

114TH CONGRESS  
1ST SESSION

# S. 1857

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 SENATE OF THE UNITED STATES

JULY 23, 2015

Mrs. FISCHER (for herself, Ms. AYOTTE, and Mr. SCOTT) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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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. DEFINITIONS.**

7 In this Act—

1           (1) the term “intermediary” has the meaning  
2           given that term in section 7(m)(11) of the Small  
3           Business Act (15 U.S.C. 636(m)(11)); and

4           (2) the term “microloan program” means the  
5           program established under section 7(m) of the Small  
6           Business Act (15 U.S.C. 636(m)).

7   **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**  
8                                   **CREASED.**

9           Section 7(m)(3)(C) of the Small Business Act (15  
10 U.S.C. 636(m)(3)(C)) is amended by striking  
11 “\$5,000,000” and inserting “\$6,000,000”.

12 **SEC. 4. WAIVERS OF 25/75 RULE.**

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

16                                   “(iii) WAIVER.—

17   “(I) IN GENERAL.—The Admin-  
18                                   istrator shall by rule, after a notice  
19                                   and comment period of not less than  
20                                   60 days, establish a process by which  
21                                   an intermediary may apply for and  
22                                   the Administrator may grant a waiver  
23                                   from the requirements of clause (i).

24   “(II) CONTENTS.—The rule re-  
25                                   quired under subclause (I) shall—

1                   “(aa) require any applicant  
2 for a waiver to—

3                   “(AA) specify how the  
4 applicant will use the addi-  
5 tional technical assistance;  
6 and

7                   “(BB) provide assur-  
8 ance, in a form provided for  
9 by the Administrator in the  
10 rule, that the intermediary  
11 will have sufficient funds to  
12 provide technical assistance  
13 to all borrowers of the inter-  
14 mediary; and

15                   “(bb) incorporate any dele-  
16 gation of the authority of the Ad-  
17 ministrator to approve waivers to  
18 any appropriate subsidiary offi-  
19 cial.”.

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

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

1 **SEC. 6. 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 not more than \$10,000,  
13 the repayment term shall be not more than  
14 6 years; and

15 “(ii) in the case of a loan made by an  
16 intermediary of more than \$10,000, the re-  
17 payment term shall be not more than 10  
18 years.”.

19 **SEC. 7. GAO STUDY OF MICROENTERPRISE PARTICIPATION.**

20 Not later than 120 days after the date of enactment  
21 of this Act, the Comptroller General of the United States  
22 shall conduct a study and submit to the Committee on  
23 Small Business and Entrepreneurship of the Senate and  
24 the Committee on Small Business of the House of Rep-  
25 resentatives a report on—

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

4                   (A) intermediaries that are eligible to par-  
5                   ticipate in the microloan program and that do  
6                   participate; and

7                   (B) intermediaries (including those oper-  
8                   ated for profit, operated as non-profits, and  
9                   those affiliated with a United States institution  
10                  of higher learning) that are eligible to partici-  
11                  pate in the microloan program and that do not  
12                  participate;

13           (2) the reasons why intermediaries described in  
14           paragraph (1)(B) choose not to participate in the  
15           microloan program;

16           (3) recommendations on how to encourage in-  
17           creased participation in the microloan program by  
18           intermediaries described in paragraph (1)(B); and

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

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