

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3723

To amend the Small Business Act to improve the activities carried out under section 7(a) of such Act, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2009

Mrs. HALVORSON introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to improve the activities carried out under section 7(a) of such Act, 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 Credit  
5 Expansion and Loan Markets Stabilization Act of 2009”.

6 **SEC. 2. SMALL LENDER OUTREACH PROGRAM.**

7 Section 7(a) of the Small Business Act (15 U.S.C.  
8 636(a)) is amended by adding at the end the following:

9 “(34) SMALL LENDER OUTREACH PROGRAM.—

10 The Administrator shall establish and carry out a

1 program to provide support to regional, district, and  
2 branch offices of the Administration to assist small  
3 lenders, who do not participate in the Preferred  
4 Lenders Program, to participate in the programs  
5 under this subsection.”.

6 **SEC. 3. RURAL LENDING OUTREACH PROGRAM.**

7 Section 7(a) of the Small Business Act (15 U.S.C.  
8 636(a)), as amended by this Act, is further amended by  
9 adding at the end the following:

10 “(35) RURAL LENDING OUTREACH PROGRAM.—

11 “(A) IN GENERAL.—The Administrator  
12 shall establish and carry out a rural lending  
13 outreach program (hereinafter referred to in  
14 this paragraph as the ‘program’) to provide  
15 loans under this subsection in accordance with  
16 this paragraph.

17 “(B) MAXIMUM PARTICIPATION.—A loan  
18 under the program shall include the maximum  
19 participation levels by the Administrator per-  
20 mitted for loans made under this subsection.

21 “(C) MAXIMUM LOAN AMOUNT.—The max-  
22 imum amount of a loan under the program  
23 shall be \$250,000.

24 “(D) USE OF RURAL LENDERS.—The pro-  
25 gram shall be carried out through lenders lo-

1 cated in a rural area (as such term is defined  
2 under subsection (m)(11)(C)) or, if a small  
3 business concern located in a rural area does  
4 not have a lender located within 30 miles of the  
5 principal place of business of such concern,  
6 through any lender chosen by such concern that  
7 provides loans under this subsection.

8 “(E) TIME FOR APPROVAL.—The Adminis-  
9 trator shall approve or disapprove a loan under  
10 the program within 36 hours.

11 “(F) DOCUMENTATION.—The program  
12 shall use abbreviated application and docu-  
13 mentation requirements.

14 “(G) CREDIT STANDARDS.—Minimum  
15 credit standards, as the Administrator considers  
16 necessary to limit the rate of default on loans  
17 made under the program, shall apply.”

18 **SEC. 4. COMMUNITY EXPRESS PROGRAM MADE PERMA-**  
19 **NENT.**

20 Section 7(a) of the Small Business Act (15 U.S.C.  
21 636(a)), as amended by this Act, is further amended by  
22 adding at the end the following:

23 “(36) COMMUNITY EXPRESS PROGRAM.—

24 “(A) IN GENERAL.—The Administrator  
25 shall carry out a Community Express Program

1 to provide loans under this subsection in ac-  
2 cordance with this paragraph.

3 “(B) REQUIREMENTS.—For a loan made  
4 under the Community Express Program, the  
5 following shall apply:

6 “(i) The loan shall be in an amount  
7 not exceeding \$250,000.

8 “(ii) The loan shall be made to a  
9 small business concern the majority owner-  
10 ship interest of which is directly held by in-  
11 dividuals the Administrator determines  
12 are, without regard to the geographic loca-  
13 tion of such individuals, women, members  
14 of qualified Indian tribes, socially or eco-  
15 nomically disadvantaged individuals, vet-  
16 erans, or members of the reserve compo-  
17 nents of the Armed Forces.

18 “(iii) The loan shall comply with the  
19 collateral policy of the Administration.

20 “(iv) The loan shall include terms re-  
21 quiring the lender to provide, at the ex-  
22 pense of the lender, technical assistance to  
23 the borrower through the lender or a third-  
24 party provider.

1                   “(v) The Administrator shall approve  
2                   or disapprove the loan within 36 hours.”.

3 **SEC. 5. INCREASED VETERAN PARTICIPATION PROGRAM**  
4                   **MADE PERMANENT.**

5           Section 7(a) of the Small Business Act (15 U.S.C.  
6 636(a)), as amended by this Act, is further amended—

7                   (1) by redesignating the second paragraph (32),  
8                   as added by section 208 of the Military Reservist  
9                   and Veteran Small Business Reauthorization and  
10                  Opportunity Act of 2008 (Public Law 110–186; 122  
11                  Stat. 631), as paragraph (33); and

12                  (2) in paragraph (33), as so redesignated by  
13                  paragraph (1) of this section—

14                           (A) by striking “pilot program” each place  
15                           it appears and inserting “program”;

16                           (B) by striking subparagraphs (C) and  
17                           (F); and

18                           (C) by redesignating subparagraphs (D)  
19                           and (E) as subparagraphs (C) and (D), respec-  
20                           tively.

21 **SEC. 6. LEASING POLICY.**

22           Section 7(a) of the Small Business Act (15 U.S.C.  
23 636(a)), as amended by this Act, is further amended by  
24           striking paragraph (28) and inserting the following:

1           “(28) LEASING.—If a loan under this sub-  
2           section is used to acquire or construct a facility, the  
3           assisted small business concern—

4                   “(A) shall permanently occupy and use not  
5           less than 50 percent of the space in such facil-  
6           ity; and

7                   “(B) may, on a temporary or permanent  
8           basis, lease to others not more than 50 percent  
9           of the space in such facility.”.

10 **SEC. 7. NATIONAL LENDER TRAINING PROGRAM.**

11           Section 7(a) of the Small Business Act (15 U.S.C.  
12 636(a)), as amended by this Act, is further amended by  
13 adding at the end the following:

14                   “(37) NATIONAL LENDER TRAINING PRO-  
15           GRAM.—

16                   “(A) IN GENERAL.—The Administrator  
17           shall establish and carry out, through the re-  
18           gional offices of the Administration, a lender  
19           training program for new and existing lenders  
20           under this subsection with respect to the lend-  
21           ing systems, policies, and procedures of the Ad-  
22           ministration.

23                   “(B) FEES.—The Administrator shall  
24           charge a fee for the program established under

1           subparagraph (A) to reduce the cost of such  
2           program to zero.

3           “(C) LIMITATION.—The program estab-  
4           lished under subparagraph (A) may not be car-  
5           ried out by contract with a nongovernmental  
6           entity.”.

7 **SEC. 8. APPLICATIONS FOR REPURCHASE OF LOANS.**

8           Section 7(a) of the Small Business Act (15 U.S.C.  
9 636(a)), as amended by this Act, is further amended by  
10 adding at the end the following:

11           “(38) APPLICATIONS FOR REPURCHASE OF  
12           LOANS.—

13           “(A) IN GENERAL.—Not later than 45  
14           days after the date of the receipt of a claim  
15           from a lender for proper payment of the guar-  
16           anteed portion of a loan under this subsection  
17           due to default, the Administrator shall make a  
18           final determination with respect to the approval  
19           or denial of such claim.

20           “(B) LATE DETERMINATIONS.—If the Ad-  
21           ministrator does not make a final determination  
22           under subparagraph (A) in the time period  
23           specified in such subparagraph, the claim shall  
24           be approved and paid promptly.”.

1 **SEC. 9. ALTERNATIVE SIZE STANDARD.**

2 (a) IN GENERAL.—Section 3(a) of the Small Busi-  
3 ness Act (15 U.S.C. 632(a)) is amended by adding at the  
4 end the following:

5 “(5) In addition to any other size standard  
6 under this subsection, the Administrator shall estab-  
7 lish and permit a lender making a loan under section  
8 7(a) to use an alternative size standard. The alter-  
9 native size standard shall be based on factors includ-  
10 ing the maximum tangible net worth and average  
11 net income of a business concern.”.

12 (b) APPLICABILITY.—Until the Administrator estab-  
13 lishes under section 3(a)(5) of the Small Business Act,  
14 as added by subsection (a) of this section, an alternative  
15 size standard for use by a lender making a loan under  
16 section 7(a) of such Act, the alternative size standard in  
17 section 121.301(b) of title 13, Code of Federal Regula-  
18 tions, shall apply in such a case.

19 **SEC. 10. PILOT PROGRAM AUTHORITY.**

20 Section 7(a) of the Small Business Act (15 U.S.C.  
21 636(a)), as amended by this Act, is further amended by  
22 striking paragraph (25) and inserting the following:

23 “(25) LIMITATION ON CONDUCTING PILOT  
24 PROJECTS.—

25 “(A) LIMITATION ON NUMBER.—Not more  
26 than 10 percent of the total number of loans

1           guaranteed in any fiscal year under this sub-  
2           section may be awarded as part of a pilot pro-  
3           gram.

4           “(B) DOLLAR LIMITATIONS.—

5                   “(i) IN GENERAL.—With respect to  
6                   any pilot program under this subsection es-  
7                   tablished on or after the date of the enact-  
8                   ment of the Small Business Credit Expans-  
9                   sion and Loan Markets Stabilization Act of  
10                  2009, no loan shall be made under such  
11                  program if such loan would result in the  
12                  total amount of loans made during a fiscal  
13                  year under all such programs to be in ex-  
14                  cess of 5 percent of the total amount of  
15                  loans guaranteed in such fiscal year under  
16                  this subsection.

17                  “(ii) CERTAIN PRE-EXISTING PRO-  
18                  GRAMS.—With respect to any pilot pro-  
19                  gram under this subsection established be-  
20                  fore the date of the enactment of the Small  
21                  Business Credit Expansion and Loan Mar-  
22                  kets Stabilization Act of 2009, no loan  
23                  shall be made under such program if such  
24                  loan would result in the total amount of  
25                  loans made during a fiscal year under all

1 such programs to be in excess of 10 per-  
2 cent of the total amount of loans guaran-  
3 teed in such fiscal year under this sub-  
4 section.

5 “(C) EXPIRATION.—

6 “(i) IN GENERAL.—Except as pro-  
7 vided in clause (iii), the duration of any  
8 pilot program under this subsection may  
9 not exceed 3 years.

10 “(ii) DESIGNATION AS NEW PRO-  
11 GRAM.—For purposes of this subpara-  
12 graph, a pilot program shall not be treated  
13 as a new pilot program solely on the basis  
14 of a modification or change in the pilot  
15 program, including the change of its name.

16 “(iii) EXISTING PROGRAMS.—With re-  
17 spect to any pilot program in existence on  
18 the date of the enactment of the Small  
19 Business Credit Expansion and Loan Mar-  
20 kets Stabilization Act of 2009, such pro-  
21 gram may continue in effect for a period  
22 not exceeding 3 years after such date with-  
23 out regard to the duration of such program  
24 before such date.

25 “(D) REGULATIONS.—

1           “(i) IN GENERAL.—With respect to  
2           each pilot program under this subsection,  
3           including each pilot program in existence  
4           on the date of the enactment of the Small  
5           Business Credit Expansion and Loan Mar-  
6           kets Stabilization Act of 2009, the Admin-  
7           istrator shall—

8                   “(I) issue regulations for such  
9                   program after providing notice in the  
10                  Federal Register and an opportunity  
11                  for comment; and

12                  “(II) ensure that such regula-  
13                  tions are published in the Code of  
14                  Federal Regulations.

15           “(ii) PILOT PROGRAMS ESTABLISHED  
16           AFTER DATE OF ENACTMENT.—With re-  
17           spect to any pilot program established  
18           after the date of the enactment of the  
19           Small Business Credit Expansion and  
20           Loan Markets Stabilization Act of 2009,  
21           such program shall not take effect until  
22           the requirements under this subparagraph  
23           are satisfied.

24           “(E) REPEAL OF AUTHORITY TO WAIVE  
25           CERTAIN RULES.—

1           “(i) IN GENERAL.—Notwithstanding  
2           section 120.3 of title 13, Code of Federal  
3           Regulations, the Administrator may not  
4           from time to time suspend, modify, or  
5           waive rules for a limited period of time to  
6           test new programs or ideas with respect to  
7           this subsection, unless such suspension,  
8           modification, or waiver is explicitly author-  
9           ized by Act of Congress.

10           “(ii) EXISTING PILOT PROGRAMS.—  
11           Nothing under clause (i) may be construed  
12           to affect a pilot program in existence on  
13           the date of the enactment of the Small  
14           Business Credit Expansion and Loan Mar-  
15           kets Stabilization Act of 2009.

16           “(F) PILOT PROGRAM.—For purposes of  
17           this paragraph, the term ‘pilot program’ means  
18           any lending program initiative, project, innova-  
19           tion, or other activity not specifically authorized  
20           by Act of Congress.”.

21 **SEC. 11. LOANS TO COOPERATIVES.**

22           Section 7(a) of the Small Business Act (15 U.S.C.  
23           636(a)), as amended by this Act, is further amended by  
24           adding at the end the following:

1           “(39) COOPERATIVES.—The Administration  
2           may provide loans under this subsection to any coop-  
3           erative that—

4                   “(A) is not organized as a tax exempt enti-  
5           ty;

6                   “(B) is engaged in a legal business activ-  
7           ity;

8                   “(C) obtains financial benefits for the co-  
9           operative and for the members of such coopera-  
10          tive; and

11                   “(D) is eligible under applicable size stand-  
12          ards of the Administration, including that any  
13          business entity that is a member of such coop-  
14          erative is eligible under applicable size stand-  
15          ards of the Administration.”.

16 **SEC. 12. CAPITAL BACKSTOP PROGRAM.**

17          Section 7(a) of the Small Business Act (15 U.S.C.  
18          636(a)), as amended by this Act, is further amended by  
19          adding at the end the following:

20                   “(40) CAPITAL BACKSTOP PROGRAM.—

21                   “(A) IN GENERAL.—The Administrator  
22          shall establish a process under which a small  
23          business concern may submit an application to  
24          the Administrator for the purpose of securing a  
25          loan under this subsection. With respect to such

1 application, the Administrator shall collect all  
2 information necessary to determine the credit-  
3 worthiness and repayment ability of an appli-  
4 cant and shall determine if such application  
5 meets basic eligibility and credit standards for  
6 a loan under this subsection.

7 “(B) PARTICIPATION OF LENDERS.—

8 “(i) IN GENERAL.—The Administrator  
9 shall establish a process under which the  
10 Administrator makes available to lenders  
11 each loan application submitted and deter-  
12 mined to meet basic eligibility and credit  
13 standards under subparagraph (A) for the  
14 purpose of such lenders originating, under-  
15 writing, closing, and servicing the loan for  
16 which the applicant applied.

17 “(ii) ELIGIBILITY.—Lenders are eligi-  
18 ble to receive a loan application described  
19 in clause (i) if they participate in the pro-  
20 grams established under this subsection.

21 “(iii) LOCAL LENDERS.—The Admin-  
22 istrator shall first make available a loan  
23 application described in clause (i) to lend-  
24 ers within 100 miles of the principal office  
25 of the loan applicant.

1           “(iv) PREFERRED LENDERS.—If a  
2 lender described in clause (iii) does not  
3 agree to originate, underwrite, close, and  
4 service the loan applied for within 5 busi-  
5 ness days of receiving a loan application  
6 described in clause (i), the Administrator  
7 shall subsequently make available such  
8 loan application to lenders in the Preferred  
9 Lenders Program under paragraph  
10 (2)(C)(ii) of this subsection.

11           “(v) AUTHORITY OF ADMINISTRATION  
12 TO LEND.—If a lender described in clauses  
13 (iii) or (iv) does not agree to originate, un-  
14 derwrite, close, and service the loan applied  
15 for within 10 business days of receiving a  
16 loan application described in clause (i), the  
17 Administrator shall originate, underwrite,  
18 close, and service such loan.

19           “(C) ASSET SALES.—The Administrator  
20 shall offer to sell loans made by the Adminis-  
21 trator under this paragraph. Such sales shall be  
22 made through the semi-annual public sollicita-  
23 tion (in the Federal Register and in other  
24 media) of offers to purchase. The Administrator  
25 may contract with vendors for due diligence,

1           asset valuation, and other services related to  
2           such sales. The Administrator may not sell any  
3           loan under this subparagraph for less than 90  
4           percent of the net present value of the loan, as  
5           determined and certified by a qualified third  
6           party.

7           “(D) LOANS NOT SOLD.—The Adminis-  
8           trator shall maintain and service loans made by  
9           the Administrator under this paragraph that  
10          are not sold through the asset sales under this  
11          paragraph.

12          “(E) EFFECTIVE DATES.—This paragraph  
13          shall have effect on a date if—

14                 “(i) such date occurs during a period  
15                 that—

16                         “(I) begins on the date the Bu-  
17                         reau of Economic Analysis, or any  
18                         successor organization, makes a deter-  
19                         mination that the gross domestic  
20                         product of the United States has de-  
21                         creased for three consecutive quarters;  
22                         and

23                         “(II) ends on the date the Bu-  
24                         reau of Economic Analysis, or any  
25                         successor organization, makes a deter-

1           mination that the gross domestic  
2           product of the United States has in-  
3           creased for two consecutive quarters;  
4           and

5           “(ii) the number of loans provided  
6           under this subsection prior to such date in  
7           the fiscal year including such date is at  
8           least 30 percent less than the number of  
9           such loans provided prior to the same point  
10          in the previous fiscal year.

11          “(F) IMPLEMENTATION.—The Adminis-  
12          trator shall establish a group of at least 250 in-  
13          dividuals available to carry out activities under  
14          this paragraph on any date on which this para-  
15          graph has effect under subparagraph (E). The  
16          Administrator shall provide to such group the  
17          training necessary to carry out activities under  
18          this paragraph.

19          “(G) APPLICATION OF OTHER LAW.—  
20          Nothing in this paragraph shall be construed to  
21          exempt any activity of the Administrator under  
22          this paragraph from the Federal Credit Reform  
23          Act of 1990 (2 U.S.C. 661 et seq.).

24          “(H) AUTHORIZATION OF APPROPRIA-  
25          TIONS.—In addition to amounts made available

1 to carry out this subsection, there are author-  
2 ized to be appropriated such sums as may be  
3 necessary to carry out this paragraph.”.

4 **SEC. 13. LOANS TO FINANCE GOODWILL.**

5 Section 7(a) of the Small Business Act (15 U.S.C.  
6 636(a)), as amended by this Act, is further amended by  
7 adding at the end the following:

8 “(41) GOODWILL.—The Administrator may not  
9 apply an application, processing, or approval stand-  
10 ard to a loan for the purpose of financing goodwill  
11 under this subsection, unless such standard applies  
12 to all loans under this subsection.”.

13 **SEC. 14. APPELLATE PROCESS AND OMBUDSMAN.**

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

16 (1) by redesignating section 44 as section 45;

17 and

18 (2) by inserting after section 43 the following:

19 **“SEC. 44. APPELLATE PROCESS AND OMBUDSMAN.**

20 “(a) APPELLATE PROCESS.—

21 “(1) IN GENERAL.—Not later than 270 days  
22 after the date of the enactment of the Small Busi-  
23 ness Credit Expansion and Loan Markets Stabiliza-  
24 tion Act of 2009, the Administrator shall establish  
25 an independent appellate process within the Admin-

1       istration. The process shall be available to review  
2       material determinations made by the Administration  
3       that affect a lender or investment company that par-  
4       ticipates or is applying to participate in a program  
5       administered by the Administration.

6           “(2) REVIEW PROCESS.—In establishing the  
7       independent appellate process under paragraph (1),  
8       The Administrator shall ensure that—

9           “(A) any appeal of a material determina-  
10       tion by the Administration is heard and result-  
11       ing recommendations are provided expedi-  
12       tiously; and

13          “(B) appropriate safeguards exist for pro-  
14       tecting the appellant from retaliation by Admin-  
15       istration employees.

16          “(3) COMMENT PERIOD.—Not later than 180  
17       days after the date of the enactment of the Small  
18       Business Credit Expansion and Loan Markets Sta-  
19       bilization Act of 2009, the Administrator shall pro-  
20       vide an opportunity for notice and comment on pro-  
21       posed guidelines for the establishment of an inde-  
22       pendent appellate process under this section.

23          “(b) AGENCY OMBUDSMAN.—

24           “(1) ESTABLISHMENT.—Not later than 180  
25       days after the date of the enactment of the Small

1 Business Credit Expansion and Loan Markets Sta-  
2 bilization Act of 2009, the Administrator shall ap-  
3 point an ombudsman.

4 “(2) DUTIES.—The ombudsman appointed in  
5 accordance with paragraph (1) shall—

6 “(A) act as a liaison between the Adminis-  
7 tration and any lender or investment company  
8 that participates or is applying to participate in  
9 a program administered by the Administration  
10 with respect to a problem such entity may have  
11 in dealing with the Administration resulting  
12 from a material determination made by the Ad-  
13 ministration; and

14 “(B) ensure that safeguards exist to en-  
15 courage complainants to come forward and pre-  
16 serve confidentiality.

17 “(c) OTHER AUTHORITY.—An individual carrying  
18 out the independent appellate process established under  
19 subsection (a) or the position of ombudsman established  
20 under subsection (b) is authorized to—

21 “(1) examine records and documents relating to  
22 a matter under review pursuant to such subsections;  
23 and

24 “(2) initiate the review of a matter under such  
25 subsections if such individual believes that Adminis-

1       tration procedures have not been followed as in-  
2       tended with respect to such matter, without regard  
3       to whether an appeal or complaint has been made.

4       “(d) LIMITATIONS.—

5             “(1) IN GENERAL.—An individual carrying out  
6       the independent appellate process established under  
7       subsection (a) or the position of ombudsman estab-  
8       lished under subsection (b) may not, as a result of  
9       the authority provided under this section—

10            “(A) make, change, or set aside a law, pol-  
11       icy, or administrative decision;

12            “(B) make binding decisions or determine  
13       rights;

14            “(C) directly compel an entity to imple-  
15       ment the recommendations of such individual;

16       or

17            “(D) accept jurisdiction over an issue that  
18       is pending in a legal forum.

19            “(2) RULE OF CONSTRUCTION.—Activities car-  
20       ried out under this section may not be construed—

21            “(A) as a formal investigation, formal  
22       hearing, or binding decision;

23            “(B) as limiting any remedy or right of ap-  
24       peal;

1           “(C) as affecting any procedure concerning  
2           grievances, appeals, or administrative matters  
3           under law; or

4           “(D) as a substitute for an administrative  
5           or judicial proceeding.

6           “(e) REPORT.—Not later than one year after the date  
7           of the enactment of the Small Business Credit Expansion  
8           and Loan Markets Stabilization Act of 2009 and annually  
9           thereafter, the Administrator shall submit to the Com-  
10          mittee on Small Business of the House of Representatives  
11          and the Committee on Small Business and Entrepreneur-  
12          ship of the Senate a report describing and providing the  
13          status of appeals made under subsection (a) and com-  
14          plaints made under subsection (b).

15          “(f) DEFINITIONS.—In this section, the following  
16          apply:

17                 “(1) MATERIAL DETERMINATION.—The term  
18                 ‘material determination’ includes determinations re-  
19                 lating to—

20                         “(A) applications for payment relating to a  
21                         loan guarantee; and

22                         “(B) the ability of an entity to participate  
23                         in an Administration loan or investing program.

24                 “(2) INDEPENDENT APPELLATE PROCESS.—  
25                 The term ‘independent appellate process’ means a

1 review by an Administration official who does not di-  
2 rectly or indirectly report to the Administration offi-  
3 cial who made the material determination under re-  
4 view.”.

5 **SEC. 15. EXTENSION OF RECOVERY AND RELIEF LOAN BEN-**  
6 **EFITS.**

7 (a) FEE REDUCTIONS.—Section 501 of title V of di-  
8 vision A of the American Recovery and Reinvestment Act  
9 of 2009 (Public Law 111–5) is amended—

10 (1) in subsection (a) by striking “September  
11 30, 2010” and inserting “September 30, 2011”; and

12 (2) in subsection (c) by striking paragraph (2).

13 (b) ECONOMIC STIMULUS LENDING PROGRAM FOR  
14 SMALL BUSINESSES.—Section 502(f) of title V of division  
15 A of the American Recovery and Reinvestment Act of  
16 2009 (Public Law 111–5) is amended by striking “the  
17 date 12 months after the date of enactment of this Act”  
18 and inserting “September 30, 2011”.

19 **SEC. 16. REDUCED DOCUMENTATION FOR BUSINESS STA-**  
20 **BILIZATION LOANS.**

21 Section 506(a) of title V of division A of the Amer-  
22 ican Recovery and Reinvestment Act of 2009 (Public Law  
23 111–5) is amended by adding at the end the following:  
24 “In carrying out such program, the Administrator shall  
25 establish and utilize a one-page application for loans under

1 this section and shall authorize lenders to utilize the same  
2 documentation and procedural requirements for loans  
3 under this section as such lenders utilize for other loans  
4 of a similar size and type.”.

5 **SEC. 17. EXPANDED ELIGIBILITY FOR BUSINESS STABILIZA-**  
6 **TION LOANS.**

7 Section 506(c) of title V of division A of the American  
8 Recovery and Reinvestment Act of 2009 (Public Law 111–  
9 5) is amended by striking “but shall not include” and all  
10 that follows through “enactment of this Act”.

11 **SEC. 18. INCREASED AMOUNT OF BUSINESS STABILIZATION**  
12 **LOANS.**

13 Section 506(d) of title V of division A of the Amer-  
14 ican Recovery and Reinvestment Act of 2009 (Public Law  
15 111–5) is amended by striking “\$35,000” and inserting  
16 “\$50,000”.

17 **SEC. 19. EXTENSION OF BUSINESS STABILIZATION LOANS.**

18 Section 506(j) of title V of division A of the American  
19 Recovery and Reinvestment Act of 2009 (Public Law 111–  
20 5) is amended by striking “September 30, 2010” and in-  
21 serting “September 30, 2011”.

1 **SEC. 20. SBA SECONDARY MARKET LENDING AUTHORITY**  
2 **MADE PERMANENT.**

3 Section 509 of title V of division A of the American  
4 Recovery and Reinvestment Act of 2009 (Public Law 111–  
5 5) is amended—

6 (1) by striking subsection (e); and

7 (2) by redesignating subsections (f), (h), and (i)  
8 as subsections (e), (f), and (g), respectively.

9 **SEC. 21. SBA SECONDARY MARKET LENDING AUTHORITY**  
10 **EXPANDED.**

11 Section 509 of title V of division A of the American  
12 Recovery and Reinvestment Act of 2009 (Public Law 111–  
13 5), as amended by this Act, is further amended—

14 (1) in subsection (c)(1) by adding at the end  
15 the following: “Such process shall include the des-  
16 ignation of each lender participating in a program  
17 under section 7(a) of the Small Business Act as a  
18 Systematically Important Secondary Market Broker-  
19 Dealer for purposes of this section.”; and

20 (2) in subsection (e), as so redesignated by sec-  
21 tion 20 of this Act, by adding at the end the fol-  
22 lowing: “To the extent that the cost of an elimi-  
23 nation or reduction of fees is offset by appropria-  
24 tions, the Administrator shall in lieu of the fee oth-  
25 erwise applicable under this subsection collect no fee  
26 or reduce fees to the maximum extent possible.”.

1 **SEC. 22. INCREASED LOAN LIMITS.**

2 Section 7(a) of the Small Business Act (15 U.S.C.  
3 636(a)), as amended by this Act, is further amended—

4 (1) in paragraph (2)(A)—

5 (A) in clause (i)—

6 (i) by inserting after “\$150,000” the  
7 following: “and is less than or equal to  
8 \$2,000,000”; and

9 (ii) by striking “or” at the end;

10 (B) in clause (ii) by striking the period at  
11 the end and inserting “; or”; and

12 (C) by adding at the end the following:

13 “(iii) 50 percent of the balance of the  
14 financing outstanding at the time of dis-  
15 bursement of the loan, if such balance ex-  
16 ceeds \$2,000,000.”; and

17 (2) in paragraph (3)(A) by striking  
18 “\$2,000,000” and inserting “\$3,000,000”.

19 **SEC. 23. REAL ESTATE APPRAISALS.**

20 Section 7(a)(29) of the Small Business Act (15  
21 U.S.C. 636(a)(29)) is amended—

22 (1) in the matter preceding subparagraph (A)  
23 by striking “a State licensed or certified appraiser”  
24 and inserting “an appraiser licensed or certified by  
25 the State in which such property is located”;

1           (2) in subparagraph (A) by striking  
2           “\$250,000” and inserting “\$400,000”; and

3           (3) in subparagraph (B) by striking  
4           “\$250,000” and inserting “\$400,000”.

5 **SEC. 24. ADDITIONAL SUPPORT FOR EXPRESS LOAN PRO-**  
6 **GRAM.**

7           Section 7(a)(18)(B) of the Small Business Act (15  
8 U.S.C. 636(a)(18)(B)) is amended by adding after “under  
9 subparagraph (A)(i)” the following: “, except that a lender  
10 making a loan under paragraph (31) may not retain any  
11 percentage of a fee collected under such subparagraph”.

12 **SEC. 25. AUTHORIZATION OF APPROPRIATIONS.**

13           Section 20 of the Small Business Act (15 U.S.C. 631  
14 note) is amended by inserting after subsection (e) the fol-  
15 lowing:

16           “(f) FISCAL YEARS 2010 AND 2011.—

17                   “(1) PROGRAM LEVELS.—For the programs au-  
18           thorized by this Act, in each of fiscal years 2010 and  
19           2011 commitments for general business loans au-  
20           thorized under section 7(a) may not exceed  
21           \$20,000,000,000.

22                   “(2) AUTHORIZATION OF APPROPRIATIONS.—

23           There are authorized to be appropriated such sums  
24           as may be necessary to carry out paragraph (1).”.

1 **SEC. 26. REGULATIONS.**

2       After an opportunity for notice and comment, but not  
3 later than 180 days after the date of the enactment of  
4 this Act, the Administrator shall issue regulations to carry  
5 out this Act and the amendments made by this Act.

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