

117TH CONGRESS
1ST SESSION

H. R. 1502

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.**

2 This Act may be cited as the “Microloan Improve-
3 ment Act of 2021”.

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

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

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

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

12 **SEC. 4. EXTENDED REPAYMENT TERMS.**

13 (a) IN GENERAL.—Section 7(m)(6) of the Small
14 Business Act (15 U.S.C. 636(m)(6)) is amended by add-
15 ing at the end the following:

16 “(F) REPAYMENT TERMS.—

17 “(i) LIMITATION ON REPAYMENTS
18 TERM.—The repayment term for a loan
19 made under this paragraph shall not be
20 more than—

21 “(I) in the case of a loan made
22 by an intermediary of \$10,000 or less,
23 7 years; and

24 “(II) in the case of a loan made
25 by an intermediary of greater than
26 \$10,000, 10 years.

1 “(ii) NO ADDITIONAL LIMITATIONS.—
 2 The Administrator may not impose any ad-
 3 ditional limitation on the term for repay-
 4 ment of a loan made by an intermediary
 5 under this paragraph.”.

6 (b) TECHNICAL AMENDMENT.—Section 329(c) of the
 7 Economic Aid to Hard-Hit Small Businesses, Nonprofits,
 8 and Venues Act (Public Law 116–260; 134 Stat. 2042
 9 15 U.S.C. 636 note) is repealed.

10 **SEC. 5. PROGRAM FUNDING FOR MICROLOANS.**

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

13 (1) in paragraph (7)(B)—

14 (A) by amending clause (i) to read as fol-
 15 lows:

16 “(i) ALLOCATION.—Subject to the
 17 availability of appropriations and for the
 18 first 2 quarters of a fiscal year, of the total
 19 amount of new loan funds made available
 20 for award under this subsection in such
 21 fiscal year, the Administrator shall—

22 “(I) reserve 15 percent of such
 23 funds for award to designated under-
 24 utilized States; and

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

4 (B) in clause (ii), by striking “to carry
5 out” and all that follows through the period at
6 the end and inserting the following: “under
7 clause (i)(I) remains unexpended, the Adminis-
8 trator may make that portion available for
9 award in any State or designated underutilized
10 State.”; and

11 (2) in paragraph (11)—

12 (A) in subparagraph (C)(ii), by striking
13 “and” at the end;

14 (B) in subparagraph (D), by striking the
15 period at the end and inserting “; and”; and

16 (C) by adding at the end the following new
17 subparagraph:

18 “(E) the term ‘State’ means each of the
19 several States, the District of Columbia, the
20 Commonwealth of Puerto Rico, the United
21 States Virgin Islands, Guam, the Northern
22 Mariana Islands, and American Samoa.”.

23 (b) RULEMAKING.—Not later than 180 days after the
24 date of the enactment of this Act, the Administrator of
25 the Small Business Administration shall issue regulations

1 to define the term “designated underutilized State”, as
2 used in section 7(m)(7)(B) of the Small Business Act (15
3 U.S.C. 636(m)(7)(B)), as added by this section.

4 **SEC. 6. CREDIT REPORTING INFORMATION.**

5 The Administrator of the Small Business Administra-
6 tion shall issue rules establishing a process under which
7 an intermediary that makes a loan to a borrower under
8 section 7(m) of the Small Business Act (15 U.S.C.
9 636(m)) shall be required to provide the major credit re-
10 porting agencies with information about the borrower rel-
11 evant to credit reporting, such as the borrower’s payment
12 activity on the loan.

13 **SEC. 7. REPORT REGARDING EQUITABLE DISTRIBUTION.**

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

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

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

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

20 “(B) ANNUAL REPORT.—The Adminis-
21 trator shall include in the report submitted
22 under paragraph (10), and make publicly avail-
23 able on the website of the Administration, infor-

- 1 mation on how the Administration has met the
- 2 requirements of subparagraph (A).”.

Passed the House of Representatives April 15, 2021.

Attest:

Clerk.

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