II

116TH CONGRESS
1ST SESSION

# S. 2138

To waive participant fees on small-dollar and veteran Express loans in the largest loan program of the Small Business Administration to close the capital gap for underserved business owners, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 17, 2019

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

# A BILL

To waive participant fees on small-dollar and veteran Express loans in the largest loan program of the Small Business Administration to close the capital gap for underserved business owners, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Small-Dollar and Veterans Loans Enhancement Act".

**SEC. 2. FEE WAIVER EXCEPTIONS FOR SMALL-DOLLAR AND VETERAN EXPRESS LOANS.**

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

(1) in paragraph (18)(A), in the matter preceding clause (i), by striking ''With respect'' and inserting ''Except as provided in paragraph (36), with respect'';

(2) in paragraph (23)(A), by striking ''With respect'' and inserting ''Except as provided in paragraph (36), with respect'';

(3) in paragraph (31)(G)(ii), by striking ''If'' and inserting ''Except as provided in paragraph (36), if''; and

(4) by adding at the end the following:

''(36) GUARANTEE AND YEARLY FEE WAIVERS FOR SMALL-DOLLAR LOANS.—

''(A) DEFINITION.—In this paragraph, the term 'cost' has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

''(B) WAIVER OR REDUCTION IN FEES.—In each fiscal year, to the extent that the cost of such elimination or reduction of fees is offset by appropriations, the Administrator shall—

"(i) with respect to each loan guaranteed under this subsection that is not more than $150,000—

"(I) in lieu of the fee otherwise applicable under paragraph (18)(A), collect no fee or reduce fees to the maximum extent possible; and

"(II) in lieu of the fee otherwise applicable under paragraph (23)(A), collect no fee or reduce fees to the maximum extent possible; and

"(ii) in lieu of the fee otherwise applicable under paragraph (18)(A) to veterans or spouses of veterans in connection with a loan made under paragraph (31), based on paragraph (31)(G)(ii), collect no fee or reduce fees to the maximum extent possible.

"(C) APPLICATION OF FEE RELIEF.—If the Administrator is required to waive or reduce fees under subparagraph (B)—

"(i) the Administrator shall first use any amounts provided to eliminate or reduce fees under paragraph (18)(A) paid by veterans or spouses of veterans in connection with a loan made under paragraph (31), to the maximum extent possible;

"(ii) the Administrator shall then use any amounts provided to eliminate or reduce fees paid by small business borrowers under clauses (i) through (iii) of paragraph (18)(A), to the maximum extent possible; and

"(iii) the Administrator shall then use any amounts provided to eliminate or reduce fees under paragraph (23)(A) paid by small business lenders.

"(D) INDEPENDENT COST ESTIMATE.—Not later than 30 days after the date on which the President submits a budget under section 1105(a) of title 31, United States Code, the Congressional Budget Office shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the Administration an estimate of the cost of providing fee waivers or reductions through appropriations under subparagraph (B).".

(b) APPLICABILITY.—The amendments made by this section shall apply to each loan guaranteed by the Small

Business Administration under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) for which the application is approved on or after the date of enactment of this Act.

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