher amount as the Administrator determines  
 18 appropriate in the event of a catastrophic national disaster  
 19 declared under subsection (b)(6))”.

20 **TITLE III—DISASTER RESPONSE**

21 **SEC. 301. DEFINITIONS.**

22           In this title—

23                   (1) the term “catastrophic national disaster”  
 24                   has the meaning given the term in section 7(b)(6)

1 of the Small Business Act (15 U.S.C. 636(b)), as  
2 added by this Act;

3 (2) the term “declared disaster” means a major  
4 disaster or a catastrophic national disaster;

5 (3) the term “disaster loan program of the Ad-  
6 ministration” means assistance under section 7(b) of  
7 the Small Business Act (15 U.S.C. 636(b));

8 (4) the term “disaster update period” means  
9 the period beginning on the date on which the Presi-  
10 dent declares a major disaster or a catastrophic na-  
11 tional disaster and ending on the date on which such  
12 declaration terminates;

13 (5) the term “major disaster” has the meaning  
14 given the term in section 102 of the Robert T. Staf-  
15 ford Disaster Relief and Emergency Assistance Act  
16 (42 U.S.C. 5122); and

17 (6) the term “State” means any State of the  
18 United States, the District of Columbia, the Com-  
19 monwealth of Puerto Rico, the Northern Mariana Is-  
20 lands, the Virgin Islands, Guam, American Samoa,  
21 and any territory or possession of the United States.

22 **SEC. 302. BUSINESS EXPEDITED DISASTER ASSISTANCE**  
23 **LOAN PROGRAM.**

24 (a) DEFINITIONS.—In this section—

1           (1) the term “immediate disaster assistance”  
2           means assistance provided during the period begin-  
3           ning on the date on which a disaster declaration is  
4           made and ending on the date that an impacted small  
5           business concern is able to secure funding through  
6           insurance claims, Federal assistance programs, or  
7           other sources; and

8           (2) the term “program” means the expedited  
9           disaster assistance business loan program estab-  
10          lished under subsection (b); and

11          (b) CREATION OF PROGRAM.—The Administrator  
12          shall take such administrative action as is necessary to  
13          establish and implement an expedited disaster assistance  
14          business loan program to provide small business concerns  
15          with immediate disaster assistance under section 7(b) of  
16          the Small Business Act (15 U.S.C. 636(b)).

17          (c) CONSULTATION REQUIRED.—In establishing the  
18          program, the Administrator shall consult with—

19               (1) appropriate personnel of the Administration  
20               (including District Office personnel of the Adminis-  
21               tration);

22               (2) appropriate technical assistance providers  
23               (including small business development centers);

24               (3) appropriate lenders and credit unions;

1           (4) the Committee on Small Business and En-  
2           trepreneurship of the Senate; and

3           (5) the Committee on Small Business of the  
4           House of Representatives.

5           (d) RULES.—

6           (1) IN GENERAL.—Not later than 1 year after  
7           the date of enactment of this Act, the Administrator  
8           shall promulgate rules establishing and imple-  
9           menting the program in accordance with this sec-  
10          tion. Such rules shall apply as provided for in this  
11          section, beginning 90 days after their issuance in  
12          final form.

13          (2) CONTENTS.—The rules promulgated under  
14          paragraph (1) shall—

15                (A) identify whether appropriate uses of  
16                funds under the program may include—

17                       (i) paying employees;

18                       (ii) paying bills and other financial  
19                       obligations;

20                       (iii) making repairs;

21                       (iv) purchasing inventory;

22                       (v) restarting or operating a small  
23                       business concern in the community in  
24                       which it was conducting operations prior to  
25                       the declared disaster, or to a neighboring

1 area, county, or parish in the disaster  
2 area; or

3 (vi) covering additional costs until the  
4 small business concern is able to obtain  
5 funding through insurance claims, Federal  
6 assistance programs, or other sources; and

7 (B) set the terms and conditions of any  
8 loan made under the program, subject to para-  
9 graph (3).

10 (3) TERMS AND CONDITIONS.—A loan made by  
11 the Administration under this section—

12 (A) shall be a short-term loan, not to ex-  
13 ceed 180 days, except that the Administrator  
14 may extend such term as the Administrator de-  
15 termines necessary or appropriate on a case-by-  
16 case basis;

17 (B) shall have an interest rate not to ex-  
18 ceed 1 percentage point above the prime rate of  
19 interest that a private lender may charge;

20 (C) shall have no prepayment penalty;

21 (D) may be refinanced as part of any sub-  
22 sequent disaster assistance provided under sec-  
23 tion 7(b) of the Small Business Act; and

1           (E) shall be subject to such additional  
2           terms as the Administrator determines nec-  
3           essary or appropriate.

4           (e) REPORT TO CONGRESS.—Not later than 5  
5           months after the date of enactment of this Act, the Ad-  
6           ministrator shall report to the Committee on Small Busi-  
7           ness and Entrepreneurship of the Senate and the Com-  
8           mittee on Small Business of the House of Representatives  
9           on the progress of the Administrator in establishing the  
10          program.

11          (f) AUTHORIZATION.—There are authorized to be ap-  
12          propriated to the Administrator such sums as are nec-  
13          essary to carry out this section.

14       **SEC. 303. CATASTROPHIC NATIONAL DISASTERS.**

15          Section 7(b) of the Small Business Act (15 U.S.C.  
16          636(b)) is amended by inserting immediately after para-  
17          graph (5), as added by this Act, the following:

18               “(6) CATASTROPHIC NATIONAL DISASTERS.—

19                       “(A) DEFINITION.—In this paragraph the  
20                       term ‘catastrophic national disaster’ means a  
21                       disaster, natural or other, that the President  
22                       determines has caused significant adverse eco-  
23                       nomic conditions outside of the geographic  
24                       reach of the disaster.

1           “(B) AUTHORIZATION.—The Adminis-  
2           trator may make such loans under this para-  
3           graph (either directly or in cooperation with  
4           banks or other lending institutions through  
5           agreements to participate on an immediate or  
6           deferred basis) as the Administrator determines  
7           appropriate to small business concerns located  
8           anywhere in the United States that are eco-  
9           nomically adversely impacted as a result of a  
10          catastrophic national disaster.

11          “(C) LOAN TERMS.—A loan under this  
12          paragraph shall be made on the same terms as  
13          a loan under paragraph (2).”.

14 **SEC. 304. PUBLIC AWARENESS OF DISASTER DECLARATION**  
15 **AND APPLICATION PERIODS.**

16          (a) IN GENERAL.—Section 7(b) of the Small Busi-  
17          ness Act (15 U.S.C. 636(b)) is amended by inserting im-  
18          mediately after paragraph (6), as added by this Act, the  
19          following:

20                 “(7) COORDINATION WITH FEMA.—

21                 “(A) IN GENERAL.—Notwithstanding any  
22                 other provision of law, for any disaster (includ-  
23                 ing a catastrophic national disaster) declared  
24                 under this subsection or major disaster (as that  
25                 term is defined in section 102 of the Robert T.



1           Stafford Disaster Relief and Emergency Assist-  
2           ance Act (42 U.S.C. 5122)), the Administrator,  
3           in consultation with the Director of the Federal  
4           Emergency Management Agency, shall ensure,  
5           to the maximum extent practicable, that all ap-  
6           plication periods for disaster relief under this  
7           Act and the Robert T. Stafford Disaster Relief  
8           and Emergency Assistance Act (42 U.S.C. 5121  
9           et seq.) begin on the same date and end on the  
10          same date.

11                 “(B) DEADLINE EXTENSIONS.—Notwith-  
12          standing any other provision of law—

13                         “(i) not later than 10 days before the  
14                         closing date of an application period for  
15                         disaster relief under this Act for any dis-  
16                         aster (including a catastrophic national  
17                         disaster) declared under this subsection,  
18                         the Administrator, in consultation with the  
19                         Director of the Federal Emergency Man-  
20                         agement Agency, shall notify the Com-  
21                         mittee on Small Business and Entrepre-  
22                         neurship of the Senate and the Committee  
23                         on Small Business of the House of Rep-  
24                         resentatives as to whether the Adminis-

1 trator intends to extend such application  
2 period; and

3 “(ii) not later than 10 days before the  
4 closing date of an application period for  
5 disaster relief under the Robert T. Staf-  
6 ford Disaster Relief and Emergency Assist-  
7 ance Act for any major disaster (as that  
8 term is defined in section 102 of the Rob-  
9 ert T. Stafford Disaster Relief and Emer-  
10 gency Assistance Act (42 U.S.C. 5122))  
11 for which the President has declared a cat-  
12 astrophic national disaster under para-  
13 graph (6), the Director of the Federal  
14 Emergency Management Agency, in con-  
15 sultation with the Administrator, shall no-  
16 tify the Committee on Small Business and  
17 Entrepreneurship of the Senate and the  
18 Committee on Small Business of the  
19 House of Representatives as to whether  
20 the Director intends to extend such appli-  
21 cation period.

22 “(8) PUBLIC AWARENESS OF DISASTERS.—If a  
23 disaster (including a catastrophic national disaster)  
24 is declared under this subsection, the Administrator  
25 shall make every effort to communicate through

1 radio, television, print, and web-based outlets, all  
2 relevant information needed by disaster loan appli-  
3 cants, including—

4 “(A) the date of such declaration;

5 “(B) cities and towns within the area of  
6 such declaration;

7 “(C) loan application deadlines related to  
8 such disaster;

9 “(D) all relevant contact information for  
10 victim services available through the Adminis-  
11 tration (including links to small business devel-  
12 opment center websites);

13 “(E) links to relevant Federal and State  
14 disaster assistance websites;

15 “(F) information on eligibility criteria for  
16 Federal Emergency Management Agency dis-  
17 aster assistance applications, as well as for Ad-  
18 ministration loan programs, including where  
19 such applications can be found; and

20 “(G) application materials that clearly  
21 state the function of the Administration as the  
22 Federal source of disaster loans for homeowners  
23 and renters.”.

24 (b) COORDINATION OF AGENCIES AND OUTREACH.—

25 Not later than 90 days after the date of enactment of this

1 Act, the Administrator and the Director of the Federal  
2 Emergency Management Agency shall enter into a memo-  
3 randum of understanding that ensures, to the maximum  
4 extent practicable, adequate lodging and transportation  
5 for employees of the Administration, contract employees,  
6 and volunteers during a major disaster, if such staff are  
7 needed to assist businesses, homeowners, or renters in re-  
8 covery.

9 (c) **MARKETING AND OUTREACH.**—Not later than 90  
10 days after the date of enactment of this Act, the Adminis-  
11 trator shall create a marketing and outreach plan that—

12 (1) encourages a proactive approach to the dis-  
13 aster relief efforts of the Administration;

14 (2) distinguishes between disaster services pro-  
15 vided by the Administration and disaster services  
16 provided by the Federal Emergency Management  
17 Agency, including contact information, application  
18 information, and timelines for submitting applica-  
19 tions, the review of applications, and the disburse-  
20 ment of funds;

21 (3) describes the different disaster loan pro-  
22 grams of the Administration, including how they are  
23 made available and what eligibility requirements  
24 exist for each loan program;

1           (4) provides for regional marketing, focusing on  
 2           disasters occurring in each region before the date of  
 3           enactment of this Act, and likely scenarios for disas-  
 4           ters in each such region; and

5           (5) ensures that the marketing plan is made  
 6           available at small business development centers and  
 7           on the website of the Administration.

8 **SEC. 305. CONSISTENCY BETWEEN ADMINISTRATION REGU-**  
 9                           **LATIONS AND STANDARD OPERATING PROCE-**  
 10                           **DURES.**

11           (a) **IN GENERAL.**—The Administrator shall, prompt-  
 12           ly following the date of enactment of this Act, conduct  
 13           a study of whether the standard operating procedures of  
 14           the Administration for loans offered under section 7(b) of  
 15           the Small Business Act (15 U.S.C. 636(b)) are consistent  
 16           with the regulations of the Administration for admin-  
 17           istering the disaster loan program.

18           (b) **REPORT.**—Not later than 180 days after the date  
 19           of enactment of this Act, the Administration shall submit  
 20           to Congress a report containing all findings and rec-  
 21           ommendations of the study conducted under subsection  
 22           (a).

23 **SEC. 306. PROCESSING DISASTER LOANS.**

24           (a) **AUTHORITY FOR QUALIFIED PRIVATE CONTRAC-**  
 25           **TORS TO PROCESS DISASTER LOANS.**—Section 7(b) of the

1 Small Business Act (15 U.S.C. 636(b)) is amended by in-  
2 serting immediately after paragraph (8), as added by this  
3 Act, the following:

4           “(9) AUTHORITY FOR QUALIFIED PRIVATE CON-  
5 TRACTORS.—

6           “(A) DISASTER LOAN PROCESSING.—The  
7 Administrator may enter into an agreement  
8 with a qualified private contractor, as deter-  
9 mined by the Administrator, to process loans  
10 under this subsection in the event of a major  
11 disaster (as defined in section 102 of the Rob-  
12 ert T. Stafford Disaster Relief and Emergency  
13 Assistance Act (42 U.S.C. 5122)) or a cata-  
14 strophic national disaster declared under para-  
15 graph (6), under which the Administrator shall  
16 pay the contractor a fee for each loan proc-  
17 essed.

18           “(B) LOAN LOSS VERIFICATION SERV-  
19 ICES.—The Administrator may enter into an  
20 agreement with a qualified lender or loss  
21 verification professional, as determined by the  
22 Administrator, to verify losses for loans under  
23 this subsection in the event of a major disaster  
24 (as defined in section 102 of the Robert T.  
25 Stafford Disaster Relief and Emergency Assist-

1           ance Act (42 U.S.C. 5122)) or a catastrophic  
2           national disaster declared under paragraph (6),  
3           under which the Administrator shall pay the  
4           lender or verification professional a fee for each  
5           loan for which such lender or verification pro-  
6           fessional verifies losses.”.

7           (b) COORDINATION OF EFFORTS BETWEEN THE AD-  
8           MINISTRATOR AND THE INTERNAL REVENUE SERVICE TO  
9           EXPEDITE LOAN PROCESSING.—The Administrator and  
10          the Commissioner of Internal Revenue shall, to the max-  
11          imum extent practicable, ensure that all relevant and al-  
12          lowable tax records for loan approval are shared with loan  
13          processors in an expedited manner, upon request by the  
14          Administrator.

15          (c) REPORT ON LOAN APPROVAL RATE.—

16               (1) IN GENERAL.—Not later than 6 months  
17          after the date of enactment of this Act, the Adminis-  
18          trator shall submit a report to the Committee on  
19          Small Business and Entrepreneurship of the Senate  
20          and the Committee on Small Business of the House  
21          of Representatives detailing how the Administration  
22          can improve the processing of applications under the  
23          disaster loan program of the Administration.

24               (2) CONTENTS.—The report submitted under  
25          paragraph (1) shall include—

1 (A) recommendations, if any, regarding—

2 (i) staffing levels during a major dis-  
3 aster;

4 (ii) how to improve the process for  
5 processing, approving, and disbursing  
6 loans under the disaster loan program of  
7 the Administration, to ensure that the  
8 maximum assistance is provided to victims  
9 in a timely manner;

10 (iii) the viability of using alternative  
11 methods for assessing the ability of an ap-  
12 plicant to repay a loan, including the credit  
13 score of the applicant on the day before  
14 the date on which the disaster for which  
15 the applicant is seeking assistance was de-  
16 clared;

17 (iv) methods, if any, for the Adminis-  
18 tration to expedite loss verification and  
19 loan processing of disaster loans during a  
20 major disaster for businesses affected by,  
21 and located in the area for which the  
22 President declared, the major disaster that  
23 are a major source of employment in the  
24 area or are vital to recovery efforts in the  
25 region (including providing debris removal



1 services, manufactured housing, or building  
2 materials);

3 (v) legislative changes, if any, needed  
4 to implement findings from the Adminis-  
5 tration's Accelerated Disaster Response  
6 Initiative; and

7 (vi) a description of how the Adminis-  
8 tration plans to integrate and coordinate  
9 the response to a major disaster with the  
10 technical assistance programs of the Ad-  
11 ministration; and

12 (B) the plans of the Administrator for im-  
13 plementing any recommendation made under  
14 subparagraph (A).

15 **SEC. 307. DEVELOPMENT AND IMPLEMENTATION OF**  
16 **MAJOR DISASTER RESPONSE PLAN.**

17 (a) IN GENERAL.—Not later than March 15, 2007,  
18 the Administrator shall—

19 (1) by rule, amend the 2006 Atlantic hurricane  
20 season disaster response plan of the Administration  
21 (in this section referred to as the “disaster response  
22 plan”) to apply to major disasters and catastrophic  
23 national disasters, consistent with this Act and the  
24 amendments made by this Act; and

1           (2) submit a report to the Committee on Small  
2 Business and Entrepreneurship of the Senate and  
3 the Committee on Small Business of the House of  
4 Representatives detailing the amendments to the dis-  
5 aster response plan.

6           (b) CONTENTS.—The amended report required under  
7 subsection (a)(2) shall include—

8           (1) any updates or modifications made to the  
9 disaster response plan since the report regarding the  
10 disaster response plan submitted on July 14, 2006;

11           (2) a description of how the Administrator  
12 plans to utilize and integrate District Office per-  
13 sonnel of the Administration in the response to a  
14 major disaster, including information on the utiliza-  
15 tion of personnel for loan processing and loan dis-  
16 bursement;

17           (3) a description of the disaster scalability  
18 model of the Administration and on what basis or  
19 function the plan is scaled;

20           (4) a description of how the agency-wide Dis-  
21 aster Oversight Council is structured, which offices  
22 comprise its membership, and whether the Associate  
23 Deputy Administrator for Entrepreneurial Develop-  
24 ment of the Administration is a member;

1           (5) a description of how the Administrator  
2 plans to coordinate the disaster efforts of the Ad-  
3 ministration with State and local government offi-  
4 cials, including recommendations on how to better  
5 incorporate State initiatives or programs, such as  
6 State-administered bridge loan programs, into the  
7 disaster response of the Administration;

8           (6) recommendations, if any, on how the Ad-  
9 ministrator can better coordinate its disaster re-  
10 sponse operations with the operations of other Fed-  
11 eral, State, and local entities;

12           (7) any surge plan for the system in effect on  
13 or after August 29, 2005 (including surge plans for  
14 loss verification, loan processing, mailroom, cus-  
15 tomer service or call center operations, and a con-  
16 tinuity of operations plan);

17           (8) the number of full-time equivalent employ-  
18 ees and job descriptions for the planning and dis-  
19 aster response staff of the Administration;

20           (9) the in-service and preservice training proce-  
21 dures for disaster response staff of the Administra-  
22 tion;

23           (10) information on the logistical support plans  
24 of the Administration (including equipment and  
25 staffing needs, and detailed information on how such

1 plans will be scalable depending on the size and  
2 scope of the major disaster;

3 (11) a description of the findings and rec-  
4 ommendations of the Administrator, if any, based on  
5 a review of the response of the Administration to  
6 Hurricane Katrina of 2005, Hurricane Rita of 2005,  
7 and Hurricane Wilma of 2005; and

8 (12) a plan for how the Administrator, in co-  
9 operation with the Director of the Federal Emer-  
10 gency Management Agency, will coordinate the pro-  
11 vision of accommodations and necessary resources  
12 for disaster assistance personnel to effectively per-  
13 form their responsibilities in the aftermath of a  
14 major disaster.

15 (c) EXERCISES.—Not later than May 31, 2007, the  
16 Administrator shall develop and execute simulation exer-  
17 cises to demonstrate the effectiveness of the amended dis-  
18 aster response plan required under this section.

19 **SEC. 308. CONGRESSIONAL OVERSIGHT.**

20 (a) MONTHLY ACCOUNTING REPORT TO CON-  
21 GRESS.—

22 (1) DEFINITION.—In this subsection the term  
23 “applicable period” means the period beginning on  
24 the date on which the President declares a major  
25 disaster and ending on the date that is 30 days after

1 the later of the closing date for applications for  
2 physical disaster loans for such disaster and the  
3 closing date for applications for economic injury dis-  
4 aster loans for such disaster.

5 (2) REPORTING REQUIREMENTS.—Not later  
6 than the fifth business day of each month during the  
7 applicable period for a major disaster, the Adminis-  
8 trator shall provide to the Committee on Small Busi-  
9 ness and Entrepreneurship and the Committee on  
10 Appropriations of the Senate and to the Committee  
11 on Small Business and the Committee on Appropria-  
12 tions of the House of Representatives a report on  
13 the operation of the disaster loan program author-  
14 ized under section 7 of the Small Business Act (15  
15 U.S.C. 636) for such disaster during the preceding  
16 month.

17 (3) CONTENTS.—Each report under paragraph  
18 (2) shall include—

19 (A) the daily average lending volume, in  
20 number of loans and dollars, and the percent by  
21 which each category has increased or decreased  
22 since the previous report under paragraph (2);

23 (B) the weekly average lending volume, in  
24 number of loans and dollars, and the percent by

1           which each category has increased or decreased  
2           since the previous report under paragraph (2);

3           (C) the amount of funding spent over the  
4           month for loans, both in appropriations and  
5           program level, and the percent by which each  
6           category has increased or decreased since the  
7           previous report under paragraph (2);

8           (D) the amount of funding available for  
9           loans, both in appropriations and program level,  
10          and the percent by which each category has in-  
11          creased or decreased, noting the source of any  
12          additional funding;

13          (E) an estimate of how long the available  
14          funding for such loans will last, based on the  
15          spending rate;

16          (F) the amount of funding spent over the  
17          month for staff, along with the number of staff,  
18          and the percent by which each category has in-  
19          creased or decreased since the previous report  
20          under paragraph (2);

21          (G) the amount of funding spent over the  
22          month for administrative costs, and the percent  
23          by which such spending has increased or de-  
24          creased since the previous report under para-  
25          graph (2);

1 (H) the amount of funding available for  
2 salaries and expenses combined, and the per-  
3 cent by which such funding has increased or de-  
4 creased, noting the source of any additional  
5 funding; and

6 (I) an estimate of how long the available  
7 funding for salaries and expenses will last,  
8 based on the spending rate.

9 (b) DAILY DISASTER UPDATES TO CONGRESS FOR  
10 PRESIDENTIALLY DECLARED DISASTERS.—

11 (1) IN GENERAL.—Each day during a disaster  
12 update period, excluding Federal holidays and week-  
13 ends, the Administration shall provide to the Com-  
14 mittee on Small Business and Entrepreneurship of  
15 the Senate and to the Committee on Small Business  
16 of the House of Representatives a report on the op-  
17 eration of the disaster loan program of the Adminis-  
18 tration for the area in which the President declared  
19 a major disaster or a catastrophic national disaster,  
20 as the case may be.

21 (2) CONTENTS.—Each report under paragraph  
22 (1) shall include—

23 (A) the number of Administration staff  
24 performing loan processing, field inspection,  
25 and other duties for the declared disaster, and

1 the allocations of such staff in the disaster field  
2 offices, disaster recovery centers, workshops,  
3 and other Administration offices nationwide;

4 (B) the daily number of applications re-  
5 ceived from applicants in the relevant area, as  
6 well as a breakdown of such figures by State;

7 (C) the daily number of applications pend-  
8 ing application entry from applicants in the rel-  
9 evant area, as well as a breakdown of such fig-  
10 ures by State;

11 (D) the daily number of applications with-  
12 drawn by applicants in the relevant area, as  
13 well as a breakdown of such figures by State;

14 (E) the daily number of applications sum-  
15 marily declined by the Administration from ap-  
16 plicants in the relevant area, as well as a break-  
17 down of such figures by State;

18 (F) the daily number of applications de-  
19 clined by the Administration from applicants in  
20 the relevant area, as well as a breakdown of  
21 such figures by State;

22 (G) the daily number of applications in  
23 process from applicants in the relevant area, as  
24 well as a breakdown of such figures by State;



1 (H) the daily number of applications ap-  
2 proved by the Administration from applicants in  
3 the relevant area, as well as a breakdown of  
4 such figures by State;

5 (I) the daily dollar amount of applications  
6 approved by the Administration from applicants  
7 in the relevant area, as well as a breakdown of  
8 such figures by State;

9 (J) the daily amount of loans dispersed,  
10 both partially and fully, by the Administration  
11 to applicants in the relevant area, as well as a  
12 breakdown of such figures by State;

13 (K) the daily dollar amount of loans dis-  
14 persed, both partially and fully, from the rel-  
15 evant area, as well as a breakdown of such fig-  
16 ures by State;

17 (L) the number of applications approved,  
18 including dollar amount approved, as well as  
19 applications partially and fully dispersed, in-  
20 cluding dollar amounts, since the last report  
21 under paragraph (1); and

22 (M) the declaration date, physical damage  
23 closing date, economic injury closing date, and  
24 number of counties included in the declaration  
25 of a major disaster.

1           (c) NOTICE OF THE NEED FOR SUPPLEMENTAL  
2 FUNDS.—On the same date that the Administrator noti-  
3 fies any committee of the Senate or the House of Rep-  
4 resentatives that supplemental funding is necessary for  
5 the disaster loan program of the Administration in any  
6 fiscal year, the Administrator shall notify in writing the  
7 Committee on Small Business and Entrepreneurship of  
8 the Senate and to the Committee on Small Business of  
9 the House of Representatives regarding the need for sup-  
10 plemental funds for such loan program.

11           (d) REPORT ON CONTRACTING.—

12           (1) IN GENERAL.—Not later than 6 months  
13 after the date on which the President declares a de-  
14 clared disaster, and every 6 months thereafter until  
15 the date that is 18 months after the date on which  
16 the declared disaster was declared, the Adminis-  
17 trator shall submit a report to the Committee on  
18 Small Business and Entrepreneurship of the Senate  
19 and to the Committee on Small Business of the  
20 House of Representatives regarding Federal con-  
21 tracts awarded as a result of the declared disaster.

22           (2) CONTENTS.—Each report submitted under  
23 paragraph (1) shall include—

24           (A) the total number of contracts awarded  
25 as a result of the declared disaster;

1 (B) the total number of contracts awarded  
2 to small business concerns as a result of the de-  
3 clared disaster;

4 (C) the total number of contracts awarded  
5 to women and minority-owned businesses as a  
6 result of the declared disaster; and

7 (D) the total number of contracts awarded  
8 to local businesses as a result of the declared  
9 disaster.

10 **TITLE IV—ENERGY**  
11 **EMERGENCIES**

12 **SEC. 401. FINDINGS.**

13 Congress finds that—

14 (1) a significant number of small business con-  
15 cerns in the United States, nonfarm as well as agri-  
16 cultural producers, use heating oil, natural gas, pro-  
17 pane, or kerosene to heat their facilities and for  
18 other purposes;

19 (2) a significant number of small business con-  
20 cerns in the United States sell, distribute, market,  
21 or otherwise engage in commerce directly related to  
22 heating oil, natural gas, propane, and kerosene; and

23 (3) significant increases in the price of heating  
24 oil, natural gas, propane, or kerosene—

1 (A) disproportionately harm small business  
 2 concerns dependent on those fuels or that use,  
 3 sell, or distribute those fuels in the ordinary  
 4 course of their business, and can cause them  
 5 substantial economic injury;

6 (B) can negatively affect the national econ-  
 7 omy and regional economies;

8 (C) have occurred in the winters of 1983  
 9 to 1984, 1988 to 1989, 1996 to 1997, 1999 to  
 10 2000, 2000 to 2001, and 2004 to 2005; and

11 (D) can be caused by a host of factors, in-  
 12 cluding international conflicts, global or re-  
 13 gional supply difficulties, weather conditions,  
 14 insufficient inventories, refinery capacity, trans-  
 15 portation, and competitive structures in the  
 16 markets, causes that are often unforeseeable to,  
 17 and beyond the control of, those who own and  
 18 operate small business concerns.

19 **SEC. 402. SMALL BUSINESS ENERGY EMERGENCY DISASTER**  
 20 **LOAN PROGRAM.**

21 (a) IN GENERAL.—Section 7(b) of the Small Busi-  
 22 ness Act (15 U.S.C. 636(b)) is amended by inserting after  
 23 paragraph (9), as added by this Act, the following:

24 “(10) ENERGY EMERGENCIES.—

25 “(A) DEFINITIONS.—In this paragraph—

1           “(i) the term ‘base price index’ means  
2           the moving average of the closing unit  
3           price on the New York Mercantile Ex-  
4           change for heating oil, natural gas, or pro-  
5           pane for the 10 days, in each of the most  
6           recent 2 preceding years, which correspond  
7           to the trading days described in clause (ii);

8           “(ii) the term ‘current price index’  
9           means the moving average of the closing  
10          unit price on the New York Mercantile Ex-  
11          change, for the 10 most recent trading  
12          days, for contracts to purchase heating oil,  
13          natural gas, or propane during the subse-  
14          quent calendar month, commonly known as  
15          the ‘front month’;

16          “(iii) the term ‘heating fuel’ means  
17          heating oil, natural gas, propane, or ker-  
18          osene; and

19          “(iv) the term ‘significant increase’  
20          means—

21                 “(I) with respect to the price of  
22                 heating oil, natural gas, or propane,  
23                 any time the current price index ex-  
24                 ceeds the base price index by not less  
25                 than 40 percent; and

1                   “(II) with respect to the price of  
2                   kerosene, any increase which the Ad-  
3                   ministrator, in consultation with the  
4                   Secretary of Energy, determines to be  
5                   significant.

6                   “(B) AUTHORIZATION.—The Administra-  
7                   tion may make such loans, either directly or in  
8                   cooperation with banks or other lending institu-  
9                   tions through agreements to participate on an  
10                  immediate or deferred basis, to assist a small  
11                  business concern that has suffered or that is  
12                  likely to suffer substantial economic injury as  
13                  the result of a significant increase in the price  
14                  of heating fuel occurring on or after October 1,  
15                  2004.

16                  “(C) INTEREST RATE.—Any loan or guar-  
17                  antee extended under this paragraph shall be  
18                  made at the same interest rate as economic in-  
19                  jury loans under paragraph (2).

20                  “(D) MAXIMUM AMOUNT.—No loan may  
21                  be made under this paragraph, either directly  
22                  or in cooperation with banks or other lending  
23                  institutions through agreements to participate  
24                  on an immediate or deferred basis, if the total  
25                  amount outstanding and committed to the bor-

1           rower under this subsection would exceed  
2           \$1,500,000, unless such borrower constitutes a  
3           major source of employment in its surrounding  
4           area, as determined by the Administrator, in  
5           which case the Administrator, in the discretion  
6           of the Administrator, may waive the \$1,500,000  
7           limitation.

8           “(E) DECLARATIONS.—For purposes of  
9           assistance under this paragraph—

10           “(i) a declaration of a disaster area  
11           based on conditions specified in this para-  
12           graph shall be required, and shall be made  
13           by the President or the Administrator; or

14           “(ii) if no declaration has been made  
15           under clause (i), the Governor of a State  
16           in which a significant increase in the price  
17           of heating fuel has occurred may certify to  
18           the Administration that small business  
19           concerns have suffered economic injury as  
20           a result of such increase and are in need  
21           of financial assistance which is not other-  
22           wise available on reasonable terms in that  
23           State, and upon receipt of such certifi-  
24           cation, the Administration may make such  
25           loans as would have been available under

1           this paragraph if a disaster declaration  
2           had been issued.

3           “(F) USE OF FUNDS.—Notwithstanding  
4           any other provision of law, loans made under  
5           this paragraph may be used by a small business  
6           concern described in subparagraph (B) to con-  
7           vert from the use of heating fuel to a renewable  
8           or alternative energy source, including agri-  
9           culture and urban waste, geothermal energy, co-  
10          generation, solar energy, wind energy, or fuel  
11          cells.”.

12          (b) CONFORMING AMENDMENTS RELATING TO  
13 HEATING FUEL.—Section 3(k) of the Small Business Act  
14 (15 U.S.C. 632(k)) is amended—

15           (1) by inserting “, significant increase in the  
16           price of heating fuel” after “civil disorders”; and

17           (2) by inserting “other” before “economic”.

18          (c) EFFECTIVE PERIOD.—The amendments made by  
19 this section shall apply during the 4-year period beginning  
20 on the date on which guidelines are published by the Ad-  
21 ministrator under section 404.

22 **SEC. 403. AGRICULTURAL PRODUCER EMERGENCY LOANS.**

23          (a) IN GENERAL.—Section 321(a) of the Consoli-  
24 dated Farm and Rural Development Act (7 U.S.C.  
25 1961(a)) is amended—



1 (1) in the first sentence—

2 (A) by striking “operations have” and in-  
3 serting “operations (i) have”; and

4 (B) by inserting before “: *Provided*,” the  
5 following: “, or (ii)(I) are owned or operated by  
6 such an applicant that is also a small business  
7 concern (as defined in section 3 of the Small  
8 Business Act (15 U.S.C. 632)), and (II) have  
9 suffered or are likely to suffer substantial eco-  
10 nomic injury on or after October 1, 2004, as  
11 the result of a significant increase in energy  
12 costs or input costs from energy sources occur-  
13 ring on or after October 1, 2004, in connection  
14 with an energy emergency declared by the  
15 President or the Secretary”;

16 (2) in the third sentence, by inserting before  
17 the period at the end the following: “or by an energy  
18 emergency declared by the President or the Sec-  
19 retary”; and

20 (3) in the fourth sentence—

21 (A) by inserting “or energy emergency”  
22 after “natural disaster” each place that term  
23 appears; and

24 (B) by inserting “or declaration” after  
25 “emergency designation”.

1 (b) FUNDING.—Funds available on the date of enact-  
2 ment of this Act for emergency loans under subtitle C of  
3 the Consolidated Farm and Rural Development Act (7  
4 U.S.C. 1961 et seq.) shall be available to carry out the  
5 amendments made by subsection (a) to meet the needs re-  
6 sulting from energy emergencies.

7 (c) EFFECTIVE PERIOD.—The amendments made by  
8 this section shall apply during the 4-year period beginning  
9 on the date on which guidelines are published by the Sec-  
10 retary of Agriculture under section 404.

11 **SEC. 404. GUIDELINES AND RULEMAKING.**

12 (a) GUIDELINES.—Not later than 30 days after the  
13 date of enactment of this Act, the Administrator and the  
14 Secretary of Agriculture shall each issue such guidelines  
15 as the Administrator or the Secretary, as applicable, de-  
16 termines to be necessary to carry out this title and the  
17 amendments made by this title.

18 (b) RULEMAKING.—Not later than 30 days after the  
19 date of enactment of this Act, the Administrator, after  
20 consultation with the Secretary of Energy, shall promul-  
21 gate regulations specifying the method for determining a  
22 significant increase in the price of kerosene under section  
23 7(b)(10)(A)(iv)(II) of the Small Business Act, as added  
24 by this Act.

1 **SEC. 405. REPORTS.**

2 (a) SMALL BUSINESS ADMINISTRATION.—Not later  
3 than 12 months after the date on which the Administrator  
4 issues guidelines under section 404, and annually there-  
5 after until the date that is 12 months after the end of  
6 the effective period of section 7(b)(10) of the Small Busi-  
7 ness Act, as added by this Act, the Administrator shall  
8 submit to the Committee on Small Business and Entrepre-  
9 neurship of the Senate and the Committee on Small Busi-  
10 ness of the House of Representatives, a report on the ef-  
11 fectiveness of the assistance made available under section  
12 7(b)(10) of the Small Business Act, as added by this Act,  
13 including—

14 (1) the number of small business concerns that  
15 applied for a loan under such section and the num-  
16 ber of those that received such loans;

17 (2) the dollar value of those loans;

18 (3) the States in which the small business con-  
19 cerns that received such loans are located;

20 (4) the type of heating fuel or energy that  
21 caused the significant increase in the cost for the  
22 participating small business concerns; and

23 (5) recommendations for ways to improve the  
24 assistance provided under such section 7(b)(10), if  
25 any.

1           (b) DEPARTMENT OF AGRICULTURE.—Not later than  
2 12 months after the date on which the Secretary of Agri-  
3 culture issues guidelines under section 404, and annually  
4 thereafter until the date that is 12 months after the end  
5 of the effective period of the amendments made to section  
6 321(a) of the Consolidated Farm and Rural Development  
7 Act (7 U.S.C. 1961(a)) by this title, the Secretary shall  
8 submit to the Committee on Small Business and Entrepre-  
9 neurship and the Committee on Agriculture, Nutrition,  
10 and Forestry of the Senate and the Committee on Small  
11 Business and the Committee on Agriculture of the House  
12 of Representatives, a report that—

13           (1) describes the effectiveness of the assistance  
14 made available under section 321(a) of the Consoli-  
15 dated Farm and Rural Development Act (7 U.S.C.  
16 1961(a)); and

17           (2) contains recommendations for ways to im-  
18 prove the assistance provided under such section  
19 321(a), if any.

○