

117TH CONGRESS
2D SESSION

H. R. 7628

To increase oversight of and improve programs of the Small Business
Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2022

Mr. LUTKEMEYER (for himself, Mr. WILLIAMS of Texas, Mr. STAUBER, Mr. MEUSER, Ms. TENNEY, Mr. GARBARINO, Mrs. KIM of California, Ms. VAN DUYNE, Mr. DONALDS, Ms. SALAZAR, and Mr. FITZGERALD) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To increase oversight of and improve programs 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 “Improve Management,
5 Programs, Resources, and Oversight for Vital Entre-
6 preneurs the SBA Act” or the “IMPROVE the SBA Act”.

7 **SEC. 2. TABLE OF CONTENTS.**

8 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—SMALL BUSINESS ADMINISTRATION OVERSIGHT

Sec. 101. Small Business Administration mission statement.

Sec. 102. Requirement for the Administrator of the Small Business Administration to appear before Congress and report on certain recommendations.

TITLE II—SMALL BUSINESS ADMINISTRATION CAPITAL PROGRAMS

Sec. 201. Prohibition on direct lending.

Sec. 202. Improvements to disaster lending.

Sec. 203. Disaster loan program oversight.

Sec. 204. High risk loan review.

Sec. 205. Capital Access Program oversight.

TITLE III—SMALL BUSINESS ADMINISTRATION COUNSELING PROGRAMS

Sec. 301. Appearances before Congress.

Sec. 302. Assistance for covered concerns in certain programs of the Small Business Administration.

Sec. 303. Inclusion of career and technical education in certain programs of the Small Business Administration.

Sec. 304. Assistance for small businesses affected by supply chain disruptions, labor shortages, and cyberattacks.

Sec. 305. Requirements on use of assistance by resource partners.

TITLE IV—SMALL BUSINESS ADMINISTRATION CONTRACTING PROGRAMS

Sec. 401. Annual testimony.

Sec. 402. Improvements to accuracy in Federal small business spending.

Sec. 403. Strengthening subcontracting.

TITLE V—SMALL BUSINESS ADMINISTRATION DUPLICATION

Sec. 501. Eliminate programs duplicating private sector.

Sec. 502. Entrepreneurial development service limits.

Sec. 503. Limitation on new pilot programs until Inspector General recommendations closed.

TITLE VI—PROHIBITION OF INELIGIBLE USE OF FUNDS

Sec. 601. Prohibition on certain small business concerns.

Sec. 602. Use of proceeds.

TITLE VII—ENSURE ALL SMALL BUSINESSES ARE SERVED

Sec. 701. Small business concern equal treatment.

TITLE VIII—INSPECTOR GENERAL OF THE SMALL BUSINESS ADMINISTRATION

Sec. 801. Clarification of the responsibilities of the Administrator with respect to the Inspector General of the Small Business Administration.

TITLE IX—OFFICE OF ADVOCACY

Sec. 901. Testimony of the Chief Counsel for Advocacy.

Sec. 902. Quarterly reports by the Chief Counsel for Advocacy.

Sec. 903. Amendment to primary functions and duties of the Office of Advocacy of the Small Business Administration.

TITLE X—SMALL BUSINESS ADMINISTRATION AS A REPRESENTATIVE OF SMALL BUSINESSES

Sec. 1001. Economic headwinds report.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATION.—The term “Administra-
4 tion” means the Small Business Administration.

5 (2) ADMINISTRATOR.—The term “Adminis-
6 trator” means the Administrator of the Small Busi-
7 ness Administration.

8 (3) SMALL BUSINESS CONCERN.—The term
9 “small business concern” has the meaning given
10 such term under section 3 of the Small Business Act
11 (15 U.S.C. 632).

12 **TITLE I—SMALL BUSINESS**
13 **ADMINISTRATION OVERSIGHT**

14 **SEC. 101. SMALL BUSINESS ADMINISTRATION MISSION**
15 **STATEMENT.**

16 (a) IN GENERAL.—Section 2 of the Small Business
17 Act (15 U.S.C. 631) is amended—

18 (1) by amending subsection (c) to read as fol-
19 lows:

1 “(c) AID FOR AGRICULTURALLY RELATED INDUS-
2 TRIES; FINANCIAL ASSISTANCE.—It is the declared policy
3 of the Congress that—

4 “(1) the Federal Government, through the
5 Small Business Administration, should—

6 “(A) help Americans start, build, and grow
7 businesses;

8 “(B) advocate for small business concerns
9 within the Federal Government;

10 “(C) serve American small business con-
11 cerns in a prompt, effective, efficient, and pru-
12 dent manner; and

13 “(D) aid, counsel, assist, and protect the
14 interests of small business concerns engaged in
15 the production of food and fiber, ranching, and
16 raising of livestock, aquaculture, and all other
17 farming and agricultural related industries; and

18 “(2) the financial assistance programs author-
19 ized by this chapter are also to be used to assist
20 such concerns.”; and

21 (2) by adding at the end the following new sub-
22 section:

23 “(k) MISSION STATEMENT.—The Administrator shall
24 establish a mission statement based on the requirements

1 of this section and publish such mission statement promi-
2 nently on the main webpage of the Administration.”.

3 (b) ESTABLISHMENT OF PERFORMANCE AND OUT-
4 REACH METRICS AND TARGETS.—Section 4 of the Small
5 Business Act (15 U.S.C. 633) is amended by adding at
6 the end the following new subsection:

7 “(i) EFFECTIVENESS OF PROGRAMS OF THE ADMIN-
8 ISTRATION.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (4), not later than 120 days after the date of
11 the enactment of this subsection, the Administrator
12 shall—

13 “(A) establish a baseline measurement of
14 the effectiveness of the programs of the Admin-
15 istration; and

16 “(B) develop metrics and targets to track,
17 over time, the effectiveness of such programs.

18 “(2) SUBSEQUENT PROGRAMS.—Not later than
19 the date on which a program of the Administration
20 is implemented, the Administrator shall—

21 “(A) establish a baseline measurement of
22 the effectiveness of such program; and

23 “(B) develop metrics and targets to track,
24 over time, the effectiveness of such program.

1 “(3) APPLICABILITY.—Except as provided in
2 paragraph (4), not later than 60 days after the Ad-
3 ministrator establishes the measurement and devel-
4 ops the metrics and targets described in paragraph
5 (1) or (2), the Administrator shall apply the such
6 measurement, metrics, and targets to the programs
7 of the Administration.

8 “(4) EMERGENCY MEASUREMENTS.—

9 “(A) INITIAL MEASUREMENTS.—In the
10 event of an emergency during the 120-day pe-
11 riod beginning on the date of the enactment of
12 this subsection, the Administrator shall develop,
13 and apply the measurement, metrics, and tar-
14 gets described in paragraph (1) to programs of
15 the Administration implemented prior to the
16 date of the enactment of this subsection—

17 “(i) not later than 30 days after the
18 date of the enactment of this subsection, if
19 such emergency began prior to the date of
20 the enactment of this subsection;

21 “(ii) not later than the earlier of 120
22 days after the enactment of this subsection
23 or 30 days after the beginning of such
24 emergency, if such emergency began after

1 the date of the enactment of this sub-
2 section.

3 “(B) SUBSEQUENT PROGRAMS.—During
4 an emergency, the Administrator shall apply the
5 measurement, metrics, and targets described in
6 paragraph (2) to any program implemented in
7 response to the emergency, as determined by
8 the Administrator not later than 30 days after
9 the date on which such program is imple-
10 mented.

11 “(C) EMERGENCY DEFINED.—In this
12 paragraph, the term ‘emergency’ means—

13 “(i) a major disaster, as determined
14 by the President under the Robert T. Staf-
15 ford Disaster Relief and Emergency Assist-
16 ance Act (42 U.S.C. 5121 et seq.);

17 “(ii) a natural disaster, as determined
18 by the Secretary of Agriculture pursuant
19 to section 321 of the Consolidated Farm
20 and Rural Development Act (7 U.S.C.
21 1961), in which case, subparagraph (A)
22 shall apply only with respect to programs
23 of the Administration assisting farm-re-
24 lated and nonfarm-related small business
25 concerns;

1 “(iii) a disaster, as determined by the
2 Administrator of the Small Business Ad-
3 ministration; and

4 “(iv) an emergency involving Federal
5 primary responsibility determined to exist
6 by the President under section 501(b) of
7 the Robert T. Stafford Disaster Relief and
8 Emergency Assistance Act (42 U.S.C.
9 5191(b)).”.

10 (c) ADDITIONAL ANNUAL REPORT REQUIRE-
11 MENTS.—Section 10 of the Small Business Act (15 U.S.C.
12 639) is amended by inserting after subsection (a) the fol-
13 lowing new subsection:

14 “(b) ADDITIONAL REPORT REQUIREMENTS.—The
15 Administrator shall include in the report required under
16 subsection (a) information on each of the principal activi-
17 ties of the Administration (including lending, procure-
18 ment, and entrepreneurial development programs) and the
19 staff (including contractors) assigned to carry out each
20 such activity.”.

1 **SEC. 102. REQUIREMENT FOR THE ADMINISTRATOR OF THE**
2 **SMALL BUSINESS ADMINISTRATION TO AP-**
3 **PEAR BEFORE CONGRESS AND REPORT ON**
4 **CERTAIN RECOMMENDATIONS.**

5 (a) IN GENERAL.—Section 10 of the Small Business
6 Act (15 U.S.C. 639) is amended by adding at the end the
7 following new subsection:

8 “(i) APPEARANCES BEFORE CONGRESS.—Not later
9 than 30 days after the date on which the President sub-
10 mits the budget required under section 1105(a) of title
11 31, United States Code, to Congress, the Administrator
12 shall appear before the Committee on Small Business of
13 the House of Representatives and the Committee on Small
14 Business and Entrepreneurship of the Senate to provide
15 information on the activities of the Administration as de-
16 scribed in the budget.”.

17 (b) REPORT ON RECOMMENDATIONS.—Section 10(e)
18 of the Small Business Act (15 U.S.C. 639) is amended—

19 (1) by inserting “(1)” before “The Administra-
20 tion”; and

21 (2) by adding at the end the following new
22 paragraph:

23 “(2) REPORT ON RECOMMENDATIONS.—Beginning
24 not later than 90 days after the date of the enactment
25 of this paragraph, and not later than 90 days after Octo-
26 ber 1 of each subsequent year, the Administrator shall

1 submit to the Committee on Small Business of the House
 2 of Representatives and the Committee on Small Business
 3 and Entrepreneurship of the Senate a report on any rec-
 4 ommendations made by the Inspector General or the
 5 Comptroller General of the United States that the Admin-
 6 istrator did not fully implement during the fiscal year cov-
 7 ered by the report.”.

8 **TITLE II—SMALL BUSINESS AD-** 9 **MINISTRATION CAPITAL PRO-** 10 **GRAMS**

11 **SEC. 201. PROHIBITION ON DIRECT LENDING.**

12 (a) IN GENERAL.—Notwithstanding any provision of
 13 subsection (a) of section 7 of the Small Business Act (15
 14 U.S.C. 636(a)), the Administrator may not—

15 (1) directly make a loan pursuant to such sub-
 16 section; or

17 (2) enter into an agreement to participate in a
 18 loan on an immediate basis under such subsection.

19 (b) EXISTING LOANS.—

20 (1) IN GENERAL.—The Administrator shall
 21 service a covered existing loan made or guaranteed
 22 under section 7(a) of the Small Business Act (15
 23 U.S.C. 636(b)) if such loan was made before the
 24 date of the enactment of this Act.

1 (2) COVERED EXISTING LOAN DEFINED.—In
2 this subsection, the term “covered existing loan”
3 means a direct loan or a loan with respect to which
4 the Administrator entered into an agreement to par-
5 ticipate on an immediate basis.

6 **SEC. 202. IMPROVEMENTS TO DISASTER LENDING.**

7 (a) IN GENERAL.—Section 7(b) of the Small Busi-
8 ness Act (15 U.S.C. 636(b)), as amended by this Act, is
9 further amended—

10 (1) by striking paragraphs (6), (7), (10), (11),
11 and (14);

12 (2) by redesignating paragraphs (8), (9), (12),
13 (13), and (15) as paragraphs (6), (7), (8), (9) and
14 (10), respectively;

15 (3) by redesignating paragraph (16), as added
16 by section 203(b), as paragraph (11);

17 (4) by redesignating paragraph (17), as added
18 by section 205(b), as paragraph (12);

19 (5) in paragraph (1)—

20 (A) in subparagraph (A)—

21 (i) by striking “(either directly or”;

22 (ii) by striking “an immediate or” and
23 inserting “a”;

1 (iii) by striking “basis) as the Admin-
2 istration” and inserting “basis as the bank
3 or other lending institution”;

4 (iv) by striking “That the Administra-
5 tion may” and inserting “That the bank or
6 other lending institution, in consultation
7 with the borrower, may”;

8 (v) by striking “if it determines” and
9 inserting “if the bank or other lending in-
10 stitution determines”; and

11 (vi) in clause (iii), by adding “and” at
12 the end;

13 (B) in subparagraph (B)—

14 (i) by striking “unless the Administra-
15 tion” and inserting “unless the bank or
16 other lending institution”; and

17 (ii) by striking “and” at the end; and

18 (C) by striking subparagraph (C);

19 (6) in paragraph (2)—

20 (A) by striking “(either directly or”;

21 (B) by striking “an immediate or” and in-
22 serting “a”;

23 (C) by striking “basis) as the Administra-
24 tion” and inserting “basis as the bank or other
25 lending institution”;

1 (D) by striking “if the Administration de-
2 termines” and inserting “if the bank or other
3 lending institution determines”;

4 (E) by inserting “the Administration de-
5 termines” after “disaster and if”; and

6 (F) in the matter following subparagraph
7 (E)—

8 (i) by striking “unless the Administra-
9 tion finds” and inserting “unless the bank
10 or other lending institution finds”; and

11 (ii) by striking “and the Adminis-
12 trator shall” and inserting “and the banks
13 or other lending institutions shall”;

14 (7) in paragraph (3)—

15 (A) in subparagraph (B)—

16 (i) by striking “(either directly or”;

17 (ii) by striking “an immediate or” and
18 inserting “a”;

19 (iii) by striking “basis)” and inserting
20 “basis”; and

21 (iv) by striking the period at the end
22 and inserting “, as determined by the bank
23 or other lending institution.”;

24 (B) in subparagraph (C)—

1 (i) by striking “The Administrator
2 may” and inserting “A bank or other lend-
3 ing institution may”; and

4 (ii) by striking “by the Adminis-
5 trator” and inserting “by the bank or
6 other lending institution”;

7 (C) in subparagraph (E)—

8 (i) by striking “, either directly or”
9 and all that follows through “deferred
10 basis,”; and

11 (ii) by striking “by the Administra-
12 tion, in which case the Administration”
13 and inserting “by the bank or other lend-
14 ing institution, in which case the bank or
15 other lending institution”;

16 (D) in subparagraph (G)—

17 (i) in clause (i), by striking “the Ad-
18 ministrator” and inserting “a bank or
19 other lending institution”; and

20 (ii) in clause (ii), by striking “The
21 Administrator” and inserting “The bank
22 or other lending institution”; and

23 (E) in subparagraph (H), by striking “The
24 Administrator” and inserting “A bank or other
25 lending institution”;

1 (8) in paragraph (4)—

2 (A) by striking “paragraph (9)” each place
3 it appears and inserting “paragraph (7)”; and

4 (B) in subparagraph (B)(ii), by striking
5 “the Administrator” and inserting “a bank or
6 other lending institution”;

7 (9) in paragraph (5)—

8 (A) by striking “paragraph (9)” and in-
9 serting “paragraph (7)”; and

10 (B) in subparagraph (G), by striking “the
11 Administration” and inserting “banks or other
12 lending institutions”;

13 (10) in subparagraph (B) of paragraph (6), as
14 so redesignated, by striking “The Administrator
15 may, at the discretion of the Administrator” and in-
16 serting “A bank or other lending institution may, at
17 the discretion of the bank or other lending institu-
18 tion”;

19 (11) in subparagraph (C) of paragraph (7), as
20 so redesignated—

21 (A) in clause (i)—

22 (i) by striking “(either directly or”;

23 (ii) by striking “an immediate or” and
24 inserting “a”;

1 (iii) by striking “basis)” and inserting
2 “basis”; and

3 (iv) by striking “as the Administrator
4 determines” and inserting “as the bank or
5 other lending institution determines”; and

6 (B) in clause (ii), by striking “the Admin-
7 istrator shall” each place it appears and insert-
8 ing “the banks or other lending institutions
9 shall”;

10 (12) in subparagraph (A) of paragraph (8), as
11 so redesignated—

12 (A) by inserting “a chapter of” before “the
13 Service Corps of Retired Executives”; and

14 (B) by striking “any proposed consortium
15 of such individuals or entities” and inserting
16 “Veteran Business Outreach Centers”;

17 (13) in paragraph (9), as so redesignated, by
18 striking “Administrator” each place it appears and
19 inserting “bank or other lending institution”;

20 (14) by inserting after paragraph (12), as so
21 redesignated, the following new paragraphs:

22 “(13) LENDERS.—

23 “(A) COMPLIANCE.—If the Administrator
24 determines that a bank or other lending institu-
25 tion knowingly failed to comply with the under-

1 writing standards for loans guaranteed under
2 this subsection or violated the terms of the
3 standard operating procedure agreement be-
4 tween that bank or other lending institution
5 and the Administration, the Administrator shall
6 take one or more of the following actions:

7 “(i) Make loans made by the bank or
8 other lending institution ineligible to re-
9 ceive a guarantee from the Administration
10 under this subsection.

11 “(ii) Exclude the bank or other lend-
12 ing institution from participating in the
13 Preferred Lender Program for a period of
14 not more than 5 years.

15 “(B) FEES.—

16 “(i) IN GENERAL.—The Administrator
17 may not collect a guarantee fee under this
18 subsection.

19 “(ii) ORIGINATION FEE.—With re-
20 spect to a loan guaranteed under this sub-
21 section, the Administrator shall reimburse
22 the bank or other lending institution mak-
23 ing such loan—

1 “(I) for a loan in amount that is
2 less than or equal to \$50,000, an
3 amount equal to the lesser of—

4 “(aa) 50 percent of the bal-
5 ance of the financing outstanding
6 at the time of disbursement of
7 such loan; or

8 “(bb) \$2,500;

9 “(II) for a loan in an amount
10 that is greater than \$50,000 and not
11 greater than \$350,000, an amount
12 equal to five percent of the financing
13 outstanding at the time of disburse-
14 ment of such loan; or

15 “(III) for a loan in an amount
16 that is greater than or equal to
17 \$350,000, an amount equal to three
18 percent of the financing outstanding
19 at the time of disbursement of such
20 loan.

21 “(C) DOCUMENTATION.—A bank or other
22 lending institution may use its own loan docu-
23 mentation for a loan guaranteed by the Admin-
24 istrator under this subsection.

1 “(D) PURCHASE OF LOANS.—The Admin-
2 istrator may enter into an agreement with a
3 bank or other lending institution to purchase
4 any loan guaranteed under this subsection.

5 “(E) SECONDARY MARKETS.—

6 “(i) IN GENERAL.—The Administrator
7 shall issue rules for the facilitation, admin-
8 istration, and promotion of the sale of
9 loans guaranteed under this subsection in
10 the secondary market in the same manner
11 as loans made or guaranteed under sub-
12 section (a).

13 “(ii) TREATMENT.—The rules issued
14 under clause (i) shall provide that para-
15 graphs (1)(A)(ii) and (4)(B)(ii) of sub-
16 section (a) shall apply with respect loans
17 guaranteed under this subsection in the
18 same manner as such paragraphs apply to
19 loans made or guaranteed under subsection
20 (a).

21 “(F) LEVEL OF PARTICIPATION IN GUAR-
22 ANTEED LOANS.—In agreements to participate
23 in loans on a deferred basis under this sub-
24 section, such participation by the Administra-
25 tion shall be equal to 95 percent of the balance

1 of the financing outstanding at the time of dis-
2 bursement of the loan.

3 “(G) COLLATERAL REQUIREMENTS.—

4 “(i) IN GENERAL.—Loans guaranteed
5 under this subsection in an amount greater
6 than \$25,000 shall be secured to the ex-
7 tent possible, as determined by the bank or
8 other lending institution.

9 “(ii) LACK OF COLLATERAL.—A bank
10 or lending institution may not decline a
11 loan based on a lack of collateral, but such
12 bank or lending institution may require
13 real estate owned by the borrower as col-
14 lateral.

15 “(iii) LIEN ON SUBJECT PROPERTY.—
16 A bank or lending institution may also
17 take a lien on any residential property of
18 the borrower with respect to which the
19 loan to be secured by such lien is made.

20 “(14) BANK OR OTHER LENDING INSTITUTION
21 DEFINED.—In this subsection, the terms ‘bank or
22 other lending institution’ means a lender authorized
23 by the Administration to participate as a lender
24 under subsection (a), other than a small business

1 lending company or a non-Federally regulated lender
2 (as such terms are defined in section 3(r)).”; and

3 (15) in the flush left matter at the end—

4 (A) by striking “the Administrator may
5 consent” and inserting “the bank or other lend-
6 ing institution may consent”;

7 (B) by striking “the Administrator deter-
8 mines” and inserting “the bank or other lend-
9 ing institution determines”; and

10 (C) by striking “In agreements to partici-
11 pate” and all that follows through “to a dis-
12 aster loan under paragraph (1) (2) of this sub-
13 section.”.

14 (b) PRIVATE DISASTER LOANS.—Section 7(c) of the
15 Small Business Act (15 U.S.C. 636(c)) is repealed.

16 (c) OTHER REQUIREMENTS.—Section 7 of the Small
17 Business Act (15 U.S.C. 636) is amended—

18 (1) in subsection (d)—

19 (A) in paragraph (1)—

20 (i) by inserting “(except a loan under
21 subsection (b))” after “to this section”; and

22 (ii) by adding at the end “The bank
23 or other lending institution that made a
24 loan under subsection (b) may further ex-
25 tend the maturity of or renew such loan

1 for additional periods not to exceed ten
2 years beyond the period stated therein, if
3 such extension or renewal will aid in the
4 orderly liquidation of such loan.”;

5 (B) in paragraph (2), by striking “person,
6 firm, or corporation” and inserting “bank or
7 other lending institution”;

8 (C) in paragraph (6)—

9 (i) by striking “, either directly or”;

10 (ii) by striking “on an immediate or
11 deferred (guaranteed) basis,” and inserting
12 “a deferred (guaranteed) basis”;

13 (iii) by striking “in which case the
14 Administration” and inserting “in which
15 case the bank or other lending institution
16 that made such loan”;

17 (iv) by striking “That the Administra-
18 tion shall not require” and inserting “That
19 the banks or other lending institutions
20 shall not require”;

21 (v) by striking “(or such higher
22 amount as the Administrator determines
23 appropriate in the event of a disaster)”;

24 (vi) by striking “That the Adminis-
25 trator, in obtaining” and inserting “That

1 the bank or other lending institution, in
 2 obtaining”; and

3 (vii) by striking “if the Administrator
 4 determines” and inserting “if the bank or
 5 other lending institution determines”; and
 6 (D) by striking paragraph (8);

7 (2) in subsection (f)(1), by striking “the Ad-
 8 ministrator” and inserting “the bank or other lend-
 9 ing institution making such a loan”; and

10 (3) in subsection (g), by striking “the Adminis-
 11 trator shall” and inserting “neither the Adminis-
 12 trator nor a bank or other lending institution may”.

13 (d) CONFORMING AMENDMENTS.—The Small Busi-
 14 ness Act (15 U.S.C. 631) is amended—

15 (1) in section 4(c)(2), by striking “, (7(b)(7),
 16 7(b)(8)”; and

17 (2) in section 40(b), by striking “7(b)(9)” and
 18 inserting “7(b)(7)”.

19 (e) REPEAL OF IMMEDIATE DISASTER ASSISTANCE
 20 PROGRAM.—Section 42 of the Small Business Act (15
 21 U.S.C. 657n) is repealed.

22 (f) RULES.—Not later than 120 days after the date
 23 of the enactment of this Act, the Administrator shall issue
 24 rules for making loans under section 7(b) of the Small

1 Business Act (15 U.S.C. 636(b)), as amended by this sec-
2 tion.

3 (g) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 subsections (a), (b), (c), and (d) shall take effect on
6 the date that is three years after the date of the en-
7 actment of this Act.

8 (2) INTERIM LOAN AUTHORITY.—During the
9 period beginning on the date the Administrator
10 issues the rules required under subsection (f) and
11 ending three years after the date of the enactment
12 of this Act, loans may be made under section 7(b)
13 of the Small Business Act (15 U.S.C. 636(b)) as if
14 the amendments made by subsections (a), (b), (c),
15 and (d) were in effect.

16 **SEC. 203. DISASTER LOAN PROGRAM OVERSIGHT.**

17 (a) ADMINISTRATION OVERSIGHT.—

18 (1) IN GENERAL.—With respect to loans made
19 under section 7(b)(2) of the Small Business Act (15
20 U.S.C. 636(b)(2)), other than loans made pursuant
21 to section 202(g)(2) of this Act, the Administrator
22 shall take such action as necessary to—

23 (A) establish or strengthen controls to en-
24 sure that loan proceeds are deposited in a legiti-
25 mate account of a borrower;

1 (B) ensure that any modification of a loan
2 application after lender approval of such loan is
3 reviewed by an employee of the Administration;

4 (C) establish or strengthen controls to—

5 (i) ensure that multiple loans are pro-
6 vided only to eligible borrowers; and

7 (ii) prevent the erroneous duplication
8 of loans, including by establishing a system
9 to verify the identity of a borrower using
10 photo identification;

11 (D) verify the applicant is a legitimate bor-
12 rower with the appropriate State or local agen-
13 cy through tax returns, documentation relating
14 to incorporation or status as a nonprofit organi-
15 zation, or another method;

16 (E) ensure that two employees of the Ad-
17 ministration approve each application for such
18 loans and eliminate any processes of the Ad-
19 ministration that allow for simultaneous ap-
20 proval of multiple loan applications;

21 (F) require an individual employee of the
22 Administration to contact applicants who sub-
23 mit multiple loan applications from the same
24 Internet Protocol addresses, email addresses, or
25 physical addresses, or with the same bank ac-

1 count numbers, to verify eligibility of such ap-
2 plicants;

3 (G) ensure that such borrower is not in-
4 cluded on the “Do Not Pay List” of the De-
5 partment of the Treasury (as described under
6 section 3354 of title 31, United States Code);

7 (H) prevent duplicate loan applications
8 with the same employer identification number
9 or social security number; and

10 (I) establish a system to prevent disburse-
11 ment of such loans to applicants that submit
12 more than one loan application with the same
13 employer identification number, social security
14 number, email addresses, physical addresses, or
15 bank account number, or from the same Inter-
16 net Protocol address.

17 (2) SUNSET.—This subsection shall terminate
18 on the date that is three years after the date of the
19 enactment of this Act.

20 (b) AUDIT PLAN.—Section 7(b) of the Small Busi-
21 ness Act (15 U.S.C. 636(b)) is amended by inserting after
22 paragraph (15) the following new paragraph:

23 “(16) AUDIT PLAN.—

24 “(A) IN GENERAL.—Not later than 90
25 days after the date of the enactment of this

1 paragraph, the Administrator shall submit to
2 the Committee on Small Business and Entre-
3 preneurship of the Senate and the Committee
4 on Small Business of the House of Representa-
5 tives a plan for auditing covered loans, includ-
6 ing—

7 “(i) the policies and procedures that
8 the Administrator shall use to conduct au-
9 dits of such covered loans; and

10 “(ii) the metrics that the Adminis-
11 trator shall use to determine which such
12 covered loans to audit.

13 “(B) REPORTS.—Not later than 30 days
14 after the date on which the Administrator sub-
15 mits the plan required by subparagraph (A),
16 and each month thereafter, the Administrator
17 shall submit to the Committee on Small Busi-
18 ness and Entrepreneurship of the Senate and
19 the Committee on Small Business of the House
20 of Representatives a report on the audit activi-
21 ties of the Administration with respect to cov-
22 ered loans under this subsection, including—

23 “(i) the number of active reviews and
24 audits;

1 “(ii) the results of completed reviews
2 and audits; and

3 “(iii) any substantial changes to the
4 plan submitted under subparagraph (A).

5 “(C) COVERED LOAN DEFINED.—In this
6 paragraph, the term ‘covered loan’ means a
7 loan made—

8 “(i) under this subsection; and

9 “(ii)(I) pursuant to section 202(g)(2)
10 of the IMPROVE the SBA Act; or

11 “(II) not earlier than the date that is
12 three years after the date of the enactment
13 of this paragraph.”.

14 **SEC. 204. HIGH RISK LOAN REVIEW.**

15 Section 47(c)(2) of the Small Business Act (15
16 U.S.C. 657t(c)(2)) is amended—

17 (1) by striking “shall be responsible” and in-
18 serting the following: “shall—

19 “(A) be responsible”;

20 (2) by striking “participants.” and inserting
21 “participants; and”;

22 (3) by adding at the end the following new sub-
23 paragraph:

24 “(B) establish a separate process for the
25 oversight of such lenders and participants with

1 respect to a loan made in an amount greater
2 than or equal to \$500,000 for which the bor-
3 rower of such loan defaulted within the first 18
4 months after the initial disbursement of such
5 loan.”.

6 **SEC. 205. CAPITAL ACCESS PROGRAM OVERSIGHT.**

7 (a) GUARANTEED LENDING PROGRAMS.—Section 47
8 of the Small Business Act (15 U.S.C. 657t) is amended
9 by adding at the end the following new subsection:

10 “(j) CONGRESSIONAL TESTIMONY.—Not later than
11 the date that is 120 days after the date of the enactment
12 of this subsection, and not less frequently than annually
13 thereafter, the Associate Administrator of the Office of
14 Capital Access of the Administration and the Director
15 shall testify before the Committee on Small Business and
16 Entrepreneurship of the Senate and the Committee on
17 Small Business of the House of Representatives regarding
18 the state of lending under sections 7(a) and 7(m) of this
19 Act and under section 503 of the Small Business Invest-
20 ment Act of 1958, including programs under which loans
21 are made pursuant to such sections.”.

22 (b) DISASTER LENDING PROGRAMS.—Section 7(b) of
23 the Small Business Act (15 U.S.C. 636(b)), as amended
24 by section 203(b), is further amended by inserting after
25 paragraph (16) the following new paragraph:

1 “(17) CONGRESSIONAL TESTIMONY.—Not later
2 than the date that is 120 days after the date of the
3 enactment of this paragraph, and not less frequently
4 than annually thereafter, the Associate Adminis-
5 trator of the Office of Disaster Assistance shall tes-
6 tify before the Committee on Small Business and
7 Entrepreneurship of the Senate and the Committee
8 on Small Business of the House of Representatives
9 regarding the state of lending under this subsection,
10 including programs under which loans are made pur-
11 suant to this subsection.”.

12 (c) SMALL BUSINESS INVESTMENT COMPANIES.—
13 Section 308 of the Small Business Investment Act of 1958
14 (15 U.S.C. 687) is amended by adding at the end the fol-
15 lowing new subsection:

16 “(j) CONGRESSIONAL TESTIMONY.—Not later than
17 the date that is 120 days after the date of the enactment
18 of this subsection, and not less frequently than annually
19 thereafter, the Associate Administrator of the Office of In-
20 vestment and Innovation shall testify before the Com-
21 mittee on Small Business and Entrepreneurship of the
22 Senate and the Committee on Small Business of the
23 House of Representatives regarding the state of small
24 business investment companies and the operations of the
25 Administration under this Act.”.

1 **TITLE III—SMALL BUSINESS AD-**
2 **MINISTRATION COUNSELING**
3 **PROGRAMS**

4 **SEC. 301. APPEARANCES BEFORE CONGRESS.**

5 (a) RESOURCE PARTNER DEFINED.—Section 3 of
6 the Small Business Act (15 U.S.C. 632) is amended by
7 adding at the end the following new subsection:

8 “(gg) RESOURCE PARTNER.—The term ‘resource
9 partner’ means—

10 “(1) a small business development center;

11 “(2) a women’s business center (as described in
12 section 29);

13 “(3) a Veteran Business Outreach Center (as
14 described under section 32); or

15 “(4) a chapter of the Service Corps of Retired
16 Executives (as defined in section 8(b)(1)(B)).”.

17 (b) METRICS.—Not later than 60 days after the date
18 of the enactment of this Act, the Administrator shall es-
19 tablish metrics to measure the effectiveness of the out-
20 reach of each resource partner (as defined in subsection
21 (gg) of section 3 of the Small Business Act (15 U.S.C.
22 632), as added by subsection (a)).

23 (c) APPEARANCES BEFORE CONGRESS.—Section 10
24 of the Small Business Act (15 U.S.C. 639), as amended

1 by section 102(a), is further amended by adding at the
2 end the following new subsection:

3 “(j) APPEARANCES BEFORE CONGRESS.—The Ad-
4 ministrator or the Associate Administrator for the Office
5 of Entrepreneurial Development shall annually appear be-
6 fore the Committee on Small Business and Entrepreneur-
7 ship of the Senate and the Committee on Small Business
8 of the House of Representatives to provide information on
9 the effectiveness of programs of resource partners, includ-
10 ing a description of, with respect to the year preceding
11 the date of such appearance—

12 “(1) the number of small business concerns
13 that participate in each such program;

14 “(2) the number of small business concerns
15 that benefit from each such program;

16 “(3) the number of new small business concerns
17 created through the assistance of each such pro-
18 gram;

19 “(4) the number of jobs created through the as-
20 sistance of each such program;

21 “(5) the number of trainings each such re-
22 source partner hosted and the number of attendees
23 at each such training; and

24 “(6) information on outreach to graduates from
25 career and technical education programs or pro-

1 grams of study, small business concerns in rural
 2 areas (as such term is defined in subsection
 3 (m)(11)), small business concerns located in quali-
 4 fied opportunity zones (as defined in section 1400Z-
 5 1 of the Internal Revenue Code of 1986), and small
 6 business concerns with not more than 20 full-time
 7 employees.”.

8 **SEC. 302. ASSISTANCE FOR COVERED CONCERNS IN CER-**
 9 **TAIN PROGRAMS OF THE SMALL BUSINESS**
 10 **ADMINISTRATION.**

11 (a) SMALL BUSINESS DEVELOPMENT CENTERS.—
 12 Section 21(c)(3)(N) of the Small Business Act (15 U.S.C.
 13 648(c)(3)(N)) is amended—

14 (1) in the matter preceding clause (i), by insert-
 15 ing “, small business concerns located in qualified
 16 opportunity zones (as defined in section 1400Z-1 of
 17 the Internal Revenue Code of 1986), and small busi-
 18 ness concerns with not more than 20 full-time em-
 19 ployees (in this subparagraph referred to as ‘covered
 20 concerns’)” after “rural small businesses”;

21 (2) in clause (i), by striking “market—” and
 22 inserting “market;”;

23 (3) in clause (ii), by striking “rural small busi-
 24 nesses” and inserting “covered concerns”; and

1 (4) in clause (iii), by striking “rural small busi-
 2 ness concerns” and inserting “covered concerns”.

3 (b) WOMEN’S BUSINESS CENTERS.—Section 29(b) of
 4 the Small Business Act (15 U.S.C. 656(b)) is amended—

5 (1) in paragraph (2), by striking “and” at the
 6 end;

7 (2) in paragraph (3), by striking the period at
 8 the end and inserting a semicolon; and

9 (3) by adding at the end the following new
 10 paragraph:

11 “(4) assistance for rural small businesses, small
 12 business concerns located in qualified opportunity
 13 zones (as defined in section 1400Z–1 of the Internal
 14 Revenue Code of 1986), and small business concerns
 15 with not more than 20 full-time employees;”.

16 **SEC. 303. INCLUSION OF CAREER AND TECHNICAL EDU-**
 17 **CATION IN CERTAIN PROGRAMS OF THE**
 18 **SMALL BUSINESS ADMINISTRATION.**

19 (a) CAREER AND TECHNICAL EDUCATION DE-
 20 FINED.—Section 3 of the Small Business Act (15 U.S.C.
 21 632), as amended by section 301, is further amended by
 22 adding at the end the following new subsection:

23 “(hh) CAREER AND TECHNICAL EDUCATION.—The
 24 term ‘career and technical education’ has the meaning

1 given the term in section 3 of the Carl D. Perkins Career
2 and Technical Education Act of 2006 (20 U.S.C. 2302).”.

3 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—
4 Section 21(c)(3) of the Small Business Act (15 U.S.C.
5 648(c)(3)) is amended—

6 (1) in subparagraph (T), by striking “and” at
7 the end;

8 (2) in clause (v) of the first subparagraph (U)
9 (relating to succession planning), by striking the pe-
10 riod at the end and inserting a semicolon;

11 (3) by redesignating the second subparagraph
12 (U) (relating to training on domestic and inter-
13 national intellectual property protections) as sub-
14 paragraph (V);

15 (4) in clause (ii)(II) of subparagraph (V), as so
16 redesignated, by striking the period at the end and
17 inserting a semicolon; and

18 (5) by adding at the end the following new sub-
19 paragraphs:

20 “(W) assisting small businesses in hiring
21 graduates from career and technical education
22 programs or programs of study;

23 “(X) assisting graduates from career and
24 technical education programs or programs of
25 study in starting up a small business concern.”.

1 (c) WOMEN’S BUSINESS CENTERS.—Section 29(b) of
 2 the Small Business Act (15 U.S.C. 656(b)), as amended
 3 by section 302, is further amended by adding at the end
 4 the following new paragraphs:

5 “(5) assistance for small business concerns to
 6 hire graduates from career and technical education
 7 programs or programs of study; and

8 “(6) assistance for graduates of career and
 9 technical education programs or programs of study
 10 to start up a small business concern.”.

11 **SEC. 304. ASSISTANCE FOR SMALL BUSINESSES AFFECTED**
 12 **BY SUPPLY CHAIN DISRUPTIONS, LABOR**
 13 **SHORTAGES, AND CYBERATTACKS.**

14 Section 21(a) of the Small Business Act (15 U.S.C.
 15 648(a)) is amended by adding at the end the following
 16 new paragraph:

17 “(9) ASSISTANCE FOR SMALL BUSINESSES AF-
 18 FECTED BY SUPPLY CHAIN DISRUPTIONS, LABOR
 19 SHORTAGES, AND CYBERATTACKS.—The Adminis-
 20 trator shall use, as the Administrator determines ap-
 21 propriate, resource partners to provide business
 22 counseling and training to any small business con-
 23 cern adversely affected by supply chain disruptions,
 24 labor shortages, and cyberattacks.”.

1 **SEC. 305. REQUIREMENTS ON USE OF ASSISTANCE BY RE-**
2 **SOURCE PARTNERS.**

3 (a) IN GENERAL.—The following requirements shall
4 apply with respect to any covered assistance provided to
5 a resource partner by the Small Business Administration:

6 (1) Notwithstanding any other provision of law,
7 a resource partner may use not more than an
8 amount equal to 10 percent of the annual budget of
9 such resource partner for marketing (including
10 website development and maintenance) for upcoming
11 events or counseling opportunities for small business
12 concerns.

13 (2) A resource partner may not use any
14 amounts provided through any such covered assist-
15 ance for fundraising for a political entity or a non-
16 profit organization.

17 (b) TERMINATION.—The Administrator shall termi-
18 nate covered assistance if amounts provided through such
19 covered assistance are used in violation of subsection
20 (a)(2).

21 (c) APPLICABILITY.—This section and the require-
22 ments of this section shall apply—

23 (1) with respect to covered assistance that is a
24 grant or a prize, that is provided on or after the
25 date of the enactment of this Act; and

1 (2) with respect to covered assistance that is a
 2 cooperative agreement or a contract, that is entered
 3 into on or after the date of the enactment of this
 4 Act.

5 (d) DEFINITIONS.—In this section:

6 (1) COVERED ASSISTANCE.—The term “covered
 7 assistance” means financial assistance in the form of
 8 a grant, prize, cooperative agreement, or contract.

9 (2) RESOURCE PARTNER.—The term “resource
 10 partner” has the meaning given such term in section
 11 3 of the Small Business Act (15 U.S.C. 632), as
 12 amended by this Act.

13 **TITLE IV—SMALL BUSINESS AD-** 14 **MINISTRATION** **CON-** 15 **TRACTING PROGRAMS**

16 **SEC. 401. ANNUAL TESTIMONY.**

17 Section 10 of the Small Business Act (15 U.S.C.
 18 639), as amended by section 301(c), is further amended
 19 by adding at the end the following new subsection:

20 “(k) APPEARANCES BEFORE CONGRESS.—The head
 21 of the Office of Government Contracting and Business De-
 22 velopment of the Small Business Administration shall an-
 23 nually appear before the Committee on Small Business of
 24 the House of Representatives and the Committee on Small
 25 Business and Entrepreneurship of the Senate to provide

1 information on the effectiveness of Federal procurement
 2 programs operated by the Administration, including—

3 “(1) the number of small business concerns
 4 that participate in each such program;

5 “(2) the number of contracts and total dollar
 6 amount awarded through a competition restricted to
 7 small business concerns under each such program;

8 “(3) the number of sole source contracts and
 9 total dollar amount awarded to small business con-
 10 cerns under each such program;

11 “(4) a description of assistance provided by the
 12 Administration or resource partners to small busi-
 13 ness concerns that participate in each such program;
 14 and

15 “(5) any other data relating to tracking the
 16 long-term success and growth of small business con-
 17 cerns that participate in such programs.”.

18 **SEC. 402. IMPROVEMENTS TO ACCURACY IN FEDERAL**
 19 **SMALL BUSINESS SPENDING.**

20 Section 15(g) of the Small Business Act (15 U.S.C.
 21 644(g)) is amended by adding at the end the following
 22 new paragraph:

23 “(4) LIMITATION ON CREDIT FOR MEETING
 24 CONTRACTING GOALS.—

1 “(A) IN GENERAL.—A Federal agency may
2 allocate credit for a single prime contract not
3 more than two times for purposes of dem-
4 onstrating compliance with the Governmentwide
5 goals established under paragraph (1)(A).

6 “(B) ALLOCATION OF CREDIT.—The first
7 allocation of credit described in subparagraph
8 (A) shall be applied toward the goal described
9 in paragraph (1)(A)(i). A second allocation of
10 such credit shall be applied as follows:

11 “(i) If the prime contract was award-
12 ed pursuant to a requirement to set aside
13 such prime contract for a small business
14 concern described in clause (ii), (iii), (iv),
15 or (v) of paragraph (1)(A), the credit shall
16 be applied toward the goal described in the
17 appropriate clause that corresponds with
18 the award.

19 “(ii) If the prime contract was not
20 awarded pursuant to a requirement to set
21 aside such prime contract for a small busi-
22 ness concern described in clause (ii), (iii),
23 (iv), or (v) of paragraph (1)(A), the credit
24 shall be applied toward any applicable goal
25 described in such paragraph (1)(A).

1 “(C) CREDIT DEFINED.—In this para-
2 graph, the term ‘credit’ means the value of a
3 prime contract.”.

4 **SEC. 403. STRENGTHENING SUBCONTRACTING.**

5 (a) INFORMATION ON FIRST TIER SUBCONTRAC-
6 TORS.—Section 8(d) of the Small Business Act (15 U.S.C.
7 637(d)) is amended by adding at the end the following
8 new paragraph:

9 “(18) INFORMATION ON FIRST TIER SUB-
10 CONTRACTORS.—

11 “(A) IN GENERAL.—Not later than seven
12 days after a prime contractor awards a sub-
13 contract to a first tier subcontractor that is
14 small business concern under a contract with
15 respect to which such prime contractor is re-
16 quired to develop a subcontracting plan under
17 paragraph (4) or (5), the prime contractor shall
18 provide to the contracting officer for such con-
19 tract—

20 “(i) a list of all first tier subcontrac-
21 tors for such contract that are small busi-
22 ness concerns; and

23 “(ii) the contact information described
24 in subparagraph (B).

1 “(B) CONTACT INFORMATION.—Not later
2 than three days before the date on which a
3 prime contractor is required to provide informa-
4 tion for a contract to a contracting officer
5 under subparagraph (A), each first tier subcon-
6 tractor of such prime contractor for such con-
7 tract shall provide to such prime contractor
8 contact information that is—

9 “(i) for an individual in the employ of
10 such subcontractor; and

11 “(ii) unrelated to any relationship of
12 the subcontractor with the prime con-
13 tractor as a subcontractor.”.

14 (b) QUESTIONNAIRE ON PRIME CONTRACTOR EN-
15 GAGEMENT WITH CERTAIN SUBCONTRACTORS.—

16 (1) DEVELOPMENT.—The Administrator shall
17 develop a questionnaire to collect feedback from first
18 tier subcontractors that are small business concerns
19 regarding the engagement of a prime contractor
20 with such subcontractor during the performance of
21 a subcontract the prime contractor awarded to such
22 subcontractor.

23 (2) AVAILABILITY.—The Administrator shall
24 make such questionnaire available to Federal agen-
25 cies.

1 (3) USE OF QUESTIONNAIRES.—

2 (A) IN GENERAL.—Each head of a Federal
3 agency shall require contracting officers for
4 such Federal agency to—

5 (i) distribute to first tier subcontractors that are small business concerns voluntary questionnaires regarding the engagement of a prime contractor with such subcontractor during the performance of a subcontract the prime contractor awarded to such subcontractor; and

12 (ii) collect such questionnaires from such first tier subcontractors that elect to respond to such questionnaires.

15 (B) PAST PERFORMANCE RECORD.—A contracting officer may use such questionnaires in any system used by the Federal Government to monitor or record past performance of the prime contractor.

20 (4) CONFIDENTIALITY.—A contracting officer shall not disclose the contents of a questionnaire described in paragraph (1) to the prime contractor for the contract to which such questionnaire relates unless the respondent to such questionnaire consents to such disclosure.

1 (5) DEFINITIONS.—In this subsection, the
2 terms “Federal agency”, “first tier subcontractor”,
3 and “prime contractor” have the meanings given, re-
4 spectively, in section 3 of the Small Business Act
5 (15 U.S.C. 632).

6 (c) ENHANCING SUBCONTRACTING REPORTING AC-
7 COUNTABILITY.—Section 8(d) of the Small Business Act
8 (15 U.S.C. 637(d)) is amended—

9 (1) in paragraph (7)(B), by adding at the end
10 the following:

11 “The timeliness with which a contractor submits re-
12 ports required pursuant to paragraph (6)(E) shall be
13 considered in any past performance evaluation of
14 such contractor undertaken by the agency.”; and

15 (2) in paragraph (9)—

16 (A) in subparagraph (A), by adding “or”
17 at the end;

18 (B) in subparagraph (B), by striking “or”
19 at the end;

20 (C) by striking subparagraph (C);

21 (D) by striking “may be considered” and
22 inserting “shall be considered”; and

23 (E) by adding after “contract.” the fol-
24 lowing: “The failure of any contractor or sub-
25 contractor to comply with assurances provided

1 under paragraph (6)(E) shall be considered a
 2 material breach of the relevant contract or sub-
 3 contract and shall negatively affect any past
 4 performance evaluations of the contractor or
 5 subcontractor if the contractor or subcontractor
 6 did not correct such failure.”.

7 **TITLE V—SMALL BUSINESS** 8 **ADMINISTRATION DUPLICATION**

9 **SEC. 501. ELIMINATE PROGRAMS DUPLICATING PRIVATE** 10 **SECTOR.**

11 (a) COMMUNITY NAVIGATOR PILOT PROGRAM.—Sec-
 12 tion 5004(d) of the American Rescue Plan Act of 2021
 13 (15 U.S.C. 9013(d)) is amended by striking “December
 14 31, 2025” and inserting “the date of the enactment of
 15 the IMPROVE the SBA Act”.

16 (b) GROWTH ACCELERATORS FUND COMPETITION
 17 PROGRAM.—The Administrator may not carry out the
 18 Growth Accelerators Fund Competition program or any
 19 similar program or initiative not specifically authorized by
 20 law.

21 (c) REGIONAL INNOVATION CLUSTERS INITIATIVE.—
 22 The Administrator may not carry out the Regional Inno-
 23 vation Clusters initiative or any similar program or initia-
 24 tive not specifically authorized by law.

1 **SEC. 502. ENTREPRENEURIAL DEVELOPMENT SERVICE**
2 **LIMITS.**

3 The Small Business Act (15 U.S.C. 631 et seq.) is
4 amended—

5 (1) by redesignating section 49 as section 51;

6 and

7 (2) by inserting after section 48 the following
8 new section:

9 **“SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
10 **OPMENT PROGRAMS.**

11 “Notwithstanding any other provision of law, the Ad-
12 ministrator shall only deliver entrepreneurial development
13 services and entrepreneurial education through a program
14 authorized under section 7(j), 7(m), 8(a), 8(b)(1), 21, 22,
15 29, or 32 of this Act.”.

16 **SEC. 503. LIMITATION ON NEW PILOT PROGRAMS UNTIL IN-**
17 **SPECTOR GENERAL RECOMMENDATIONS**
18 **CLOSED.**

19 Paragraph (3) of section 10(e) of the Small Business
20 Act (15 U.S.C. 639(e)), as added by section 801(b), is
21 amended by adding at the end the following new subpara-
22 graph:

23 “(D) LIMIT ON NEW PILOT PROGRAMS.—

24 The Administrator may not begin any new pilot
25 program not specifically authorized by Congress
26 unless, with respect to each recommendation

1 made to the Administration by the Inspector
2 General of the Small Business Administration,
3 the Administrator has—

4 “(i) made the determination described
5 in subparagraph (A);

6 “(ii) submitted the report required
7 under subparagraph (C); and

8 “(iii) if the Administrator determines
9 to implement such recommendation—

10 “(I) implemented the rec-
11 ommendation; and

12 “(II) submitted to the Inspector
13 General sufficient evidence of such
14 corrective action, as determined by the
15 Inspector General.”.

16 **TITLE VI—PROHIBITION OF** 17 **INELIGIBLE USE OF FUNDS**

18 **SEC. 601. PROHIBITION ON CERTAIN SMALL BUSINESS** 19 **CONCERNS.**

20 (a) IN GENERAL.—The Administrator may not pro-
21 vide assistance under any program of the Administration
22 to the following:

23 (1) An entity primarily engaged in lobbying ac-
24 tivities, as defined in section 3 of the Lobbying Dis-
25 closure Act of 1995 (2 U.S.C. 1602).

1 (2) An entity established for the purpose of
2 conducting public policy research or for engaging in
3 policy advocacy or political strategy, or that other-
4 wise is known as a “think tank”.

5 (3) An entity—

6 (A) organized under the laws of the Peo-
7 ple’s Republic of China or the Special Adminis-
8 trative Region of Hong Kong;

9 (B) for which the headquarters or the
10 principal place of business is located in the Peo-
11 ple’s Republic of China, including the Special
12 Administrative Region of Hong Kong;

13 (C) for which an entity described in sub-
14 paragraph (B) owns or holds, directly or indi-
15 rectly, not less than 20 percent of the economic
16 interest of the business concern or entity, in-
17 cluding as equity shares or a capital or profit
18 interest in a limited liability company or part-
19 nership; or

20 (D) that retains, as a member of the board
21 of directors of the entity, an individual who is
22 a resident of the People’s Republic of China, in-
23 cluding the Special Administrative Region of
24 Hong Kong.

1 (4) A person required to submit a registration
2 statement under section 2 of the Foreign Agents
3 Registration Act of 1938, as amended (22 U.S.C.
4 612).

5 (5) A labor organization that is described in
6 section 501(c)(5) of the Internal Revenue Code of
7 1986 and that is exempt from taxation under section
8 501(a) of such Code.

9 (6) The Planned Parenthood Federation of
10 America, Inc., or any affiliate or clinic of Planned
11 Parenthood Federation of America, Inc.

12 (7) A person convicted of an offense relating to
13 a misdemeanor or felony assault of a law enforce-
14 ment officer, or convicted of a felony for actions dur-
15 ing or in connection with a riot that resulted in the
16 destruction of a small business concern (as defined
17 under section 3 of the Small Business Act (15
18 U.S.C. 632)).

19 **SEC. 602. USE OF PROCEEDS.**

20 The proceeds of a loan made or guaranteed by the
21 Administrator may not be used for the following:

22 (1) Prepayment of commercial debt.

23 (2) Repayment of Federal debt obligations.

1 **TITLE VII—ENSURE ALL SMALL**
2 **BUSINESSES ARE SERVED**

3 **SEC. 701. SMALL BUSINESS CONCERN EQUAL TREATMENT.**

4 The Small Business Act (15 U.S.C. 631), as amended
5 by section 502, is further amended by inserting after sec-
6 tion 49 the following new section:

7 **“SEC. 50. SMALL BUSINESS CONCERN EQUAL TREATMENT.**

8 “(a) IN GENERAL.—Except as provided in subsection
9 (b) and notwithstanding any other provision of law, the
10 order in which any assistance, benefit, or award offered
11 by a program administered by or under the authority of
12 the Administration is provided to individuals and entities
13 eligible for such assistance, benefit, or award shall be de-
14 termined on a first-come, first-served basis.

15 “(b) ELIGIBILITY DETERMINATION.—For the pur-
16 poses of a program described in subsection (a), an indi-
17 vidual or entity may not be determined ineligible to apply
18 for or receive any assistance, benefit, or award provided
19 under or through such a program solely on the basis of
20 a program requirement that only certain other individuals
21 or entities are eligible to apply for or receive such assist-
22 ance, benefit, or award in a specified period if, after such
23 period, such individual or entity would be so eligible.

24 “(c) EXCLUSIONS.—This section does not apply with
25 respect to any program under section 8(a), 8(d), 29, or

1 31, or any other procurement program administered by
 2 or under the authority of the Administration.

3 “(d) RULES OF CONSTRUCTION.—

4 “(1) OTHER PROGRAM REQUIREMENTS.—Ex-
 5 cept as provided in this section, nothing in this sec-
 6 tion may be construed as modifying or eliminating
 7 any requirement of any program described in sub-
 8 section (a).

9 “(2) APPLICABILITY TO SUBSEQUENT LAW.—

10 No provision of law enacted after the date of the en-
 11 actment of this section may be construed as limiting,
 12 superceding, or otherwise affecting this section, ex-
 13 cept to the extent that it does so by specific ref-
 14 erence to this section.”.

15 **TITLE VIII—INSPECTOR GEN-** 16 **ERAL OF THE SMALL BUSI-** 17 **NESS ADMINISTRATION**

18 **SEC. 801. CLARIFICATION OF THE RESPONSIBILITIES OF** 19 **THE ADMINISTRATOR WITH RESPECT TO THE** 20 **INSPECTOR GENERAL OF THE SMALL BUSI-** 21 **NESS ADMINISTRATION.**

22 (a) IMPLEMENTATION OF COVERED RECOMMENDA-
 23 TIONS.—

24 (1) IN GENERAL.—Not later than 45 days after
 25 the date on which the Inspector General of the

1 Small Business Administration issues a covered rec-
 2 ommendation, the Administrator shall determine
 3 whether to implement such covered recommendation.

4 (2) COVERED RECOMMENDATION DEFINED.—In
 5 this subsection, the term “covered recommendation”
 6 means a recommendation made by the Inspector
 7 General of the Small Business Administration re-
 8 sulting from a situation for which the President de-
 9 clares—

10 (A) an emergency under section 501 of the
 11 Robert T. Stafford Disaster Relief and Emer-
 12 gency Assistance Act (42 U.S.C. 5191);

13 (B) a major disaster under section 401 of
 14 such Act (42 U.S.C. 5170); or

15 (C) a national emergency under section
 16 201(a) of the National Emergencies Act (50
 17 U.S.C. 1621(a)).

18 (b) DETERMINATIONS ON RECOMMENDATIONS.—
 19 Section 10(e) of the Small Business Act (15 U.S.C. 639),
 20 as amended by section 102(b), is further amended by add-
 21 ing at the end the following new paragraph:

22 “(3) DETERMINATIONS ON RECOMMENDATIONS.—

23 “(A) IN GENERAL.—Not later than 10 days
 24 after the date on which the Inspector General issues
 25 a recommendation, the Administrator shall make a

1 determination whether or not to implement such rec-
2 ommendation.

3 “(B) IMPLEMENTATION.—Not later than 90
4 days after the date on which the Administrator
5 makes a determination to implement a recommenda-
6 tion described under subparagraph (A), the Adminis-
7 trator shall fully implement such recommendation.

8 “(C) REPORT.—Not later than 90 days after
9 the date on which the Administrator makes a deter-
10 mination under subparagraph (A), the Administrator
11 shall submit to the Inspector General a report de-
12 scribing the reasoning for the determination.”.

13 (c) REPORT ON FRAUD RECOUPMENT.—Section 10
14 of the Small Business Act (15 U.S.C. 639), as amended
15 by this Act, is further amended by adding at the end the
16 following new subsection:

17 “(1) REPORT ON FRAUD RECOUPMENT.—Not later
18 than the date that is 3 months after the end of the fiscal
19 year in which this subsection is enacted, and not later than
20 the date that is three months after the end of each fiscal
21 year thereafter, the Inspector General of the Small Busi-
22 ness Administration shall submit to the Committee on
23 Small Business of the House of Representatives and the
24 Committee on Small Business and Entrepreneurship of
25 the Senate a report on the dollar amount and incidence

1 of fraud recoupment for the Administration for the fiscal
 2 year preceding the date of the report.”.

3 **TITLE IX—OFFICE OF ADVOCACY**

4 **SEC. 901. TESTIMONY OF THE CHIEF COUNSEL FOR ADVOCACY.**

6 The Chief Counsel for Advocacy of the Small Business Administration shall annually appear before the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate after each report submitted under section 612(a) of title 5, United States Code, to testify on such report and any Federal agency rule that will have a significant economic impact on a substantial number of small entities (as defined under chapter 6 of such title), as determined by the Chief Counsel for Advocacy of the Small Business Administration.

17 **SEC. 902. QUARTERLY REPORTS BY THE CHIEF COUNSEL FOR ADVOCACY.**

19 Section 206 of Public Law 94–305 (15 U.S.C. 634f)
 20 is amended—

21 (1) by striking “The Chief Counsel” and inserting the following:

23 “(a) IN GENERAL.—The Chief Counsel”; and

24 (2) by adding at the end the following new subsection:
 25

1 “(b) QUARTERLY REPORTS.—The Chief Counsel
 2 shall publish a quarterly economic report and analysis on
 3 a website of the Office of Advocacy that includes metrics
 4 and analysis on inflation and labor and business market
 5 conditions for the quarter covered by such report.”.

6 **SEC. 903. AMENDMENT TO PRIMARY FUNCTIONS AND DU-**
 7 **TIES OF THE OFFICE OF ADVOCACY OF THE**
 8 **SMALL BUSINESS ADMINISTRATION.**

9 (a) PRIMARY FUNCTIONS.—Section 202 of Public
 10 Law 94–305 (15 U.S.C. 634b) is amended—

11 (1) in paragraph (1), by inserting “and the
 12 international economy” after “economy”;

13 (2) in paragraph (3)—

14 (A) by inserting “and compile in a public
 15 repository” after “measure”; and

16 (B) by inserting “and indirect” after “di-
 17 rect costs”;

18 (3) in paragraphs (6) and (7), by inserting
 19 “and rural enterprises” after “minority enterprises”;

20 (4) in paragraph (8), by striking “minority”
 21 and inserting “minority enterprises, rural enter-
 22 prises,”;

23 (5) in paragraph (9), by striking “complete”
 24 and inserting “compete”; and

1 (6) in paragraph (12), by striking “serviced-dis-
 2 abled” and inserting “service-disabled”.

3 (b) DUTIES.—Section 203(a) of Public Law 94–305
 4 (15 U.S.C. 634c) is amended—

5 (1) in paragraph (3), by inserting “and the
 6 Small Business Investment Act of 1958” after
 7 “Small Business Act”;

8 (2) in paragraph (5), by striking “and” at the
 9 end;

10 (3) in paragraph (6), by striking the period at
 11 the end and inserting “; and”; and

12 (4) by adding at the end the following:

13 “(7) represent the views and interests of small
 14 businesses before foreign governments and inter-
 15 national entities for the purpose of contributing to
 16 regulatory and trade initiatives which may affect
 17 small businesses.”.

18 **TITLE X—SMALL BUSINESS AD-**
 19 **MINISTRATION AS A REP-**
 20 **RESENTATIVE OF SMALL**
 21 **BUSINESSES**

22 **SEC. 1001. ECONOMIC HEADWINDS REPORT.**

23 Section 10 of the Small Business Act (15 U.S.C.
 24 639), as amended by this Act, is further amended by add-
 25 ing at the end the following new subsection:

1 “(m)(1) Not later than the date that is 120 days
2 after the date of the enactment of this subsection, and
3 annually thereafter, the Administrator shall submit to
4 Congress a report on the effects on small business con-
5 cerns of—

6 “(A) the burden of regulatory compliance
7 in the most recently completed fiscal year prior
8 to the date on which such report is submitted;

9 “(B) an annual increase greater than two
10 percent in the Consumer Price Index for all-
11 urban consumers, United States city average,
12 as published by the Bureau of Labor Statistics,
13 or if such index shall cease to be published, any
14 successor index or reasonable substitute thereof;
15 and

16 “(C) any increases by the Government in
17 any government spending or supplemental un-
18 employment benefits provided for by law in ef-
19 fect on the date of the enactment of this sub-
20 section in the most recently completed year
21 prior to the date on which such report is sub-
22 mitted.

23 “(2) During the three-year period beginning on
24 the date of the enactment of this Act, in addition to
25 the information described in subparagraphs (A)

1 through (C) of paragraph (1), the Administrator
2 shall include in the report required under such para-
3 graph the following:

4 “(A) An analysis of the effects on small
5 business concerns of the social restrictions im-
6 posed by Federal, State, or local governments
7 in response to COVID–19, including curfews,
8 quarantines, capacity limits, and social gath-
9 ering restrictions.

10 “(B) An analysis of the effects on small
11 business concerns of increasing the corporate
12 tax rate, the individual tax rate, the capital
13 gains rate, the deduction under section 199A of
14 the Internal Revenue Code of 1986, and the es-
15 tate tax, including by eliminating the step up in
16 basis.

17 “(C) An analysis of the effects on small
18 business concerns of an increase in the Federal
19 minimum wage to \$15 per hour.

20 “(D) An analysis of the effects on small
21 business concerns of supply chain disruptions in
22 the most recently completed year prior to the
23 date on which such report is submitted.”.

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