

116TH CONGRESS  
2D SESSION

# H. R. 6341

To establish a business stabilization guaranteed loan program and authority to establish a secondary market in the Small Business Administration, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Ms. CRAIG introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To establish a business stabilization guaranteed loan program and authority to establish a secondary market in 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 “Small Business Relief  
5 Guaranteed Loan Program Act of 2020”.

6 **SEC. 2. BUSINESS STABILIZATION GUARANTEED LOAN PRO-**  
7 **GRAM.**

8 (a) IN GENERAL.—The Administrator of the Small  
9 Business Administration shall carry out a program to

1 guarantee loans to eligible borrowers, made by banks or  
2 other lenders.

3 (b) ELIGIBLE BORROWER DEFINED.—In this sec-  
4 tion, the term “eligible borrower” means a person who—

5 (1) is a small business concern as defined under  
6 section 3 of the Small Business Act (15 U.S.C.  
7 632); and

8 (2) is located in a State or territory of the  
9 United States with a confirmed or presumed positive  
10 case of COVID–19.

11 (c) USE OF FUNDS.—In addition to the use of pro-  
12 ceeds currently permitted under section 7(a) of the Small  
13 Business Act (15 U.S.C. 636(a)), loans guaranteed under  
14 this section may be used for the following purposes:

15 (1) To make periodic payments of principal and  
16 interest, for a period not to exceed 12 months, on  
17 a loan or a loan guarantee made to an eligible bor-  
18 rower that meets the eligibility standards of such  
19 section 7(a).

20 (2) To provide benefits to employees of the eli-  
21 gible borrower, including group life insurance, dis-  
22 ability insurance, sick leave, annual leave, edu-  
23 cational benefits, paid family leave, or retirement  
24 benefits (including a pension plan or IRA).

1           (3) To pay wages to employees of the eligible  
2 borrower, and related State and Federal payroll  
3 taxes, except that loan proceeds may not be used to  
4 pay amounts under a garnishment order issued by  
5 an agency of a State or Federal Government.

6           (4) To provide technology, hardware, or soft-  
7 ware for a shift to telework or remote work for em-  
8 ployees of the eligible borrower to enable continuity  
9 of operations.

10          (5) To pay rent or utilities due or owed on any  
11 place of business of the eligible borrower.

12          (6) To refinance an existing debt (including in-  
13 terest) in an amount not to exceed 50 percent of the  
14 amount of the debt.

15          (7) To provide floor plan financing or other re-  
16 volving line of credit.

17          (8) To pay past-due Federal, State, or local  
18 payroll taxes, sales taxes, or other similar taxes that  
19 are required to be collected by the eligible borrower  
20 and held in trust on behalf of a Federal, State, or  
21 local government entity.

22          (9) To provide employees and patrons of the eli-  
23 gible borrower with the necessary items specified by  
24 any public health authority to mitigate the spread of  
25 COVID-19.

1 (d) LOAN TERMS.—

2 (1) AMOUNT.—Loans guaranteed under this  
3 section may not exceed \$2,500,000.

4 (2) DISBURSEMENT.—With respect to a loan  
5 guaranteed under this section, loan amounts shall be  
6 disbursed as follows:

7 (A) Not less than 10 percent, but not more  
8 than 20 percent, of such amount shall be dis-  
9 bursed not later than 5 calendar days after  
10 such approval.

11 (B) Not later than 14 calendar days after  
12 such approval, any remaining amounts shall be  
13 disbursed.

14 (3) GUARANTEE.—Loans guaranteed under this  
15 section shall be 100 percent guaranteed by the Ad-  
16 ministrator of the Small Business Administration.

17 (4) INTEREST.—The Administrator and partici-  
18 pating lenders shall not charge interest on any loan  
19 guaranteed under this section.

20 (e) REPAYMENT.—Repayment for loans guaranteed  
21 under this section—

22 (1) shall be amortized over a period of time not  
23 to exceed 10 years; and

24 (2) may not begin until 12 months (which may  
25 be extended by the Administrator of the Small Busi-

1       ness Administration) after the final disbursement of  
2       loan amounts pursuant to subsection (d)(2).

3       (f) COLLATERAL.—A lender may not decline to make  
4       a loan described under this section to an otherwise eligible  
5       borrower due solely to inadequate collateral. The Adminis-  
6       trator shall not decline to honor a guarantee on a loan  
7       made by a lender that is guaranteed under this section  
8       solely due to inadequate collateral. Lenders shall accept  
9       any available collateral, including subordinated liens, to  
10      secure a loan guaranteed under this section.

11      (g) FEES.—Neither the Administrator of the Small  
12      Business Administration nor any lender may charge any  
13      fees to an applicant in connection with a loan guaranteed  
14      under this section.

15      (h) FORGIVENESS.—If an eligible borrower that re-  
16      ceives loan proceeds under this section demonstrates to the  
17      Administrator that the number of employees of such eligi-  
18      ble borrower on December 31, 2021, is greater than or  
19      equal to the number of employees of such eligible borrower  
20      on December 31, 2019, the Administrator shall pay to the  
21      lender of such eligible borrower’s loan not more than 50  
22      percent of the outstanding principal on such loan.

23      (i) SUNSET.—

24              (1) IN GENERAL.—Except as provided in para-  
25      graph (2), the Administrator of the Small Business

1 Administration may not guarantee a loan under this  
2 section after September 30, 2022.

3 (2) EXTENSION.—The Administrator may ex-  
4 tend authority to guarantee loans under this section  
5 by an additional 6 months by notifying Congress, in  
6 writing, within 10 calendar days before any exten-  
7 sion.

8 (j) EMERGENCY RULEMAKING AUTHORITY.—

9 (1) IN GENERAL.—Within 15 days after the  
10 date of the enactment of this section, the Adminis-  
11 trator of the Small Business Administration—

12 (A) shall issue rules to carry out this sec-  
13 tion; and

14 (B) may issue rules to establish a sec-  
15 ondary market for loans made under this sec-  
16 tion.

17 (2) NOTICE.—The notice requirements of sec-  
18 tion 553(b) of title 5, United States Code, shall not  
19 apply to any issuance of rules under paragraph (1).

20 (k) AUTHORIZATION OF APPROPRIATIONS.—There is  
21 authorized to be appropriated \$100,000,000,000 to the  
22 Administrator of the Small Business Administration to  
23 carry out this section.

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