

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6079

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 2020

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

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## AN ACT

To amend the Small Business Act to optimize the operations of the microloan program, lower costs for small business concerns and intermediary participants in the 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Microloan Improvement Act of 2020”.

4 (b) TABLE OF CONTENTS.—The table of contents for  
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Interest rate for certain intermediaries.
- Sec. 3. Lines of credit authorized.
- Sec. 4. Extended repayment terms.
- Sec. 5. Loan limits adjusted.
- Sec. 6. Program funding for microloans.
- Sec. 7. Technical assistance grant flexibility.
- Sec. 8. Credit reporting information.
- Sec. 9. Report regarding equitable distribution.

6 **SEC. 2. INTEREST RATE FOR CERTAIN INTERMEDIARIES.**

7 Section 7(m)(3)(F)(iii) of the Small Business Act (15  
8 U.S.C. 636(m)(3)(F)(iii)) is amended by striking  
9 “\$7,500” and inserting “\$10,000”.

10 **SEC. 3. LINES OF CREDIT AUTHORIZED.**

11 Section 7(m)(6)(A) of the Small Business Act (15  
12 U.S.C. 636(m)(6)(A)) is amended by inserting “(including  
13 lines of credit)” after “fixed rate loans”.

14 **SEC. 4. EXTENDED REPAYMENT TERMS.**

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

18 “(F) REPAYMENT TERMS.—

19 “(i) LIMITATION ON REPAYMENTS  
20 TERM.—The repayment term for a loan

1 made under this paragraph shall not be  
2 more than—

3 “(I) in the case of a loan made  
4 by an intermediary of \$10,000 or less,  
5 7 years; and

6 “(II) in the case of a loan made  
7 by an intermediary of greater than  
8 \$10,000, 10 years.

9 “(ii) NO ADDITIONAL LIMITATIONS.—  
10 The Administrator may not impose any ad-  
11 ditional limitation on the term for repay-  
12 ment of a loan made by an intermediary  
13 under this paragraph.”.

14 **SEC. 5. LOAN LIMITS ADJUSTED.**

15 Section 7(m)(3)(C) of the Small Business Act (15  
16 U.S.C. 636(m)(3)(C)) is amended by striking “and  
17 \$6,000,000” and inserting “and \$7,000,000 (in the aggre-  
18 gate)”.

19 **SEC. 6. PROGRAM FUNDING FOR MICROLOANS.**

20 (a) IN GENERAL.—Section 7(m) of the Small Busi-  
21 ness Act (15 U.S.C. 636(m)) is amended—

22 (1) in paragraph (7)(B)—

23 (A) by amending clause (i) to read as fol-  
24 lows:

1           “(i) ALLOCATION.—Subject to the  
2           availability of appropriations and for the  
3           first 2 quarters of a fiscal year, of the total  
4           amount of new loan funds made available  
5           for award under this subsection in such  
6           fiscal year, the Administrator shall—

7                       “(I) reserve 15 percent of such  
8                       funds for award to designated under-  
9                       utilized States; and

10                      “(II) make the remaining 85 per-  
11                      cent of such funds available for award  
12                      in any State.”; and

13           (B) in clause (ii), by striking “to carry  
14           out” and all that follows through the period at  
15           the end and inserting the following: “under  
16           clause (i)(I) remains unexpended, the Adminis-  
17           trator may make that portion available for  
18           award in any State or designated underutilized  
19           State.”; and

20           (2) in paragraph (11)—

21                      (A) in subparagraph (C)(ii), by striking  
22                      the period at the end and inserting “; and”;  
23                      and

24                      (B) by adding at the end the following new  
25                      subparagraph:

1           “(D) the term ‘State’ means each of the  
2           several States, the District of Columbia, the  
3           Commonwealth of Puerto Rico, the United  
4           States Virgin Islands, Guam, the Northern  
5           Mariana Islands, and American Samoa.”.

6           (b) RULEMAKING.—Not later than 180 days after the  
7           date of the enactment of this Act, the Administrator of  
8           the Small Business Administration shall issue regulations  
9           to define the term “designated underutilized State”, as  
10          used in section 7(m)(7)(B) of the Small Business Act (15  
11          U.S.C. 636(m)(7)(B)), as added by this section.

12          **SEC. 7. TECHNICAL ASSISTANCE GRANT FLEXIBILITY.**

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

15                 (1) in subparagraph (A), by striking “subpara-  
16                 graph (C)” each place that term appears and insert-  
17                 ing “subparagraphs (C) and (G)”;

18                 (2) in subparagraph (C)(i)—

19                         (A) by striking “subparagraph (A)” and  
20                         inserting “subparagraphs (A) and (G)”;

21                         (B) by striking the dollar figure and in-  
22                         serting “\$10,000”;

23                 (3) in subparagraph (D), by striking “subpara-  
24                 graph (A), or (C)” and inserting “subparagraph (A),  
25                 (C), or (G)”;

1 (4) by adding at the end the following:

2 “(G) GRANT AMOUNTS BASED ON APPRO-  
3 PRIATIONS.—In any fiscal year in which the  
4 amount appropriated to make grants under  
5 subparagraph (A) is sufficient to provide to  
6 each intermediary that receives a loan under  
7 paragraph (1)(B)(i) a grant of not less than 25  
8 percent of the total outstanding balance of  
9 loans made to the intermediary under this sub-  
10 section, the Administrator shall make a grant  
11 under subparagraph (A) to each intermediary  
12 of not less than 25 percent and not more than  
13 30 percent of that total outstanding balance.”.

14 **SEC. 8. CREDIT REPORTING INFORMATION.**

15 The Administrator of the Small Business Administra-  
16 tion shall issue rules establishing a process under which  
17 an intermediary that makes a loan to a borrower under  
18 section 7(m) of the Small Business Act (15 U.S.C.  
19 636(m)) shall be required to provide the major credit re-  
20 porting agencies with information about the borrower rel-  
21 evant to credit reporting, such as the borrower’s payment  
22 activity on the loan.

23 **SEC. 9. REPORT REGARDING EQUITABLE DISTRIBUTION.**

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

1           (1) by striking “In approving” and inserting  
2 the following:

3                   “(A) IN GENERAL.—In approving”; and

4           (2) by adding at the end the following:

5                   “(B) ANNUAL REPORT.—The Adminis-  
6 trator shall include in the report submitted  
7 under paragraph (10), and make publicly avail-  
8 able on the website of the Administration, infor-  
9 mation on how the Administration has met the  
10 requirements of subparagraph (A).”.

Passed the House of Representatives September 14,  
2020.

Attest:                   CHERYL L. JOHNSON,  
*Clerk.*