

118TH CONGRESS
1ST SESSION

H. R. 4667

To require the Administrator of the Small Business Administration to issue guidance and rules for lenders and the Small Business Administration on handling amounts of Paycheck Protection Loans returned by borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2023

Ms. SALAZAR (for herself and Mr. MCGARVEY) introduced the following bill;
which was referred to the Committee on Small Business

A BILL

To require the Administrator of the Small Business Administration to issue guidance and rules for lenders and the Small Business Administration on handling amounts of Paycheck Protection Loans returned by borrowers, 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 “Returning Erroneous
5 COVID Loans Addressing Illegal and Misappropriated
6 Taxpayer Funds Act” or the “RECLAIM Taxpayer
7 Funds Act”.

1 **SEC. 2. PAYCHECK PROTECTION LOAN RETURN GUIDANCE.**

2 (a) IN GENERAL.—Not later than 30 days after the
3 date of the enactment of this Act, the Administrator of
4 the Small Business Administration shall issue guidance
5 for borrowers and lenders on returning any unused
6 amounts of PPP loans made to the borrower.

7 (b) GUIDANCE REQUIREMENTS.—The guidance re-
8 quired by subsection (a) shall include—

9 (1) detailed guidance for borrowers on how to
10 return to the lender that made a PPP loan to the
11 borrower the unused amounts of such PPP loan;

12 (2) detailed guidance for lenders regarding the
13 responsibilities of lenders, including that a lender
14 must—

15 (A) accept the return of any unused
16 amounts of any PPP loan from a borrower or
17 any other source (including law enforcement) if
18 the lender made such PPP loan;

19 (B) document the reason for the return of
20 such unused amounts, the identification number
21 of the PPP loan, the name of the borrower of
22 the PPP loan, and the name of the person re-
23 turning such unused amounts if different than
24 the borrower;

25 (C) remit such unused amounts to the Ad-
26 ministration;

1 (D) make the guidance described in para-
2 graph (1) available to borrowers described in
3 such paragraph; and

4 (E) if the lender made a PPP loan, peri-
5 odically certify that the lender has reported and
6 returned to the Administration all unused
7 amounts of PPP loans returned to the lender;

8 (3) detailed guidance for financial institutions
9 holding funds from a PPP loan on the procedure for
10 returning such funds to the Administration if the fi-
11 nancial institution suspects the borrower may be
12 committing fraud with respect to the PPP loan or
13 any other issue for which the financial institution
14 should return the funds the Administration; and

15 (4) detailed guidance for borrowers and lenders
16 of PPP loans, financial institutions described in
17 paragraph (3), and other relevant individuals and
18 entities on complying with the requirement to report
19 to the Office of the Inspector General for the Small
20 Business Administration any information indicating
21 the occurrence of fraud with respect to a PPP loan.

22 **SEC. 3. RETURNS HANDLING PROCESS.**

23 (a) IN GENERAL.—Not later than 30 days after the
24 date of the enactment of this Act, the Administrator of
25 the Small Business Administration shall issue guidance es-

1 tablishing a process for the Small Business Administration
 2 to track amounts of PPP loans returned to mitigate the
 3 risk of financial loss to the Federal Government.

4 (b) RETURNS HANDLING PROCESS REQUIRE-
 5 MENTS.—The process established under subsection (a)
 6 shall require—

7 (1) the Administration to accept returns of un-
 8 used amounts of PPP loans; and

9 (2) the Administrator to deposit in the general
 10 fund of the Treasury the unused amounts of PPP
 11 loans returned to the Administration.

12 **SEC. 4. DEFINITIONS.**

13 In this Act:

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

16 (2) ADMINISTRATOR.—The term “Adminis-
 17 trator” means the Administration of the Small Busi-
 18 ness Administration.

19 (3) PPP LOAN.—The term “PPP loan” means
 20 a loan made under paragraph (36) or (37) of section
 21 7(a) of the Small Business Act (15 U.S.C. 636(a)).

22 **SEC. 5. COMPLIANCE WITH CUTGO.**

23 No additional amounts are authorized to be appro-
 24 priated to carry out this Act. Such Act shall be carried

- 1 out using amounts otherwise appropriated to the Adminis-
- 2 trator of the Small Business Administration.

