

110TH CONGRESS
1ST SESSION

S. 715

To amend the Small Business Act to provide expedited disaster assistance,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2007

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

A BILL

To amend the Small Business Act to provide expedited
disaster assistance, 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.**

4 This Act may be cited as the “Small Business Dis-
5 aster Recovery Assistance Improvement Act of 2007”.

6 **SEC. 2. BUSINESS EXPEDITED DISASTER ASSISTANCE LOAN**
7 **PROGRAM.**

8 (a) DEFINITIONS.—In this section—

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

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

11 (3) the term “program” means the expedited
12 disaster assistance business loan program estab-
13 lished under subsection (b); and

14 (4) the term “small business concern” has the
15 meaning given that term in section 3 of the Small
16 Business Act (15 U.S.C. 632).

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

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

1 (1) appropriate personnel of the Administration
2 (including District Office personnel of the Adminis-
3 tration);

4 (2) appropriate technical assistance providers
5 (including small business development centers);

6 (3) appropriate lenders and credit unions;

7 (4) the Committee on Small Business and En-
8 trepreneurship of the Senate; and

9 (5) the Committee on Small Business of the
10 House of Representatives.

11 (d) RULES.—

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

19 (2) CONTENTS.—The rules promulgated under
20 paragraph (1) shall—

21 (A) identify whether appropriate uses of
22 funds under the program may include—

23 (i) paying employees;

24 (ii) paying bills and other financial
25 obligations;

1 (iii) making repairs;
 2 (iv) purchasing inventory;
 3 (v) restarting or operating a small
 4 business concern in the community in
 5 which it was conducting operations prior to
 6 the declared disaster, or to a neighboring
 7 area, county, or parish in the disaster
 8 area; or

9 (vi) covering additional costs until the
 10 small business concern is able to obtain
 11 funding through insurance claims, Federal
 12 assistance programs, or other sources; and

13 (B) set the terms and conditions of any
 14 loan made under the program, subject to para-
 15 graph (3).

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

18 (A) shall be a short-term loan, not to ex-
 19 ceed 180 days, except that the Administrator
 20 may extend such term as the Administrator de-
 21 termines necessary or appropriate on a case-by-
 22 case basis;

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

1 (C) shall have no prepayment penalty;

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

5 (E) shall be subject to such additional
6 terms as the Administrator determines nec-
7 essary or appropriate.

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

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

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