

111TH CONGRESS
1ST SESSION

H. R. 4340

To require the Secretary of the Treasury to establish a revolving loan fund program for certain businesses to facilitate increased lending in the United States.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2009

Mr. DAVIS of Alabama introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Secretary of the Treasury to establish a revolving loan fund program for certain businesses to facilitate increased lending in the United States.

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 “Main Street Survival
5 Act”.

6 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

7 (a) FINDINGS.—The Congress finds the following:

8 (1) Despite the infusion of hundreds of billions
9 of dollars to provide liquidity to capital markets,

1 many qualified and creditworthy small and medium-
2 sized businesses continue to face severely constricted
3 credit markets.

4 (2) Banks of all sizes have significantly de-
5 creased lending in, and in some cases withdrawn
6 completely from, the small and medium-sized busi-
7 ness credit market.

8 (3) Available and affordable credit is critical for
9 the survival of the small and medium-sized busi-
10 nesses that form the backbone of the economy of the
11 United States.

12 (b) SENSE OF THE CONGRESS ON LENDING TO
13 SMALL AND MEDIUM-SIZED BUSINESSES.—It is the sense
14 of the Congress that the President, acting through the
15 Secretary of the Treasury, should encourage financial in-
16 stitutions that have received Federal financial support to
17 maintain historic levels of lending to small and medium-
18 sized businesses.

19 **SEC. 3. DEFINITIONS.**

20 In this Act—

21 (1) the term “revolving loan fund” means the
22 revolving loan fund established under section 4(b);
23 and

24 (2) the term “Secretary” means the Secretary
25 of the Treasury.

1 **SEC. 4. MAIN STREET REVOLVING LOAN FUND PROGRAM.**

2 (a) ESTABLISHMENT.—The Secretary shall establish
3 the Main Street Revolving Loan Fund Program (herein-
4 after in this Act referred to as the “program”) to provide
5 temporary loans to businesses that meet the size require-
6 ment under paragraph (1) of subsection (c).

7 (b) REVOLVING LOAN FUND.—

8 (1) IN GENERAL.—There is established in the
9 Treasury a revolving loan fund for the program.

10 (2) INITIAL TRANSFER.—From dividends paid
11 by financial institutions that have received financial
12 assistance provided under title I of the Emergency
13 Economic Stabilization Act of 2008 (Public Law
14 110–343; 12 U.S.C. 5211 et seq.), the Secretary
15 shall transfer and credit \$1,000,000,000 to the re-
16 volving loan fund.

17 (3) EXPENDITURES.—The Secretary shall use
18 the amounts in the revolving loan fund to carry out
19 the program.

20 (4) DEPOSITS.—The Secretary shall deposit
21 amounts received as payment on loans provided
22 under the program into the revolving loan fund.

23 (c) ELIGIBILITY.—

24 (1) SIZE REQUIREMENT.—To qualify for a loan
25 under the program, a business shall have less than

1 1,000 full-time equivalent employees at the time of
2 submission of an application under subsection (d).

3 (2) CONSIDERATIONS.—The Secretary, through
4 regulations, shall develop criteria to evaluate and se-
5 lect businesses for participation in the program, tak-
6 ing into consideration—

7 (A) the likelihood that the business con-
8 cerned will be forced to lay off employees in the
9 absence of obtaining a loan under such pro-
10 gram; and

11 (B) the ability of such businesses to repay
12 the loan.

13 (3) AVAILABILITY.—The criteria developed
14 under paragraph (2) shall be made available on the
15 official public Web site of the Department of the
16 Treasury.

17 (d) APPLICATION.—A business desiring a loan under
18 the program shall submit an application to the Secretary
19 at such time, in such manner, and accompanied by such
20 information as the Secretary may require.

21 **SEC. 5. TERMS.**

22 (a) USE OF FUNDS.—A business receiving a loan
23 under the program may use the funds to finance the cost
24 of operations, including—

25 (1) purchasing and operating equipment;

1 (2) paying salaries, wages, and building ex-
2 penses; and

3 (3) purchasing inventory or making improve-
4 ments to enhance productivity.

5 (b) PROHIBITED USE.—A loan provided under the
6 program may not be used to significantly expand oper-
7 ations.

8 (c) REPAYMENT PERIOD.—A loan provided under the
9 program shall be made for a period not to exceed 9
10 months.

11 (d) MAXIMUM LOAN AMOUNT.—Under the program,
12 the Secretary may provide not more than a total of
13 \$1,000,000 in loans to a particular business in any fiscal
14 year.

15 **SEC. 6. ADMINISTRATIVE COSTS.**

16 Not more than \$1,000,000 may be used for adminis-
17 trative costs in any fiscal year to carry out the program.

18 **SEC. 7. REPORT.**

19 (a) IN GENERAL.—The Secretary shall make avail-
20 able on the official public Web site of the Department of
21 the Treasury, and submit to Congress—

22 (1) within 1 year after the date of enactment
23 of this Act and each year thereafter in which a loan
24 has been made under the program, an annual re-
25 port; and

1 (2) within 90 days after the end of the 9-month
2 period following the issuance of the final loan under
3 the program, a final report.

4 (b) DETAILS.—Each report shall provide details on
5 loans provided under the program and the effectiveness
6 of such program in providing stability for, and otherwise
7 supporting, businesses.

8 **SEC. 8. REGULATIONS.**

9 The Secretary may prescribe regulations necessary to
10 carry out this Act.

11 **SEC. 9. SUNSET.**

12 An application for a loan under the program may not
13 be accepted after the date which is 3 years after the date
14 of enactment of this Act.

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