

Union Calendar No. 138

114TH CONGRESS
1ST SESSION

H. R. 208

[Report No. 114–186]

To require the Administrator of the Small Business Administration to establish a program to make loans to certain businesses, homeowners, and renters affected by Superstorm Sandy.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2015

Ms. VELÁZQUEZ (for herself, Mr. NADLER, Mr. RANGEL, Ms. MENG, and Mr. CROWLEY) introduced the following bill; which was referred to the Committee on Small Business

JUNE 25, 2015

Additional sponsor: Mr. SERRANO

JUNE 25, 2015

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on January 8, 2015]

A BILL

To require the Administrator of the Small Business Administration to establish a program to make loans to certain businesses, homeowners, and renters affected by Superstorm Sandy.

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

6 **SEC. 2. FINDINGS.**

7 *Congress finds the following:*

8 *(1) In 2012, Superstorm Sandy caused substan-*
9 *tial physical and economic damage to the United*
10 *States, and New York in particular.*

11 *(2) For businesses and homeowners, the primary*
12 *means of obtaining long-term Federal financial as-*
13 *sistance in the wake of disasters such as Superstorm*
14 *Sandy is through the Small Business Administra-*
15 *tion’s Disaster Loan Program.*

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

22 *(4) According to the Government Accountability*
23 *Office, the Small Business Administration stated that*
24 *it was challenged by an unexpectedly high volume of*

1 *loan applications that it received early in its response*
2 *to Superstorm Sandy.*

3 *(5) As a result, many businesses and homeowners*
4 *affected by Superstorm Sandy were unable to apply*
5 *for financing from the Small Business Administra-*
6 *tion.*

7 **SEC. 3. REVISED DISASTER DEADLINE.**

8 *Section 7(d) of the Small Business Act (15 U.S.C.*
9 *636(d)) is amended by adding at the end the following:*

10 *“(8) DISASTER LOANS FOR SUPERSTORM*
11 *SANDY.—*

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

1 “(i) for a loan to repair, rehabilitate,
2 or replace property damaged or destroyed
3 by reason of Superstorm Sandy; or

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

8 “(B) *TIMING.*—The Administrator shall se-
9 lect loan recipients and make available loans for
10 a period of not less than 1 year after the date
11 on which the Administrator carries out this au-
12 thority.”.

13 **SEC. 4. USE OF PHYSICAL DAMAGE DISASTER LOANS TO**
14 **CONSTRUCT SAFE ROOMS.**

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

20 “(i) construction of retaining walls and sea
21 walls;

22 “(ii) grading and contouring land; and

23 “(iii) relocating utilities and modifying
24 structures, including construction of a safe room
25 or similar storm shelter designed to protect prop-

1 *erty and occupants from tornadoes or other nat-*
2 *ural disasters”.*

3 **SEC. 5. COLLATERAL REQUIREMENTS FOR SMALL BUSI-**
4 **NESS CONCERNS.**

5 *Section 7(b) of the Small Business Act (15 U.S.C.*
6 *636(b)) is amended by inserting after paragraph (9) the*
7 *following:*

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

14 *“(A) other collateral exists, including assets*
15 *related to the operation of a business; and*

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

19 **SEC. 6. REDUCING DELAYS ON CLOSING AND DISBURSE-**
20 **MENT OF LOANS.**

21 *Section 7(b) of the Small Business Act (15 U.S.C.*
22 *636(b)) is further amended by inserting after paragraph*
23 *(10) (as added by section 5) the following:*

24 *“(11) REDUCING CLOSING AND DISBURSEMENT*
25 *DELAYS.—The Administrator shall provide a clear*

1 *and concise notification on all application materials*
2 *for loans made under this subsection and on relevant*
3 *websites notifying an applicant that the applicant*
4 *may submit all documentation necessary for the ap-*
5 *proval of the loan at the time of application and that*
6 *failure to submit all documentation could delay the*
7 *approval and disbursement of the loan.”.*

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

9 *Section 7(b) of the Small Business Act (15 U.S.C.*
10 *636(b)) is further amended by inserting after paragraph*
11 *(11) (as added by section 6) the following:*

12 *“(12) INCREASING TRANSPARENCY IN LOAN AP-*
13 *PROVALS.—The Administrator shall establish and im-*
14 *plement clear, written policies and procedures for*
15 *analyzing the ability of a loan applicant to repay a*
16 *loan made under this subsection.”.*

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

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

21 *“(13) ENSURING ACCOUNTABILITY IN LOAN AP-*
22 *PROVALS.—The Administrator shall establish require-*
23 *ments for the approval of economic injury disaster*
24 *loan assistance made available pursuant to para-*
25 *graph (2), which shall include the review of applicant*

1 *eligibility and shall require that all supporting docu-*
2 *mentation is submitted prior to loan approval. The*
3 *Administrator shall require that personnel involved*
4 *in the approval of such loans be trained on such pro-*
5 *cedures.”.*

6 **SEC. 9. DISASTER PERFORMANCE MEASURES.**

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

10 *“(14) REPORTING ON DISASTER PERFORMANCE*
11 *MEASURES.—The Administrator shall report the aver-*
12 *age processing time for all other disaster loan appli-*
13 *cations, including disaggregated data on disaster loan*
14 *applications that were declined by the Administra-*
15 *tion’s automated disaster processing system and ap-*
16 *plications in which the Administrator performed loss*
17 *verification. For each disaster described in paragraph*
18 *(2), the Administrator shall report such average proc-*
19 *essing times on its website and to the Committee on*
20 *Small Business of the House of Representatives and*
21 *the Committee on Small Business and Entrepreneur-*
22 *ship of the Senate.”.*

23 **SEC. 10. DISASTER PLAN IMPROVEMENTS.**

24 *The Administrator of the Small Business Administra-*
25 *tion shall revise the comprehensive written disaster response*

1 *plan required in section 40 of the Small Business Act (15*
2 *U.S.C. 657l), or any successor thereto, to incorporate the*
3 *Administration's response to a situation in which an ex-*
4 *treme volume of applications are received during the period*
5 *of time immediately after a disaster, which shall include*
6 *a plan to ensure that sufficient human and technological*
7 *resources are made available and a plan to prevent delays*
8 *in loan processing.*

9 **SEC. 11. REPORT TO CONGRESS ON IMPLEMENTATION OF**
10 **CERTAIN PROGRAMS.**

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

22 (b) *REQUIRED CONSULTATION WITH DEPOSITORY IN-*
23 *STITUTIONS AND CREDIT UNIONS.*—*The Administrator*
24 *shall require the Associate Administrator for the Office of*
25 *Disaster Assistance to consult with depository institutions*

1 *(as defined in section 3 of the Federal Deposit Insurance*
2 *Act (12 U.S.C. 1813)) and credit unions regarding their*
3 *potential participation in any of the programs described*
4 *in subsection (a).*

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

Amend the title so as to read: “A bill to improve the disaster assistance programs of the Small Business Administration.”.

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