

116TH CONGRESS
2D SESSION

H. R. 6303

To temporarily reduce fees for certain loans under the Small Business Administration, to increase guarantee amounts on certain loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2020

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

A BILL

To temporarily reduce fees for certain loans under the Small Business Administration, to increase guarantee amounts on certain loans, 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 “Increasing Access to
5 Capital Act of 2020”.

6 **SEC. 2. TEMPORARY FEE REDUCTIONS.**

7 (a) PURPOSE.—The purpose of the section is to waive
8 borrower and lender fees on loans, including a permanent
9 fix to waive fees for veterans and their spouses.

1 (b) ADMINISTRATIVE FEE WAIVER.—

2 (1) IN GENERAL.—During the period beginning
3 on the date of enactment of this Act and ending on
4 September 30, 2021, and to the extent that the cost
5 of such elimination or reduction of fees is offset by
6 appropriations, with respect to each loan guaranteed
7 under section 7(a) of the Small Business Act (15
8 U.S.C. 636(a)) (including a recipient of assistance
9 under the Community Advantage Pilot Program of
10 the Administration) for which an application is ap-
11 proved or pending approval on or after the date of
12 enactment of this Act, the Administrator shall—

13 (A) in lieu of the fee otherwise applicable
14 under section 7(a)(23)(A) of the Small Busi-
15 ness Act (15 U.S.C. 636(a)(23)(A)), collect no
16 fee or reduce fees to the maximum extent pos-
17 sible; and

18 (B) in lieu of the fee otherwise applicable
19 under section 7(a)(18)(A) of the Small Busi-
20 ness Act (15 U.S.C. 636(a)(18)(A)), collect no
21 fee or reduce fees to the maximum extent pos-
22 sible.

23 (2) APPLICATION OF FEE ELIMINATIONS OR RE-
24 Ductions.—To the extent that amounts are made
25 available to the Administrator for the purpose of fee

1 eliminations or reductions under paragraph (1), the
2 Administrator shall—

3 (A) first use any amounts provided to
4 eliminate or reduce fees paid by small business
5 borrowers under clauses (i) through (iii) of sec-
6 tion 7(a)(18)(A) of the Small Business Act (15
7 U.S.C. 636(a)(18)(A)), to the maximum extent
8 possible; and

9 (B) then use any amounts provided to
10 eliminate or reduce fees under 7(a)(23)(A) of
11 the Small Business Act (15 U.S.C.
12 636(a)(23)(A)).

13 (c) EXCEPTION TO GUARANTEE FEE WAIVER FOR
14 VETERANS.—Section 7(a)(31)(G) of the Small Business
15 Act (15 U.S.C. 636(a)(31)(G)) is amended—

16 (1) by striking clause (ii); and

17 (2) by redesignating clause (iii) as clause (ii).

18 (d) TEMPORARY FEE ELIMINATION FOR THE 504
19 LOAN PROGRAM.—

20 (1) IN GENERAL.—During the period beginning
21 on the date of enactment of this Act and ending on
22 September 30, 2021, and to the extent the cost of
23 such elimination in fees is offset by appropriations,
24 with respect to each project or loan guaranteed by
25 the Administrator pursuant to title V of the Small

1 Business Investment Act of 1958 (15 U.S.C. 695 et
2 seq.) for which an application is approved or pending
3 approval on or after the date of enactment of this
4 Act—

5 (A) the Administrator shall, in lieu of the
6 fee otherwise applicable under section 503(d)(2)
7 of the Small Business Investment Act of 1958
8 (15 U.S.C. 697(d)(2)), collect no fee; and

9 (B) a development company shall, in lieu
10 of the processing fee under section
11 120.971(a)(1) of title 13, Code of Federal Reg-
12 ulations (relating to fees paid by borrowers), or
13 any successor thereto, collect no fee.

14 (2) REIMBURSEMENT FOR WAIVED FEES.—

15 (A) IN GENERAL.—To the extent that the
16 cost of such payments is offset by appropria-
17 tions, the Administrator shall reimburse each
18 development company that does not collect a
19 processing fee pursuant to paragraph (1)(B).

20 (B) AMOUNT.—The payment to a develop-
21 ment company under subparagraph (A) shall be
22 in an amount equal to 1.5 percent of the net
23 debenture proceeds for which the development
24 company does not collect a processing fee pur-
25 suant to paragraph (1)(B).

1 **SEC. 3. GUARANTEE AMOUNTS.**

2 (a) PURPOSE.—The purpose of this section is to in-
3 crease loan guarantee amounts in order to mitigate risk
4 for lenders and keep credit flowing, including an emphasis
5 on underserved borrowers.

6 (b) 7(a) LOAN GUARANTEES.—

7 (1) IN GENERAL.—Section 7(a)(2)(A) of the
8 Small Business Act (15 U.S.C. 636(a)(2)(A)) is
9 amended by striking “), such participation by the
10 Administration shall be equal to” and all that fol-
11 lows through the period at the end and inserting “or
12 the Community Advantage Pilot Program of the Ad-
13 ministration), such participation by the Administra-
14 tion shall be equal to 90 percent of the balance of
15 the financing outstanding at the time of disburse-
16 ment of the loan.”.

17 (2) TERMINATION.—Effective September 30,
18 2021, section 7(a)(2)(A) of the Small Business Act
19 (15 U.S.C. 636(a)(2)(A)), as amended by paragraph
20 (1), is amended to read as follows:

21 “(A) IN GENERAL.—Except as provided in
22 subparagraphs (B), (D), and (E), in an agree-
23 ment to participate in a loan on a deferred
24 basis under this subsection (including a loan
25 made under the Preferred Lenders Program),

1 such participation by the Administration shall
2 be equal to—

3 “(i) 75 percent of the balance of the
4 financing outstanding at the time of dis-
5 bursement of the loan, if such balance ex-
6 ceeds \$150,000; or

7 “(ii) 85 percent of the balance of the
8 financing outstanding at the time of dis-
9 bursement of the loan, if such balance is
10 less than or equal to \$150,000.”.

11 (c) EXPRESS LOAN GUARANTEE AMOUNTS AND
12 LOAN SIZE INCREASES.—

13 (1) TEMPORARY MODIFICATION.—Section
14 7(a)(31) of the Small Business Act (15 U.S.C.
15 636(a)(31)) is amended—

16 (A) in subparagraph (A)(iv), by striking
17 “with a guaranty rate of not more than 50 per-
18 cent.” and inserting the following: “with a
19 guarantee rate—

20 “(I) for a loan in an amount less
21 than or equal to \$350,000, of not
22 more than 90 percent; and

23 “(II) for a loan in an amount
24 greater than \$350,000, of not more
25 than 75 percent.”; and

1 (B) in subparagraph (D), by striking
2 “\$350,000” and inserting “\$1,000,000”.

3 (2) INCREASE IN AVAILABILITY.—Effective
4 September 30, 2021, section 7(a)(31) of the Small
5 Business Act (15 U.S.C. 636(a)(31)), as amended
6 by paragraph (1), is amended—

7 (A) in subparagraph (A)(iv), by striking
8 “guarantee rate” and all that follows through
9 the period at the end and inserting “guarantee
10 rate of not more than 50 percent.”; and

11 (B) in subparagraph (D), by striking
12 “\$1,000,000” and inserting “\$500,000”.

13 **SEC. 4. MAXIMUM LOAN AMOUNT AND PROGRAM LEVELS**
14 **FOR 7(a) LOANS.**

15 (a) PURPOSE.—The purpose of this section is to tem-
16 porarily increase the maximum loan size in order to ex-
17 pand the reach of this long-term capital.

18 (b) MAXIMUM LOAN AMOUNT.—During the period
19 beginning on the date of enactment of this Act and ending
20 on September 30, 2021, with respect to any loan guaran-
21 teed under section 7(a) of the Small Business Act (15
22 U.S.C. 636(a)) for which an application is approved or
23 pending approval on or after the date of enactment of this
24 Act, the maximum loan amount shall be \$10,000,000.

1 (c) PROGRAM LEVELS.—During each of fiscal years
2 2020 and 2021, commitments for general business loans
3 authorized under section 7(a) of the Small Business Act
4 (15 U.S.C. 636(a)) shall not exceed \$75,000,000,000.

5 **SEC. 5. MAXIMUM LOAN AMOUNT FOR 504 LOANS.**

6 (a) PURPOSE.—The purpose of this section is to
7 make refinancing of fixed assets more flexible for small
8 business concerns seeking immediate financing and relief
9 from the COVID–19 crisis.

10 (b) TEMPORARY INCREASE.—During the period be-
11 ginning on the date of enactment of this Act and ending
12 on September 30, 2021, with respect to each project or
13 loan guaranteed by the Administrator pursuant to title V
14 of the Small Business Investment Act of 1958 (15 U.S.C.
15 695 et seq.) for which an application is approved or pend-
16 ing approval on or after the date of enactment of this Act,
17 the maximum loan amount shall be \$10,000,000.

18 (c) PERMANENT INCREASE FOR SMALL MANUFAC-
19 TURERS.—Effective on October 1, 2021, section
20 502(2)(A)(iii) of the Small Business Investment Act of
21 1958 (15 U.S.C. 696(2)(A)(iii)) is amended by striking
22 “\$5,500,000” and inserting “\$10,000,000”.

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