

Calendar No. 346

115TH CONGRESS
2D SESSION**S. 526**

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

IN THE SENATE OF THE UNITED STATES

MARCH 2, 2017

Mrs. FISCHER (for herself, Mr. COONS, Mr. SCOTT, Mrs. GILLIBRAND, Mrs. SHAHEEN, Mr. PETERS, Mr. DONNELLY, and Ms. DUCKWORTH) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

MARCH 19, 2018

Reported by Mr. RISCH, with an amendment

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

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 2017”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act—

3 (1) the term “intermediary” has the meaning
4 given the term in section 7(m)(11) of the Small
5 Business Act (15 U.S.C. 636(m)(11)); and

6 (2) the term “microloan program” means the
7 program established under section 7(m) of the Small
8 Business Act (15 U.S.C. 636(m)).

9 **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**
10 **CREASED.**

11 Section 7(m)(3)(C) of the Small Business Act (15
12 U.S.C. 636(m)(3)(C)) is amended by striking
13 “\$5,000,000” and inserting “\$6,000,000”.

14 **SEC. 4. ELIMINATION OF 25/75 RULE.**

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

17 (1) by striking subparagraph (E); and

18 (2) by redesignating subparagraph (F) as sub-
19 paragraph (E).

20 **SEC. 5. SBA STUDY OF MICROENTERPRISE PARTICIPATION.**

21 Not later than 1 year after the date of enactment
22 of this Act, the Administrator of the Small Business Ad-
23 ministration shall conduct a study and submit to the Com-
24 mittee on Small Business and Entrepreneurship of the
25 Senate and the Committee on Small Business of the
26 House of Representatives a report on—

(1) the operations (including services provided, structure, size, and area of operation) of a representative sample of—

(A) intermediaries that are eligible to participate in the microloan program and that do participate; and

(B) intermediaries (including those operated for profit, operated not for profit, and those affiliated with a United States institution of higher learning) that are eligible to participate in the microloan program and that do not participate;

(2) the reasons why intermediaries described in paragraph (1)(B) choose not to participate in the microloan program;

(3) recommendations on how to encourage increased participation in the microloan program by intermediaries described in paragraph (1)(B); and

(4) recommendations on how to decrease the costs associated with participation in the microloan program for eligible intermediaries.

SEC. 6. GAO STUDY ON MICROLOAN INTERMEDIARY PRACTICES.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States

1 shall submit to the Committee on Small Business and En-
 2 trepreneurship of the Senate and the Committee on Small
 3 Business of the House of Representatives a report evalu-
 4 ating—

5 (1) oversight of the microloan program by the
 6 Small Business Administration, including oversight
 7 of intermediaries participating in the microloan pro-
 8 gram; and

9 (2) the specific processes used by the Small
 10 Business Administration to ensure—

11 (A) compliance by intermediaries partici-
 12 pating in the microloan program; and

13 (B) the overall performance of the micro-
 14 loan program.

15 **SECTION 1. SHORT TITLE.**

16 *This Act may be cited as the “Microloan Moderniza-*
 17 *tion Act of 2018”.*

18 **SEC. 2. DEFINITIONS.**

19 *In this Act—*

20 (1) the term “intermediary” has the meaning
 21 given the term in section 7(m)(11) of the Small Busi-
 22 ness Act (15 U.S.C. 636(m)(11)); and

23 (2) the term “microloan program” means the
 24 program established under section 7(m) of the Small
 25 Business Act (15 U.S.C. 636(m)).

1 **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**
 2 **CREASED.**

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

6 **SEC. 4. MICROLOAN TECHNICAL ASSISTANCE.**

7 *Section 7(m)(4)(E) of the Small Business Act (15*
 8 *U.S.C. 636(m)(4)(E)) is amended by striking “25 percent”*
 9 *each place that term appears and inserting “50 percent”.*

10 **SEC. 5. SBA STUDY OF MICROENTERPRISE PARTICIPATION.**

11 *Not later than 1 year after the date of enactment of*
 12 *this Act, the Administrator of the Small Business Adminis-*
 13 *tration shall conduct a study and submit to the Committee*
 14 *on Small Business and Entrepreneurship of the Senate and*
 15 *the Committee on Small Business of the House of Represent-*
 16 *atives a report on—*

17 *(1) the operations (including services provided,*
 18 *structure, size, and area of operation) of a representa-*
 19 *tive sample of—*

20 *(A) intermediaries that are eligible to par-*
 21 *ticipate in the microloan program and that do*
 22 *participate; and*

23 *(B) intermediaries (including those oper-*
 24 *ated for profit, operated not for profit, and those*
 25 *affiliated with a United States institution of*
 26 *higher learning) that are eligible to participate*

1 *in the microloan program and that do not par-*
 2 *ticipate;*

3 *(2) the reasons why intermediaries described in*
 4 *paragraph (1)(B) choose not to participate in the*
 5 *microloan program;*

6 *(3) recommendations on how to encourage in-*
 7 *creased participation in the microloan program by*
 8 *intermediaries described in paragraph (1)(B); and*

9 *(4) recommendations on how to decrease the costs*
 10 *associated with participation in the microloan pro-*
 11 *gram for eligible intermediaries.*

12 **SEC. 6. GAO STUDY ON MICROLOAN INTERMEDIARY PRAC-**
 13 **TICES.**

14 *Not later than 1 year after the date of enactment of*
 15 *this Act, the Comptroller General of the United States shall*
 16 *submit to the Committee on Small Business and Entrepre-*
 17 *neurship of the Senate and the Committee on Small Busi-*
 18 *ness of the House of Representatives a report evaluating—*

19 *(1) oversight of the microloan program by the*
 20 *Small Business Administration, including oversight*
 21 *of intermediaries participating in the microloan pro-*
 22 *gram; and*

23 *(2) the specific processes used by the Small Busi-*
 24 *ness Administration to ensure—*

- 1 (A) *compliance by intermediaries partici-*
- 2 *pating in the microloan program; and*
- 3 (B) *the overall performance of the*
- 4 *microloan program.*

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