

116TH CONGRESS  
2D SESSION

# H. R. 8087

To amend the Small Business Act and the CARES Act to establish a program for second draw loans and make other modifications to the paycheck protection program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 22, 2020

Mr. CHABOT introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committees on the Judiciary, the Budget, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Small Business Act and the CARES Act to establish a program for second draw loans and make other modifications to the paycheck protection 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. ADDITIONAL ELIGIBLE EXPENSES.**

4 (a) ALLOWABLE USE OF PPP LOAN.—Section  
5 7(a)(36)(F)(i) of the Small Business Act (15 U.S.C.  
6 636(a)(36)(F)(i)) is amended—

1 (1) in subclause (VI), by striking “and” at the  
2 end;

3 (2) in subclause (VII), by striking the period at  
4 the end and inserting a semicolon; and

5 (3) by adding at the end the following:

6 “(VIII) covered operations ex-  
7 penditures, as defined in section  
8 1106(a) of the CARES Act (15  
9 U.S.C. 9005(a));

10 “(IX) covered property damage  
11 costs, as defined in such section  
12 1106(a);

13 “(X) covered supplier costs, as  
14 defined in such section 1106(a); and

15 “(XI) covered worker protection  
16 expenditures, as defined in such sec-  
17 tion 1106(a).”.

18 (b) LOAN FORGIVENESS.—Section 1106 of the  
19 CARES Act (15 U.S.C. 9005) is amended—

20 (1) in subsection (a)—

21 (A) by redesignating paragraphs (6), (7),  
22 and (8) as paragraphs (10), (11), and (12), re-  
23 spectively;

24 (B) by redesignating paragraph (5) as  
25 paragraph (8);

1 (C) by redesignating paragraph (4) as  
2 paragraph (6);

3 (D) by redesignating paragraph (3) as  
4 paragraph (4);

5 (E) by inserting after paragraph (2) the  
6 following:

7 “(3) the term ‘covered operations expenditure’  
8 means a payment for any business software or cloud  
9 computing service that facilitates business oper-  
10 ations, product or service delivery, the processing,  
11 payment, or tracking of payroll expenses, human re-  
12 sources, sales and billing functions, or accounting or  
13 tracking of supplies, inventory, records and ex-  
14 penses;”;

15 (F) by inserting after paragraph (4), as so  
16 redesignated, the following:

17 “(5) the term ‘covered property damage cost’  
18 means a cost related to property damage and van-  
19 dalism or looting due to public disturbances that oc-  
20 curred during 2020 that was not covered by insur-  
21 ance or other compensation;”;

22 (G) by inserting after paragraph (6), as so  
23 redesignated, the following:

24 “(7) the term ‘covered supplier cost’ means an  
25 expenditure made by an entity to a supplier of goods

1 pursuant to a contract in effect before February 15,  
2 2020, for the supply of goods that are essential to  
3 the operations of the entity at the time at which the  
4 expenditure is made;”;

5 (H) by inserting after paragraph (8), as so  
6 redesignated, the following:

7 “(9) the term ‘covered worker protection ex-  
8 penditure’—

9 “(A) means an operating or a capital ex-  
10 penditure that is required to facilitate the adap-  
11 tation of the business activities of an entity to  
12 comply with requirements established or guid-  
13 ance issued by the Department of Health and  
14 Human Services, the Centers for Disease Con-  
15 trol, or the Occupational Safety and Health Ad-  
16 ministration during the period beginning on  
17 March 1, 2020, and ending December 31, 2020,  
18 related to the maintenance of standards for  
19 sanitation, social distancing, or any other work-  
20 er or customer safety requirement related to  
21 COVID-19;

22 “(B) may include—

23 “(i) the purchase, maintenance, or  
24 renovation of assets that create or ex-  
25 pand—

1 “(I) a drive-through window fa-  
2 cility;

3 “(II) an indoor, outdoor, or com-  
4 bined air or air pressure ventilation or  
5 filtration system;

6 “(III) a physical barrier such as  
7 a sneeze guard;

8 “(IV) an indoor, outdoor, or com-  
9 bined commercial real property;

10 “(V) an onsite or offsite health  
11 screening capability; or

12 “(VI) other assets relating to the  
13 compliance with the requirements or  
14 guidance described in subparagraph  
15 (A), as determined by the Adminis-  
16 trator in consultation with the Sec-  
17 retary of Health and Human Services  
18 and the Secretary of Labor; and

19 “(ii) the purchase of—

20 “(I) covered materials described  
21 in section 328.103(a) of title 44, Code  
22 of Federal Regulations, or any suc-  
23 cessor regulation;

24 “(II) particulate filtering face-  
25 piece respirators approved by the Na-

1 tional Institute for Occupational Safe-  
2 ty and Health, including those ap-  
3 proved only for emergency use author-  
4 ization; or

5 “(III) other kinds of personal  
6 protective equipment, as determined  
7 by the Administrator in consultation  
8 with the Secretary of Health and  
9 Human Services and the Secretary of  
10 Labor; and

11 “(C) does not include residential real prop-  
12 erty or intangible property;”; and

13 (I) in paragraph (11), as so redesign-  
14 nated—

15 (i) in subparagraph (C), by striking  
16 “and” at the end;

17 (ii) in subparagraph (D), by striking  
18 “and” at the end; and

19 (iii) by adding at the end the fol-  
20 lowing:

21 “(E) covered operations expenditures;

22 “(F) covered property damage costs;

23 “(G) covered supplier costs; and

24 “(H) covered worker protection expendi-  
25 tures; and”;

1           (2) in subsection (b), by adding at the end the  
2 following:

3           “(5) Any covered operations expenditure.

4           “(6) Any covered property damage cost.

5           “(7) Any covered supplier cost.

6           “(8) Any covered worker protection expendi-  
7 ture.”;

8           (3) in subsection (d)(8), by inserting “any pay-  
9 ment on any covered operations expenditure, any  
10 payment on any covered property damage cost, any  
11 payment on any covered supplier cost, any payment  
12 on any covered worker protection expenditure,” after  
13 “rent obligation,”; and

14           (4) in subsection (e)—

15           (A) in paragraph (2), by inserting “pay-  
16 ments on covered operations expenditures, pay-  
17 ments on covered property damage costs, pay-  
18 ments on covered supplier costs, payments on  
19 covered worker protection expenditures,” after  
20 “lease obligations,”; and

21           (B) in paragraph (3)(B), by inserting  
22 “make payments on covered operations expendi-  
23 tures, make payments on covered property dam-  
24 age costs, make payments on covered supplier

1 costs, make payments on covered worker protec-  
2 tion expenditures,” after “rent obligation,”.

3 **SEC. 2. LENDER SAFE HARBOR.**

4 Subsection (h) of section 1106 of the CARES Act  
5 (15 U.S.C. 9005) is amended to read as follows:

6 “(h) HOLD HARMLESS.—

7 “(1) IN GENERAL.—A lender may rely on any  
8 certification or documentation submitted by an ap-  
9 plicant for a covered loan or an eligible recipient of  
10 a covered loan that—

11 “(A) is submitted pursuant to any statu-  
12 tory requirement relating to covered loans or  
13 any rule or guidance issued to carry out any ac-  
14 tion relating to covered loans; and

15 “(B) attests that the applicant or eligible  
16 recipient, as applicable, has accurately verified  
17 any certification or documentation provided to  
18 the lender.

19 “(2) NO ENFORCEMENT ACTION.—With respect  
20 to a lender that relies on a certification or docu-  
21 mentation described in paragraph (1)—

22 “(A) an enforcement action may not be  
23 taken against the lender acting in good faith re-  
24 lating to origination or forgiveness of a covered  
25 loan based on such reliance; and



1           “(B) the lender acting in good faith shall  
2           not be subject to any penalties relating to origi-  
3           nation or forgiveness of a covered loan based on  
4           such reliance.”.

5 **SEC. 3. SELECTION OF COVERED PERIOD FOR FORGIVE-**  
6 **NESS.**

7           Section 1106 of the CARES Act (15 U.S.C. 9005)  
8 is amended—

9           (1) by amending subsection (a)(4) (as redesign-  
10          nated by section 1) to read as follows:

11          “(4) the term ‘covered period’ means the pe-  
12          riod—

13                 “(A) beginning on the date of the origina-  
14                 tion of a covered loan; and

15                 “(B) ending on a date selected by the eligi-  
16                 ble recipient of the covered loan that occurs  
17                 during the period—

18                         “(i) beginning on the date that is 8  
19                         weeks after such date of origination; and

20                         “(ii) ending on December 31, 2020;”;  
21                         and

22          (2) by striking subsection (l).

23 **SEC. 4. SIMPLIFIED APPLICATION.**

24          Section 1106 of the CARES Act (15 U.S.C. 9005),  
25 as amended by section 3 of this Act, is amended—

1           (1) in subsection (e), in the matter preceding  
2 paragraph (1), by striking “An eligible” and insert-  
3 ing “Except as provided in subsection (l), an eligi-  
4 ble”;

5           (2) in subsection (f), by inserting “or the infor-  
6 mation required under subsection (l), as applicable”  
7 after “subsection (e)”; and

8           (3) by adding at the end the following:

9           “(l) SIMPLIFIED APPLICATION.—

10           “(1) COVERED LOANS UNDER \$150,000.—

11           “(A) IN GENERAL.—Notwithstanding sub-  
12 section (e), with respect to a covered loan made  
13 to an eligible recipient that is not more than  
14 \$150,000, the covered loan amount shall be for-  
15 given under this section if the eligible recipi-  
16 ent—

17           “(i) signs and submits to the lender  
18 an attestation that the eligible recipient  
19 made a good faith effort to comply with  
20 the requirements under section 7(a)(36) of  
21 the Small Business Act (15 U.S.C.  
22 636(a)(36)); and

23           “(ii) for the 3-year period following  
24 submission of the attestation under clause  
25 (i), retains records relevant to the attesta-

1           tion that prove compliance with those re-  
2           quirements.

3           “(B) DEMOGRAPHIC INFORMATION.—An  
4           eligible recipient of a covered loan described in  
5           subparagraph (A) may complete and submit  
6           any form related to borrower demographic in-  
7           formation.

8           “(C) AUDIT.—The Administrator may—

9                   “(i) review and audit covered loans  
10                  described in subparagraph (A); and

11                   “(ii) in the case of fraud, ineligibility,  
12                  or other material noncompliance with ap-  
13                  plicable loan or loan forgiveness require-  
14                  ments, modify—

15                           “(I) the amount of a covered loan  
16                          described in subparagraph (A); or

17                           “(II) the loan forgiveness amount  
18                          with respect to a covered loan de-  
19                          scribed in subparagraph (A).

20           “(2) COVERED LOANS BETWEEN \$150,000 AND  
21           \$2,000,000.—

22                   “(A) IN GENERAL.—Notwithstanding sub-  
23                  section (e), with respect to a covered loan made  
24                  to an eligible recipient that is more than  
25                  \$150,000 and not more than \$2,000,000—

1 “(i) the eligible recipient seeking loan  
2 forgiveness under this section—

3 “(I) is not required to submit the  
4 supporting documentation described  
5 in paragraph (1) or (2) of subsection  
6 (e) or the certification described in  
7 subsection (e)(3)(A);

8 “(II) shall retain all relevant  
9 schedules, worksheets, and supporting  
10 documentation for the 3-year period  
11 following submission of the applica-  
12 tion for loan forgiveness; and

13 “(III) may complete and submit  
14 any form related to borrower demo-  
15 graphic information;

16 “(ii) review by the lender of an appli-  
17 cation submitted by the eligible recipient  
18 for loan forgiveness under this section shall  
19 be limited to whether the lender received a  
20 complete application, with all fields com-  
21 pleted, initialed, or signed, as applicable;  
22 and

23 “(iii) the lender shall—

24 “(I) accept the application sub-  
25 mitted by the eligible recipient for

1 loan forgiveness under this section;  
2 and

3 “(II) submit the application to  
4 the Administrator.

5 “(B) AUDIT.—The Administrator may—

6 “(i) review and audit covered loans  
7 described in subparagraph (A); and

8 “(ii) in the case of fraud, ineligibility,  
9 or other material noncompliance with ap-  
10 plicable loan or loan forgiveness require-  
11 ments, modify—

12 “(I) the amount of a covered loan  
13 described in subparagraph (A); or

14 “(II) the loan forgiveness amount  
15 with respect to a covered loan de-  
16 scribed in subparagraph (A).

17 “(3) AUDIT PLAN.—

18 “(A) IN GENERAL.—Not later than 30  
19 days after the date of enactment of this  
20 subsectoin, the Administrator shall submit to  
21 the Committee on Small Business and Entre-  
22 preneurship of the Senate and the Committee  
23 on Small Business of the House of Representa-  
24 tives an audit plan that details—

1           “(i) the policies and procedures of the  
2           Administrator for conducting reviews and  
3           audits of covered loans; and

4           “(ii) the metrics that the Adminis-  
5           trator shall use to determine which covered  
6           loans will be audited for each category of  
7           covered loans described in paragraphs (1)  
8           and (2).

9           “(B) REPORTS.—Not later than 30 days  
10          after the date on which the Administrator sub-  
11          mits the audit plan required under subpara-  
12          graph (A), and each month thereafter, the Ad-  
13          ministrator shall submit to the Committee on  
14          Small Business and Entrepreneurship of the  
15          Senate and the Committee on Small Business  
16          of the House of Representatives a report on the  
17          review and audit activities of the Administrator  
18          under this subsection, which shall include—

19               “(i) the number of active reviews and  
20               audits;

21               “(ii) the number of reviews and audits  
22               that have been ongoing for more than 60  
23               days; and

1                   “(iii) any substantial changes made to  
2                   the audit plan submitted under subpara-  
3                   graph (A).”.

4 **SEC. 5. GROUP INSURANCE PAYMENTS AS PAYROLL COSTS.**

5           Section 7(a)(36)(A)(viii)(I)(aa)(EE) of the Small  
6 Business Act (15 U.S.C. 636(a)(36)(A)(viii)(I)(aa)(EE))  
7 is amended by inserting “and other group insurance” be-  
8 fore “benefits”.

9 **SEC. 6. PAYCHECK PROTECTION PROGRAM SECOND DRAW**  
10 **LOANS.**

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

13                   “(37) PAYCHECK PROTECTION PROGRAM SEC-  
14           OND DRAW LOANS.—

15                   “(A) DEFINITIONS.—In this paragraph—

16                           “(i) the terms ‘community financial  
17                           institutions’, ‘credit union’, ‘eligible self-  
18                           employed individual’, ‘insured depository  
19                           institution’, ‘nonprofit organization’, ‘pay-  
20                           roll costs’, ‘seasonal employer’, and ‘vet-  
21                           erans organization’ have the meanings  
22                           given those terms in paragraph (36), ex-  
23                           cept that ‘eligible entity’ shall be sub-  
24                           stituted for ‘eligible recipient’ each place it  
25                           appears in the definitions of those terms;

1           “(ii) the term ‘covered loan’ means a  
2 loan made under this paragraph;

3           “(iii) the terms ‘covered mortgage ob-  
4 ligation’, ‘covered operating expenditure’,  
5 ‘covered property damage cost’, ‘covered  
6 rent obligation’, ‘covered supplier cost’,  
7 ‘covered utility payment’, and ‘covered  
8 worker protection expenditure’ have the  
9 meanings given those terms in section  
10 1106(a) of the CARES Act (15 U.S.C.  
11 9005(a));

12           “(iv) the term ‘covered period’ means  
13 the period beginning on the date of the  
14 origination of a covered loan and ending on  
15 December 31, 2020;

16           “(v) the terms ‘exchange’, ‘issuer’,  
17 and ‘security’ have the meanings given  
18 those terms in section 3(a) of the Securi-  
19 ties Exchange Act of 1934 (15 U.S.C.  
20 78c(a));

21           “(vi) the term ‘eligible entity’—

22                   “(I) means any business concern,  
23 nonprofit organization, veterans orga-  
24 nization, Tribal business concern, eli-  
25 gible self-employed individual, sole



1 proprietor, independent contractor, or  
2 small agricultural cooperative that—

3 “(aa)(AA) with respect to a  
4 business concern, would qualify  
5 as a small business concern by  
6 the annual receipts size standard  
7 (if applicable) established by sec-  
8 tion 121.201 of title 13, Code of  
9 Federal Regulations, or any suc-  
10 cessor regulation; or

11 “(BB) if the entity does not  
12 qualify as a small business con-  
13 cern, meets the alternative size  
14 standard established under sec-  
15 tion 3(a)(5);

16 “(bb) employs not more  
17 than 300 employees; and

18 “(cc)(AA) except as provided  
19 in subitems (BB), (CC), and  
20 (DD), had gross receipts during  
21 the first or second quarter in  
22 2020 that are not less than 35  
23 percent less than the gross re-  
24 cepts of the entity during the  
25 same quarter in 2019;

1           “(BB) if the entity was not  
2 in business during the first or  
3 second quarter of 2019, but was  
4 in business during the third and  
5 fourth quarter of 2019, had gross  
6 receipts during the first or sec-  
7 ond quarter of 2020 that are less  
8 than 35 percent of the amount of  
9 the gross receipts of the entity  
10 during the third or fourth quar-  
11 ter of 2019;

12           “(CC) if the entity was not  
13 in business during the first, sec-  
14 ond, or third quarter of 2019,  
15 but was in business during the  
16 fourth quarter of 2019, had gross  
17 receipts during the first or sec-  
18 ond quarter of 2020 that are less  
19 than 35 percent of the amount of  
20 the gross receipts of the entity  
21 during the fourth quarter of  
22 2019; or

23           “(DD) if the entity was not  
24 in business during 2019, but was  
25 in operation on February 15,

1 2020, had gross receipts during  
2 the second quarter of 2020 that  
3 are less than 35 percent of the  
4 amount of the gross receipts of  
5 the entity during the first quar-  
6 ter of 2020; and

7 “(II) does not include—

8 “(aa) an issuer, the securi-  
9 ties of which are listed on an ex-  
10 change registered a national se-  
11 curities exchange under section 6  
12 of the Securities Exchange Act of  
13 1934 (15 U.S.C. 78f);

14 “(bb) any entity that—

15 “(AA) is a type of busi-  
16 ness concern described in  
17 subsection (b), (c), (d), (e),  
18 (f), (h), (l) (m), (p), (q), (r),  
19 or (s) of section 120.110 of  
20 title 13, Code of Federal  
21 Regulations, or any suc-  
22 cessor regulation;

23 “(BB) is a type of busi-  
24 ness concern described in  
25 section 120.110(g) of title

1 13, Code of Federal Regula-  
2 tions, or any successor regu-  
3 lation, except as otherwise  
4 provided in the interim final  
5 rule of the Administration  
6 entitled ‘Business Loan Pro-  
7 gram Temporary Changes;  
8 Paycheck Protection Pro-  
9 gram—Additional Eligibility  
10 Criteria and Requirements  
11 for Certain Pledges of  
12 Loans’ (85 Fed. Reg. 21747  
13 (April 20, 2020));

14 “(CC) is a type of busi-  
15 ness concern described in  
16 section 120.110(i) of title  
17 13, Code of Federal Regula-  
18 tions, or any successor regu-  
19 lation, except if the business  
20 concern is an organization  
21 described in paragraph  
22 (36)(D)(vii);

23 “(DD) is a type of  
24 business concern described  
25 in section 120.110(j) of title

1 13, Code of Federal Regula-  
2 tions, or any successor regu-  
3 lation, except as otherwise  
4 provided in the interim final  
5 rules of the Administration  
6 entitled ‘Business Loan Pro-  
7 gram Temporary Changes;  
8 Paycheck Protection Pro-  
9 gram—Eligibility of Certain  
10 Electric Cooperatives’ (85  
11 Fed. Reg. 29847 (May 19,  
12 2020)) and ‘Business Loan  
13 Program Temporary  
14 Changes; Paycheck Protec-  
15 tion Program—Eligibility of  
16 Certain Telephone Coopera-  
17 tives’ (85 Fed. Reg. 35550  
18 (June 11, 2020)) or any  
19 other guidance or rule  
20 issued or that may be issued  
21 by the Administrator;

22 “(EE) is a type of busi-  
23 ness concern described in  
24 section 120.110(n) of title  
25 13, Code of Federal Regula-

1                   tions, or any successor regu-  
2                   lation, except as otherwise  
3                   provided in the interim final  
4                   rule of the Administration  
5                   entitled ‘Business Loan Pro-  
6                   gram Temporary Changes;  
7                   Paycheck Protection Pro-  
8                   gram—Additional Eligibility  
9                   Revisions to First Interim  
10                  Final Rule’ (85 Fed. Reg.  
11                  38301 (June 26, 2020)) or  
12                  any other guidance or rule  
13                  issued or that may be issued  
14                  by the Administrator;

15                         “(FF) is a type of busi-  
16                         ness concern described in  
17                         section 120.110(o) of title  
18                         13, Code of Federal Regula-  
19                         tions, or any successor regu-  
20                         lation, except as otherwise  
21                         provided in any guidance or  
22                         rule issued or that may be  
23                         issued by the Administrator;  
24                         or

1                   “(GG) is an entity that  
2                   is organized for research or  
3                   for engaging in advocacy in  
4                   areas such as public policy  
5                   or political strategy or other-  
6                   wise describes itself as a  
7                   think tank in any public  
8                   documents;

9                   “(HH) is an entity that  
10                  would be described in the  
11                  subsections listed in  
12                  subitems (AA) through (GG)  
13                  if the entity were a business  
14                  concern; or

15                  “(II) is assigned, or  
16                  was approved for a loan  
17                  under paragraph (36) with,  
18                  a North American Industry  
19                  Classification System code  
20                  beginning with 52;

21                  “(cc) any business concern  
22                  or entity primarily engaged in  
23                  political or lobbying activities,  
24                  which shall include any entity  
25                  that is organized for research or

1 for engaging in advocacy in areas  
2 such as public policy or political  
3 strategy or otherwise describes  
4 itself as a think tank in any pub-  
5 lic documents; or

6 “(dd) any business concern  
7 or entity—

8 “(AA) for which an en-  
9 tity created in or organized  
10 under the laws of the Peo-  
11 ple’s Republic of China or  
12 the Special Administrative  
13 Region of Hong Kong, or  
14 that has significant oper-  
15 ations in the People’s Re-  
16 public of China or the Spe-  
17 cial Administrative Region  
18 of Hong Kong, owns or  
19 holds, directly or indirectly,  
20 not less than 20 percent of  
21 the economic interest of the  
22 business concern or entity,  
23 including as equity shares or  
24 a capital or profit interest in



1 a limited liability company  
2 or partnership; or

3 “(BB) that retains, as  
4 a member of the board of di-  
5 rectors of the business con-  
6 cern, a person who is a resi-  
7 dent of the People’s Repub-  
8 lic of China; and

9 “(vii) the term ‘Tribal business con-  
10 cern’ means a Tribal business concern de-  
11 scribed in section 31(b)(2)(C).

12 “(B) LOANS.—Except as otherwise pro-  
13 vided in this paragraph, the Administrator may  
14 guarantee covered loans to eligible entities  
15 under the same terms, conditions, and processes  
16 as a loan made under paragraph (36).

17 “(C) MAXIMUM LOAN AMOUNT.—

18 “(i) IN GENERAL.—Except as other-  
19 wise provided in this subparagraph, the  
20 maximum amount of a covered loan made  
21 to an eligible entity is the lesser of—

22 “(I) the product obtained by mul-  
23 tipling—

24 “(aa) the average total  
25 monthly payment for payroll

1 costs incurred or paid by the eli-  
2 gible entity during the 1-year pe-  
3 riod before the date on which the  
4 loan is made; by

5 “(bb) 2.5; or

6 “(II) \$2,000,000.

7 “(ii) SEASONAL EMPLOYERS.—The  
8 maximum amount of a covered loan made  
9 to an eligible entity that is a seasonal em-  
10 ployer is the lesser of—

11 “(I) the product obtained by mul-  
12 tipling—

13 “(aa) at the election of the  
14 eligible entity, the average total  
15 monthly payments for payroll  
16 costs incurred or paid by the eli-  
17 gible entity—

18 “(AA) for a 12-week  
19 period beginning February  
20 15, 2019, or March 1, 2019,  
21 and ending June 30, 2019;  
22 or

23 “(BB) for a consecutive  
24 12-week period between May

1 1, 2019, and September 15,  
2 2019; by

3 “(bb) 2.5; or

4 “(II) \$1,000,000.

5 “(iii) NEW ENTITIES.—The maximum  
6 amount of a covered loan made to an eligi-  
7 ble entity that did not exist during the 1-  
8 year period preceding February 15, 2020,  
9 is the lesser of—

10 “(I) the product obtained by mul-  
11 tipling—

12 “(aa) the quotient obtained  
13 by dividing—

14 “(AA) the sum of the  
15 total monthly payments by  
16 the eligible entity for payroll  
17 costs paid or incurred by the  
18 eligible entity as of the date  
19 on which the eligible entity  
20 applies for the covered loan;  
21 by

22 “(BB) the number of  
23 months in which those pay-  
24 roll costs were paid or in-  
25 curred; by

1 “(bb) 2.5; or

2 “(II) \$2,000,000.

3 “(iv) BUSINESS CONCERNS WITH  
4 MORE THAN 1 PHYSICAL LOCATION.—

5 “(I) IN GENERAL.—Any eligible  
6 entity that employs not more than  
7 300 employees per physical location of  
8 the eligible entity and that is assigned  
9 a North American Industry Classifica-  
10 tion System Code beginning with 72  
11 at the time of disbursal shall be eligi-  
12 ble to receive a covered loan.

13 “(II) LIMIT FOR MULTIPLE LO-  
14 CATIONS.—With respect to an eligible  
15 entity with more than 1 physical loca-  
16 tion, the total amount of all covered  
17 loans shall be not more than  
18 \$2,000,000.

19 “(v) LOAN NUMBER LIMITATION.—An  
20 eligible entity may only receive 1 covered  
21 loan.

22 “(vi) 90 DAY RULE FOR MAXIMUM  
23 LOAN AMOUNT.—The maximum aggregate  
24 loan amount of loans guaranteed under  
25 this subsection that are approved for an el-

1 eligible entity (including any affiliates) with-  
2 in 90 days of approval of another loan  
3 under this subsection for the eligible entity  
4 (including any affiliates) shall not exceed  
5 \$10,000,000.

6 “(D) EXCEPTION FROM CERTAIN CERTIFI-  
7 CATION REQUIREMENTS.—An eligible entity ap-  
8 plying for a covered loan shall not be required  
9 to make the certification described in subclause  
10 (III) or (IV) of paragraph (36)(G)(i).

11 “(E) FEE WAIVER.—With respect to a cov-  
12 ered loan—

13 “(i) in lieu of the fee otherwise appli-  
14 cable under paragraph (23)(A), the Ad-  
15 ministrator shall collect no fee; and

16 “(ii) in lieu of the fee otherwise appli-  
17 cable under paragraph (18)(A), the Ad-  
18 ministrator shall collect no fee.

19 “(F) ELIGIBLE CHURCHES AND RELIGIOUS  
20 ORGANIZATIONS.—

21 “(i) SENSE OF CONGRESS.—It is the  
22 sense of Congress that the interim final  
23 rule of the Administration entitled ‘Busi-  
24 ness Loan Program Temporary Changes;  
25 Paycheck Protection Program’ (85 Fed.

1 Reg. 20817 (April 15, 2020)) properly  
2 clarified the eligibility of churches and reli-  
3 gious organizations for loans made under  
4 paragraph (36).

5 “(ii) APPLICABILITY OF PROHIBI-  
6 TION.—The prohibition on eligibility estab-  
7 lished by section 120.110(k) of title 13,  
8 Code of Federal Regulations, or any suc-  
9 cessor regulation, shall not apply to a cov-  
10 ered loan.

11 “(G) GROSS RECEIPTS FOR NONPROFIT  
12 AND VETERANS ORGANIZATIONS.—For purposes  
13 of calculating gross receipts under subpara-  
14 graph (A)(vi)(I)(cc) for an entity that is a non-  
15 profit organization or a veterans organization,  
16 gross receipts—

17 “(i) shall include proceeds from fund-  
18 raising events, federated campaigns, gifts,  
19 donor-advised funds, and funds from simi-  
20 lar sources; and

21 “(ii) shall not include—

22 “(I) Federal grants (excluding  
23 any loan forgiveness on loans received  
24 under paragraph (36) or this para-  
25 graph;

1                   “(II) revenues from a supporting  
2 organization;

3                   “(III) grants from private foun-  
4 dations that are disbursed over the  
5 course of more than 1 calendar year;  
6 or

7                   “(IV) any contribution of prop-  
8 erty other than money, stocks, bonds,  
9 and other securities, provided that the  
10 non-cash contribution is not sold by  
11 the organization in a transaction un-  
12 related to the tax-exempt purpose of  
13 the organization.

14                   “(H) LOAN FORGIVENESS.—

15                   “(i) IN GENERAL.—Except as pro-  
16 vided otherwise provided in this subpara-  
17 graph, an eligible entity shall be eligible for  
18 forgiveness of indebtedness on a covered  
19 loan in the same manner as an eligible re-  
20 cipient with respect to a loan made under  
21 paragraph (36), as described in section  
22 1106 of the CARES Act (15 U.S.C. 9005).

23                   “(ii) FORGIVENESS AMOUNT.—An eli-  
24 gible entity shall be eligible for forgiveness  
25 of indebtedness on a covered loan in an

1 amount equal to the sum of the following  
2 costs incurred or expenditures made during  
3 the covered period:

4 “(I) Payroll costs.

5 “(II) Any payment of interest on  
6 any covered mortgage obligation  
7 (which shall not include any prepay-  
8 ment of or payment of principal on a  
9 covered mortgage obligation).

10 “(III) Any covered operations ex-  
11 penditure.

12 “(IV) Any covered property dam-  
13 age cost.

14 “(V) Any payment on any cov-  
15 ered rent obligation.

16 “(VI) Any covered utility pay-  
17 ment.

18 “(VII) Any covered supplier cost.

19 “(VIII) Any covered worker pro-  
20 tection expenditure.

21 “(iii) LIMITATION ON FORGIVENESS  
22 FOR ALL ELIGIBLE ENTITIES.—The for-  
23 giveness amount under this subparagraph  
24 shall be equal to the lesser of—



1                   “(I) the amount described in  
2                   clause (ii); and

3                   “(II) the amount equal to the  
4                   quotient obtained by dividing—

5                   “(aa) the amount of the cov-  
6                   ered loan used for payroll costs  
7                   during the covered period; and

8                   “(bb) 0.60.

9                   “(I) LENDER ELIGIBILITY.—Except as  
10                  otherwise provided in this paragraph, a lender  
11                  approved to make loans under paragraph (36)  
12                  may make covered loans under the same terms  
13                  and conditions as in paragraph (36).

14                  “(J) REIMBURSEMENT FOR LOAN PROC-  
15                  ESSING AND SERVICING.—The Administrator  
16                  shall reimburse a lender authorized to make a  
17                  covered loan in an amount that is—

18                  “(i) 3 percent of the principal amount  
19                  of the financing of the covered loan up to  
20                  \$350,000; and

21                  “(ii) 1 percent of the principal  
22                  amount of the financing of the covered  
23                  loan above \$350,000, if applicable.

24                  “(K) SET ASIDE FOR SMALL ENTITIES.—  
25                  Not less than \$25,000,000,000 of the total

1 amount of covered loans guaranteed by the Ad-  
2 ministrator shall be made to eligible entities  
3 with not more than 10 employees as of Feb-  
4 ruary 15, 2020.

5 “(L) SET ASIDE FOR COMMUNITY FINAN-  
6 CIAL INSTITUTIONS, SMALL INSURED DEPOSI-  
7 TORY INSTITUTIONS, CREDIT UNIONS, AND  
8 FARM CREDIT SYSTEM INSTITUTIONS.—Not less  
9 than \$10,000,000,000 of the total amount of  
10 covered loans guaranteed by the Administrator  
11 shall be made by—

12 “(i) community financial institutions;

13 “(ii) insured depository institutions  
14 with consolidated assets of less than  
15 \$10,000,000,000;

16 “(iii) credit unions with consolidated  
17 assets of less than \$10,000,000,000; and

18 “(iv) institutions of the Farm Credit  
19 System chartered under the Farm Credit  
20 Act of 1971 (12 U.S.C. 2001 et seq.) with  
21 consolidated assets of less than  
22 \$10,000,000,000 (not including the Fed-  
23 eral Agricultural Mortgage Corporation).

24 “(M) PUBLICATION OF GUIDANCE.—Not  
25 later than 10 days after the date of enactment

1 of this paragraph, the Administrator shall issue  
2 guidance addressing barriers to accessing cap-  
3 ital for minority, underserved, veteran, and  
4 women-owned business concerns for the purpose  
5 of ensuring equitable access to covered loans.

6 “(N) STANDARD OPERATING PROCE-  
7 DURE.—The Administrator shall, to the max-  
8 imum extent practicable, allow a lender ap-  
9 proved to make covered loans to use existing  
10 program guidance and standard operating pro-  
11 cedures for loans made under this subsection.

12 “(O) COMPLIANCE WITH OVERSIGHT RE-  
13 QUIREMENTS.—

14 “(i) IN GENERAL.—Except as pro-  
15 vided in clause (ii), on and after the date  
16 of enactment of this paragraph, the Ad-  
17 ministrator shall comply with any data or  
18 information requests or inquiries made by  
19 the Comptroller General of the United  
20 States or the Inspector General of any  
21 agency not later than 30 days (or such  
22 later date as the Comptroller General or  
23 Inspector General, as applicable, may  
24 specify) after receiving the request or in-  
25 quiry.

1                   “(ii) EXCEPTION.—If the Adminis-  
2                   trator is unable to comply with a request  
3                   or inquiry described in clause (i) within the  
4                   30-day period or, if applicable, later period  
5                   described in that clause, the Administrator  
6                   shall, during that 30-day (or later) period,  
7                   submit to the Committee on Small Busi-  
8                   ness and Entrepreneurship of the Senate  
9                   and the Committee on Small Business of  
10                  the House of Representatives a notification  
11                  that includes a detailed justification for the  
12                  inability of the Administrator to comply  
13                  with the request or inquiry.

14                  “(P) PROHIBITION ON USE OF PROCEEDS  
15                  FOR LOBBYING ACTIVITIES.—None of the pro-  
16                  ceeds of a covered loan may be used for lob-  
17                  bying activities, as defined in section 3 of the  
18                  Lobbying Disclosure Act of 1995 (2 U.S.C.  
19                  1602).”.

20 **SEC. 7. CONTINUED ACCESS TO THE PAYCHECK PROTEC-**  
21 **TION PROGRAM.**

22                  (a) IN GENERAL.—Section 7(a)(36)(E)(ii) of the  
23                  Small Business Act (15 U.S.C. 636(a)(36)(E)(ii)) is  
24                  amended by striking “\$10,000,000” and inserting  
25                  “\$2,000,000”.

1 (b) APPLICABILITY OF MAXIMUM LOAN AMOUNT  
2 CALCULATION.—

3 (1) DEFINITIONS.—In this subsection, the  
4 terms “covered loan” and “eligible recipient” have  
5 the meanings given those terms in section 7(a)(36)  
6 of the Small Business Act (15 U.S.C. 636(a)(36)).

7 (2) APPLICABILITY.—The amendment made by  
8 subsection (a) shall apply only with respect to a cov-  
9 ered loan applied for by an eligible recipient on or  
10 after the date of enactment of this Act.

11 **SEC. 8. INCREASED ABILITY FOR PAYCHECK PROTECTION**  
12 **PROGRAM BORROWERS TO REQUEST AN IN-**  
13 **CREASE IN LOAN AMOUNT DUE TO UPDATED**  
14 **REGULATIONS.**

15 (a) DEFINITIONS.—In this section, the terms “cov-  
16 ered loan” and “eligible recipient” have the meanings  
17 given those terms in section 7(a)(36) of the Small Busi-  
18 ness Act (15 U.S.C. 636(a)(36)).

19 (b) INCREASED AMOUNT.—Notwithstanding the in-  
20 terim final rule issued by the Administration entitled  
21 “Business Loan Program Temporary Changes; Paycheck  
22 Protection Program—Loan Increases” (85 Fed. Reg.  
23 29842 (May 19, 2020)), an eligible recipient of a covered  
24 loan that is eligible for an increased covered loan amount  
25 as a result of any interim final rule that allows for covered

1 loan increases may submit a request for an increase in  
2 the covered loan amount even if—

3 (1) the initial covered loan amount has been  
4 fully disbursed; or

5 (2) the lender of the initial covered loan has  
6 submitted to the Administration a Form 1502 report  
7 related to the covered loan.

8 **SEC. 9. CALCULATION OF MAXIMUM LOAN AMOUNT FOR**  
9 **FARMERS AND RANCHERS UNDER THE PAY-**  
10 **CHECK PROTECTION PROGRAM.**

11 (a) IN GENERAL.—Section 7(a)(36) of the Small  
12 Business Act (15 U.S.C. 636(a)(36)), as amended by sec-  
13 tion 7 of this Act, is amended—

14 (1) in subparagraph (E), in the matter pre-  
15 ceding clause (i), by striking “During” and inserting  
16 “Except as provided in subparagraph (T), during”;  
17 and

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

19 “(T) CALCULATION OF MAXIMUM LOAN  
20 AMOUNT FOR FARMERS AND RANCHERS.—

21 “(i) DEFINITION.—In this subpara-  
22 graph, the term ‘covered recipient’ means  
23 an eligible recipient that—

24 “(I) operates as a sole propri-  
25 etorship or as an independent con-

1 tractor, or is an eligible self-employed  
2 individual;

3 “(II) reports farm income or ex-  
4 penses on a Schedule F (or any equiv-  
5 alent successor schedule); and

6 “(III) was in business during the  
7 period beginning on February 15,  
8 2019, and ending on June 30, 2019.

9 “(ii) NO EMPLOYEES.—With respect  
10 to covered recipient without employees, the  
11 maximum covered loan amount shall be the  
12 lesser of—

13 “(I) the sum of—

14 “(aa) the product obtained  
15 by multiplying—

16 “(AA) the gross income  
17 of the covered recipient in  
18 2019, as reported on a  
19 Schedule F (or any equiva-  
20 lent successor schedule),  
21 that is not more than  
22 \$100,000, divided by 12;  
23 and

24 “(BB) 2.5; and

1           “(bb) the outstanding  
2 amount of a loan under sub-  
3 section (b)(2) that was made  
4 during the period beginning on  
5 January 31, 2020, and ending on  
6 April 3, 2020, that the borrower  
7 intends to refinance under the  
8 covered loan, not including any  
9 amount of any advance under the  
10 loan that is not required to be re-  
11 paid; or

12           “(II) \$2,000,000.

13           “(iii) WITH EMPLOYEES.—With re-  
14 spect to a covered recipient with employ-  
15 ees, the maximum covered loan amount  
16 shall be calculated using the formula de-  
17 scribed in subparagraph (E), except that  
18 the gross income of the covered recipient  
19 described in clause (ii)(I)(aa)(AA) of this  
20 subparagraph, as divided by 12, shall be  
21 added to the sum calculated under sub-  
22 paragraph (E)(i)(I).

23           “(iv) RECALCULATION.—A lender that  
24 made a covered loan to a covered recipient  
25 before the date of enactment of this sub-



1 paragraph may, at the request of the cov-  
2 ered recipient—

3 “(I) recalculate the maximum  
4 loan amount applicable to that cov-  
5 ered loan based on the formula de-  
6 scribed in clause (ii) or (iii), as appli-  
7 cable, if doing so would result in a  
8 larger covered loan amount; and

9 “(II) provide the covered recipi-  
10 ent with additional covered loan  
11 amounts based on that recalcula-  
12 tion.”.

13 **SEC. 10. FARM CREDIT SYSTEM INSTITUTIONS.**

14 (a) DEFINITION OF FARM CREDIT SYSTEM INSTITU-  
15 TION.—In this section, the term “Farm Credit System in-  
16 stitution”—

17 (1) means an institution of the Farm Credit  
18 System chartered under the Farm Credit Act of  
19 1971 (12 U.S.C. 2001 et seq.); and

20 (2) does not include the Federal Agricultural  
21 Mortgage Corporation.

22 (b) FACILITATION OF PARTICIPATION IN PPP AND  
23 SECOND DRAW LOANS.—

24 (1) APPLICABLE RULES.—Solely with respect to  
25 loans under paragraphs (36) and (37) of section

1 7(a) of the Small Business Act (15 U.S.C. 636(a)),  
2 Farm Credit Administration regulations and guid-  
3 ance issued as of July 14, 2020, and compliance  
4 with such regulations and guidance, shall be deemed  
5 functionally equivalent to requirements referenced in  
6 section 3(a)(iii)(II) of the interim final rule of the  
7 Administration entitled “Business Loan Program  
8 Temporary Changes; Paycheck Protection Program”  
9 (85 Fed. Reg. 20811 (April 15, 2020)) or any simi-  
10 lar requirement referenced in that interim final rule  
11 in implementing such paragraph (37).

12 (2) APPLICABILITY OF CERTAIN LOAN RE-  
13 QUIREMENTS.—For purposes of making loans under  
14 paragraph (36) or (37) of section 7(a) of the Small  
15 Business Act (15 U.S.C. 636(a)) or forgiving those  
16 loans in accordance with section 1106 of the CARES  
17 Act (15 U.S.C. 9005) and subparagraph (H) of such  
18 paragraph (37), sections 4.13, 4.14, and 4.14A of  
19 the Farm Credit Act of 1971 (12 U.S.C. 2199,  
20 2202, 2202a) (including regulations issued under  
21 those sections) shall not apply.

22 (3) RISK WEIGHT.—

23 (A) IN GENERAL.—With respect to the ap-  
24 plication of Farm Credit Administration capital

1 requirements, a loan described in subparagraph  
2 (B)—

3 (i) shall receive a risk weight of zero  
4 percent; and

5 (ii) shall not be included in the cal-  
6 culation of any applicable leverage ratio or  
7 other applicable capital ratio or calculation.

8 (B) LOANS DESCRIBED.—A loan referred  
9 to in subparagraph (A) is—

10 (i) a loan made by a Farm Credit  
11 Bank described in section 1.2(a) of the  
12 Farm Credit Act of 1971 (12 U.S.C.  
13 2002(a)) to a Federal Land Bank Associa-  
14 tion, a Production Credit Association, or  
15 an agricultural credit association described  
16 in that section to make loans under para-  
17 graph (36) or (37) of section 7(a) of the  
18 Small Business Act (15 U.S.C. 636(a)) or  
19 forgive those loans in accordance with sec-  
20 tion 1106 of the CARES Act (15 U.S.C.  
21 9005) and subparagraph (H) of such para-  
22 graph (37); or

23 (ii) a loan made by a Federal Land  
24 Bank Association, a Production Credit As-  
25 sociation, an agricultural credit associa-

1           tion, or the bank for cooperatives described  
2           in section 1.2(a) of the Farm Credit Act of  
3           1971 (12 U.S.C. 2002(a)) under para-  
4           graph (36) or (37) of section 7(a) of the  
5           Small Business Act (15 U.S.C. 636(a)).

6           (4) RESERVATION OF LOAN GUARANTEES.—

7           Section 7(a)(36)(S) of the Small Business Act (15  
8           U.S.C. 636(a)(36)(S)) is amended—

9           (A) in clause (i)—

10           (i) in subclause (I), by striking “and”  
11           at the end;

12           (ii) in subclause (II), by striking the  
13           period at the end and inserting “; and”;  
14           and

15           (iii) by adding at the end the fol-  
16           lowing:

17           “(III) institutions of the Farm  
18           Credit System chartered under the  
19           Farm Credit Act of 1971 (12 U.S.C.  
20           2001 et seq.) with consolidated assets  
21           of not less than \$10,000,000,000 and  
22           less than \$50,000,000,000.”; and

23           (B) in clause (ii)—

24           (i) in subclause (II), by striking  
25           “and” at the end;

1 (ii) in subclause (III), by striking the  
2 period at the end and inserting “; and”;  
3 and

4 (iii) by adding at the end the fol-  
5 lowing:

6 “(IV) institutions of the Farm  
7 Credit System chartered under the  
8 Farm Credit Act of 1971 (12 U.S.C.  
9 2001 et seq.) with consolidated assets  
10 of less than \$10,000,000,000.”.

11 **SEC. 11. DEFINITION OF SEASONAL EMPLOYER.**

12 (a) PPP LOANS.—Section 7(a)(36)(A) of the Small  
13 Business Act (15 U.S.C. 636(a)(36)(A)) is amended—

14 (1) in clause (xi), by striking “and” at the end;

15 (2) in clause (xii), by striking the period at the  
16 end and inserting “; and”; and

17 (3) by adding at the end the following:

18 “(xiii) the term ‘seasonal employer’  
19 means an eligible recipient that—

20 “(I) does not operate for more  
21 than 7 months in any calendar year;

22 or

23 “(II) during the preceding cal-  
24 endar year, had gross receipts for any  
25 6 months of that year that were not

1 more than 33.33 percent of the gross  
2 receipts of the employer for the other  
3 6 months of that year.”.

4 (b) LOAN FORGIVENESS.—Paragraph (12) of section  
5 1106(a) of the CARES Act (15 U.S.C. 9005(a)), as so  
6 redesignated by section 1(b) of this Act, is amended to  
7 read as follows:

8 “(12) the terms ‘payroll costs’ and ‘seasonal  
9 employer’ have the meanings given those terms in  
10 section 7(a)(36) of the Small Business Act (15  
11 U.S.C. 636(a)(36)).”.

12 **SEC. 12. ELIGIBILITY OF 501(C)(6) ORGANIZATIONS FOR**  
13 **LOANS UNDER THE PAYCHECK PROTECTION**  
14 **PROGRAM.**

15 Section 7(a)(36)(D) of the Small Business Act (15  
16 U.S.C. 636(a)(36)(D)) is amended—

17 (1) in clause (v), by inserting “or whether an  
18 entity described in clause (vii) employs not more  
19 than 300 employees,” after “clause (i)(I),”; and

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

21 “(vii) ELIGIBILITY FOR CERTAIN  
22 501(C)(6) ORGANIZATIONS.—

23 “(I) IN GENERAL.—Except as  
24 provided in subclause (II), any organi-  
25 zation that is described in section

1 501(c)(6) of the Internal Revenue  
2 Code and that is exempt from tax-  
3 ation under section 501(a) of such  
4 Code (excluding professional football  
5 leagues and organizations with the  
6 purpose of promoting or participating  
7 in a political campaign or other activ-  
8 ity) shall be eligible to receive a cov-  
9 ered loan if—

10 “(aa) the organization does  
11 not receive more than 10 percent  
12 of its receipts from lobbying ac-  
13 tivities;

14 “(bb) the lobbying activities  
15 of the organization do not com-  
16 prise more than 10 percent of the  
17 total activities of the organiza-  
18 tion; and

19 “(cc) the organization em-  
20 ploys not more than 300 employ-  
21 ees.

22 “(II) DESTINATION MARKETING  
23 ORGANIZATIONS.—Notwithstanding  
24 subclause (I), during the covered pe-  
25 riod, any destination marketing orga-

1 nization shall be eligible to receive a  
2 covered loan if—

3 “(aa) the destination mar-  
4 keting organization does not re-  
5 ceive more than 10 percent of its  
6 receipts from lobbying activities;

7 “(bb) the lobbying activities  
8 of the destination marketing or-  
9 ganization do not comprise more  
10 than 10 percent of the total ac-  
11 tivities of the organization;

12 “(cc) the destination mar-  
13 keting organization employs not  
14 more than 300 employees; and

15 “(dd) the destination mar-  
16 keting organization—

17 “(AA) is described in  
18 section 501(c) of the Inter-  
19 nal Revenue Code and is ex-  
20 empt from taxation under  
21 section 501(a) of such Code;  
22 or

23 “(BB) is a quasi-gov-  
24 ernmental entity or is a po-  
25 litical subdivision of a State



1 or local government, includ-  
2 ing any instrumentality of  
3 those entities.”.

4 **SEC. 13. PROHIBITION ON USE OF LOAN PROCEEDS FOR**  
5 **LOBBYING ACTIVITIES.**

6 Section 7(a)(36)(F) of the Small Business Act (15  
7 U.S.C. 636(a)(36)(F)) is amended by adding at the end  
8 the following:

9 “(vi) PROHIBITION.—None of the pro-  
10 ceeds of a covered loan may be used for  
11 lobbying activities, as defined in section 3  
12 of the Lobbying Disclosure Act of 1995 (2  
13 U.S.C. 1602).”.

14 **SEC. 14. EFFECTIVE DATE; APPLICABILITY.**

15 The amendments made to paragraph (36) of section  
16 7(a) of the Small Business Act (15 U.S.C. 636(a)) and  
17 title I of the CARES Act (Public Law 116–136) under  
18 this Act, except for section 17 of this Act, shall be effective  
19 as if included in the CARES Act and shall apply to any  
20 loan made pursuant to section 7(a)(36) of the Small Busi-  
21 ness Act (15 U.S.C. 636(a)(36)).

22 **SEC. 15. BANKRUPTCY PROVISIONS.**

23 (a) IN GENERAL.—Section 364 of title 11, United  
24 States Code, is amended by adding at the end the fol-  
25 lowing:

1           “(g)(1) The court, after notice and a hearing, may  
2 authorize a debtor in possession or a trustee that is au-  
3 thorized to operate the business of the debtor under sec-  
4 tion 1183, 1184, 1203, 1204, or 1304 of this title to ob-  
5 tain a loan under section 7(a)(36) of the Small Business  
6 Act (15 U.S.C. 636(a)(36)), and such loan shall be treated  
7 as a debt to the extent the loan is not forgiven under sec-  
8 tion 1106 of the CARES Act (15 U.S.C. 9005) with pri-  
9 ority equal to a claim of the kind specified in subsection  
10 (c)(1) of this section.

11           “(2) The trustee may incur debt described in para-  
12 graph (1) notwithstanding any provision in a contract,  
13 prior order authorizing the trustee to incur debt under this  
14 section, prior order authorizing the trustee to use cash col-  
15 lateral under section 363, or applicable law that prohibits  
16 the debtor from incurring additional debt.

17           “(3) The court shall hold a hearing within 7 days  
18 after the filing and service of the motion to obtain a loan  
19 described in paragraph (1).”.

20           (b) ALLOWANCE OF ADMINISTRATIVE EXPENSES.—  
21 Section 503(b) of title 11, United States Code, is amend-  
22 ed—

23                   (1) in paragraph (8)(B), by striking “and” at  
24           the end;

1           (2) in paragraph (9), by striking the period at  
2           the end and inserting “; and”; and

3           (3) by adding at the end the following:

4           “(10) any debt incurred under section  
5           364(g)(1) of this title.”.

6           (c) CONFIRMATION OF PLAN FOR REORGANIZA-  
7           TION.—Section 1191 of title 11, United States Code, is  
8           amended by adding at the end the following:

9           “(f) SPECIAL PROVISION RELATED TO COVID–19  
10           PANDEMIC.—Notwithstanding section 1129(a)(9)(A) of  
11           this title and subsection (e) of this section, a plan that  
12           provides for payment of a claim of a kind specified in sec-  
13           tion 503(b)(10) of this title may be confirmed under sub-  
14           section (b) of this section if the plan proposes to make  
15           payments on account of such claim when due under the  
16           terms of the loan giving rise to such claim.”.

17           (d) CONFIRMATION OF PLAN FOR FAMILY FARMERS  
18           AND FISHERMEN.—Section 1225 of title 11, United  
19           States Code, is amended by adding at the end the fol-  
20           lowing:

21           “(d) Notwithstanding section 1222(a)(2) of this title  
22           and subsection (b)(1) of this section, a plan that provides  
23           for payment of a claim of a kind specified in section  
24           503(b)(10) of this title may be confirmed if the plan pro-  
25           poses to make payments on account of such claim when

1 due under the terms of the loan giving rise to such  
2 claim.”.

3 (e) CONFIRMATION OF PLAN FOR INDIVIDUALS.—  
4 Section 1325 of title 11, United States Code, is amended  
5 by adding at the end the following:

6 “(d) Notwithstanding section 1322(a)(2) of this title  
7 and subsection (b)(1) of this section, a plan that provides  
8 for payment of a claim of a kind specified in section  
9 503(b)(10) of this title may be confirmed if the plan pro-  
10 poses to make payments on account of such claim when  
11 due under the terms of the loan giving rise to such  
12 claim.”.

13 (f) EFFECTIVE DATE; SUNSET.—

14 (1) EFFECTIVE DATE.—The amendments made  
15 by subsections (a) through (e) shall—

16 (A) take effect on the date on which the  
17 Administrator of the Small Business Adminis-  
18 tration submits to the Director of the Executive  
19 Office for United States Trustees a written de-  
20 termination that, subject to satisfying any other  
21 eligibility requirements, any debtor in posses-  
22 sion or trustee that is authorized to operate the  
23 business of the debtor under section 1183,  
24 1184, 1203, 1204, or 1304 of title 11, United  
25 States Code, would be eligible for a loan under

1 section 7(a)(36) of the Small Business Act (15  
2 U.S.C. 636(a)(36)); and

3 (B) apply to any case pending on or com-  
4 menced on or after the date described in sub-  
5 paragraph (A).

6 (2) SUNSET.—

7 (A) IN GENERAL.—If the amendments  
8 made by this section take effect under para-  
9 graph (1), effective on the date that is 2 years  
10 after the date of enactment of this Act—

11 (i) section 364 of title 11, United  
12 States Code, is amended by striking sub-  
13 section (g);

14 (ii) section 503(b) of title 11, United  
15 States Code, is amended—

16 (I) in paragraph (8)(B), by add-  
17 ing “and” at the end;

18 (II) in paragraph (9), by striking  
19 “; and” at the end and inserting a pe-  
20 riod; and

21 (III) by striking paragraph (10);

22 (iii) section 1191 of title 11, United  
23 States Code, is amended by striking sub-  
24 section (f);

1 (iv) section 1225 of title 11, United  
2 States Code, is amended by striking sub-  
3 section (d); and

4 (v) section 1325 of title 11, United  
5 States Code, is amended by striking sub-  
6 section (d).

7 (B) APPLICABILITY.—Notwithstanding the  
8 amendments made by subparagraph (A) of this  
9 paragraph, if the amendments made by sub-  
10 sections (a), (b), (c), (d), and (e) take effect  
11 under paragraph (1) of this subsection, such  
12 amendments shall apply to any case under title  
13 11, United States Code, commenced before the  
14 date that is 2 years after the date of enactment  
15 of this Act.

16 **SEC. 16. CONFLICTS OF INTEREST.**

17 (a) DEFINITIONS.—In this section:

18 (1) CONTROLLING INTEREST.—The term “con-  
19 trolling interest” means owning, controlling, or hold-  
20 ing not less than 20 percent, by vote or value, of the  
21 outstanding amount of any class of equity interest in  
22 an entity.

23 (2) COVERED ENTITY.—

24 (A) DEFINITION.—The term “covered enti-  
25 ty” means an entity in which a covered indi-

1           vidual directly or indirectly holds a controlling  
2           interest.

3           (B) TREATMENT OF SECURITIES.—For the  
4           purpose of determining whether an entity is a  
5           covered entity, the securities owned, controlled,  
6           or held by 2 or more individuals who are related  
7           as described in paragraph (3)(B) shall be ag-  
8           gregated.

9           (3) COVERED INDIVIDUAL.—The term “covered  
10          individual” means—

11           (A) the President, the Vice President, the  
12           head of an Executive department, or a Member  
13           of Congress; and

14           (B) the spouse, child, son-in-law, or daugh-  
15           ter-in-law, as determined under applicable com-  
16           mon law, of an individual described in subpara-  
17           graph (A).

18           (4) EXECUTIVE DEPARTMENT.—The term “Ex-  
19           ecutive department” has the meaning given the term  
20           in section 101 of title 5, United States Code.

21           (5) MEMBER OF CONGRESS.—The term “Mem-  
22           ber of Congress” means a Member of the Senate or  
23           House of Representatives, a Delegate to the House  
24           of Representatives, and the Resident Commissioner  
25           from Puerto Rico.

1           (6) EQUITY INTEREST.—The term “equity in-  
2           terest” means—

3                   (A) a share in an entity, without regard to  
4                   whether the share is—

5                           (i) transferable; or

6                           (ii) classified as stock or anything  
7                   similar;

8                   (B) a capital or profit interest in a limited  
9                   liability company or partnership; or

10                   (C) a warrant or right, other than a right  
11                   to convert, to purchase, sell, or subscribe to a  
12                   share or interest described in subparagraph (A)  
13                   or (B), respectively.

14           (b) REQUIREMENT.—The principal executive officer  
15           and the principal financial officer, or individuals per-  
16           forming similar functions, of an entity seeking to enter  
17           a transaction made under paragraph (36) or (37) of sec-  
18           tion 7(a) of the Small Business Act (15 U.S.C. 636(a)),  
19           as added and amended by this Act, shall, before that  
20           transaction is approved, disclose to the Administrator  
21           whether the entity is a covered entity.

22           (c) APPLICABILITY.—The requirement under sub-  
23           section (b)—

24                   (1) shall apply with respect to any transaction  
25                   made under paragraph (36) or (37) of section 7(a)



1 of the Small Business Act (15 U.S.C. 636(a)), as  
2 added and amended by this Act, on or after the date  
3 of enactment of this Act; and

4 (2) shall not apply with respect to—

5 (A) any transaction described in paragraph  
6 (1) that was made before the date of enactment  
7 of this Act; or

8 (B) forgiveness under section 1106 of the  
9 CARES Act (15 U.S.C. 9005) or any other pro-  
10 vision of law of any loan associated with any  
11 transaction described in paragraph (1) that was  
12 made before the date of enactment of this Act.

13 **SEC. 17. FUNDING.**

14 (a) COMMITMENT AUTHORITY.—

15 (1) CARES ACT AMENDMENTS.—Section  
16 1102(b) of the CARES Act (Public Law 116–136)  
17 is amended—

18 (A) in paragraph (1)—

19 (i) in the paragraph heading, by in-  
20 sserting “AND SECOND DRAW” after  
21 “PPP”;

22 (ii) by striking “August 8, 2020” and  
23 inserting “December 31, 2020”;

24 (iii) by striking “paragraph (36)” and  
25 inserting “paragraphs (36) and (37)”; and

1 (iv) by striking “\$659,000,000,000”  
2 and inserting “\$749,000,000,000”; and  
3 (B) by amending paragraph (2) to read as  
4 follows:

5 “(2) OTHER 7(a) LOANS.—During fiscal year  
6 2020, the amount authorized for commitments for  
7 section 7(a) of the Small Business Act (15 U.S.C.  
8 636(a)) under the heading ‘Small Business Adminis-  
9 tration—Business Loans Program Account’ in the  
10 Financial Services and General Government Appro-  
11 priations Act, 2020 (division C of Public Law 116–  
12 193) shall apply with respect to any commitments  
13 under such section 7(a) other than under para-  
14 graphs (36) and (37) of such section 7(a).”.

15 (b) DIRECT APPROPRIATIONS.—

16 (1) RESCISSION.—With respect to unobligated  
17 balances under the heading “‘Small Business Ad-  
18 ministration—Business Loans Program Account,  
19 CARES Act’” as of the day before the date of enact-  
20 ment of this Act, \$100,000,000,000 shall be perma-  
21 nently rescinded.

22 (2) NEW DIRECT APPROPRIATIONS.—There is  
23 appropriated, out of amounts in the Treasury not  
24 otherwise appropriated, for the fiscal year ending  
25 September 30, 2020, for an additional amount for

1 “Small Business Administration—Business Loans  
2 Program Account, CARES Act”, \$190,000,000,000,  
3 to remain available under September 30, 2021, for  
4 the cost of guaranteed loans as authorized under  
5 paragraph (36) and (37) of section 7(a) of the Small  
6 Business Act (15 U.S.C. 636(a)), as amended and  
7 added by this Act.

8 (c) EMERGENCY DESIGNATION.—

9 (1) IN GENERAL.—The amounts provided under  
10 this section are designated as an emergency require-  
11 ment pursuant to section 4(g) of the Statutory Pay-  
12 As-You-Go Act of 2010 (2 U.S.C. 933(g)).

13 (2) DESIGNATION IN SENATE.—In the Senate,  
14 this section is designated as an emergency require-  
15 ment pursuant to section 4112(a) of H. Con. Res.  
16 71 (115th Congress), the concurrent resolution on  
17 the budget for fiscal year 2018.

18 **SEC. 18. EMERGENCY RULEMAKING AUTHORITY.**

19 Not later than 30 days after the date of enactment  
20 of this Act, the Administrator shall issue regulations to  
21 carry out this Act and the amendments made by this Act  
22 without regard to the notice requirements under section  
23 553(b) of title 5, United States Code.

24 **SEC. 19. DEFINITIONS.**

25 In this Act:

1           (1) ADMINISTRATION; ADMINISTRATOR.—The  
2 terms “Administration” and “Administrator” mean  
3 the Small Business Administration and the Adminis-  
4 trator thereof.

5           (2) SMALL BUSINESS CONCERN.—The term  
6 “small business concern” has the meaning given the  
7 term in section 3 of the Small Business Act (15  
8 U.S.C. 632).

○