

## Union Calendar No. 140

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

# H. R. 2670

[Report No. 114-188]

To amend the Small Business Act to provide for expanded participation in the microloan program, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2015

Mr. MOULTON introduced the following bill; which was referred to the Committee on Small Business

JUNE 25, 2015

Additional sponsors: Mr. CURBELO of Florida, Ms. VELÁZQUEZ, Mr. TAKAI, Mrs. RADEWAGEN, and Ms. JUDY CHU of California

JUNE 25, 2015

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# **A BILL**

To amend the Small Business Act to provide for expanded participation in 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,*

3 **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Microloan Moderniza-  
5 tion Act of 2015”.

6 **SEC. 2. WAIVERS OF 25/75 RULE.**

7        (a) **WAIVER AUTHORIZED.**—Section 7(m)(4)(E)(i) of  
8 the Small Business Act (15 U.S.C. 636(m)(4)(E)(i)) is  
9 amended by adding at the end the following: “The Admin-  
10 istrator shall by rule establish a process by which inter-  
11 mediaries may apply for and the Administrator may grant  
12 a waiver from the requirements of this clause.”.

13        (b) **CONTENTS OF RULE.**—In the rule required by  
14 the amendment made by subsection (a), the Administrator  
15 of the Small Business Administration shall require any ap-  
16 plicant for a waiver to—

17            (1) to specify how such applicant will use the  
18 additional technical assistance; and

19            (2) provide assurance in a form provided for by  
20 the Administrator in the rule that the intermediary  
21 will have sufficient funds to provide technical assist-  
22 ance to all of the intermediary’s borrowers.

23        (c) **RULEMAKING REQUIREMENTS.**—The rule re-  
24 quired by subsection (a) shall be promulgated after notice  
25 and the opportunity for comment of not less than 60 days.

1 Such regulation shall be codified in the Code of Federal  
2 Regulations and shall incorporate any delegation of the  
3 Administrator’s authority to approve waivers to any ap-  
4 propriate subsidiary official.

5 **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**  
6 **CREASED.**

7 Section 7(m)(3)(C) of the Small Business Act (15  
8 U.S.C. 636(m)(3)(C)) is amended by striking  
9 “\$5,000,000” and inserting “\$6,000,000”.

10 **SEC. 4. EXTENDED REPAYMENT TERMS.**

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

14 “(F) REPAYMENT TERMS FOR LOANS TO  
15 SMALL BUSINESSES.—The Administrator may  
16 not impose limitations on the term for repay-  
17 ment of a loan made by an intermediary to a  
18 small business concern or entrepreneur, except  
19 that—

20 “(i) in the case of a loan made by an  
21 intermediary of \$10,000 or less, the repay-  
22 ment term shall be not more than 6 years;  
23 and

1                   “(ii) in the case of a loan greater than  
2                   \$10,000, the repayment term shall be not  
3                   more than 10 years.”.

4 **SEC. 5. LINES OF CREDIT AUTHORIZED.**

5           Section 7(m)(6)(A) of the Small Business Act (15  
6 U.S.C. 636(m)(6)(A)) is amended by inserting after  
7 “short-term” insert “(including lines of credit)”.

8 **SEC. 6. GAO STUDY OF MICROENTERPRISE PARTICIPATION.**

9           Not later than 120 days after the date of enactment  
10 of this Act, the Comptroller General of the United States  
11 shall complete a study on and report to the Committee  
12 on Small Business of the House of Representatives on the  
13 following:

14           (1) The operations (including services provided,  
15           structure, size, and area of operation) of a rep-  
16           resentative sample of—

17                   (A) intermediaries that are eligible for par-  
18                   ticipation in the microloan program under sec-  
19                   tion 7(m) of the Small Business Act and that  
20                   do participate; and

21                   (B) intermediaries (including those oper-  
22                   ated for profit, operated as non-profits, and  
23                   those affiliated with a United States institution  
24                   of higher learning) that are so eligible and that  
25                   do not participate.

1           (2) The reasons why intermediaries described in  
2 paragraph (1)(B) choose not to participate.

3           (3) Recommendations on how to encourage in-  
4 creased participation in the microloan program by  
5 intermediaries described in paragraph (1)(B).

6           (4) Recommendations on how to decrease the  
7 costs associated with participation in the microloan  
8 program for eligible intermediaries.

9 **SEC. 7. OFFICE OF ADVOCACY ECONOMIC STUDY OF MAN-**  
10 **DATORY SAVINGS REQUIREMENT.**

11         Not later than 120 days after the date of enactment  
12 of this Act, the Chief Counsel for Advocacy of the Small  
13 Business Administration shall submit to the Committee on  
14 Small Business of the House of Representatives a report  
15 on the economic impact of a mandatory savings require-  
16 ment on business concerns eligible to participate in the  
17 microloan program under section 7(m) of the Small Busi-  
18 ness Act, including on the benefits and costs of such a  
19 requirement and recommendations on implementation of  
20 such a requirement.



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