

111TH CONGRESS  
1ST SESSION

# H. R. 3737

---

## AN ACT

To amend the Small Business Act to improve the Microloan Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Small Business Micro-  
3 lending Expansion Act of 2009”.

4 **SEC. 2. MICROLOAN CREDIT BUILDING INITIATIVE.**

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

7           “(14) CREDIT REPORTING INFORMATION.—The  
8 Administrator shall establish a process, for use by  
9 an intermediary making a loan to a borrower under  
10 this subsection, under which the intermediary shall  
11 provide to the major credit reporting agencies the in-  
12 formation about the borrower, both positive and neg-  
13 ative, that is relevant to credit reporting, such as the  
14 payment activity of the borrower on the loan. Such  
15 process shall allow an intermediary the option of  
16 providing information to the major credit reporting  
17 agencies through the Administration or independ-  
18 ently.”.

19 **SEC. 3. FLEXIBLE CREDIT TERMS.**

20       Section 7(m) of the Small Business Act (15 U.S.C.  
21 636(m)), as amended by this Act, is further amended—

22           (1) in paragraph (1)(B)(i) by striking “short-  
23 term,”;

24           (2) in paragraph (6)(A) by striking “short-  
25 term,”; and

1           (3) in paragraph (11)(B) by striking “short-  
2       term,”.

3   **SEC. 4. INCREASED PROGRAM PARTICIPATION.**

4       Section 7(m)(2) of the Small Business Act (15  
5   U.S.C. 636(m)(2)) is amended—

6           (1) in subparagraph (A) by striking “paragraph  
7       (10)” and inserting “paragraph (11)”; and

8           (2) by amending subparagraph (B) to read as  
9       follows:

10           “(B) has—

11               “(i) at least—

12                   “(I) 1 year of experience making  
13                   microloans to startup, newly estab-  
14                   lished, or growing small business con-  
15                   cerns; or

16                   “(II) 1 full-time employee who  
17                   has not less than 3 years of experi-  
18                   ence making microloans to startup,  
19                   newly established, or growing small  
20                   business concerns; and

21               “(ii) at least—

22                   “(I) 1 year of experience pro-  
23                   viding, as an integral part of its  
24                   microloan program, intensive mar-

1                   keting, management, and technical as-  
2                   sistance to its borrowers; or

3                   “(II) 1 full-time employee who  
4                   has not less than 1 year of experience  
5                   providing intensive marketing, man-  
6                   agement, and technical assistance to  
7                   borrowers.”.

8   **SEC. 5. INCREASED LIMIT ON INTERMEDIARY BORROWING.**

9           Section 7(m)(3)(C) of the Small Business Act (15  
10   U.S.C. 636(m)(3)(C)) is amended—

11           (1) by striking “\$750,000” and inserting  
12           “\$1,000,000”;

13           (2) by striking “\$3,500,000” and inserting  
14           “\$7,000,000”; and

15           (3) by adding at the end the following: “The  
16   Administrator may treat the amount of \$7,000,000  
17   in this subparagraph as if such amount is  
18   \$10,000,000 if the Administrator determines, with  
19   respect to an intermediary, that such treatment is  
20   appropriate.”.

21   **SEC. 6. EXPANDED BORROWER EDUCATION ASSISTANCE.**

22           Section 7(m)(4)(E) of the Small Business Act (15  
23   U.S.C. 636(m)(4)(E)) is amended—

24           (1) in clause (i) by striking “25 percent” and  
25           inserting “35 percent”; and

1 (2) in clause (ii) by striking “25 percent” and  
2 inserting “35 percent”.

3 **SEC. 7. YOUNG ENTREPRENEURS PROGRAM.**

4 Section 7(m)(4) of the Small Business Act (15  
5 U.S.C. 636(m)(4)) is amended by adding at the end the  
6 following:

7 “(G) YOUNG ENTREPRENEURS PRO-  
8 GRAM.—

9 “(i) IN GENERAL.—An intermediary  
10 that receives a grant under paragraph  
11 (1)(B)(ii) may establish a program for the  
12 geographic area served by such inter-  
13 mediary that provides to young entre-  
14 preneurs technical assistance regarding the  
15 following:

16 “(I) Establishing or operating a  
17 small business concern in the geo-  
18 graphic area served by the inter-  
19 mediary.

20 “(II) Acquiring or securing fi-  
21 nancing to carry out the activities de-  
22 scribed in subclause (I).

23 “(ii) YOUNG ENTREPRENEUR DE-  
24 FINED.—For purposes of this subpara-

graph, a young entrepreneur is an individual who—

“(I) is 25 years of age or younger; and

“(II) has resided in the geographic area served by the intermediary for not less than 2 years.

“(iii) GOOD FAITH EFFORT REQUIREMENT.—If a young entrepreneur who receives technical assistance under this subparagraph from an intermediary establishes or operates a small business concern, the young entrepreneur shall make a good faith effort to establish or operate such concern in the geographic area served by the intermediary.

“(iv) DEFERRED REPAYMENT.—If a small business concern established or operated by a young entrepreneur receives a loan under this subsection, such concern may defer repayment on such loan for a period of not more than 6 months beginning on the date that such concern receives the final disbursement of such loan.”.

1 **SEC. 8. INTEREST RATES AND LOAN SIZE.**

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

4 (1) in paragraph (3)(F)(iii) by striking  
5 “\$7,500” and inserting “\$10,000”;

6 (2) in paragraph (6)(C)(i) by striking “\$7,500”  
7 and inserting “\$10,000”; and

8 (3) in paragraph (6)(C)(ii) by striking  
9 “\$7,500” and inserting “\$10,000”.

10 **SEC. 9. REPORTING REQUIREMENT.**

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

14 “(15) REPORTING REQUIREMENT.—Not later  
15 than 90 days after the end of each fiscal year, the  
16 Administrator shall submit to the Committee on  
17 Small Business of the House of Representatives and  
18 the Committee on Small Business and Entrepre-  
19 neurship of the Senate a report that includes, with  
20 respect to such fiscal year of the microloan program,  
21 the following:

22 “(A) The names and locations of each  
23 intermediary that received funds to make  
24 microloans or provide marketing, management,  
25 and technical assistance.

1           “(B) The amounts of each loan and each  
2           grant provided to each such intermediary in  
3           such fiscal year and in prior fiscal years.

4           “(C) A description of the contributions  
5           from non-Federal sources of each such inter-  
6           mediary.

7           “(D) The number and amounts of  
8           microloans made by each such intermediary to  
9           all borrowers and to each of the following:

10                   “(i) Women entrepreneurs and busi-  
11                   ness owners.

12                   “(ii) Low-income entrepreneurs and  
13                   business owners.

14                   “(iii) Veteran entrepreneurs and busi-  
15                   ness owners.

16                   “(iv) Disabled entrepreneurs and busi-  
17                   ness owners.

18                   “(v) Minority entrepreneurs and busi-  
19                   ness owners.

20           “(E) A description of the marketing, man-  
21           agement, and technical assistance provided by  
22           each such intermediary to all borrowers and to  
23           each of the following:

24                   “(i) Women entrepreneurs and busi-  
25                   ness owners.



1 “(ii) Low-income entrepreneurs and  
2 business owners.

3 “(iii) Veteran entrepreneurs and busi-  
4 ness owners.

5 “(iv) Disabled entrepreneurs and busi-  
6 ness owners.

7 “(v) Minority entrepreneurs and busi-  
8 ness owners.

9 “(F) The number of jobs created and re-  
10 tained as a result of microloans and marketing,  
11 management, and technical assistance provided  
12 by each such intermediary.

13 “(G) The repayment history of each such  
14 intermediary.

15 “(H) The number of businesses that  
16 achieved success after receipt of a microloan.”.

17 **SEC. 10. SURPLUS INTEREST RATE SUBSIDY FOR BUSI-**  
18 **NESSES.**

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

22 “(16) INTEREST ASSISTANCE.—The Adminis-  
23 trator is authorized to make grants to intermediaries  
24 for the purposes of reducing interest rates charged

1 to borrowers that receive financing under this sub-  
 2 section.”.

3 **SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

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

7 “(f) FISCAL YEARS 2010 AND 2011 WITH RESPECT  
 8 TO SECTION 7(m).—

9 “(1) PROGRAM LEVELS.—For the programs au-  
 10 thorized by this Act, the Administration is author-  
 11 ized to make during each of fiscal years 2010 and  
 12 2011—

13 “(A) \$80,000,000 in technical assistance  
 14 grants, as provided in section 7(m);

15 “(B) \$110,000,000 in direct loans, as pro-  
 16 vided in section 7(m); and

17 “(C) \$10,000,000 in interest assistance  
 18 grants, as provided in section 7(m)(16).

19 “(2) AUTHORIZATION OF APPROPRIATIONS.—  
 20 There is authorized to be appropriated such sums as  
 21 may be necessary to carry out paragraph (1).”.

22 **SEC. 12. REGULATIONS.**

23 Except as otherwise provided in this Act or in amend-  
 24 ments made by this Act, after an opportunity for notice  
 25 and comment, but not later than 180 days after the date

1 of the enactment of this Act, the Administrator shall issue  
2 regulations to carry out this Act and the amendments  
3 made by this Act.

Passed the House of Representatives November 7,  
2009.

Attest:

*Clerk.*

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

**H. R. 3737**

---

---

**AN ACT**

To amend the Small Business Act to improve the  
Microloan Program, and for other purposes.