

117TH CONGRESS  
1ST SESSION

# H. R. 399

To direct the Administrator of the Small Business Administration to establish a forgivable economic injury disaster loan program for small business concerns located near the United States border, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2021

Mr. GRIJALVA introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Ways and Means, 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 direct the Administrator of the Small Business Administration to establish a forgivable economic injury disaster loan program for small business concerns located near the United States border, 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 “Border Business  
5 COVID–19 Rescue Act”.

1 **SEC. 2. BORDER BUSINESS ECONOMIC INJURY DISASTER**  
2 **LOAN.**

3 (a) **BORDER BUSINESS ECONOMIC INJURY DISASTER**  
4 **LOAN PROGRAM.—**

5 (1) **IN GENERAL.—**The Administrator of the  
6 Small Business Administration shall carry out a pro-  
7 gram to make loans to border businesses directly im-  
8 pacted by the COVID–19 pandemic.

9 (2) **APPLICATION.—**A border business desiring  
10 a loan under this subsection shall submit to the Ad-  
11 ministrator an application at such time, in such  
12 place, and containing such information as the Ad-  
13 ministrator determines necessary.

14 (3) **TERMS.—**

15 (A) **AMOUNT; INTEREST RATE.—**A loan  
16 made under this subsection shall be in an  
17 amount less than or equal to \$500,000 and  
18 have an interest rate equal to zero percent.

19 (B) **WAIVER OF CERTAIN REQUIRE-**  
20 **MENTS.—**With respect to a loan made under  
21 this subsection, the Administrator shall waive—

22 (i) any rules related to a personal  
23 guarantee for loans of less than \$200,000;

24 (ii) any requirement that an applicant  
25 exhaust other loan options before applying  
26 for a loan under this subsection; and

1 (iii) any requirement that an appli-  
2 cant needs to be in business for the 1-year  
3 period before March 13, 2020, except that  
4 no waiver may be made for a border busi-  
5 ness that was not in operation on or before  
6 January 31, 2020.

7 (4) USE OF FUNDS.—A border business that re-  
8 ceives a loan under this subsection shall use loan  
9 proceeds to—

10 (A) provide paid sick leave to employees  
11 unable to work as a direct effect of the  
12 COVID–19 pandemic;

13 (B) maintain payroll to retain employees  
14 during business disruptions or substantial slow-  
15 downs caused by the COVID–19 pandemic;

16 (C) meet increased costs to obtain mate-  
17 rials from other sources due to interrupted sup-  
18 ply chains caused by the COVID–19 pandemic;

19 (D) make rent or mortgage payments;

20 (E) purchase personal protective equip-  
21 ment;

22 (F) repay obligations that cannot be met  
23 due to revenue losses; and

1 (G) pay for logistical expenses associated  
2 with border closures due to the COVID–19 pan-  
3 demic.

4 (b) APPROVAL AND ABILITY TO REPAY.—With re-  
5 spect to a loan made under subsection (a), the Adminis-  
6 trator may—

7 (1) approve an applicant based solely on the  
8 credit score of the applicant and shall not require an  
9 applicant to submit a tax return or a tax return  
10 transcript for such approval; or

11 (2) use an alternative appropriate method to  
12 determine an applicant’s ability to repay.

13 (c) FORGIVENESS AND REPAYMENT.—

14 (1) FORGIVENESS.—The Administrator shall  
15 select from among applicants for a loan under sub-  
16 section (a) a number of recipients of such loan for  
17 which the Administrator shall forgive up to 100 per-  
18 cent of such loan, less the amount the borrower re-  
19 ceived from—

20 (A) any other loan forgiveness program,  
21 including any program established under the  
22 CARES Act (Public Law 116–136); and

23 (B) an advance received under section  
24 1110 of the CARES Act (15 U.S.C. 9009).

1           (2) REPAYMENT.—With respect to a loan re-  
2           cipient not selected for forgiveness of such loan  
3           under paragraph (1), the Administrator shall estab-  
4           lish the repayment terms with respect to each such  
5           loan, except that such repayment may not begin be-  
6           fore the date that is 1 year after the date on which  
7           such loan is made.

8           (d) LOAN ADVANCE.—

9           (1) IN GENERAL.—A border business that ap-  
10          plies for a loan under subsection (a) may request  
11          that the Administrator provide an advance in the  
12          amount requested by such applicant to such appli-  
13          cant not later than three days after receipt of such  
14          request. Such amount shall not be less than  
15          \$10,000.

16          (2) VERIFICATION.—Before disbursing amounts  
17          under this subsection, the Administrator shall verify  
18          that the applicant is a border business by accepting  
19          a self-certification from the applicant under penalty  
20          of perjury pursuant to section 1746 of title 28,  
21          United States Code.

22          (3) USE OF FUNDS.—An advance provided  
23          under this subsection may be used to for any pur-  
24          pose described under subsection (a)(4).

1           (4) REPAYMENT.—An applicant shall not be re-  
2           quired to repay any amounts of an advance provided  
3           under this subsection, even if such applicant is sub-  
4           sequently denied a loan under subsection (a).

5           (e) OTHER BENEFITS.—Receipt of an advance under  
6           subsection (d) or loan under subsection (a) shall not be  
7           construed as to prohibit receipt of any other Federal  
8           grant, loan, or aid.

9           (f) TAXABILITY.—For purposes of the Internal Rev-  
10          enue Code of 1986—

11           (1) any amount which would be includible in  
12           gross income of the border business by reason of for-  
13           giveness described in subsection (d) shall be ex-  
14           cluded from gross income; and

15           (2) any amount received under this section shall  
16           be excluded from gross income.

17          (g) DIRECT APPROPRIATION.—There is appro-  
18          priated, out of any amounts in the Treasury not otherwise  
19          appropriated, \$1,000,000,000, to remain available until  
20          December 31, 2021, to carry out the requirements of this  
21          Act.

22          (h) DEFINITIONS.—In this section:

23           (1) ADMINISTRATOR.—The term “Adminis-  
24           trator” means the Administrator of the Small Busi-  
25           ness Administration.

1           (2) BORDER BUSINESS.—The term “border  
2           business” means an entity eligible for a loan under  
3           section 7(b)(2) of the Small Business Act (15 U.S.C.  
4           636(b)(2)) that—

5                   (A) has its principal office located in the  
6                   contiguous United States;

7                   (B) has estimated or actual annual average  
8                   gross receipts less than or equal to \$500,000;  
9                   and

10                   (C) is located within 25 miles of the  
11                   United States border.

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