

116TH CONGRESS
2D SESSION

H. R. 6078

To amend the Small Business Act to increase transparency and to enhance the use of microloans in rural areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2020

Mr. BURCHETT (for himself and Mr. KIM) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to increase transparency and to enhance the use of microloans in rural areas, 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 Trans-
5 parency and Accountability Act of 2020”.

6 **SEC. 2. ASSISTANCE FOR INTERMEDIARIES SERVING**
7 **RURAL AREAS.**

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

10 (1) by inserting “either” after “that has”; and

1 (2) by inserting after “the program” the fol-
2 lowing: “or that has a portfolio of loans made under
3 this subsection of which not less than 25 percent is
4 serving rural areas during the period of the
5 intermediary’s participation in the program”.

6 **SEC. 3. PORTFOLIO RISK ANALYSIS OF MICROLOANS.**

7 Section 7(m)(10) of the Small Business Act (15
8 U.S.C. 636(m)(10)) is amended—

9 (1) by redesignating subparagraphs (A) through
10 (F) as clauses (i) through (vi), respectively, and ad-
11 justing the margins accordingly;

12 (2) by amending clause (iv), as so redesignated,
13 to read as follows:

14 “(vi) the number, amount, and per-
15 centage of microloans made by inter-
16 mediaries to small business concerns—

17 “(I) that went into default in the
18 previous year; and

19 “(II) that were charged off in the
20 previous year by such inter-
21 mediaries;”;

22 (3) in clause (vi), as so redesignated, by strik-
23 ing “and” at the end;

24 (4) by redesignating subparagraph (G) as
25 clause (xviii), and adjusting the margin accordingly;

1 (5) by striking “On November 1, 1995,” and all
2 that follows through “the following:” and inserting
3 the following:

4 “(A) IN GENERAL.—Beginning on Feb-
5 ruary 1, 2021, and annually thereafter, the Ad-
6 ministrator shall submit to the Committee on
7 Small Business and Entrepreneurship of the
8 Senate and the Committee on Small Business
9 of the House of Representatives, and make
10 available to the public on the website of the Ad-
11 ministration, a report on the effectiveness of
12 the microloan program during the fiscal year
13 preceding the date of the report. Such report
14 shall include—”;

15 (6) in subparagraph (A), as so designated, by
16 inserting after clause (vi) the following new clauses:

17 “(vii) the number and type of enforce-
18 ment actions taken by the Administrator
19 against noncompliant intermediaries;

20 “(viii) an analysis of compliance by
21 intermediaries with the credit availability
22 requirements of paragraph (3)(E) for loans
23 in an amount greater than \$20,000;

1 “(ix) the extent to which microloans
2 are provided to small business concerns in
3 rural areas;

4 “(x) the number of underserved bor-
5 rowers, as defined by the Administration,
6 participating in the microloan program;

7 “(xi) the average rate of interest for
8 each microloan;

9 “(xii) the average amount of fees
10 charged for each microloan;

11 “(xiii) the average size of each
12 microloan, including—

13 “(I) the number of loans made in
14 an amount greater than \$20,000; and

15 “(II) the average size and
16 charge-off rate of such loans;

17 “(xiv) the subsidy cost to the Admin-
18 istration;

19 “(xv) the number and percentage of
20 microloans that were made to refinance
21 other loans;

22 “(xvi) the number and percentage of
23 microloans made to new program partici-
24 pants and the number and percentage of

1 microloans made to previous program par-
2 ticipants;

3 “(xvii) the average amount of tech-
4 nical assistance grant monies spent on
5 each loan; and”; and

6 (7) by adding at the end the following:

7 “(B) PRIVACY.—Each report submitted
8 under subparagraph (A) shall not contain any
9 personally identifiable information of any bor-
10 rower.”.

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