

In the Senate of the United States,

December 19, 2007.

Resolved, That the bill from the House of Representatives (H.R. 4253) entitled “An Act to improve and expand small business assistance programs for veterans of the armed forces and military reservists, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “Military Reservist and*
3 *Veteran Small Business Reauthorization and Opportunity*
4 *Act of 2007”.*

5 ***SEC. 2. TABLE OF CONTENTS.***

6 *The table of contents for this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—VETERANS BUSINESS DEVELOPMENT

Sec. 101. Increased funding for the Office of Veterans Business Development.

Sec. 102. Interagency task force.

Sec. 103. Permanent extension of SBA Advisory Committee on Veterans Business Affairs.

Sec. 104. Office of Veterans Business Development.

Sec. 105. Increasing the number of outreach centers.

Sec. 106. Independent study on gaps in availability of outreach centers.

Sec. 201. Veterans assistance and services program.

Sec. 202. Disaster loans.

TITLE III—RESERVIST PROGRAMS

Sec. 301. Reservist programs.

Sec. 302. Reservist loans.

Sec. 303. Noncollateralized loans.

Sec. 304. Loan priority.

Sec. 305. Relief from time limitations for veteran-owned small businesses.

Sec. 306. Service-disabled veterans.

Sec. 307. Study on options for promoting positive working relations between employers and their Reserve Component employees.

Sec. 308. Increased Veteran Participation Program.

1 SEC. 3. DEFINITIONS.

2 *In this Act—*

3 (1) the term “activated” means receiving an
4 order placing a Reservist on active duty;

5 (2) the term “active duty” has the meaning
6 given that term in section 101 of title 10, United
7 States Code;

8 (3) the terms “Administration” and “Adminis-
9 trator” mean the Small Business Administration and
10 the Administrator thereof, respectively;

11 (4) the term “Reservist” means a member of a
12 reserve component of the Armed Forces, as described
13 in section 10101 of title 10, United States Code;

14 (5) the term “Service Corps of Retired Execu-
15 tives” means the Service Corps of Retired Executives
16 authorized by section 8(b)(1) of the Small Business
17 Act (15 U.S.C. 637(b)(1));

(6) the terms “service-disabled veteran” and “small business concern” have the meaning as in section 3 of the Small Business Act (15 U.S.C. 632);

(7) the term “small business development center” means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648); and

(8) the term “women’s business center” means a women’s business center described in section 29 of the Small Business Act (15 U.S.C. 656).

TITLE I—VETERANS BUSINESS DEVELOPMENT

SEC. 101. INCREASED FUNDING FOR THE OFFICE OF VETERANS BUSINESS DEVELOPMENT.

(a) *IN GENERAL.*—There are authorized to be appropriated to the Office of Veterans Business Development of the Administration, to remain available until expended—

(1) \$2,100,000 for fiscal year 2008; and

(2) \$2,300,000 for fiscal year 2009.

(b) *FUNDING OFFSET.*—Amounts necessary to carry out subsection (a) shall be offset and made available through the reduction of the authorization of funding under section 20(e)(1)(B)(iv) of the Small Business Act (15 U.S.C. 631 note).

1 (c) *SENSE OF CONGRESS.*—*It is the sense of Congress*
 2 *that any amounts provided pursuant to this section that*
 3 *are in excess of amounts provided to the Administration*
 4 *for the Office of Veterans Business Development in fiscal*
 5 *year 2007, should be used to support Veterans Business Out-*
 6 *reach Centers.*

7 **SEC. 102. INTERAGENCY TASK FORCE.**

8 *Section 32 of the Small Business Act (15 U.S.C. 657b)*
 9 *is amended—*

10 (1) *by redesignating subsection (c) as (f); and*

11 (2) *by inserting after subsection (b) the fol-*
 12 *lowing:*

13 “(c) *INTERAGENCY TASK FORCE.*—

14 “(1) *ESTABLISHMENT.*—*Not later than 90 days*
 15 *after the date of enactment of this subsection, the*
 16 *President shall establish an interagency task force to*
 17 *coordinate the efforts of Federal agencies necessary to*
 18 *improve capital and business development opportuni-*
 19 *ties for, and ensure achievement of the pre-established*
 20 *Federal contracting goals for, small business concerns*
 21 *owned and controlled by service-disabled veterans and*
 22 *small business concerns owned and controlled by vet-*
 23 *erans (in this section referred to as the ‘task force’).*

24 “(2) *MEMBERSHIP.*—*The members of the task*
 25 *force shall include—*

1 “(A) *the Administrator, who shall serve as*
 2 *chairperson of the task force; and*

3 “(B) *a senior level representative from—*

4 “(i) *the Department of Veterans Af-*
 5 *fairs;*

6 “(ii) *the Department of Defense;*

7 “(iii) *the Administration (in addition*
 8 *to the Administrator);*

9 “(iv) *the Department of Labor;*

10 “(v) *the Department of the Treasury;*

11 “(vi) *the General Services Administra-*
 12 *tion; and*

13 “(vii) *the Office of Management and*
 14 *Budget.*

15 “(3) *DUTIES.—The task force shall—*

16 “(A) *consult regularly with veterans service*
 17 *organizations and military organizations in per-*
 18 *forming the duties of the task force; and*

19 “(B) *coordinate administrative and regu-*
 20 *latory activities and develop proposals relating*
 21 *to—*

22 “(i) *improving capital access and ca-*
 23 *capacity of small business concerns owned*
 24 *and controlled by service-disabled veterans*
 25 *and small business concerns owned and con-*

1 *trolled by veterans through loans, surety*
2 *bonding, and franchising;*

3 “(ii) *ensuring achievement of the pre-*
4 *established Federal contracting goals for*
5 *small business concerns owned and con-*
6 *trolled by service-disabled veterans and*
7 *small business concerns owned and con-*
8 *trolled by veterans through expanded men-*
9 *tor-protégé assistance and matching such*
10 *small business concerns with contracting*
11 *opportunities;*

12 “(iii) *increasing the integrity of cer-*
13 *tifications of status as a small business con-*
14 *cern owned and controlled by service-dis-*
15 *abled veterans or a small business concern*
16 *owned and controlled by veterans;*

17 “(iv) *reducing paperwork and admin-*
18 *istrative burdens on veterans in accessing*
19 *business development and entrepreneurship*
20 *opportunities;*

21 “(v) *increasing and improving train-*
22 *ing and counseling services provided to*
23 *small business concerns owned and con-*
24 *trolled by veterans; and*

1 “(vi) making other improvements re-
 2 lating to the support for veterans business
 3 development by the Federal Government.

4 **SEC. 103. PERMANENT EXTENSION OF SBA ADVISORY COM-**
 5 **MITTEE ON VETERANS BUSINESS AFFAIRS.**

6 (a) *ASSUMPTION OF DUTIES.*—Section 33 of the Small
 7 Business Act (15 U.S.C. 657c) is amended—

8 (1) by striking subsection (h); and

9 (2) by redesignating subsections (i) through (k)
 10 as subsections (h) through (j), respectively.

11 (b) *PERMANENT EXTENSION OF AUTHORITY.*—Section
 12 203 of the Veterans Entrepreneurship and Small Business
 13 Development Act of 1999 (15 U.S.C. 657b note) is amended
 14 by striking subsection (h).

15 **SEC. 104. OFFICE OF VETERANS BUSINESS DEVELOPMENT.**

16 Section 32 of the Small Business Act (15 U.S.C. 657b)
 17 is amended by inserting after subsection (c) (as added by
 18 section 102) the following:

19 “(d) *PARTICIPATION IN TAP WORKSHOPS.*—

20 “(1) *IN GENERAL.*—The Associate Administrator
 21 shall increase veteran outreach by ensuring that Vet-
 22 eran Business Outreach Centers regularly participate,
 23 on a nationwide basis, in the workshops of the Tran-
 24 sition Assistance Program of the Department of
 25 Labor.

1 “(2) *PRESENTATIONS.*—*In carrying out para-*
2 *graph (1), a Veteran Business Outreach Center may*
3 *provide grants to entities located in Transition As-*
4 *istance Program locations to make presentations on*
5 *the opportunities available from the Administration*
6 *for recently separating or separated veterans. Each*
7 *presentation under this paragraph shall include, at a*
8 *minimum, a description of the entrepreneurial and*
9 *business training resources available from the Admin-*
10 *istration.*

11 “(3) *WRITTEN MATERIALS.*—*The Associate Ad-*
12 *ministrator shall—*

13 “(A) *create written materials that provide*
14 *comprehensive information on self-employment*
15 *and veterans entrepreneurship, including infor-*
16 *mation on resources available from the Adminis-*
17 *tration on such topics; and*

18 “(B) *make the materials created under sub-*
19 *paragraph (A) available to the Secretary of*
20 *Labor for inclusion in the Transition Assistance*
21 *Program manual.*

22 “(4) *REPORTS.*—*The Associate Administrator*
23 *shall submit to Congress progress reports on the im-*
24 *plementation of this subsection.*

1 “(e) *WOMEN VETERANS BUSINESS TRAINING.*—*The*
2 *Associate Administrator shall—*

3 “(1) *compile information on existing resources*
4 *available to women veterans for business training, in-*
5 *cluding resources for—*

6 “(A) *vocational and technical education;*

7 “(B) *general business skills, such as mar-*
8 *keting and accounting; and*

9 “(C) *business assistance programs targeted*
10 *to women veterans; and*

11 “(2) *disseminate the information compiled under*
12 *paragraph (1) through Veteran Business Outreach*
13 *Centers and women’s business centers.”.*

14 **SEC. 105. INCREASING THE NUMBER OF OUTREACH CEN-**
15 **TERS.**

16 “(a) *IN GENERAL.*—*The Administrator shall use the au-*
17 *thority in section 8(b)(17) of the Small Business Act (15*
18 *U.S.C. 637(b)(17)) to ensure that the number of Veterans*
19 *Business Outreach Centers throughout the United States*
20 *increases—*

21 “(1) *subject to subsection (b), by at least 2, for*
22 *each of fiscal years 2008 and 2009; and*

23 “(2) *by the number that the Administrator con-*
24 *siders appropriate, based on need, for each fiscal year*
25 *thereafter.*

1 (b) *LIMITATION.*—Subsection (a)(1) shall apply in a
 2 fiscal year if, for that fiscal year, the amount made avail-
 3 able for the Office of Veterans Business Development is more
 4 than the amount made available for the Office of Veterans
 5 Business Development for fiscal year 2007.

6 **SEC. 106. INDEPENDENT STUDY ON GAPS IN AVAILABILITY**
 7 **OF OUTREACH CENTERS.**

8 *The Administrator shall sponsor an independent study*
 9 *on gaps in the availability of Veterans Business Outreach*
 10 *Centers across the United States, to inform decisions on*
 11 *funding and on the allocation and coordination of re-*
 12 *sources. Not later than 6 months after the date of enactment*
 13 *of this Act, the Administrator shall submit to Congress a*
 14 *report on the results of the study.*

15 **SEC. 201. VETERANS ASSISTANCE AND SERVICES PROGRAM.**

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

18 “(n) *VETERANS ASSISTANCE AND SERVICES PRO-*
 19 *GRAM.*—

20 “(1) *IN GENERAL.*—A small business develop-
 21 ment center may apply for a grant under this sub-
 22 section to carry out a veterans assistance and services
 23 program.

1 “(2) *ELEMENTS OF PROGRAM.*—Under a pro-
2 gram carried out with a grant under this subsection,
3 a small business development center shall—

4 “(A) create a marketing campaign to pro-
5 mote awareness and education of the services of
6 the center that are available to veterans, and to
7 target the campaign toward veterans, service-dis-
8 abled veterans, military units, Federal agencies,
9 and veterans organizations;

10 “(B) use technology-assisted online coun-
11 seling and distance learning technology to over-
12 come the impediments to entrepreneurship faced
13 by veterans and members of the Armed Forces;
14 and

15 “(C) increase coordination among organiza-
16 tions that assist veterans, including by estab-
17 lishing virtual integration of service providers
18 and offerings for a one-stop point of contact for
19 veterans who are entrepreneurs or owners of
20 small business concerns.

21 “(3) *AMOUNT OF GRANTS.*—A grant under this
22 subsection shall be for not less than \$75,000 and not
23 more than \$250,000.

24 “(4) *FUNDING.*—Subject to amounts approved in
25 advance in appropriations Acts, the Administration

1 *may make grants or enter into cooperative agreements*
 2 *to carry out the provisions of this subsection.”.*

3 **SEC. 202. DISASTER LOANS.**

4 *Section 7(b)(3) of the Small Business Act (15 U.S.C.*
 5 *636(b)(3)) is amended—*

6 *(1) in subparagraph (E), by striking “unless”*
 7 *and all that follows and inserting a period; and*

8 *(2) by inserting after subparagraph (I), the fol-*
 9 *lowing:*

10 *“(J) There shall be reasonable assurance that a*
 11 *loan recipient under this paragraph can repay the*
 12 *loan of personal or business cash flow.”.*

13 **TITLE III—RESERVIST**
 14 **PROGRAMS**

15 **SEC. 301. RESERVIST PROGRAMS.**

16 *(a) APPLICATION PERIOD.—Section 7(b)(3)(C) of the*
 17 *Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended—*

18 *(1) by striking “90 days” and inserting “1*
 19 *year”; and*

20 *(2) by adding at the end the following: “The Ad-*
 21 *ministrator may, when appropriate (as determined*
 22 *by the Administrator), extend the ending date speci-*
 23 *fied in the preceding sentence by not more than 1*
 24 *year.”.*

25 *(b) PRE-CONSIDERATION PROCESS.—*

1 (1) *DEFINITION.*—*In this subsection, the term*
 2 *“eligible Reservist” means a Reservist who—*

3 (A) *has not been ordered to active duty;*

4 (B) *expects to be ordered to active duty dur-*
 5 *ing a period of military conflict; and*

6 (C) *can reasonably demonstrate that the*
 7 *small business concern for which that Reservist*
 8 *is a key employee will suffer economic injury in*
 9 *the absence of that Reservist.*

10 (2) *ESTABLISHMENT.*—*Not later than 6 months*
 11 *after the date of enactment of this Act, the Adminis-*
 12 *trator shall establish a pre-consideration process,*
 13 *under which the Administrator—*

14 (A) *may collect all relevant materials nec-*
 15 *essary for processing a loan to a small business*
 16 *concern under section 7(b)(3) of the Small Busi-*
 17 *ness Act (15 U.S.C. 636(b)(3)) before an eligible*
 18 *Reservist employed by that small business con-*
 19 *cern is activated; and*

20 (B) *shall distribute funds for any loan ap-*
 21 *proved under subparagraph (A) if that eligible*
 22 *Reservist is activated.*

23 (c) *OUTREACH AND TECHNICAL ASSISTANCE PRO-*
 24 *GRAM.*—

1 (1) *IN GENERAL.*—Not later than 6 months after
2 the date of enactment of this Act, the Administrator,
3 in consultation with the Secretary of Veterans Affairs
4 and the Secretary of Defense, may develop a com-
5 prehensive outreach and technical assistance program
6 (in this subsection referred to as the “program”) to—

7 (A) market the loans available under section
8 7(b)(3) of the Small Business Act (15 U.S.C.
9 636(b)(3)) to Reservists, and family members of
10 Reservists, that are on active duty and that are
11 not on active duty; and

12 (B) provide technical assistance to a small
13 business concern applying for a loan under that
14 section.

15 (2) *COMPONENTS.*—The program shall—

16 (A) incorporate appropriate websites main-
17 tained by the Administration, the Department of
18 Veterans Affairs, and the Department of Defense;
19 and

20 (B) require that information on the pro-
21 gram is made available to small business con-
22 cerns directly through—

23 (i) the district offices and resource
24 partners of the Administration, including
25 small business development centers, women’s

1 *business centers, and the Service Corps of*
 2 *Retired Executives; and*

3 *(ii) other Federal agencies, including*
 4 *the Department of Veterans Affairs and the*
 5 *Department of Defense.*

6 (3) *REPORT.—*

7 (A) *IN GENERAL.—Not later than 6 months*
 8 *after the date of enactment of this Act, and every*
 9 *6 months thereafter until the date that is 30*
 10 *months after such date of enactment, the Admin-*
 11 *istrator shall submit to Congress a report on the*
 12 *status of the program.*

13 (B) *CONTENTS.—Each report submitted*
 14 *under subparagraph (A) shall include—*

15 (i) *for the 6-month period ending on*
 16 *the date of that report—*

17 (I) *the number of loans approved*
 18 *under section 7(b)(3) of the Small*
 19 *Business Act (15 U.S.C. 636(b)(3));*

20 (II) *the number of loans disbursed*
 21 *under that section; and*

22 (III) *the total amount disbursed*
 23 *under that section; and*

1 (ii) recommendations, if any, to make
2 the program more effective in serving small
3 business concerns that employ Reservists.

4 **SEC. 302. RESERVIST LOANS.**

5 (a) *IN GENERAL.*—Section 7(b)(3)(E) of the Small
6 *Business Act* (15 U.S.C. 636(b)(3)(E)) is amended by strik-
7 ing “\$1,500,000” each place such term appears and insert-
8 ing “\$2,000,000”.

9 (b) *LOAN INFORMATION.*—

10 (1) *IN GENERAL.*—The Administrator and the
11 Secretary of Defense shall develop a joint website and
12 printed materials providing information regarding
13 any program for small business concerns that is
14 available to veterans or Reservists.

15 (2) *MARKETING.*—The Administrator is
16 authorized—

17 (A) to advertise and promote the program
18 under section 7(b)(3) of the *Small Business Act*
19 jointly with the Secretary of Defense and vet-
20 erans’ service organizations; and

21 (B) to advertise and promote participation
22 by lenders in such program jointly with trade
23 associations for banks or other lending institu-
24 tions.

1 **SEC. 303. NONCOLLATERALIZED LOANS.**

2 *Section 7(b)(3) of the Small Business Act (15 U.S.C.*
3 *636(b)(3)) is amended by adding at the end the following:*

4 *“(G)(i) Notwithstanding any other provi-*
5 *sion of law, the Administrator may make a loan*
6 *under this paragraph of not more than \$50,000*
7 *without collateral.*

8 *“(ii) The Administrator may defer payment*
9 *of principal and interest on a loan described in*
10 *clause (i) during the longer of—*

11 *“(I) the 1-year period beginning on the*
12 *date of the initial disbursement of the loan;*
13 *and*

14 *“(II) the period during which the rel-*
15 *evant essential employee is on active duty.”.*

16 **SEC. 304. LOAN PRIORITY.**

17 *Section 7(b)(3) of the Small Business Act (15 U.S.C.*
18 *636(b)(3)), as amended by this Act, is amended by adding*
19 *at the end the following:*

20 *“(H) The Administrator shall give priority*
21 *to any application for a loan under this para-*
22 *graph and shall process and make a determina-*
23 *tion regarding such applications prior to proc-*
24 *essing or making a determination on other loan*
25 *applications under this subsection, on a rolling*
26 *basis.”.*

1 **SEC. 305. RELIEF FROM TIME LIMITATIONS FOR VETERAN-**
 2 **OWNED SMALL BUSINESSES.**

3 *Section 3(q) of the Small Business Act (15 U.S.C.*
 4 *632(q)) is amended by adding at the end the following:*

5 *“(5) RELIEF FROM TIME LIMITATIONS.—*

6 *“(A) IN GENERAL.—Any time limitation on*
 7 *any qualification, certification, or period of par-*
 8 *ticipation imposed under this Act on any pro-*
 9 *gram that is available to small business concerns*
 10 *shall be extended for a small business concern*
 11 *that—*

12 *“(i) is owned and controlled by—*

13 *“(I) a veteran who was called or*
 14 *ordered to active duty under a provi-*
 15 *sion of law specified in section*
 16 *101(a)(13)(B) of title 10, United*
 17 *States Code, on or after September 11,*
 18 *2001; or*

19 *“(II) a service-disabled veteran*
 20 *who became such a veteran due to an*
 21 *injury or illness incurred or aggra-*
 22 *vated in the active military, naval, or*
 23 *air service during a period of active*
 24 *duty pursuant to a call or order to ac-*
 25 *tive duty under a provision of law re-*

1 ferred to in subclause (I) on or after
2 September 11, 2001; and

3 “(ii) was subject to the time limitation
4 during such period of active duty.

5 “(B) *DURATION.*—Upon submission of
6 proper documentation to the Administrator, the
7 extension of a time limitation under subpara-
8 graph (A) shall be equal to the period of time
9 that such veteran who owned or controlled such
10 a concern was on active duty as described in
11 that subparagraph.

12 “(C) *EXCEPTION FOR PROGRAMS SUBJECT*
13 *TO FEDERAL CREDIT REFORM ACT OF 1990.*—The
14 provisions of subparagraphs (A) and (B) shall
15 not apply to any programs subject to the Federal
16 Credit Reform Act of 1990 (2 U.S.C. 661 et
17 seq.).”.

18 **SEC. 306. SERVICE-DISABLED VETERANS.**

19 Not later than 180 days after the date of enactment
20 of this Act, the Comptroller General of the United States
21 shall submit to the Committee on Small Business and En-
22 trepreneurship of the Senate and the Committee on Small
23 Business of the House of Representatives a report
24 describing—

- 1 (1) *the types of assistance needed by service-dis-*
 2 *abled veterans who wish to become entrepreneurs; and*
 3 (2) *any resources that would assist such service-*
 4 *disabled veterans.*

5 **SEC. 307. STUDY ON OPTIONS FOR PROMOTING POSITIVE**
 6 **WORKING RELATIONS BETWEEN EMPLOYERS**
 7 **AND THEIR RESERVE COMPONENT EMPLOY-**
 8 **EES.**

9 (a) *STUDY REQUIRED.*—*The Comptroller General of*
 10 *the United States shall conduct a study on options for pro-*
 11 *moting positive working relations between employers and*
 12 *Reserve component employees of such employers, including*
 13 *assessing options for improving the time in which employ-*
 14 *ers of Reservists are notified of the call or order of such*
 15 *members to active duty other than for training.*

16 (b) *REPORT.*—

17 (1) *IN GENERAL.*—*Not later than 180 days after*
 18 *the date of enactment of this Act, the Comptroller*
 19 *General of the United States shall submit to the ap-*
 20 *propriate committees of Congress a report on the*
 21 *study conducted under subsection (a).*

22 (2) *CONTENTS.*—*The report submitted under*
 23 *paragraph (1) shall—*

24 (A) *provide a quantitative and qualitative*
 25 *assessment of—*

1 (i) *what measures, if any, are being*
 2 *taken to inform Reservists of the obligations*
 3 *and responsibilities of such members to*
 4 *their employers;*

5 (ii) *how effective such measures have*
 6 *been; and*

7 (iii) *whether there are additional*
 8 *measures that could be taken to promote*
 9 *positive working relations between Reserv-*
 10 *ists and their employers, including any*
 11 *steps that could be taken to ensure that em-*
 12 *ployers are timely notified of a call to ac-*
 13 *tive duty; and*

14 (B) *assess whether there has been a reduc-*
 15 *tion in the hiring of Reservists by business con-*
 16 *cerns because of—*

17 (i) *any increase in the use of Reservists*
 18 *after September 11, 2001; or*

19 (ii) *any change in any policy of the*
 20 *Department of Defense relating to Reservists*
 21 *after September 11, 2001.*

22 (c) *APPROPRIATE COMMITTEES OF CONGRESS DE-*
 23 *FINED.—In this section, the term “appropriate committees*
 24 *of Congress” means—*

1 (1) *the Committee on Armed Services and the*
 2 *Committee on Small Business and Entrepreneurship*
 3 *of the Senate; and*

4 (2) *the Committee on Armed Services and the*
 5 *Committee on Small Business of the House of Rep-*
 6 *resentatives.*

7 (d) *ADDITIONAL STUDY.*—*Not later than 180 days*
 8 *after the date of enactment of this Act, the Office of Advo-*
 9 *cacy of the Administration shall submit to Congress a re-*
 10 *port describing—*

11 (1) *the barriers in place arising from Federal*
 12 *regulations for veterans who wish to become entre-*
 13 *preneurs;*

14 (2) *the barriers in place arising from the tax*
 15 *code for veterans who wish to become entrepreneurs;*
 16 *and*

17 (3) *any recommendations for how best to elimi-*
 18 *nate those barriers to better assist current or prospec-*
 19 *tive veteran small business owners.*

20 **SEC. 308. INCREASED VETERAN PARTICIPATION PROGRAM.**

21 *Section 7(a) of the Small Business Act (15 U.S.C.*
 22 *636(a)) is amended by adding at the end the following:*

23 “(32) *INCREASED VETERAN PARTICIPATION PRO-*
 24 *GRAM.*—

25 “(A) *DEFINITIONS.*—*In this paragraph—*

1 “(i) the term ‘cost’ has the meaning
2 given that term in section 502 of the Fed-
3 eral Credit Reform Act of 1990 (2 U.S.C.
4 661a);

5 “(ii) the term ‘pilot program’ means
6 the pilot program established under sub-
7 paragraph (B); and

8 “(iii) the term ‘veteran participation
9 loan’ means a loan made under this sub-
10 section to a small business concern owned
11 and controlled by veterans of the Armed
12 Forces or members of the reserve components
13 of the Armed Forces.

14 “(B) *ESTABLISHMENT.*—The Administrator
15 shall establish and carry out a pilot program
16 under which the Administrator shall reduce the
17 fees for veteran participation loans.

18 “(C) *DURATION.*—The pilot program shall
19 terminate at the end of the second full fiscal year
20 after the date that the Administrator establishes
21 the pilot program.

22 “(D) *MAXIMUM PARTICIPATION.*—A veteran
23 participation loan shall include the maximum
24 participation levels by the Administrator per-
25 mitted for loans made under this subsection.

1 “(E) *FEEES*.—

2 “(i) *IN GENERAL*.—*The fee on a vet-*
3 *eran participation loan shall be equal to 50*
4 *percent of the fee otherwise applicable to*
5 *that loan under paragraph (18).*

6 “(ii) *WAIVER*.—*The Administrator*
7 *may waive clause (i) for a fiscal year if—*

8 “(I) *for the fiscal year before that*
9 *fiscal year, the annual estimated rate*
10 *of default of veteran participation*
11 *loans exceeds that of loans made under*
12 *this subsection that are not veteran*
13 *participation loans;*

14 “(II) *the cost to the Administra-*
15 *tion of making loans under this sub-*
16 *section is greater than zero and such*
17 *cost is directly attributable to the cost*
18 *of making veteran participation loans;*
19 *and*

20 “(III) *no additional sources of*
21 *revenue authority are available to re-*
22 *duce the cost of making loans under*
23 *this subsection to zero.*

1 “(iii) *EFFECT OF WAIVER.*—*If the Ad-*
 2 *ministrator waives the reduction of fees*
 3 *under clause (ii), the Administrator—*

4 “(I) *shall not assess or collect fees*
 5 *in an amount greater than necessary*
 6 *to ensure that the cost of the program*
 7 *under this subsection is not greater*
 8 *than zero; and*

9 “(II) *shall reinstate the fee reduc-*
 10 *tions under clause (i) when the condi-*
 11 *tions in clause (ii) no longer apply.*

12 “(iv) *NO INCREASE OF FEES.*—*The Ad-*
 13 *ministrator shall not increase the fees under*
 14 *paragraph (18) on loans made under this*
 15 *subsection that are not veteran participa-*
 16 *tion loans as a direct result of the pilot pro-*
 17 *gram.*

18 “(F) *GAO REPORT.*—

19 “(i) *IN GENERAL.*—*Not later than 1*
 20 *year after the date that the pilot program*
 21 *terminates, the Comptroller General of the*
 22 *United States shall submit to the Committee*
 23 *on Small Business of the House of Rep-*
 24 *resentatives and the Committee on Small*

1 *Business and Entrepreneurship of the Sen-*
2 *ate a report on the pilot program.*

3 “(ii) *CONTENTS.—The report sub-*
4 *mitted under clause (i) shall include—*

5 “(I) *the number of veteran par-*
6 *ticipation loans for which fees were re-*
7 *duced under the pilot program;*

8 “(II) *a description of the impact*
9 *of the pilot program on the program*
10 *under this subsection;*

11 “(III) *an evaluation of the effi-*
12 *cacy and potential fraud and abuse of*
13 *the pilot program; and*

14 “(IV) *recommendations for im-*
15 *proving the pilot program.”.*

Attest:

Secretary.

110TH CONGRESS
1ST SESSION

H. R. 4253

AMENDMENT