

114TH CONGRESS
1ST SESSION

H. R. 208

IN THE SENATE OF THE UNITED STATES

JULY 14, 2015

Received; read twice and referred to the Committee on Small Business and
Entrepreneurship

AN ACT

To improve the disaster assistance programs of the Small
Business Administration.

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 “Superstorm Sandy Re-
3 lief and Disaster Loan Program Improvement Act of
4 2015”.

5 **SEC. 2. FINDINGS.**

6 Congress finds the following:

7 (1) In 2012, Superstorm Sandy caused sub-
8 stantial physical and economic damage to the United
9 States, and New York in particular.

10 (2) For businesses and homeowners, the pri-
11 mary means of obtaining long-term Federal financial
12 assistance in the wake of disasters such as
13 Superstorm Sandy is through the Small Business
14 Administration’s Disaster Loan Program.

15 (3) With regard to the Small Business Adminis-
16 tration’s operation of the Disaster Loan Program
17 after Superstorm Sandy, the Government Account-
18 ability Office found that the Administration did not
19 meet its timeliness goals for processing business loan
20 applications.

21 (4) According to the Government Accountability
22 Office, the Small Business Administration stated
23 that it was challenged by an unexpectedly high vol-
24 ume of loan applications that it received early in its
25 response to Superstorm Sandy.

1 (5) As a result, many businesses and home-
2 owners affected by Superstorm Sandy were unable
3 to apply for financing from the Small Business Ad-
4 ministration.

5 **SEC. 3. REVISED DISASTER DEADLINE.**

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

8 “(8) DISASTER LOANS FOR SUPERSTORM
9 SANDY.—

10 “(A) IN GENERAL.—Notwithstanding any
11 other provision of law, and subject to the same
12 requirements and procedures that are used to
13 make loans pursuant to subsection (b), a small
14 business concern, homeowner, or renter that
15 was located within an area and during the time
16 period with respect to which a major disaster
17 was declared by the President under section
18 401 of the Robert T. Stafford Disaster Relief
19 and Emergency Assistance Act (42 U.S.C.
20 5170) by reason of Superstorm Sandy may
21 apply to the Administrator—

22 “(i) for a loan to repair, rehabilitate,
23 or replace property damaged or destroyed
24 by reason of Superstorm Sandy; or

1 “(ii) if such a small business concern
2 has suffered substantial economic injury by
3 reason of Superstorm Sandy, for a loan to
4 assist such a small business concern.

5 “(B) TIMING.—The Administrator shall
6 select loan recipients and make available loans
7 for a period of not less than 1 year after the
8 date on which the Administrator carries out
9 this authority.”.

10 **SEC. 4. USE OF PHYSICAL DAMAGE DISASTER LOANS TO**
11 **CONSTRUCT SAFE ROOMS.**

12 Section 7(b)(1)(A) of the Small Business Act (15
13 U.S.C. 636(b)(1)(A)) is amended by striking “mitigating
14 measures” and all that follows through “modifying struc-
15 tures” and inserting the following: “mitigating measures,
16 including—

17 “(i) construction of retaining walls and sea
18 walls;

19 “(ii) grading and contouring land; and

20 “(iii) relocating utilities and modifying
21 structures, including construction of a safe
22 room or similar storm shelter designed to pro-
23 tect property and occupants from tornadoes or
24 other natural disasters”.

1 **SEC. 5. COLLATERAL REQUIREMENTS FOR SMALL BUSI-**
2 **NESS CONCERNS.**

3 Section 7(b) of the Small Business Act (15 U.S.C.
4 636(b)) is amended by inserting after paragraph (9) the
5 following:

6 “(10) COLLATERAL REQUIREMENTS FOR SMALL
7 BUSINESSES.—In the case of a loan made pursuant
8 to this subsection in an amount not greater than
9 \$250,000, the Administrator may not require a bor-
10 rower to pledge his or her primary residence as col-
11 lateral if—

12 “(A) other collateral exists, including as-
13 sets related to the operation of a business; and

14 “(B) such an option does not delay the Ad-
15 ministrator’s processing of disaster applications
16 for a disaster.”.

17 **SEC. 6. REDUCING DELAYS ON CLOSING AND DISBURSE-**
18 **MENT OF LOANS.**

19 Section 7(b) of the Small Business Act (15 U.S.C.
20 636(b)) is further amended by inserting after paragraph
21 (10) (as added by section 5) the following:

22 “(11) REDUCING CLOSING AND DISBURSEMENT
23 DELAYS.—The Administrator shall provide a clear
24 and concise notification on all application materials
25 for loans made under this subsection and on relevant
26 websites notifying an applicant that the applicant

1 may submit all documentation necessary for the ap-
2 proval of the loan at the time of application and that
3 failure to submit all documentation could delay the
4 approval and disbursement of the loan.”.

5 **SEC. 7. INCREASING TRANSPARENCY IN LOAN APPROVALS.**

6 Section 7(b) of the Small Business Act (15 U.S.C.
7 636(b)) is further amended by inserting after paragraph
8 (11) (as added by section 6) the following:

9 “(12) INCREASING TRANSPARENCY IN LOAN AP-
10 PROVALS.—The Administrator shall establish and
11 implement clear, written policies and procedures for
12 analyzing the ability of a loan applicant to repay a
13 loan made under this subsection.”.

14 **SEC. 8. SAFEGUARDING TAXPAYERS’ INTERESTS.**

15 Section 7(b) of the Small Business Act (15 U.S.C.
16 636(b)) is further amended by inserting after paragraph
17 (12) (as added by section 7) the following:

18 “(13) ENSURING ACCOUNTABILITY IN LOAN AP-
19 PROVALS.—The Administrator shall establish re-
20 quirements for the approval of economic injury dis-
21 aster loan assistance made available pursuant to
22 paragraph (2), which shall include the review of ap-
23 plicant eligibility and shall require that all sup-
24 porting documentation is submitted prior to loan ap-
25 proval. The Administrator shall require that per-

1 sonnel involved in the approval of such loans be
2 trained on such procedures.”.

3 **SEC. 9. DISASTER PERFORMANCE MEASURES.**

4 Section 7(b) of the Small Business Act (15 U.S.C.
5 636(b)) is further amended by inserting after paragraph
6 (13) (as added by section 8) the following:

7 “(14) REPORTING ON DISASTER PERFORMANCE
8 MEASURES.—The Administrator shall report the av-
9 erage processing time for all other disaster loan ap-
10 plications, including disaggregated data on disaster
11 loan applications that were declined by the Adminis-
12 tration’s automated disaster processing system and
13 applications in which the Administrator performed
14 loss verification. For each disaster described in para-
15 graph (2), the Administrator shall report such aver-
16 age processing times on its website and to the Com-
17 mittee on Small Business of the House of Rep-
18 resentatives and the Committee on Small Business
19 and Entrepreneurship of the Senate.”.

20 **SEC. 10. DISASTER PLAN IMPROVEMENTS.**

21 The Administrator of the Small Business Administra-
22 tion shall revise the comprehensive written disaster re-
23 sponse plan required in section 40 of the Small Business
24 Act (15 U.S.C. 657l), or any successor thereto, to incor-
25 porate the Administration’s response to a situation in

1 which an extreme volume of applications are received dur-
2 ing the period of time immediately after a disaster, which
3 shall include a plan to ensure that sufficient human and
4 technological resources are made available and a plan to
5 prevent delays in loan processing.

6 **SEC. 11. REPORT TO CONGRESS ON IMPLEMENTATION OF**
7 **CERTAIN PROGRAMS.**

8 (a) INITIAL REPORT.—The Administrator of the
9 Small Business Administration shall report to Congress
10 not later than 30 days after the date of enactment of this
11 Act on the implementation and status of the private dis-
12 aster loan program established in section 7(c) of the Small
13 Business Act (15 U.S.C. 636(c)), the Immediate Disaster
14 Assistance program established in section 42 of such Act
15 (15 U.S.C. 657n), and the expedited disaster assistance
16 business loan program established in section 12085 of the
17 Small Business Disaster Response and Loan Improve-
18 ments Act of 2008 (15 U.S.C. 636j).

19 (b) REQUIRED CONSULTATION WITH DEPOSITORY
20 INSTITUTIONS AND CREDIT UNIONS.—The Administrator
21 shall require the Associate Administrator for the Office
22 of Disaster Assistance to consult with depository institu-
23 tions (as defined in section 3 of the Federal Deposit Insur-
24 ance Act (12 U.S.C. 1813)) and credit unions regarding

1 their potential participation in any of the programs de-
2 scribed in subsection (a).

3 (c) REPORT ON CONSULTATION.—Not later than 6
4 months after date of enactment of this Act, the Adminis-
5 trator shall report to Congress on the consultation re-
6 quired under subsection (b).

Passed the House of Representatives July 13, 2015.

Attest:

KAREN L. HAAS,

Clerk.