

114TH CONGRESS  
1ST SESSION

# H. R. 2670

To amend the Small Business Act to provide for expanded participation in the microloan program, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2015

Mr. MOULTON introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to provide for expanded participation in the microloan program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Microloan Moderniza-  
5 tion Act of 2015”.

6 **SEC. 2. WAIVERS OF 25/75 RULE.**

7 (a) WAIVER AUTHORIZED.—Section 7(m)(4)(E)(i) of  
8 the Small Business Act (15 U.S.C. 636(m)(4)(E)(i)) is  
9 amended by adding at the end the following: “The Admin-  
10 istrator shall by rule establish a process by which inter-

1 intermediaries may apply for and the Administrator may grant  
2 a waiver from the requirements of this clause.”.

3 (b) CONTENTS OF RULE.—In the rule required by  
4 the amendment made by subsection (a), the Administrator  
5 of the Small Business Administration shall require any ap-  
6 plicant for a waiver to—

7 (1) to specify how such applicant will use the  
8 additional technical assistance; and

9 (2) provide assurance in a form provided for by  
10 the Administrator in the rule that the intermediary  
11 will have sufficient funds to provide technical assist-  
12 ance to all of the intermediary’s borrowers.

13 (c) RULEMAKING REQUIREMENTS.—The rule re-  
14 quired by subsection (a) shall be promulgated after notice  
15 and the opportunity for comment of not less than 60 days.  
16 Such regulation shall be codified in the Code of Federal  
17 Regulations and shall incorporate any delegation of the  
18 Administrator’s authority to approve waivers to any ap-  
19 propriate subsidiary official.

20 **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**  
21 **CREASED.**

22 Section 7(m)(3)(C) of the Small Business Act (15  
23 U.S.C. 636(m)(3)(C)) is amended by striking  
24 “\$5,000,000” and inserting “\$6,000,000”.

1 **SEC. 4. EXTENDED REPAYMENT TERMS.**

2 Section 7(m)(6) of the Small Business Act (15  
3 U.S.C. 636(m)(6)) is amended by adding at the end the  
4 following:

5 “(F) REPAYMENT TERMS FOR LOANS TO  
6 SMALL BUSINESSES.—The Administrator may  
7 not impose limitations on the term for repay-  
8 ment of a loan made by an intermediary to a  
9 small business concern or entrepreneur, except  
10 that—

11 “(i) in the case of a loan made by an  
12 intermediary of \$10,000 or less, the repay-  
13 ment term shall be not more than 6 years;  
14 and

15 “(ii) in the case of a loan greater than  
16 \$10,000, the repayment term shall be not  
17 more than 10 years.”.

18 **SEC. 5. LINES OF CREDIT AUTHORIZED.**

19 Section 7(m)(6)(A) of the Small Business Act (15  
20 U.S.C. 636(m)(6)(A)) is amended by inserting after  
21 “short-term” insert “(including lines of credit)”.

22 **SEC. 6. GAO STUDY OF MICROENTERPRISE PARTICIPATION.**

23 Not later than 120 days after the date of enactment  
24 of this Act, the Comptroller General of the United States  
25 shall complete a study on and report to the Committee

1 on Small Business of the House of Representatives on the  
2 following:

3 (1) The operations (including services provided,  
4 structure, size, and area of operation) of a rep-  
5 resentative sample of—

6 (A) intermediaries that are eligible for par-  
7 ticipation in the microloan program under sec-  
8 tion 7(m) of the Small Business Act and that  
9 do participate; and

10 (B) intermediaries (including those oper-  
11 ated for profit, operated as non-profits, and  
12 those affiliated with a United States institution  
13 of higher learning) that are so eligible and that  
14 do not participate.

15 (2) The reasons why intermediaries described in  
16 paragraph (1)(B) choose not to participate.

17 (3) Recommendations on how to encourage in-  
18 creased participation in the microloan program by  
19 intermediaries described in paragraph (1)(B).

20 (4) Recommendations on how to decrease the  
21 costs associated with participation in the microloan  
22 program for eligible intermediaries.

1 **SEC. 7. OFFICE OF ADVOCACY ECONOMIC STUDY OF MAN-**  
2 **DATORY SAVINGS REQUIREMENT.**

3 Not later than 120 days after the date of enactment  
4 of this Act, the Chief Counsel for Advocacy of the Small  
5 Business Administration shall submit to the Committee on  
6 Small Business of the House of Representatives a report  
7 on the economic impact of a mandatory savings require-  
8 ment on business concerns eligible to participate in the  
9 microloan program under section 7(m) of the Small Busi-  
10 ness Act, including on the benefits and costs of such a  
11 requirement and recommendations on implementation of  
12 such a requirement.

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