

116TH CONGRESS
2D SESSION

S. 4817

To modify the 7(a) loan guaranty program of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 20 (legislative day, OCTOBER 19), 2020

Mr. RUBIO (for himself, Mr. RISCH, Ms. COLLINS, and Mr. HAWLEY) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To modify the 7(a) loan guaranty program of the Small Business Administration, 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 “Small Business Access
5 to Recovery Capital Act”.

6 **SEC. 2. CHANGES TO THE 7(a) LOAN GUARANTY PROGRAM.**

7 (a) FEE WAIVER.—During the 1-year period fol-
8 lowing the date of enactment of this Act, and to the extent
9 that the cost of such elimination or reduction of fees is
10 offset by appropriations, with respect to each loan guaran-

1 teed under section 7(a) of the Small Business Act (15
2 U.S.C. 636(a))—

3 (1) in lieu of the fee otherwise applicable under
4 section 7(a)(23)(A) of the Small Business Act (15
5 U.S.C. 636(a)(23)(A)), the Administrator shall col-
6 lect no fee or reduce fees to the maximum extent
7 possible; and

8 (2) for which the application is approved on or
9 after the date of enactment of this Act, the Adminis-
10 trator shall, in lieu of the fee otherwise applicable
11 under section 7(a)(18)(A) of the Small Business Act
12 (15 U.S.C. 636(a)(18)(A)), collect no fee or reduce
13 fees to the maximum extent possible.

14 (b) GUARANTEE AMOUNT.—

15 (1) IN GENERAL.—Section 7(a)(2) of the Small
16 Business Act (15 U.S.C. 636(a)(2)) is amended—

17 (A) in the matter preceding subparagraph
18 (A), by striking “(E), and (F)” and inserting
19 “and (E)”;

20 (B) in subparagraph (A), by striking
21 “equal to—” and all that follows through the
22 end of the subparagraph and inserting “equal
23 to 95 percent of the balance of the financing
24 outstanding at the time of disbursement of the
25 loan.”;

1 (C) by striking subparagraphs (D) and (E)
 2 and inserting the following:

3 “(D) PARTICIPATION UNDER THE EX-
 4 PRESS LOAN PROGRAM.—In an agreement to
 5 participate in a loan on a deferred basis under
 6 paragraph (31), the participation by the Admin-
 7 istration shall be equal to—

8 “(i) 75 percent of the balance of the
 9 financing outstanding at the time of dis-
 10 bursement of the loan, if such balance ex-
 11 ceeds \$150,000; or

12 “(ii) 85 percent of the balance of the
 13 financing outstanding at the time of dis-
 14 bursement of the loan, if such balance is
 15 less than or equal to \$150,000.”; and

16 (D) by redesignating subparagraph (F) as
 17 subparagraph (E).

18 (2) PROSPECTIVE REPEAL.—Effective 1 year
 19 after the date of enactment of this Act, section
 20 7(a)(2) of the Small Business Act (15 U.S.C.
 21 636(a)(2)) is amended—

22 (A) in the matter preceding subparagraph
 23 (A), by striking “and (E)” and inserting “(E),
 24 and (F)”;

(B) in subparagraph (A), by striking “equal to 95 percent of the balance of financing outstanding at the time of disbursement of the loan.” and inserting “equal to—

“(i) 75 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds \$150,000; or

“(ii) 85 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to \$150,000.”;

(C) by redesignating subparagraph (E) as subparagraph (F); and

(D) by striking subparagraph (D) and inserting the following:

“(D) PARTICIPATION UNDER EXPORT WORKING CAPITAL PROGRAM.—In an agreement to participate in a loan on a deferred basis under the Export Working Capital Program established pursuant to paragraph (14)(A), such participation by the Administration shall be 90 percent.

“(E) PARTICIPATION IN INTERNATIONAL TRADE LOAN.—In an agreement to participate

1 in a loan on a deferred basis under paragraph
 2 (16), the participation by the Administration
 3 may not exceed 90 percent.”.

4 (c) MAXIMUM LOAN AMOUNT.—

5 (1) IN GENERAL.—Section 7(a)(3) of the Small
 6 Business Act (15 U.S.C. 636(a)(3)) is amended—

7 (A) in subparagraph (A)—

8 (i) by striking “\$3,750,000” and in-
 9 serting “\$9,500,000”; and

10 (ii) by striking “\$5,000,000” and in-
 11 serting “\$10,000,000”; and

12 (B) in subparagraph (B)—

13 (i) by striking “\$4,500,000” and in-
 14 serting “\$9,500,000”; and

15 (ii) by striking “\$5,000,000” and in-
 16 serting “\$10,000,000”.

17 (2) PROSPECTIVE REPEAL.—Effective 1 year
 18 after the date of enactment of this Act, section
 19 7(a)(3) of the Small Business Act (15 U.S.C.
 20 636(a)(3)) is amended—

21 (A) in subparagraph (A)—

22 (i) by striking “\$9,500,000” and in-
 23 serting “\$3,750,000”; and

24 (ii) by striking “\$10,000,000” and in-
 25 serting “\$5,000,000”; and

1 (B) in subparagraph (B)—

2 (i) by striking “\$9,500,000” and in-
3 serting “\$4,500,000”; and

4 (ii) by striking “\$10,000,000” and in-
5 serting “\$5,000,000”.

6 (d) COVID-19 GUIDANCE.—Not later than 10 days
7 after the date of enactment of this Act, the Administrator
8 shall issue guidance that—

9 (1) temporarily updates the standard operating
10 procedures of the Administration to provide require-
11 ments for appropriate lending given the economic
12 conditions and considerations as of the date of en-
13 actment of this Act; and

14 (2) shall be utilized with respect to all approval
15 and subsequent actions taken on loans made under
16 such section 7(a) during the 1-year period following
17 the date of enactment of this Act.

18 (e) EXTENSION OF SUBSIDY ON 7(a) LOAN PAY-
19 MENTS.—Section 1112 of the CARES Act (15 U.S.C.
20 9011) is amended—

21 (1) in subsection (c)—

22 (A) in paragraph (1)—

23 (i) in the matter preceding subpara-
24 graph (A), by inserting “or loan described

1 in subparagraph (D)” after “covered
2 loan”;

3 (ii) in subparagraph (B), by striking
4 “and” at the end;

5 (iii) in subparagraph (C), by striking
6 the period at the end and inserting “;
7 and”; and

8 (iv) by adding at the end the fol-
9 lowing:

10 “(D) with respect to a loan that is guaran-
11 teed by the Administration under section 7(a)
12 of the Small Business Act (15 U.S.C. 636(a)),
13 including a loan made under the Community
14 Advantage Pilot Program of the Administration
15 and a loan made under paragraph (36) of such
16 section 7(a), that was made during the period
17 beginning on the date of enactment of this sub-
18 paragraph and ending on the date that is 1
19 year after such date of enactment, for the 1-
20 year period beginning with the first payment
21 due on the loan.”;

22 (B) in paragraph (2), by inserting “or loan
23 described in paragraph (1)(D), as applicable,”
24 after “covered loan”; and

1 (C) in paragraph (3), by inserting “or loan
2 described in paragraph (1)(D), as applicable,”
3 after “covered loan”;
4 (2) in subsection (d)(2)—

5 (A) by striking “covered loan durations”
6 and inserting “the duration of any covered loan
7 or loan described in subsection (c)(1)(D)”; and

8 (B) by inserting “or loans described in
9 subsection (c)(1)(D), as applicable,” after “cov-
10 ered loans”; and
11 (3) in subsection (e)—

12 (A) by inserting “or loan described in sub-
13 section (c)(1)(D)” after “a covered loan”; and

14 (B) by inserting “or loan described in sub-
15 section (c)(1)(D), as applicable,” after “the cov-
16 ered loan”.

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