

116TH CONGRESS  
2D SESSION

# S. 3554

To provide assistance to small businesses impacted by COVID–19, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 20, 2020

Mr. CARDIN (for himself, Ms. CANTWELL, Mrs. SHAHEEN, Mr. MARKEY, Mr. BOOKER, Mr. COONS, Ms. HIRONO, Ms. DUCKWORTH, and Ms. ROSEN) 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 provide assistance to small businesses impacted by COVID–19, 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 “COVID–19 Recovery  
5 by Enhancing Loan, Investment, and Education Funds  
6 for Small Businesses Act of 2020” or the “COVID–19  
7 RELIEF for Small Businesses Act of 2020”.

8 **SEC. 2. FINDINGS.**

9 Congress finds that—

1           (1) the 30,700,000 small businesses in the  
2 United States employ more than 47 percent of the  
3 private workforce;

4           (2) small business supply chain firms account  
5 for almost 1,000,000 small businesses and about  
6 10,000,000 jobs, playing a key role in the United  
7 States supply chain by providing goods and services  
8 to large corporations and Federal, State, and local  
9 government agencies;

10          (3) the economic disruptions related to  
11 COVID–19 in the United States are unlike any that  
12 we have seen in the past couple of decades;

13          (4) as a result of the global pandemic caused by  
14 COVID–19, many small businesses in the United  
15 States have suffered because—

16           (A) their supply chains have been dis-  
17 rupted;

18           (B) their establishments are experiencing  
19 decreased foot traffic and sales; and

20           (C) their employees who have contracted  
21 the virus will need paid time off to avoid infect-  
22 ing others;

23          (5) small business owners affected by COVID–  
24 19 are finding it difficult or impossible to—

25           (A) make loan payments on existing debts;

1 (B) pay their employees;

2 (C) pay their vendors;

3 (D) purchase materials, supplies, or inven-  
4 tory;

5 (E) pay their rent, mortgage, or other op-  
6 erating expenses; or

7 (F) secure financing for their business;

8 (6) a significant number of small businesses will  
9 not qualify for loans under the existing disaster loan  
10 program of the Administration;

11 (7) the absence of resources for vulnerable  
12 small businesses that cannot access programs of the  
13 Administration will undoubtedly leave many of them  
14 to fail; and

15 (8) a new source of Federal support is nec-  
16 essary to help businesses that have no other place to  
17 turn.

18 **SEC. 3. PURPOSE.**

19 The purpose of this Act is to mitigate economic injury  
20 to small business concerns and stabilize the United States  
21 economy by strengthening the loan, investment, procure-  
22 ment assistance, and management education programs of  
23 the Administration and by establishing a new grant pro-  
24 gram at the Administration for the small business con-  
25 cerns hardest hit by COVID-19.

1 **SEC. 4. DEFINITIONS.**

2 In this Act—

3 (1) the term “Administration” and “Adminis-  
4 trator” mean the Small Business Administration  
5 and the Administrator thereof; and

6 (2) the term “small business concern” has the  
7 meaning given the term in section 3 of the Small  
8 Business Act (15 U.S.C. 632).

9 **SEC. 5. ECONOMIC INJURY GRANTS FOR SMALL BUSINESS**  
10 **CONCERNS.**

11 (a) PURPOSE.—The purpose of this section is to—

12 (1) make grants available to small business con-  
13 cerns affected by COVID–19 that lack access to  
14 credit through the existing disaster loan program of  
15 the Administration; and

16 (2) ensure resources are available for vulnerable  
17 small business concerns that are unlikely to survive  
18 without a new source of Federal support.

19 (b) DEFINITION OF ELIGIBLE SMALL BUSINESS  
20 CONCERN.—The term “eligible small business concern”  
21 means a small business concern that—

22 (1) meets the applicable size standard estab-  
23 lished under section 3 of the Small Business Act (15  
24 U.S.C. 632);

25 (2) has not less than 2 employees and not more  
26 than 50 employees;

1 (3) due to the effects of COVID–19, suffered—

2 (A) a loss of revenue in 1 month greater  
3 than 50 percent as compared to the same  
4 month in the previous year; or

5 (B) in the case of a business concern that  
6 has been in operation for not less than 4  
7 months, a loss of revenue in 1 month greater  
8 than 50 percent as compared to the average of  
9 the 3 previous months;

10 (4) can demonstrate an inability to pay obliga-  
11 tions or stay up-to-date on accounts or payroll; and

12 (5) submitted an application for a loan under  
13 section 7(b)(2) of the Small Business Act (15 U.S.C.  
14 636(b)(2)) and was denied assistance under such  
15 section because the small business concern is unable  
16 to repay the loan.

17 (c) GRANTS.—The Administration shall provide as-  
18 sistance to eligible small business concerns, private non-  
19 profit organizations, and small agricultural cooperatives  
20 that have suffered a substantial economic injury, directly  
21 or indirectly, as a result of COVID–19.

22 (d) AWARDING OF GRANTS AND UPDATES.—The Ad-  
23 ministration shall—

24 (1) award grants under this section as expedi-  
25 tiously as possible; and

1           (2) on a monthly basis until the date on which  
2 the authority under this section terminates, update  
3 the Committee on Small Business and Entrepre-  
4 neurship and the Committee on Appropriations of  
5 the Senate and the Committee on Small Business  
6 and the Committee on Appropriations of the House  
7 of Representatives on—

8           (A) the number of grants awarded under  
9 this section; and

10           (B) the geographic distribution of the  
11 grants by State and county.

12 (e) AMOUNT OF GRANT.—

13           (1) IN GENERAL.—Except as provided in para-  
14 graph (2), a grant provided under this section shall  
15 be in an amount that is not more than \$50,000.

16           (2) INCREASED GRANT AMOUNT.—The Admin-  
17 istrator may make a grant under this section of not  
18 more than \$100,000 if the Administrator dem-  
19 onstrates that doing so is necessary to assist eligible  
20 small business concerns, private nonprofit organiza-  
21 tions, and small agricultural cooperatives that the  
22 Administrator determines are vital to their local  
23 economies.

24           (3) SINGLE AWARD.—No eligible small business  
25 concern, private nonprofit organization, or small ag-

1        agricultural cooperative may receive or directly benefit  
2        from more than 1 award made under this section.

3        (f) USE OF FUNDS.—An eligible small business con-  
4        cern, private nonprofit organization, or small agricultural  
5        cooperative that receives a grant under this section may  
6        use the grant funds to address the effects of COVID–19  
7        through any of the permissible uses of funds under section  
8        7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).

9        (g) APPLICATION.—

10            (1) IN GENERAL.—An eligible small business  
11            concern, private nonprofit organization, or small ag-  
12            ricultural cooperative desiring a grant under this  
13            section shall submit to the Administration an appli-  
14            cation at such time, in such manner, and containing  
15            such information as the Administration may require.

16            (2) PRIORITY.—The Administrator shall—

17                    (A) establish selection criteria to ensure  
18                    that eligible small business concerns, private  
19                    nonprofit organizations, and small agricultural  
20                    cooperatives that are hardest hit by the effects  
21                    of COVID–19 receive priority in the event that  
22                    funding is not sufficient to provide grants to all  
23                    that submit applications under paragraph (1);

1 (B) identify industry sectors for  
2 prioritization that have suffered uniquely and  
3 disproportionately from COVID–19; and

4 (C) give priority to an applicant proposing  
5 to use grant funds for—

6 (i) providing paid sick leave to em-  
7 ployees unable to work due to the direct ef-  
8 fects of COVID–19;

9 (ii) maintaining payroll to retain em-  
10 ployees during business disruptions or sub-  
11 stantial slowdowns;

12 (iii) making rent and mortgage pay-  
13 ments; or

14 (iv) repaying obligations that cannot  
15 be met due to revenue losses.

16 (h) PROCEDURES.—The Administrator shall estab-  
17 lish procedures to discourage and prevent waste, fraud,  
18 and abuse by applicants and recipients of grants under  
19 this section.

20 (i) PENALTIES FOR FRAUD AND MISAPPLICATION OF  
21 FUNDS.—Any applicant or recipient of a grant provided  
22 under this section shall be subject to all applicable provi-  
23 sions of Federal law, including section 1001 of title 18,  
24 United States Code, and the provisions of section 123.9  
25 of title 13, Code of Federal Regulations, or any successor

1 regulation, relating to the misapplication of loan proceeds  
2 shall apply to grants provided under this section to the  
3 same extent as if those grants were loans provided under  
4 section 7(b)(2) of the Small Business Act (15 U.S.C.  
5 636(b)(2)).

6 (j) INSPECTOR GENERAL AUDIT.—Not later than  
7 180 days after the date on which the Administrator begins  
8 to provide assistance under this section, the Inspector  
9 General of the Administration shall—

10 (1) conduct an audit of grants made under this  
11 section, which shall identify any discrepancies or  
12 irregularities in the grants; and

13 (2) submit to the Committee on Small Business  
14 and Entrepreneurship and the Committee on Appro-  
15 priations of the Senate and the Committee on Small  
16 Business and the Committee on Appropriations of  
17 the House of Representatives a copy of the audit  
18 conducted under paragraph (1).

19 (k) AUTHORIZATION OF APPROPRIATIONS.—There is  
20 authorized to be appropriated to the Administration  
21 \$10,000,000,000 to carry out this section.

22 (l) TERMINATION.—The authority to carry out grants  
23 under this section shall terminate on September 30, 2021.

1 **SEC. 6. ECONOMIC INJURY DISASTER LOANS.**

2 (a) PURPOSE.—The purpose of this section is to en-  
3 sure that owners of small business concerns have access  
4 to additional necessary funding to cover continuity-of-op-  
5 eration and risk mitigation improvements.

6 (b) DEFINITION OF ELIGIBLE SMALL BUSINESS  
7 CONCERN.—In this section, the term “eligible small busi-  
8 ness concern” means a small business concern that—

9 (1) meets the applicable size standard estab-  
10 lished under section 3 of the Small Business Act (15  
11 U.S.C. 632); and

12 (2) is receiving assistance under section 7(b)(2)  
13 of the Small Business Act (15 U.S.C. 636(b)(2)) re-  
14 lated to COVID–19.

15 (c) ADDITIONAL AMOUNTS.—The Administrator may  
16 increase by 20 percent the amount received by an eligible  
17 small business concern under section 7(b)(2) of the Small  
18 Business Act (15 U.S.C. 636(b)(2)) to cover continuity-  
19 of-operation and risk mitigation improvements, including  
20 telework capability, offsite record keeping, redundancy,  
21 the administrative costs of establishing paid sick leave,  
22 and presenteeism prevention.

23 (d) EXPEDITING SMALL ECONOMIC INJURY DIS-  
24 ASTER LOANS.—With respect to a loan made under sec-  
25 tion 7(b)(2) of the Small Business Act (15 U.S.C.

1 636(b)(2)) in response to COVID–19, if the loan does not  
2 exceed \$350,000, the Administration may—

3 (1) approve an applicant based solely on the  
4 credit score of the applicant, and in this cir-  
5 cumstance, shall not require an applicant to submit  
6 a tax return or a tax return transcript; or

7 (2) use other appropriate methods to determine  
8 an applicant’s ability to repay.

9 (e) EMERGENCIES INVOLVING FEDERAL PRIMARY  
10 RESPONSIBILITY QUALIFYING FOR SMALL BUSINESS AD-  
11 MINISTRATION ASSISTANCE.—Section 7(b)(2) of the  
12 Small Business Act (15 U.S.C. 636(b)(2)) is amended—

13 (1) in subparagraph (A), by striking “or” at  
14 the end;

15 (2) in subparagraph (B), by striking “or” at  
16 the end;

17 (3) in subparagraph (C), by striking “or” at  
18 the end;

19 (4) by redesignating subparagraph (D) as sub-  
20 paragraph (E);

21 (5) by inserting after subparagraph (C) the fol-  
22 lowing:

23 “(D) an emergency involving Federal pri-  
24 mary responsibility determined to exist by the  
25 President under the section 501(b) of the Rob-

1           ert T. Stafford Disaster Relief and Emergency  
2           Assistance Act (42 U.S.C. 5191(b)); or”;  
3           (6) in subparagraph (E), as so redesignated—  
4                 (A) by striking “or (C)” and inserting  
5                 “(C), or (D)”;  
6                 (B) by striking “disaster declaration” each  
7                 place it appears and inserting “disaster or  
8                 emergency declaration”;  
9                 (C) by striking “disaster has occurred”  
10                and inserting “disaster or emergency has oc-  
11                curred”;  
12                (D) by striking “such disaster” and insert-  
13                ing “such disaster or emergency”; and  
14                (E) by striking “disaster stricken” and in-  
15                serting “disaster- or emergency-stricken”; and  
16           (7) in the flush matter following subparagraph  
17           (E), by striking the period at the end and inserting  
18           the following: “: *Provided further*, That for purposes  
19           of subparagraph (D), the Administrator shall deem  
20           that such an emergency affects each State or sub-  
21           division thereof (including counties), and that each  
22           State or subdivision has sufficient economic damage  
23           to small business concerns to qualify for assistance  
24           under this paragraph and the Administrator shall

1 accept applications for such assistance imme-  
2 diately.”.

3 **SEC. 7. WAIVERS ON PRINCIPAL AND INTEREST FOR 7(a),**  
4 **504, AND MICROLOANS.**

5 (a) DEFINITION OF COVERED LOAN.—In this sec-  
6 tion, the term “covered loan” means a loan that is—

7 (1) guaranteed by the Administration under—

8 (A) section 7(a) of the Small Business Act  
9 (15 U.S.C. 636(a)), including a loan made  
10 under the Community Advantage Pilot Program  
11 of the Administration, the Export Express Pro-  
12 gram under paragraph (34) of such section  
13 7(a), the Export Working Capital Program  
14 under paragraph (14) of such section 7(a), or  
15 the International Trade Loan Program under  
16 paragraph (16) of such section 7(a); or

17 (B) title V of the Small Business Invest-  
18 ment Act of 1958 (15 U.S.C. 695 et seq.); or

19 (2) made by an intermediary to a small busi-  
20 ness concern (as defined in section 3 of the Small  
21 Business Act (15 U.S.C. 632)) using loans or grants  
22 received under section 7(m) of the Small Business  
23 Act (15 U.S.C. 636(m)).

24 (b) SENSE OF CONGRESS.—It is the sense of Con-  
25 gress that—

1           (1) all borrowers are adversely affected by  
2 COVID–19;

3           (2) relief payments by the Administration are  
4 appropriate for all borrowers; and

5           (3) the Administration should encourage lend-  
6 ers to extend the maturity of covered loans so as to  
7 avoid any increase in debt payments by borrowers at  
8 the end of the deferral period.

9 (c) INTEREST PAYMENTS.—

10           (1) IN GENERAL.—The Administrator shall pay  
11 the principal, interest, and any associated fees that  
12 are owed on a covered loan—

13                   (A) with respect to a covered loan made  
14 before the date of enactment of this Act, for the  
15 6-month period beginning with the next pay-  
16 ment due on the covered loan; and

17                   (B) with respect to a covered loan made  
18 during the period beginning on the date of en-  
19 actment of this Act and ending on the date that  
20 is 6 months after such date of enactment, for  
21 the 6-month period beginning with the first  
22 payment due on the covered loan.

23           (2) TIMING OF PAYMENT.—The Administrator  
24 shall begin making payments under paragraph (1)

1 on a covered loan not later than 30 days after the  
2 date on which the first such payment is due.

3 (3) APPLICATION OF PAYMENT.—Any payment  
4 made by the Administrator under paragraph (1)  
5 shall be applied to the covered loan such that the  
6 borrower is relieved of the obligation to pay that  
7 amount.

8 (d) OTHER REQUIREMENTS.—The Administrator  
9 shall—

10 (1) communicate and coordinate with the Fed-  
11 eral Deposit Insurance Corporation, the Office of the  
12 Comptroller of the Currency, and State bank regu-  
13 lators to encourage those entities to not require  
14 lenders to increase their reserves on account of re-  
15 ceiving payments made by the Administrator under  
16 subsection (c);

17 (2) waive statutory limits on covered loan dura-  
18 tions for any lender that offers a deferral and ex-  
19 tends the maturity of covered loan products during  
20 the 1-year period following the date of enactment of  
21 this Act; and

22 (3) extend site visit requirements to 60 days for  
23 covered loan defaults and 90 days for nonpayment  
24 to provide more time because of the potential of  
25 higher volumes, travel restrictions, and the inability

1 to access some properties during the COVID–19  
2 pandemic.

3 (e) RULE OF CONSTRUCTION.—Nothing in this sec-  
4 tion may be construed to limit the authority of the Admin-  
5 istrator to make payments pursuant to subsection (e) with  
6 respect to a covered loan solely because the covered loan  
7 has been sold in the secondary market.

8 (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
9 authorized to be appropriated to the Administrator  
10 \$16,800,000,000 to carry out this section.

11 **SEC. 8. TEMPORARY FEE REDUCTIONS.**

12 (a) PURPOSE.—The purpose of the section is to waive  
13 borrower and lender fees on loans, including a permanent  
14 fix to waive fees for veterans and their spouses.

15 (b) ADMINISTRATIVE FEE WAIVER.—

16 (1) IN GENERAL.—During the period beginning  
17 on the date of enactment of this Act and ending on  
18 September 30, 2021, and to the extent that the cost  
19 of such elimination or reduction of fees is offset by  
20 appropriations, with respect to each loan guaranteed  
21 under section 7(a) of the Small Business Act (15  
22 U.S.C. 636(a)) (including a recipient of assistance  
23 under the Community Advantage Pilot Program of  
24 the Administration) for which an application is ap-

1 proved or pending approval on or after the date of  
2 enactment of this Act, the Administrator shall—

3 (A) in lieu of the fee otherwise applicable  
4 under section 7(a)(23)(A) of the Small Busi-  
5 ness Act (15 U.S.C. 636(a)(23)(A)), collect no  
6 fee or reduce fees to the maximum extent pos-  
7 sible; and

8 (B) in lieu of the fee otherwise applicable  
9 under section 7(a)(18)(A) of the Small Busi-  
10 ness Act (15 U.S.C. 636(a)(18)(A)), collect no  
11 fee or reduce fees to the maximum extent pos-  
12 sible.

13 (2) APPLICATION OF FEE ELIMINATIONS OR RE-  
14 Ductions.—To the extent that amounts are made  
15 available to the Administrator for the purpose of fee  
16 eliminations or reductions under paragraph (1), the  
17 Administrator shall—

18 (A) first use any amounts provided to  
19 eliminate or reduce fees paid by small business  
20 borrowers under clauses (i) through (iii) of sec-  
21 tion 7(a)(18)(A) of the Small Business Act (15  
22 U.S.C. 636(a)(18)(A)), to the maximum extent  
23 possible; and

24 (B) then use any amounts provided to  
25 eliminate or reduce fees under 7(a)(23)(A) of

1 the Small Business Act (15 U.S.C.  
2 636(a)(23)(A)).

3 (c) EXCEPTION TO GUARANTEE FEE WAIVER FOR  
4 VETERANS.—Section 7(a)(31)(G) of the Small Business  
5 Act (15 U.S.C. 636(a)(31)(G)) is amended—

6 (1) by striking clause (ii); and

7 (2) by redesignating clause (iii) as clause (ii).

8 (d) TEMPORARY FEE ELIMINATION FOR THE 504  
9 LOAN PROGRAM.—

10 (1) IN GENERAL.—During the period beginning  
11 on the date of enactment of this Act and ending on  
12 September 30, 2021, and to the extent the cost of  
13 such elimination in fees is offset by appropriations,  
14 with respect to each project or loan guaranteed by  
15 the Administrator pursuant to title V of the Small  
16 Business Investment Act of 1958 (15 U.S.C. 695 et  
17 seq.) for which an application is approved or pending  
18 approval on or after the date of enactment of this  
19 Act—

20 (A) the Administrator shall, in lieu of the  
21 fee otherwise applicable under section 503(d)(2)  
22 of the Small Business Investment Act of 1958  
23 (15 U.S.C. 697(d)(2)), collect no fee; and

24 (B) a development company shall, in lieu  
25 of the processing fee under section

1 120.971(a)(1) of title 13, Code of Federal Reg-  
2 ulations (relating to fees paid by borrowers), or  
3 any successor thereto, collect no fee.

4 (2) REIMBURSEMENT FOR WAIVED FEES.—

5 (A) IN GENERAL.—To the extent that the  
6 cost of such payments is offset by appropria-  
7 tions, the Administrator shall reimburse each  
8 development company that does not collect a  
9 processing fee pursuant to paragraph (1)(B).

10 (B) AMOUNT.—The payment to a develop-  
11 ment company under subparagraph (A) shall be  
12 in an amount equal to 1.5 percent of the net  
13 debenture proceeds for which the development  
14 company does not collect a processing fee pur-  
15 suant to paragraph (1)(B).

16 **SEC. 9. GUARANTEE AMOUNTS.**

17 (a) PURPOSE.—The purpose of this section is to in-  
18 crease loan guarantee amounts in order to mitigate risk  
19 for lenders and keep credit flowing, including an emphasis  
20 on underserved borrowers.

21 (b) 7(a) LOAN GUARANTEES.—

22 (1) IN GENERAL.—Section 7(a)(2)(A) of the  
23 Small Business Act (15 U.S.C. 636(a)(2)(A)) is  
24 amended by striking “), such participation by the  
25 Administration shall be equal to” and all that fol-

1        lows through the period at the end and inserting “or  
2        the Community Advantage Pilot Program of the Ad-  
3        ministration), such participation by the Administra-  
4        tion shall be equal to 90 percent of the balance of  
5        the financing outstanding at the time of disburse-  
6        ment of the loan.”.

7            (2) TERMINATION.—Effective September 30,  
8        2021, section 7(a)(2)(A) of the Small Business Act  
9        (15 U.S.C. 636(a)(2)(A)), as amended by paragraph  
10       (1), is amended to read as follows:

11            “(A) IN GENERAL.—Except as provided in  
12        subparagraphs (B), (D), and (E), in an agree-  
13        ment to participate in a loan on a deferred  
14        basis under this subsection (including a loan  
15        made under the Preferred Lenders Program),  
16        such participation by the Administration shall  
17        be equal to—

18            “(i) 75 percent of the balance of the  
19        financing outstanding at the time of dis-  
20       bursement of the loan, if such balance ex-  
21       ceeds \$150,000; or

22            “(ii) 85 percent of the balance of the  
23        financing outstanding at the time of dis-  
24       bursement of the loan, if such balance is  
25       less than or equal to \$150,000.”.

1 (c) EXPRESS LOAN GUARANTEE AMOUNTS AND  
2 LOAN SIZE INCREASES.—

3 (1) TEMPORARY MODIFICATION.—Section  
4 7(a)(31) of the Small Business Act (15 U.S.C.  
5 636(a)(31)) is amended—

6 (A) in subparagraph (A)(iv), by striking  
7 “with a guaranty rate of not more than 50 per-  
8 cent.” and inserting the following: “with a  
9 guarantee rate—

10 “(I) for a loan in an amount less  
11 than or equal to \$350,000, of not  
12 more than 90 percent; and

13 “(II) for a loan in an amount  
14 greater than \$350,000, of not more  
15 than 75 percent.”; and

16 (B) in subparagraph (D), by striking  
17 “\$350,000” and inserting “\$1,000,000”.

18 (2) INCREASE IN AVAILABILITY.—Effective  
19 September 30, 2021, section 7(a)(31) of the Small  
20 Business Act (15 U.S.C. 636(a)(31)), as amended  
21 by paragraph (1), is amended—

22 (A) in subparagraph (A)(iv), by striking  
23 “guarantee rate” and all that follows through  
24 the period at the end and inserting “guarantee  
25 rate of not more than 50 percent.”; and

1 (B) in subparagraph (D), by striking  
2 “\$1,000,000” and inserting “\$500,000”.

3 **SEC. 10. MAXIMUM LOAN AMOUNT AND PROGRAM LEVELS**  
4 **FOR 7(a) LOANS.**

5 (a) PURPOSE.—The purpose of this section is to tem-  
6 porarily increase the maximum loan size in order to ex-  
7 pand the reach of this long-term capital.

8 (b) MAXIMUM LOAN AMOUNT.—During the period  
9 beginning on the date of enactment of this Act and ending  
10 on September 30, 2021, with respect to any loan guaran-  
11 teed under section 7(a) of the Small Business Act (15  
12 U.S.C. 636(a)) for which an application is approved or  
13 pending approval on or after the date of enactment of this  
14 Act, the maximum loan amount shall be \$10,000,000.

15 (c) PROGRAM LEVELS.—During each of fiscal years  
16 2020 and 2021, commitments for general business loans  
17 authorized under section 7(a) of the Small Business Act  
18 (15 U.S.C. 636(a)) shall not exceed \$80,000,000,000.

19 **SEC. 11. MAXIMUM LOAN AMOUNT FOR 504 LOANS.**

20 (a) PURPOSE.—The purpose of this section is to  
21 make refinancing of fixed assets more flexible for small  
22 business concerns seeking immediate financing and relief  
23 from the COVID–19 crisis.

24 (b) TEMPORARY INCREASE.—During the period be-  
25 ginning on the date of enactment of this Act and ending

1 on September 30, 2021, with respect to each project or  
2 loan guaranteed by the Administrator pursuant to title V  
3 of the Small Business Investment Act of 1958 (15 U.S.C.  
4 695 et seq.) for which an application is approved or pend-  
5 ing approval on or after the date of enactment of this Act,  
6 the maximum loan amount shall be \$10,000,000.

7 (c) PERMANENT INCREASE FOR SMALL MANUFAC-  
8 TURERS.—Effective on October 1, 2021, section  
9 502(2)(A)(iii) of the Small Business Investment Act of  
10 1958 (15 U.S.C. 696(2)(A)(iii)) is amended by striking  
11 “\$5,500,000” and inserting “\$10,000,000”.

12 **SEC. 12. LEVERAGING 504 LOANS FOR REFINANCING AND**  
13 **COMMUNITY DEVELOPMENT LENDING.**

14 (a) PURPOSE.—The purpose of this section is to  
15 make refinancing loans under title V of the Small Busi-  
16 ness Investment Act of 1958 (15 U.S.C. 695 et seq.) more  
17 flexible so that lenders can more effectively and efficiently  
18 respond to the needs of small business concerns seeking  
19 immediate financing and relief from the economic impacts  
20 of COVID–19.

21 (b) LOW-INTEREST REFINANCING UNDER THE  
22 LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.—

23 (1) IN GENERAL.—Section 502(7) of the Small  
24 Business Investment Act of 1958 (15 U.S.C.

1       696(7)) is amended by adding at the end the fol-  
2       lowing:

3                   “(C) REFINANCING NOT INVOLVING EX-  
4       PANSIONS.—

5                   “(i) DEFINITIONS.—In this subpara-  
6       graph—

7                   “(I) the term ‘borrower’ means a  
8                   small business concern that submits  
9                   an application to a development com-  
10                  pany for financing under this sub-  
11                  paragraph;

12                  “(II) the term ‘eligible fixed  
13                  asset’ means tangible property relat-  
14                  ing to which the Administrator may  
15                  provide financing under this section;  
16                  and

17                  “(III) the term ‘qualified debt’  
18                  means indebtedness—

19                               “(aa) that—

20                                       “(AA) was incurred not  
21                                       less than 2 years before the  
22                                       date of the application for  
23                                       assistance under this sub-  
24                                       paragraph;

1                   “(BB) is a commercial  
2                   loan;

3                   “(CC) the proceeds of  
4                   which were used to acquire  
5                   an eligible fixed asset;

6                   “(DD) was incurred for  
7                   the benefit of the small busi-  
8                   ness concern; and

9                   “(EE) is collateralized  
10                  by eligible fixed assets; and

11                  “(bb) for which the borrower  
12                  has been current on all payments  
13                  for not less than 1 year before  
14                  the date of the application.

15                  “(ii) AUTHORITY.—A project that  
16                  does not involve the expansion of a small  
17                  business concern may include the refi-  
18                  nancing of qualified debt if—

19                         “(I) the amount of the financing  
20                         is not more than 90 percent of the  
21                         value of the collateral for the financ-  
22                         ing, except that, if the appraised value  
23                         of the eligible fixed assets serving as  
24                         collateral for the financing is less than  
25                         the amount equal to 125 percent of

1 the amount of the financing, the bor-  
2 rower may provide additional cash or  
3 other collateral to eliminate any defi-  
4 ciency;

5 “(II) the borrower has been in  
6 operation for all of the 2-year period  
7 ending on the date of the loan;

8 “(III) the financing will provide a  
9 substantial benefit to the borrower  
10 when prepayment penalties, financing  
11 fees, and other financing costs are ac-  
12 counted for; and

13 “(IV) for a financing for which  
14 the Administrator determines there  
15 will be an additional cost attributable  
16 to the refinancing of the qualified  
17 debt, the borrower agrees to pay a fee  
18 in an amount equal to the anticipated  
19 additional cost.

20 “(iii) FINANCING FOR BUSINESS EX-  
21 PENSES.—

22 “(I) FINANCING FOR BUSINESS  
23 EXPENSES.—The Administrator may  
24 provide financing to a borrower that  
25 receives financing that includes a refi-

1 nancing of qualified debt under clause  
2 (ii), in addition to the refinancing  
3 under clause (ii), to be used solely for  
4 the payment of business expenses.

5 “(II) APPLICATION FOR FINANCING.—An application for financing  
6 under subclause (I) shall include—  
7

8 “(aa) a specific description  
9 of the expenses for which the ad-  
10 ditional financing is requested;  
11 and

12 “(bb) an itemization of the  
13 amount of each expense.

14 “(III) CONDITION ON ADDI-  
15 TIONAL FINANCING.—A borrower may  
16 not use any part of the financing  
17 under this clause for non-business  
18 purposes.

19 “(iv) LOANS BASED ON JOBS.—

20 “(I) JOB CREATION AND RETEN-  
21 TION GOALS.—

22 “(aa) IN GENERAL.—The  
23 Administrator may provide fi-  
24 nancing under this subparagraph  
25 for a borrower that meets the job

1 creation goals under subsection  
2 (d) or (e) of section 501.

3 “(bb) ALTERNATE JOB RE-  
4 TENTION GOAL.—The Adminis-  
5 trator may provide financing  
6 under this subparagraph to a  
7 borrower that does not meet the  
8 goals described in item (aa) in an  
9 amount that is not more than the  
10 product obtained by multiplying  
11 the number of employees of the  
12 borrower by \$75,000.

13 “(II) NUMBER OF EMPLOYEES.—  
14 For purposes of subclause (I), the  
15 number of employees of a borrower is  
16 equal to the sum of—

17 “(aa) the number of full-  
18 time employees of the borrower  
19 on the date on which the bor-  
20 rower applies for a loan under  
21 this subparagraph; and

22 “(bb) the product obtained  
23 by multiplying—

24 “(AA) the number of  
25 part-time employees of the

1 borrower on the date on  
2 which the borrower applies  
3 for a loan under this sub-  
4 paragraph; by

5 “(BB) the quotient ob-  
6 tained by dividing the aver-  
7 age number of hours each  
8 part time employee of the  
9 borrower works each week  
10 by 40.

11 “(v) NONDELEGATION.—Notwith-  
12 standing section 508(e), the Administrator  
13 may not permit a premier certified lender  
14 to approve or disapprove an application for  
15 assistance under this subparagraph.

16 “(vi) TOTAL AMOUNT OF LOANS.—  
17 The Administrator may provide not more  
18 than a total of \$7,500,000,000 of financ-  
19 ing under this subparagraph for each fiscal  
20 year.”.

21 (2) CONFORMING AMENDMENT.—Section 521  
22 of division E of the Consolidated Appropriations Act,  
23 2016 (15 U.S.C. 696 note) is repealed.

24 (c) INTENT OF CONGRESS REGARDING REFINANCING  
25 EXISTING BUSINESS DEBT.—It is the intent of Congress

1 that the refinancing of existing business debt is an author-  
 2 ized use of a financing under the program under title V  
 3 of the Small Business Investment Act of 1958 (15 U.S.C.  
 4 695 et seq.).

5 (d) 504 DEBT REFINANCE WITH EXPANSION.—Sec-  
 6 tion 502(7)(B) of the Small Business Investment Act of  
 7 1958 (15 U.S.C. 696(7)(B)) is amended, in the matter  
 8 preceding clause (i), by striking “50” and inserting  
 9 “100”.

10 **SEC. 13. RECOVERY ASSISTANCE FOR MICROBUSINESSES.**

11 (a) PURPOSE.—The purpose of this section is to allow  
 12 lenders to deploy more capital, give borrowers more time  
 13 to repay, increase rural lending, and cut technical assist-  
 14 ance red tape.

15 (b) LOANS TO INTERMEDIARIES.—

16 (1) IN GENERAL.—Section 7(m) of the Small  
 17 Business Act (15 U.S.C. 636(m)) is amended—

18 (A) in paragraph (3)(C)—

19 (i) by striking “and \$6,000,000” and  
 20 inserting “\$10,000,000, in the aggre-  
 21 gate,”; and

22 (ii) by inserting before the period at  
 23 the end the following: “, and \$4,500,000 in  
 24 any of those remaining years”;

25 (B) in paragraph (4)—

1 (i) in subparagraph (A), by striking  
2 “subparagraph (C)” each place that term  
3 appears and inserting “subparagraphs (C)  
4 and (G)”;

5 (ii) in subparagraph (C)(i)—

6 (I) by striking “subparagraph  
7 (A)” and inserting “subparagraphs  
8 (A) and (G)”;

9 (II) in subclause (II)—

10 (aa) by striking “has a port-  
11 folio” and inserting “has—

12 “(aa) a portfolio”;

13 (bb) in item (aa), by striking  
14 the period at the end and insert-  
15 ing “; or”;

16 (cc) by adding at the end  
17 the following:

18 “(bb) a portfolio of loans  
19 made under this subsection of  
20 which not less than 25 percent is  
21 serving rural areas during the pe-  
22 riod of the intermediary’s partici-  
23 pation in the program.”;

24 (iii) by adding at the end the fol-  
25 lowing:

1           “(G) GRANT AMOUNTS BASED ON APPRO-  
2           PRIATIONS.—In any fiscal year in which the  
3           amount appropriated to make grants under  
4           subparagraph (A) is sufficient to provide to  
5           each intermediary that receives a loan under  
6           paragraph (1)(B)(i) a grant of not less than 25  
7           percent of the total outstanding balance of  
8           loans made to the intermediary under this sub-  
9           section, the Administration shall make a grant  
10          under subparagraph (A) to each intermediary  
11          of not less than 25 percent and not more than  
12          30 percent of that total outstanding balance for  
13          the intermediary.”; and

14                 (C) by striking paragraph (7) and insert-  
15                 ing the following:

16                 “(7) PROGRAM FUNDING FOR MICROLOANS.—  
17                 Under the program authorized by this subsection,  
18                 the Administration may fund, on a competitive basis,  
19                 not more than 300 intermediaries.”.

20                 (2) AMENDMENT IN 2021.—Effective on October  
21                 1, 2021, section 7(m)(3)(C) of the Small Business  
22                 Act (15 U.S.C. 636(m)(3)(C)) is amended—

23                         (A) by striking “\$10,000,000” and by in-  
24                         serting “\$7,000,000”; and

1 (B) by striking “\$4,500,000” and insert-  
2 ing “\$3,000,000”.

3 (c) TEMPORARY WAIVER OF TECHNICAL ASSISTANCE  
4 GRANTS MATCHING REQUIREMENTS AND FLEXIBILITY  
5 ON PRE- AND POST-LOAN ASSISTANCE.—During the pe-  
6 riod beginning on the date of enactment of this Act and  
7 ending on September 30, 2021, the Administration shall  
8 waive—

9 (1) the requirement to contribute non-Federal  
10 funds under section 7(m)(4)(B) of the Small Busi-  
11 ness Act (15 U.S.C. 636(m)(4)(B)); and

12 (2) the limitation on amounts allowed to be ex-  
13 pended to provide information and technical assist-  
14 ance under clause (i) of section 7(m)(4)(E) of the  
15 Small Business Act (15 U.S.C. 636(m)(4)(E)) and  
16 enter into third-party contracts to provide technical  
17 assistance under clause (ii) of such section  
18 7(m)(4)(E).

19 (d) TEMPORARY DURATION OF LOANS TO BOR-  
20 ROWERS.—

21 (1) IN GENERAL.—During the period beginning  
22 on the date of enactment of this Act and ending on  
23 September 30, 2021, the duration of a loan made by  
24 an eligible intermediary under section 7(m) of the  
25 Small Business Act (15 U.S.C. 636(m))—

1 (A) to an existing borrower may be ex-  
2 tended to not more than 8 years; and

3 (B) to a new borrower may be not more  
4 than 8 years.

5 (2) REVERSION.—On and after October 1,  
6 2021, the duration of a loan made by an eligible  
7 intermediary to a borrower under section 7(m) of  
8 the Small Business Act (15 U.S.C. 636(m)) shall be  
9 7 years or such other amount established by the Ad-  
10 ministrator.

11 (e) PROGRAM LEVELS.—Section 20 of the Small  
12 Business Act (15 U.S.C. 631 note) is amended by adding  
13 at the end the following:

14 “(h) MICROLOAN PROGRAM.—For each of fiscal  
15 years 2021 through 2025, the Administration is author-  
16 ized to make—

17 “(1) \$80,000,000 in technical assistance grants,  
18 as provided in section 7(m); and

19 “(2) \$110,000,000 in direct loans, as provided  
20 in section 7(m).”.

21 (f) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
22 tion to amounts provided under the Consolidated Appro-  
23 priations Act, 2020 (Public Law 116–93) for the program  
24 established under section 7(m) of the Small Business Act  
25 (15 U.S.C. 636(m)), there is authorized to be appro-

1 priated for fiscal year 2020, to remain available until ex-  
2 pended—

3 (1) \$50,000,000 to provide technical assistance  
4 grants under such section 7(m); and

5 (2) \$7,000,000 to provide direct loans under  
6 such section 7(m).

7 **SEC. 14. ELECTRONIC SUBMISSIONS FOR THE SMALL BUSI-**  
8 **NESS INVESTMENT COMPANY PROGRAM.**

9 (a) **PURPOSE.**—The purpose of this section is to  
10 quickly provide capital to struggling small business con-  
11 cerns by allowing electronic signatures to expedite the ap-  
12 proval process of the Administration for additional invest-  
13 ment funds, especially as staff telework.

14 (b) **ELECTRONIC SUBMISSIONS.**—Unless otherwise  
15 prohibited by law or regulation, the Administration shall  
16 permit any document submitted under section 103 of the  
17 Small Business Investment Act of 1958 (15 U.S.C. 662)  
18 or pursuant to a regulation carrying out title V of such  
19 Act (15 U.S.C. 695 et seq.) to be submitted electronically,  
20 including by permitting an electronic signature for any  
21 signature that is required on such a document.

22 (c) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
23 tion shall be construed to preempt, supersede, or otherwise  
24 prohibit private sector requirements, covenants, customary

1 practices, obligations, or legal prohibitions against elec-  
2 tronic signatures.

3 **SEC. 15. BUSINESS STABILIZATION DIRECT LOAN PRO-**  
4 **GRAM.**

5 (a) DEFINITION OF ELIGIBLE BORROWER.—In this  
6 section, the term “eligible borrower” means a small busi-  
7 ness concern that is located in the United States (as de-  
8 fined in section 4(a) of the Small Business Act (15 U.S.C.  
9 633(a))) with a confirmed or presumed positive case of  
10 COVID–19.

11 (b) PROGRAM.—The Administrator shall carry out a  
12 program to make loans directly to eligible borrowers.

13 (c) USE OF FUNDS.—In addition to the use of loan  
14 proceeds permitted under section 7(a) of the Small Busi-  
15 ness Act (15 U.S.C. 636(a)), loans made under this sec-  
16 tion may be used for the following purposes:

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

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

1 benefits, including a pension plan or individual re-  
2 tirement account.

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

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

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

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

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

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

24 (9) To provide employees and patrons of the eli-  
25 gible borrower with the necessary items specified by

1 any public health authority to mitigate the spread of  
2 COVID-19.

3 (d) LOAN TERMS.—

4 (1) AMOUNT.—Loans made under this section  
5 may not exceed \$2,500,000.

6 (2) DISBURSEMENT.—Not less than 10 percent,  
7 but not more than 20 percent, of the proceeds of a  
8 loan made under this section shall be disbursed not  
9 later than 5 calendar days after a loan is approved  
10 under this section.

11 (3) TERM.—Loans made under this section  
12 shall be for a term of 10 years, and an eligible bor-  
13 rower shall not be required to repay such loan dur-  
14 ing the 12-month period beginning on the date of  
15 disbursement of the loan.

16 (4) INTEREST; FEES.—The Administrator may  
17 not charge any interest or fees for a loan made  
18 under this section.

19 (e) COLLATERAL.—The Administrator—

20 (1) shall not decline to make a loan under this  
21 section to an otherwise eligible borrower due solely  
22 to inadequate collateral; and

23 (2) shall accept any available collateral, includ-  
24 ing subordinated liens, to secure a loan made under  
25 this section.

1 (f) FORGIVENESS.—If an eligible borrower that re-  
2 ceives loan proceeds under this section demonstrates to the  
3 Administrator that the number of employees of the eligible  
4 borrower on December 31, 2021, is greater than or equal  
5 to the number of employees of the eligible borrower on  
6 December 31, 2019, the Administrator shall forgive not  
7 more than 50 percent of the outstanding principal on such  
8 loan.

9 (g) SUNSET.—

10 (1) IN GENERAL.—Except as provided in para-  
11 graph (2), the Administrator may not make a loan  
12 under this section after September 30, 2022.

13 (2) EXTENSION.—The Administrator may ex-  
14 tend authority to make loans under this section by  
15 an additional 6 months by notifying Congress, in  
16 writing, within 10 calendar days before any exten-  
17 sion.

18 (h) EMERGENCY RULEMAKING AUTHORITY.—In  
19 issuing rules to carry out this section under section 25,  
20 the Administrator may issue rules to establish a secondary  
21 market for loans made under this section.

22 (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
23 authorized to be appropriated to the Administrator of the  
24 Small Business Administration such sums as may be nec-  
25 essary to pay for the cost (as defined in section 502 of

1 the Congressional Budget Act of 1974 (2 U.S.C. 661a))  
2 of making \$100,000,000,000 in direct loans under this  
3 section.

4 **SEC. 16. STATE TRADE EXPANSION PROGRAM.**

5 The Administrator may use amounts appropriated to  
6 carry out the State Trade Expansion Program established  
7 under section 22(l) of the Small Business Act (15 U.S.C.  
8 649(l)) for fiscal years 2018 and 2019 that remain unobli-  
9 gated or unexpended to carry out the State Trade Expan-  
10 sion Program through the end of fiscal year 2021.

11 **SEC. 17. CONTRACTING AND ENTREPRENEURIAL DEVELOP-**  
12 **MENT ASSISTANCE.**

13 (a) PURPOSE.—The purpose of this section is to pro-  
14 vide—

15 (1) flexibility to small business Federal sup-  
16 pliers and to the Federal Government to more quick-  
17 ly award contracting dollars to small business con-  
18 cerns in times of economic uncertainty and down-  
19 turn related to COVID–19; and

20 (2) additional funds to resource partners of the  
21 Administration, such as small business development  
22 centers, women’s business centers, and SCORE to  
23 conduct outreach to small business concerns affected  
24 by COVID–19, including by increasing their virtual  
25 outreach capacity.

1 (b) DEFINITIONS.—In this section—

2 (1) the term “contracting officer” has the  
3 meaning given the term in section 36(e) of the Small  
4 Business Act (15 U.S.C. 657f(e));

5 (2) the term “covered entity” means a small  
6 business concern or nonprofit organization—

7 (A) that is a party to a contract with a  
8 Federal agency; and

9 (B) for which the contractor performance  
10 is adversely impacted as a result of COVID–19;

11 (3) the term “economically disadvantaged  
12 women-owned small business” has the meaning  
13 given the term in section 127.102 of title 13, Code  
14 of Federal Regulations, or any successor regulation;

15 (4) the term “HUBZone small business con-  
16 cern” has the meaning given the term in section  
17 31(b) of the Small Business Act (15 U.S.C.  
18 657a(b));

19 (5) the term “SCORE” means the Service  
20 Corps of Retired Executives program established  
21 under section 8(b)(1)(B) of the Small Business Act  
22 (15 U.S.C. 637(b)(1)(B));

23 (6) the term “small business concern owned  
24 and controlled by service-disabled veterans” has the

1 meaning given the term in section 3(q) of the Small  
2 Business Act (15 U.S.C. 632(q));

3 (7) the term “small business concern owned  
4 and controlled by women” has the meaning given the  
5 term in section 8(m) of the Small Business Act (15  
6 U.S.C. 637(m));

7 (8) the term “small business development cen-  
8 ter” has the meaning given the term in section 3(t)  
9 of the Small Business Act (15 U.S.C. 632(t)); and

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

13 (c) PROMOTION OF SMALL BUSINESS CON-  
14 TRACTING.—

15 (1) SMALL BUSINESS CONTRACTING RELIEF.—

16 Notwithstanding any other provision of law or regu-  
17 lation, during the period beginning on the date of  
18 enactment of this Act and ending on September 30,  
19 2021, the head of the Federal agency with which a  
20 covered entity has a contract shall provide the cov-  
21 ered entity with the greater of—

22 (A) 30 additional days to carry out the re-  
23 sponsibilities of the covered entity under the  
24 contract; or

1 (B) an additional amount of time to carry  
2 out the responsibilities of the covered entity  
3 under the contract that the head of the Federal  
4 agency determines to be appropriate after tak-  
5 ing into consideration the severity of the ad-  
6 verse impact experienced by the covered entity.

7 (2) PAYMENT CONTINUATION.—If the perform-  
8 ance of all or any part of the work of a Federal  
9 goods or services contract with a contractor that is  
10 a small business concern or a nonprofit organization  
11 in force and effect during the period beginning on  
12 the date of enactment of this Act and ending on  
13 September 30, 2021, is unavoidably delayed or inter-  
14 rupted by the inability of the employees of the small  
15 business concern or nonprofit organization, as appli-  
16 cable, to access Government facilities, systems, or  
17 other Government-provided resources due to restric-  
18 tions related to COVID–19 that have been imposed  
19 by any authority or due to orders or instructions  
20 issued by the contracting agency in response to  
21 COVID–19—

22 (A) the Government shall pay the small  
23 business concern or nonprofit organization, as  
24 applicable, upon the submission of the docu-  
25 mentation required by the contract and accord-

1 ing to the terms specified in the contract, the  
2 prices stipulated in the contract for goods or  
3 services as if the small business concern or non-  
4 profit organization, as applicable, had rendered  
5 and the Government accepted the goods or serv-  
6 ices; and

7 (B) contractor delivery schedules shall be  
8 revised and the small business concern or non-  
9 profit organization, as applicable, shall be eligi-  
10 ble for equitable adjustments based on the re-  
11 vised schedules.

12 (3) TEMPORARY SOLE-SOURCE AWARD PARITY  
13 AMONG CONTRACTING PROGRAMS.—Notwithstanding  
14 any other provision of law or regulation, during the  
15 period beginning on the date of enactment of this  
16 Act and ending on September 30, 2021, with respect  
17 to a small business concern owned and controlled by  
18 women, an economically disadvantaged women-  
19 owned small business, a HUBZone small business  
20 concern, or a small business concern owned and con-  
21 trolled by service-disabled veterans, a contracting of-  
22 ficer may award a sole source contract to the small  
23 business concern if the anticipated award price of  
24 the contract will not exceed the maximum permis-  
25 sible amount for the contract, as provided under the

1 applicable provision of the Small Business Act (15  
2 U.S.C. 631 et seq.), as amended by this subsection.

3 (4) INCREASING SOLE SOURCE CAPS.—

4 (A) QUALIFIED HUBZONE SMALL BUSI-  
5 NESS CONCERNS.—Section 31(c)(2)(A)(ii) of  
6 the Small Business Act (15 U.S.C.  
7 657a(c)(2)(A)(ii)) is amended—

8 (i) in subclause (I), by striking  
9 “\$5,000,000” and inserting  
10 “\$10,000,000”; and

11 (ii) in subclause (II), by striking  
12 “\$3,000,000” and inserting “\$8,000,000”.

13 (B) SMALL BUSINESS CONCERNS OWNED  
14 AND CONTROLLED BY SERVICE-DISABLED VET-  
15 ERANS.—Section 36(a)(2) of the Small Busi-  
16 ness Act (15 U.S.C. 657f(a)(2)) is amended—

17 (i) in subparagraph (A), by striking  
18 “\$5,000,000” and inserting  
19 “\$10,000,000”; and

20 (ii) in subparagraph (B), by striking  
21 “\$3,000,000” and inserting “\$8,000,000”.

22 (C) SMALL BUSINESS CONCERNS OWNED  
23 AND CONTROLLED BY SOCIALLY AND ECONOMI-  
24 CALLY DISADVANTAGED INDIVIDUALS.—Section

1           8(a)(1)(D)(i)(II) of the Small Business Act (15  
2           U.S.C. 637(a)(1)(D)(i)(II)) is amended—

3                   (i) by striking “\$5,000,000” and in-  
4                   serting “\$10,000,000”; and

5                   (ii) by striking “\$3,000,000” and in-  
6                   serting “\$8,000,000”.

7           (D) CERTAIN SMALL BUSINESS CONCERNS  
8           OWNED AND CONTROLLED BY WOMEN.—Section  
9           8(m) of the Small Business Act (15 U.S.C.  
10          637(m)) is amended—

11                   (i) in paragraph (7)(B)—

12                           (I) in clause (i), by striking  
13                           “\$6,500,000”           and           inserting  
14                           “\$10,000,000”; and

15                           (II) in clause (ii), by striking  
16                           “\$4,000,000”           and           inserting  
17                           “\$8,000,000”; and

18                   (ii) in paragraph (8)(B)—

19                           (I) in clause (i), by striking  
20                           “\$6,500,000”           and           inserting  
21                           “\$10,000,000”; and

22                           (II) in clause (ii), by striking  
23                           “\$4,000,000”           and           inserting  
24                           “\$8,000,000”.

1           (5) CATEGORY MANAGEMENT.—Section 15 of  
2 the Small Business Act (15 U.S.C. 644) is amended  
3 by adding at the end the following:

4           “(y) CATEGORY MANAGEMENT.—

5           “(1) DEFINITION OF CONTRACT.—In this sub-  
6 section, the term ‘contract’ includes a prime con-  
7 tract, a task order, a delivery order, a blanket pur-  
8 chase agreement, and a basic ordering agreement.

9           “(2) EXEMPTION.—Any acquisition for a con-  
10 tract to be awarded under the procedures of section  
11 8(a), 8(m), 31, or 36 or under subsection (a) or (j)  
12 of this section, including an acquisition for commer-  
13 cial items, shall be—

14           “(A) exempt from the procedural require-  
15 ments of agency-level or Governmentwide guid-  
16 ance on category management, best in class so-  
17 lutions, common contract solutions, or successor  
18 strategies for contract consolidation; and

19           “(B) disregarded when measuring attain-  
20 ment of any goal or benchmark established  
21 under agency-level or Governmentwide guidance  
22 on category management, best in class solu-  
23 tions, common contract solutions, or successor  
24 strategies for contract consolidation, unless con-

1           sidering the acquisition aids in the achievement  
2           of the goal or benchmark.

3           “(3) PROHIBITION.—Once a contract has been  
4           awarded under the section 8(a), 8(m), 31, or 36 or  
5           under subsection (a) or (j) of this section, including  
6           an acquisition for commercial items, the contract  
7           shall not be removed and placed in category manage-  
8           ment, best in class solutions, common contract solu-  
9           tions, or successor strategies for contract consolida-  
10          tion.”.

11          (6) PROMPT PAYMENTS.—Notwithstanding any  
12          other provision of law or regulation, during any pe-  
13          riod in which the President invokes the authorities  
14          of the Defense Production Act of 1950 (50 U.S.C.  
15          4501 et seq.), for any payment due by the head of  
16          an agency on a contract for an item of property or  
17          service provided—

18                 (A) with respect to a prime contractor (as  
19                 defined in section 8701 of title 41, United  
20                 States Code) that is a small business concern or  
21                 nonprofit organization, the head of the agency  
22                 shall, to the fullest extent permitted by law and  
23                 to the maximum extent practicable, establish an  
24                 accelerated payment date of 15 days after a

1 proper invoice for the amount due is received;  
2 and

3 (B) with respect to a prime contractor (as  
4 defined in section 8701 of title 41, United  
5 States Code) that subcontracts with a small  
6 business concern or nonprofit organization, the  
7 head of the agency shall, to fullest extent per-  
8 mitted by law and to the maximum extent prac-  
9 ticable, establish an accelerated payment date  
10 of 15 days after receipt of a proper invoice for  
11 the amount due if the prime contractor agrees  
12 to make payments to the subcontractor in ac-  
13 cordance with the accelerated payment date, to  
14 the maximum extent practicable, without any  
15 further consideration from or fees charged to  
16 the subcontractor.

17 (d) PROMOTION OF SMALL BUSINESS ECONOMIC DE-  
18 VELOPMENT PROGRAMS.—

19 (1) AUTHORIZATION OF APPROPRIATIONS.—

20 There is authorized to be appropriated to the Ad-  
21 ministrator the following amounts, which shall re-  
22 main available until expended:

23 (A) \$18,750,000 to carry out the women's  
24 business center program under section 29 of  
25 the Small Business Act (15 U.S.C. 656), with

1           respect to which the following requirements  
2           shall apply:

3                   (i) The Administrator shall allocate  
4                   that amount so that each women’s busi-  
5                   ness center operating pursuant to that sec-  
6                   tion receives an equal allocation, unless the  
7                   Administrator determines that another  
8                   manner of allocation is necessary.

9                   (ii) A center that receives amounts  
10                  under this subparagraph shall not be sub-  
11                  ject to the requirement to provide non-Fed-  
12                  eral funding under section 29(c) of the  
13                  Small Business Act (15 U.S.C. 656(c)).

14                  (iii) A center that receives amounts  
15                  under this subparagraph shall use the  
16                  grant to—

17                           (I) enhance remote services pro-  
18                           vided by the center; and

19                           (II) provide counseling, training,  
20                           and other related services, such as  
21                           promoting long-term resiliency, to  
22                           small business concerns and entre-  
23                           preneurs impacted by or experiencing  
24                           substantial economic injury as a result  
25                           of COVID–19.

1 (B) \$1,000,000 to carry out SCORE,  
2 which shall be used to—

3 (i) hire staff members with respect to  
4 SCORE to develop and implement an edu-  
5 cation program to—

6 (I) provide mentoring and other  
7 related services, such as promoting  
8 long-term resiliency, to small business  
9 concerns and entrepreneurs impacted  
10 by or experiencing substantial eco-  
11 nomic injury as a result of COVID-  
12 19;

13 (II) help owners of small busi-  
14 ness concerns address issues relating  
15 to COVID-19; and

16 (III) educate volunteers with re-  
17 spect to the program regarding issues  
18 relating to COVID-19;

19 (ii) develop and design content relat-  
20 ing to the issues described in clause (i);

21 (iii) encourage the use of virtual men-  
22 toring and workshops in carrying out  
23 SCORE; and

24 (iv) recruit and train more virtual  
25 mentors.

1 (C) \$40,000,000 to hire additional staff to  
2 carry out the small business development pro-  
3 gram established under section 21 of the Small  
4 Business Act (15 U.S.C. 648), with respect to  
5 which the following requirements shall apply:

6 (i) A small business development cen-  
7 ter receiving funds under this subpara-  
8 graph shall not be subject to the require-  
9 ment to provide matching amounts under  
10 subparagraphs (A) and (B) of section  
11 21(a)(4) of the Small Business Act (15  
12 U.S.C. 648(a)(4)).

13 (ii) The Administrator shall allocate  
14 the funds according to the funding formula  
15 described in section 21(a)(4)(C) of the  
16 Small Business Act (15 U.S.C.  
17 648(a)(4)(C)), unless the Administrator  
18 determines that another manner of alloca-  
19 tion is necessary.

20 (iii) Funds provided under this sub-  
21 paragraph shall be used to provide coun-  
22 seling, training, and other related services,  
23 such as promoting long-term resiliency, to  
24 small business concerns and entrepreneurs  
25 impacted by or experiencing substantial

1 economic injury as a result of COVID–19,  
2 which shall include training and advising  
3 on—

4 (I) the hazards and prevention of  
5 the transmission and communication  
6 of the COVID–19 and other commu-  
7 nicable diseases;

8 (II) the potential effects to their  
9 supply chains and the distribution and  
10 sale of products, and the mitigation of  
11 those effects;

12 (III) the management and prac-  
13 tice of telework to reduce possible  
14 transmission;

15 (IV) the management and prac-  
16 tice of remote customer service by  
17 electronic or other means;

18 (V) the risks and mitigation of  
19 cyber threats in remote customer serv-  
20 ice or telework practices;

21 (VI) the mitigation of the effects  
22 of reduced travel or outside activities  
23 on small business concerns during  
24 COVID–19 or similar occurrences;  
25 and

1 (VII) any other relevant business  
2 practices necessary to mitigate the  
3 economic effects of COVID-19 or  
4 similar occurrences.

5 (2) METRICS.—The Administrator, in coopera-  
6 tion with recipients of financial assistance under  
7 paragraph (1), shall establish metrics and goals for  
8 performance of activities using funds provided under  
9 paragraph (1).

10 (3) APPLICATION.—

11 (A) IN GENERAL.—A small business devel-  
12 opment center, a women’s business center, or  
13 SCORE shall submit an application to the Ad-  
14 ministrator to receive assistance under para-  
15 graph (1).

16 (B) PROVISION OF ASSISTANCE.—The Ad-  
17 ministrator shall provide assistance under para-  
18 graph (1) after making a determination that  
19 the applicant is in need of financial assistance  
20 due to economic injury as a result of COVID-  
21 19 or has the capacity to provide assistance to  
22 small business concerns affected by COVID-19.

23 (4) WAIVER.—During the period beginning on  
24 the date of enactment of this Act and ending on  
25 September 30, 2021, the requirement relating to ob-

1 taining matching contributions from non-Federal  
2 sources under sections 21(a)(4) and 29(c) of the  
3 Small Business Act (15 U.S.C. 648(a)(4), 656(c)) is  
4 waived for any recipient of assistance under such  
5 section 21 or 29, respectively.

6 (5) SBA CREATION OF MADE IN AMERICA  
7 LIST.—

8 (A) SHORT TERM RESPONSE.—Not later  
9 than 60 days after the date of enactment of  
10 this Act the resource partners of the Adminis-  
11 tration, including small business development  
12 centers, women’s business centers, SCORE, and  
13 veterans business outreach centers, shall pro-  
14 vide the Administrator with a list of the small  
15 business concerns—

16 (i) that those partners have served  
17 during the 10-year period preceding the  
18 date on which the list is created; and

19 (ii) that self-identify as having, or as  
20 expecting to have, supply chain  
21 vulnerabilities.

22 (B) CREATION OF LIST.—Based on the list  
23 provided under subparagraph (A), the Adminis-  
24 tration shall create a list of small business con-  
25 cerns entitled the “Made in America” list.

1 (C) LONG TERM RESPONSE.—

2 (i) IN GENERAL.—After the creation  
3 of the list under subparagraph(B)—

4 (I) the Administrator shall—

5 (aa) share the list with the  
6 resource partners of the Adminis-  
7 tration, including the entities de-  
8 scribed in subparagraph (A);

9 (bb) update the list not less  
10 frequently than once every 6  
11 months, or at such intervals as  
12 the Administrator may determine  
13 appropriate;

14 (cc) on an ongoing basis,  
15 seek to match the small business  
16 concerns identified on the list  
17 (referred to in this subparagraph  
18 as “listed small business con-  
19 cerns”), as updated under item  
20 (bb), with—

21 (AA) suppliers identi-  
22 fied under subclause (II);  
23 and

24 (BB) any other supplier  
25 that may be able to address

1                   the           supply           chain  
2                   vulnerabilities of the listed  
3                   small business concerns; and  
4                   (dd) in carrying out item  
5                   (cc), collaborate with other Fed-  
6                   eral agencies, including the Mi-  
7                   nority Business Development  
8                   Agency of the Department of  
9                   Commerce, to identify supply  
10                  chain vulnerabilities in the  
11                  United States that small business  
12                  concerns may be able to address;  
13                  and

14                  (II) the resource partners of the  
15                  Administration shall disseminate the  
16                  list received under subclause (I)(aa)  
17                  to manufacturing clients of those  
18                  partners with the objective of match-  
19                  ing the listed small business concerns  
20                  with suppliers that are able to address  
21                  the supply chain vulnerabilities of  
22                  those small business concerns.

23                  (ii) REPORT.—Not later than 1 year  
24                  after the date of enactment of this Act,  
25                  and annually thereafter, the Administrator

1 shall submit to the Committee on Small  
2 Business and Entrepreneurship of the Sen-  
3 ate and the Committee on Small Business  
4 of the House of Representatives a report  
5 that contains—

6 (I) the number of listed small  
7 business concerns, as updated under  
8 clause (i)(I)(bb);

9 (II) the number of notification of  
10 opportunities that went out requesting  
11 new small business concern suppliers;  
12 and

13 (III) the number of matches  
14 made from the list required under this  
15 paragraph.

16 (e) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
17 tion to amounts provided under any other provision of law,  
18 there is authorized to be appropriated \$150,000,000, to  
19 remain available until expended, under the heading “Small  
20 Business Administration—Entrepreneurial Development  
21 Programs”, of which—

22 (1) \$40,000,000 shall be to support programs  
23 carried out by small business development centers  
24 described in section 21 of the Small Business Act  
25 (15 U.S.C. 648);

1           (2) \$18,750,000 shall be to support programs  
2 carried out by women’s business centers described in  
3 section 29 of such Act (15 U.S.C. 656);

4           (3) \$1,000,000 shall be to support programs  
5 carried out by the Service Corps of Retired Execu-  
6 tives authorized under section 8(b)(1) of such Act  
7 (15 U.S.C. 637(b)(1));

8           (4) \$50,000,000 shall be for microloan tech-  
9 nical assistance grants under section 7(m)(4) of  
10 such Act (15 U.S.C. 636(m)(4)); and

11           (5) \$40,250,000 shall be for additional grants  
12 for technical assistance, counseling, mentoring,  
13 training, and workshops for outreach to small busi-  
14 ness concerns impacted by COVID–19.

15 **SEC. 18. SMALL BUSINESS INTERMEDIARY LENDING PRO-**  
16 **GRAM.**

17           (a) IN GENERAL.—Section 7(l) of the Small Business  
18 Act (15 U.S.C. 636(l)) is amended—

19           (1) in the subsection heading, by striking  
20 “PILOT”;

21           (2) in paragraph (1)—

22                   (A) in subparagraph (A), by striking  
23 “and” at the end;

24                   (B) by redesignating subparagraph (B) as  
25 subparagraph (C);

1 (C) by inserting after subparagraph (A)  
2 the following:

3 “(B) the term ‘newly established small  
4 business concern’ means a small business con-  
5 cern that has been existence for not more than  
6 2 years on the date on which a loan is made to  
7 the small business concern under the Pro-  
8 gram;”;

9 (D) in subparagraph (C), as so redesign-  
10 nated—

11 (i) by striking “pilot”; and

12 (ii) by striking the period at the end  
13 and inserting a semicolon; and

14 (E) by adding at the end the following:

15 “(D) the term ‘small business concern in  
16 an underserved market’ means a small business  
17 concern—

18 “(i) that is located in—

19 “(I) a low- to moderate-income  
20 community;

21 “(II) a HUBZone;

22 “(III) a community that has been  
23 designated as an empowerment zone  
24 or an enterprise community under

1 section 1391 of the Internal Revenue  
2 Code of 1986;

3 “(IV) a community that has been  
4 designated as a promise zone by the  
5 Secretary of Housing and Urban De-  
6 velopment;

7 “(V) a community that has been  
8 designated as a qualified opportunity  
9 zone under section 1400Z-1 of the In-  
10 ternal Revenue Code of 1986; or

11 “(VI) a rural area;

12 “(ii) that has more than 50 percent of  
13 employees residing in a low- or moderate-  
14 income community;

15 “(iii) that is a startup or new busi-  
16 ness;

17 “(iv) owned and controlled by socially  
18 and economically disadvantaged individ-  
19 uals, including Black Americans, Hispanic  
20 Americans, Native Americans, Asian Pa-  
21 cific Americans, and other minorities;

22 “(v) owned and controlled by women;

23 “(vi) owned and controlled by vet-  
24 erans;

1           “(vii) owned and controlled by service-  
2 disabled veterans;

3           “(viii) not less than 51 percent owned  
4 and controlled by 1 or more—

5           “(I) members of the Armed  
6 Forces participating in the Transition  
7 Assistance Program of the Depart-  
8 ment of Defense;

9           “(II) Reservists;

10           “(III) spouses of veterans, mem-  
11 bers of the Armed Forces, or Reserv-  
12 ists; or

13           “(IV) surviving spouses of vet-  
14 erans who died on active duty or as a  
15 result of a service-connected disability;  
16 or

17           “(V) individuals who have com-  
18 pleted a term of imprisonment in Fed-  
19 eral, State, or local jail or prison; or

20           “(ix) that is eligible to receive a vet-  
21 erans advantage loan;

22           “(E) the term ‘small business concern  
23 owned and controlled by socially and economi-  
24 cally disadvantaged individuals’ has the mean-  
25 ing given the term in section 8(d)(3)(C); and

1           “(F) the term ‘startup’ means a business  
2 that has not yet opened.”;

3           (3) in paragraph (2)—

4                 (A) by striking “3-year”; and

5                 (B) by striking “pilot”;

6           (4) in paragraph (3)—

7                 (A) in subparagraph (A), by striking  
8 “and” at the end;

9                 (B) in subparagraph (B), by striking the  
10 period at the end and inserting “; and”; and

11                 (C) by adding at the end the following:

12                     “(C) to provide flexible capital to and  
13 through mission lenders who are best positioned  
14 to understand community need and respond  
15 quickly to it during times of economic down-  
16 turn, especially as a result of a disaster, includ-  
17 ing those caused by public health threats.”;

18           (5) in paragraph (4)—

19                 (A) by striking subparagraph (B) and in-  
20 serting the following:

21                     “(B) LOAN LIMITS.—

22                             “(i) SINGLE LOAN.—

23                                     “(I) IN GENERAL.—Except as  
24 provided in subclause (II), no single  
25 loan to an eligible intermediary under

1                   this subsection may exceed  
2                   \$1,000,000.

3                   “(II) EXCEPTION FOR UNDER-  
4                   SERVED MARKETS.—If an eligible  
5                   intermediary makes not less than 60  
6                   percent of its loans to small business  
7                   concerns in underserved markets, the  
8                   eligible intermediary may receive a  
9                   single loan under this subsection of  
10                  \$1,500,000.

11                  “(ii) TOTAL AMOUNT.—The total  
12                  amount outstanding and committed to an  
13                  eligible intermediary by the Administrator  
14                  under the Program may not exceed  
15                  \$5,000,000.

16                  “(iii) CONSIDERATIONS.—In deter-  
17                  mining whether to make a loan to an eligi-  
18                  ble intermediary before prior loans made to  
19                  the eligible intermediary under the Pro-  
20                  gram are paid off, the Administrator shall  
21                  take into consideration the lending experi-  
22                  ence and track record of the eligible inter-  
23                  mediary within the Program.”; and

24                  (B) by striking subparagraphs (F) and (G)  
25                  and inserting the following:

1 “(F) DELAYED PAYMENTS.—

2 “(i) IN GENERAL.—The Administrator  
3 shall not require the repayment of prin-  
4 cipal or interest on a loan made to an eligi-  
5 ble intermediary under the Program dur-  
6 ing the 2-year period beginning on the date  
7 of the initial disbursement of funds under  
8 that loan.

9 “(ii) DELAYED PAYMENTS FOR CER-  
10 TAIN SMALL BUSINESS CONCERNS.—An el-  
11 igible intermediary shall not require the re-  
12 payment of principal or interest on a loan  
13 made to a manufacturing or high-tech, in-  
14 novative small business concern for the  
15 purposes of commercialization, including  
16 firms involved in the SBIR and STTR pro-  
17 grams under section 9, until the earlier  
18 of—

19 “(I) that date that is 6 months  
20 after the date of the initial disburse-  
21 ment of funds under that loan; or

22 “(II) the date on which the small  
23 business concern brings in revenue.

24 “(G) REPAYMENT STRUCTURES.—The Ad-  
25 ministrator may allow eligible intermediaries to

1 engage borrowers in prudent repayment struc-  
2 tures, including revenue-based financing, based  
3 on the type of business and business industry  
4 needs.

5 “(H) MAXIMUM AMOUNTS.—In each fiscal  
6 year, the Administrator may make loans under  
7 the Program in a total amount of not more  
8 than \$30,000,000.”; and

9 (6) by striking paragraph (6) and inserting the  
10 following:

11 “(6) REPORT.—Not later than 1 year after the  
12 date of enactment of the COVID–19 Recovery by  
13 Enhancing Loan, Investment, and Education Funds  
14 for Small Businesses Act of 2020, the Administrator  
15 shall submit to the Committee on Small Business  
16 and Entrepreneurship of the Senate and the Com-  
17 mittee on Small Business of the House of Rep-  
18 resentatives a report regarding the performance and  
19 effectiveness of the Program, which shall include—

20 “(A) the number and dollar amount of  
21 loans made in each year the Program has been  
22 in effect;

23 “(B) each eligible intermediary that re-  
24 ceived a loan under the Program; and

1           “(C) any recommendations for improve-  
2           ments to the Program.

3           “(7) AUTHORIZATION OF APPROPRIATIONS.—

4           There is authorized to be appropriated to carry out  
5           this section—

6                   “(A) \$20,000,000 for fiscal year 2020; and

7                   “(B) \$30,000,000 for fiscal year 2021.”.

8           (b) RULEMAKING AUTHORITY.—Not later than 180  
9           days after the date of enactment of this Act, the Adminis-  
10          trator shall issue regulations to carry out section 7(l) of  
11          the Small Business Act (15 U.S.C. 636(l)), as amended  
12          by subsection (a).

13       **SEC. 19. COMMUNITY ADVANTAGE LOAN PROGRAM.**

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

16                   “(36) COMMUNITY ADVANTAGE LOAN PRO-  
17          GRAM.—

18                   “(A) PURPOSES.—The purposes of the  
19          Community Advantage Loan Program are—

20                           “(i) to create a mission-oriented loan  
21                           guarantee program that builds on the dem-  
22                           onstrated success of the Community Ad-  
23                           vantage Pilot Program of the Administra-  
24                           tion, as established in 2011, to reach more  
25                           underserved small business concerns;

1           “(ii) to increase lending to small busi-  
2           ness concerns in underserved and rural  
3           markets, including veterans and members  
4           of the military community, small business  
5           concerns owned and controlled by socially  
6           and economically disadvantaged individ-  
7           uals, women, and startups;

8           “(iii) to ensure that the program  
9           under this subsection (in this paragraph  
10          referred to as the ‘7(a) loan program’) is  
11          more inclusive and more broadly meets  
12          congressional intent to reach borrowers  
13          who are unable to get credit elsewhere on  
14          reasonable terms and conditions;

15          “(iv) to help underserved small busi-  
16          ness concerns become bankable by utilizing  
17          the small-dollar financing and business  
18          support experience of mission-oriented  
19          lenders;

20          “(v) to allow certain mission-oriented  
21          lenders, primarily nonprofit financial inter-  
22          mediaries focused on economic develop-  
23          ment in underserved markets, access to  
24          guarantees for loans under this subsection  
25          (in this paragraph referred to as ‘7(a)

1 loans') of not more than \$350,000 and  
2 provide management and technical assist-  
3 ance to small business concerns as needed;

4 “(vi) to provide certainty for the lend-  
5 ing partners that make loans under this  
6 subsection and to attract new lenders; and

7 “(vii) to encourage collaboration be-  
8 tween mission-oriented and conventional  
9 lenders under this subsection in order to  
10 support underserved small business con-  
11 cerns.

12 “(B) DEFINITIONS.—In this paragraph—

13 “(i) the term ‘covered institution’  
14 means—

15 “(I) a development company, as  
16 defined in section 103 of the Small  
17 Business Investment Act of 1958 (15  
18 U.S.C. 662), participating in the 504  
19 Loan Guaranty program established  
20 under title V of that Act (15 U.S.C.  
21 695 et seq.);

22 “(II) a nonprofit intermediary, as  
23 defined in subsection (m)(11), partici-  
24 pating in the microloan program  
25 under subsection (m);

1                   “(III) a non-Federally regulated  
2                   entity certified as a community devel-  
3                   opment financial institution by the  
4                   Community Development Financial  
5                   Institutions Fund established under  
6                   section 104(a) of the Riegle Commu-  
7                   nity Development and Regulatory Im-  
8                   provement Act of 1994 (12 U.S.C.  
9                   4703(a)); and

10                   “(IV) an eligible intermediary, as  
11                   defined in subsection (l)(1), partici-  
12                   pating in the Intermediary Lending  
13                   Program established under subsection  
14                   (l)(2);

15                   “(ii) the term ‘existing business’  
16                   means a small business concern that has  
17                   been in existence for not less than 2 years  
18                   on the date on which a loan is made to the  
19                   small business concern under the program;

20                   “(iii) the term ‘new business’ means a  
21                   small business concern that has been exist-  
22                   ence for not more than 2 years on the date  
23                   on which a loan is made to the small busi-  
24                   ness concern under the program;

1           “(iv) the term ‘program’ means the  
2           Community Advantage Loan Program es-  
3           tablished under subparagraph (C);

4           “(v) the term ‘Reservist’ means a  
5           member of a reserve component of the  
6           Armed Forces named in section 10101 of  
7           title 10, United States Code;

8           “(vi) the term ‘rural area’ means any  
9           county that the Bureau of the Census has  
10          defined as mostly rural or completely rural  
11          in the most recent decennial census;

12          “(vii) the term ‘service-connected’ has  
13          the meaning given the term in section  
14          101(16) of title 38, United States Code;

15          “(viii) the term ‘small business con-  
16          cern in an underserved market’ means a  
17          small business concern—

18                  “(I) that is located in—

19                          “(aa) a low- to moderate-in-  
20                          come community;

21                          “(bb) a HUBZone, as that  
22                          term is defined in section 31(b);

23                          “(cc) a community that has  
24                          been designated as an empower-  
25                          ment zone or an enterprise com-

1 munity under section 1391 of the  
2 Internal Revenue Code of 1986;

3 “(dd) a community that has  
4 been designated as a promise  
5 zone by the Secretary of Housing  
6 and Urban Development;

7 “(ee) a community that has  
8 been designated as a qualified  
9 opportunity zone under section  
10 1400Z-1 of the Internal Revenue  
11 Code of 1986; or

12 “(ff) a rural area;

13 “(II) for which more than 50  
14 percent of the employees reside in a  
15 low- or moderate-income community;

16 “(III) that is a startup or new  
17 business;

18 “(IV) owned and controlled by  
19 socially and economically disadvan-  
20 taged individuals, including Black  
21 Americans, Hispanic Americans, Na-  
22 tive Americans, Asian Pacific Ameri-  
23 cans, and other minorities;

24 “(V) owned and controlled by  
25 women;

1           “(VI) owned and controlled by  
2 veterans;

3           “(VII) owned and controlled by  
4 service-disabled veterans;

5           “(VIII) not less than 51 percent  
6 owned and controlled by 1 or more—

7               “(aa) members of the Armed  
8 Forces participating in the Tran-  
9 sition Assistance Program of the  
10 Department of Defense;

11               “(bb) Reservists;

12               “(cc) spouses of veterans,  
13 members of the Armed Forces, or  
14 Reservists; or

15               “(dd) surviving spouses of  
16 veterans who died on active duty  
17 or as a result of a service-con-  
18 nected disability;

19           “(IX) that is eligible to receive a  
20 veterans advantage loan; or

21           “(X) owned and controlled by an  
22 individual who has completed a term  
23 of imprisonment in a Federal, State,  
24 or local jail or prison;

1           “(ix) the term ‘small business concern  
2           owned and controlled by socially and eco-  
3           nomically disadvantaged individuals’ has  
4           the meaning given the term in section  
5           8(d)(3)(C);

6           “(x) the term ‘startup’ means a busi-  
7           ness that has not yet opened; and

8           “(xi) the term ‘veterans advantage  
9           loan’ means a loan made to a small busi-  
10          ness concern under this subsection that is  
11          eligible for a waiver of the guarantee fee  
12          under paragraph (18) or the yearly fee  
13          under paragraph (23) because the small  
14          business concern is a concern described in  
15          subclause (VI), (VII), or (VIII) of clause  
16          (viii).

17          “(C) ESTABLISHMENT.—There is estab-  
18          lished a Community Advantage Loan Program  
19          under which the Administration may guarantee  
20          loans made by covered institutions under this  
21          subsection, including loans made to small busi-  
22          ness concerns in underserved markets.

23          “(D) PROGRAM LEVELS.—In each of fiscal  
24          years 2020, 2021, 2022, 2023, 2024, and 2025,  
25          not more than 10 percent of the number of

1 loans guaranteed under this subsection may be  
2 guaranteed under the program.

3 “(E) NEW LENDERS.—

4 “(i) FISCAL YEARS 2021 AND 2022.—In  
5 each of fiscal years 2021 and 2022—

6 “(I) not more than 150 covered  
7 institutions shall participate in the  
8 program; and

9 “(II) the Administrator shall  
10 allow for new applicants and give pri-  
11 ority to applications submitted by any  
12 covered institution that is located in  
13 an area with insufficient or no lending  
14 under the program.

15 “(ii) FISCAL YEARS 2023, 2024, AND  
16 2025.—

17 “(I) IN GENERAL.—In each of  
18 fiscal years 2023, 2024, and 2025—

19 “(aa) except as provided in  
20 subclause (II), not more than  
21 175 covered institutions shall  
22 participate in the program; and

23 “(bb) the Administrator  
24 shall allow for new applicants  
25 and give priority to applications

1 submitted by any covered institu-  
2 tion that is located in an area  
3 with insufficient or no lending  
4 under the program.

5 “(II) EXCEPTION FOR FISCAL  
6 YEAR 2025.—In fiscal year 2025, not  
7 more than 200 covered institutions  
8 may participate in the program if—

9 “(aa) after reviewing the re-  
10 port under subparagraph (M),  
11 the Administrator determines  
12 that not more than 200 covered  
13 institutions may participate in  
14 the program;

15 “(bb) the Administrator no-  
16 tifies Congress in writing of the  
17 determination of the Adminis-  
18 trator under item (aa); and

19 “(cc) not later than July 30,  
20 2024, the Administrator notifies  
21 the public of the determination of  
22 the Administrator under item  
23 (aa).

24 “(F) GRANDFATHERING OF EXISTING  
25 LENDERS.—Any covered institution that par-

1           ticipated in the Community Advantage Pilot  
2           Program of the Administration and is in good  
3           standing on the day before the date of enact-  
4           ment of this paragraph—

5                   “(i) shall retain designation in the  
6                   program; and

7                   “(ii) shall not be required to submit  
8                   an application to participate in the pro-  
9                   gram.

10                   “(G) REQUIREMENT TO MAKE LOANS TO  
11                   UNDERSERVED MARKETS.—Not less than 75  
12                   percent of loans made by a covered institution  
13                   under the program shall consist of loans made  
14                   to small business concerns in underserved mar-  
15                   kets.

16                   “(H) MAXIMUM LOAN AMOUNT.—

17                   “(i) IN GENERAL.—Except as pro-  
18                   vided in clause (ii), the maximum loan  
19                   amount for a loan guaranteed under the  
20                   program is \$250,000.

21                   “(ii) EXCEPTION.—

22                   ““(I) IN GENERAL.—The Ad-  
23                   ministration may, in the discretion of  
24                   the Administration, approve a guar-  
25                   antee of a loan under the program

1 that is more than \$250,000 and not  
2 more than \$350,000.

3 “(II) NOTIFICATION.—Not later  
4 than 2 days after receiving a request  
5 for an exception to the maximum loan  
6 amount established under clause (i),  
7 the Administration shall—

8 “(aa) review the request;  
9 and

10 “(bb) provide a decision re-  
11 garding the request to the cov-  
12 ered institution making the loan.

13 “(I) TRAINING AND TECHNICAL ASSIST-  
14 ANCE.—The Administration—

15 “(i) shall, in person and online, pro-  
16 vide upfront and ongoing training and  
17 technical assistance for covered institutions  
18 making loans under the program in order  
19 to support prudent lending standards and  
20 improve the interface between the covered  
21 institutions and the Administration, which  
22 shall include—

23 “(I) guidance for following the  
24 regulations of the Administration, in-

1 including best practices for maintaining  
2 healthy portfolios of loans; and

3 “(II) directions for covered insti-  
4 tutions to do what is in the best inter-  
5 est of the borrowers, including by en-  
6 suring to the maximum extent pos-  
7 sible that those borrowers are in-  
8 formed about loans with the most fa-  
9 vorable terms for those borrowers;

10 “(ii) shall ensure that the training  
11 and technical assistance described in clause  
12 (i) is provided for free or at a low-cost;

13 “(iii) may enter into a contract to  
14 provide the training or technical assistance  
15 described in clause (i) with an organization  
16 with expertise in lending under this sub-  
17 section, mission-oriented lending, and lend-  
18 ing to underserved markets; and

19 “(iv) shall ensure that covered institu-  
20 tions adequately report the extent to which  
21 the covered institutions take the actions re-  
22 quired under clause (i)(II).

23 “(J) DELEGATED AUTHORITY.—A covered  
24 institution is not eligible to receive delegated  
25 authority from the Administration under the

1 program until the covered institution makes not  
2 less than 10 loans under the program, unless  
3 the Administration determines otherwise after  
4 an opportunity for public comment for a period  
5 of not less than 30 days before implementing  
6 such a change.

7 “(K) REGULATIONS.—

8 “(i) IN GENERAL.—Not later than  
9 180 days after the date of enactment of  
10 this paragraph and in accordance with the  
11 notice and comment procedures under sec-  
12 tion 553 of title 5, United States Code, the  
13 Administrator shall promulgate regulations  
14 to carry out the program, which shall be  
15 substantially similar to the Community Ad-  
16 vantage Pilot Program of the Administra-  
17 tion, as in effect on September 1, 2018,  
18 and shall—

19 “(I) outline the requirements for  
20 participation by covered institutions in  
21 the program;

22 “(II) define performance metrics  
23 for covered institutions participating  
24 in the program for the first time,  
25 which are required to be met in order

1 to continue participating in the pro-  
2 gram;

3 “(III) establish an acceptable  
4 range of program costs and level of  
5 risk that shall be based on other loan  
6 products—

7 “(aa) of similar size;

8 “(bb) that use similar lend-  
9 ers; and

10 “(cc) that are intended to  
11 reach similar borrowers;

12 “(IV) determine the credit score  
13 of a small business concern under  
14 which the Administration is required  
15 to underwrite a loan provided to the  
16 small business concern under the pro-  
17 gram and the loan may not be made  
18 using the delegated authority of a cov-  
19 ered institution;

20 “(V) require each covered institu-  
21 tion that sells loans made under the  
22 program on the secondary market to  
23 establish a loan loss reserve fund,  
24 which—

1           “(aa) with respect to cov-  
2           ered institutions in good stand-  
3           ing, including the covered institu-  
4           tions described in subparagraph  
5           (F), shall be maintained at a  
6           level equal to 3 percent of the  
7           outstanding guaranteed portion  
8           of the loans; and

9           “(bb) with respect to any  
10          other covered institution, shall be  
11          maintained at a level equal to 5  
12          percent of the outstanding guar-  
13          anteed portion of the loans; and

14          “(VI) allow the Administrator to  
15          require additional amounts to be de-  
16          posited into a loan loss reserve fund  
17          established by a covered institution  
18          under subclause (V) based on the risk  
19          characteristics or performance of the  
20          covered institution and the loan port-  
21          folio of the covered institution.

22          “(ii) TERMINATION OF PILOT PRO-  
23          GRAM.—Beginning on the date on which  
24          the regulations promulgated by the Admin-  
25          istrator under clause (i) take effect, the

1 Administrator may not carry out the Com-  
2 munity Advantage Pilot Program of the  
3 Administration.

4 “(L) GAO REPORT.—Not later than 3  
5 years after the date of enactment of this para-  
6 graph, the Comptroller General of the United  
7 States shall submit to the Administrator, the  
8 Committee on Small Business and Entrepre-  
9 neurship of the Senate, and the Committee on  
10 Small Business of the House of Representatives  
11 a report—

12 “(i) assessing—

13 “(I) the extent to which the pro-  
14 gram fulfills the requirements of this  
15 paragraph; and

16 “(II) the performance of covered  
17 institutions participating in the pro-  
18 gram; and

19 “(ii) providing recommendations on  
20 the administration of the program and the  
21 findings under subclauses (I) and (II) of  
22 clause (i).

23 “(M) WORKING GROUP.—

24 “(i) IN GENERAL.—Not later than 90  
25 days after the date of enactment of this

1 paragraph, the Administrator shall estab-  
2 lish a Community Advantage Working  
3 Group, which shall—

4 “(I) include—

5 “(aa) a geographically di-  
6 verse representation of members  
7 from among covered institutions  
8 participating in the program; and

9 “(bb) representatives from  
10 the Office of Capital Access of  
11 the Administration, including the  
12 Office of Credit Risk Manage-  
13 ment, the Office of Financial As-  
14 sistance, and the Office of Eco-  
15 nomic Opportunity;

16 “(II) develop recommendations  
17 on how the Administration can effec-  
18 tively manage, support, and promote  
19 the program and the mission of the  
20 program;

21 “(III) establish metrics of suc-  
22 cess and benchmarks that reflect the  
23 mission and population served by cov-  
24 ered institutions under the program,  
25 which the Administration shall use to

1 evaluate the performance of those cov-  
2 ered institutions;

3 “(IV) institute regular and sus-  
4 tainable systems of communication be-  
5 tween the Administration and covered  
6 institutions participating in the pro-  
7 gram; and

8 “(V) establish criteria for covered  
9 institutions regarding when those in-  
10 stitutions should provide technical as-  
11 sistance to borrowers under the pro-  
12 gram and the scope of that technical  
13 assistance.

14 “(ii) REPORT.—Not later than 180  
15 days after the date of enactment of this  
16 paragraph, the Administrator shall submit  
17 to the Committee on Small Business and  
18 Entrepreneurship of the Senate and the  
19 Committee on Small Business of the  
20 House of Representatives a report that in-  
21 cludes—

22 “(I) the recommendations of the  
23 Community Advantage Working  
24 Group established under clause (i);  
25 and

1                   “(II) a recommended plan and  
2                   timeline for implementation of those  
3                   recommendations.”.

4 **SEC. 20. ACCELERATING SMALL BUSINESS INNOVATIONS.**

5           (a) **PURPOSE.**—The purpose of this section is to ac-  
6 celerate the review and award of SBIR and STTR (as de-  
7 fined in section 9 of the Small Business Act (15 U.S.C.  
8 638)) projects at most civilian agencies in order to speed  
9 the development of innovations, which is particularly nec-  
10 essary to stimulate the economy and provide agencies with  
11 new technologies.

12           (b) **AMENDMENTS.**—Section 9 of the Small Business  
13 Act (15 U.S.C. 638) is amended—

14                   (1) in subsection (g)(8)—

15                           (A) in subparagraph (B), by striking  
16                           “and” at the end;

17                           (B) in subparagraph (C), by adding “and”  
18                           at the end; and

19                           (C) by adding at the end the following:

20                                   “(D) the average and median amount of  
21                                   time that each Federal agency with an SBIR  
22                                   program takes to review and make a final deci-  
23                                   sion on proposals submitted under the pro-  
24                                   gram;”;

25                   (2) in subsection (o)(9)—

1 (A) in subparagraph (B), by striking  
2 “and” at the end;

3 (B) in subparagraph (C), by adding “and”  
4 at the end; and

5 (C) by adding at the end the following:

6 “(D) the average and median amount of  
7 time that each Federal agency with an STTR  
8 program takes to review and make a final deci-  
9 sion on proposals submitted under the pro-  
10 gram;”;

11 (3) in subsection (hh), by adding at the end the  
12 following:

13 “(3) REQUIREMENT TO ACCELERATE SBIR AND  
14 STTR AWARDS OF CIVILIAN AGENCIES.—Not later  
15 than 1 year after the date of enactment of this para-  
16 graph, each Federal agency participating in the  
17 SBIR program or STTR program, other than the  
18 Department of Defense, shall establish a process to  
19 reduce the time for awards under the SBIR and  
20 STTR programs of the Federal agency by—

21 “(A) developing simplified and standard-  
22 ized application processes and requirements and  
23 simplified and standardized model contracts or  
24 awards throughout the Federal agency for  
25 Phase I, Phase II, and Phase III SBIR awards;

1           “(B) for Phase I SBIR and STTR awards,  
2           reducing the amount of time between solicita-  
3           tion closure and award;

4           “(C) for Phase II SBIR and STTR  
5           awards, reducing the amount of time between  
6           the end of a Phase I award and the start of the  
7           Phase II award;

8           “(D) for Phase II SBIR and STTR  
9           awards that skip Phase I, reducing the amount  
10          of time between solicitation closure and award;

11          “(E) for sequential Phase II SBIR and  
12          STTR awards, reducing the amount of time be-  
13          tween Phase II awards; and

14          “(F) reducing the award times described in  
15          subparagraphs (B), (C), (D), and (E) to not  
16          later than 180 days with respect to the Depart-  
17          ment of Health and Human Services, the Na-  
18          tional Science Foundation, and the Department  
19          of Agriculture, and as close to 90 days as pos-  
20          sible with respect to any other participating  
21          agency.”; and

22          (4) in subsection (ii), by adding at the end the  
23          following:

24                 “(3) ADDITIONAL COMPTROLLER GENERAL RE-  
25          PORTS.—The Comptroller General of the United

1 States shall submit to the Committee on Small Busi-  
2 ness and Entrepreneurship of the Senate and the  
3 Committee on Small Business of the House of Rep-  
4 resentatives—

5 “(A) not later than 2 years after the date  
6 of enactment of this paragraph, a report that—

7 “(i) provides the average and median  
8 amount of time that each Federal agency  
9 with an SBIR or STTR program takes to  
10 review and make a final decision on pro-  
11 posals submitted under the program; and

12 “(ii) compares that average and me-  
13 dian amount of time with that of the pre-  
14 vious 5 fiscal years; and

15 “(B) not later than March 31, 2024, a re-  
16 port that—

17 “(i) includes the information described  
18 in subparagraph (A);

19 “(ii) assesses where each Federal  
20 agency participating in the SBIR or STTR  
21 program needs improvement with respect  
22 to the proposal review and award times  
23 under the program;

24 “(iii) identifies best practices for  
25 shortening the proposal review and award

1 times under the SBIR and STTR pro-  
2 grams; and

3 “(iv) analyzes the efficacy of the pro-  
4 gram established under subsection  
5 (hh)(3).”.

6 **SEC. 21. IMPROVEMENTS TO SBIR/STTR COMMERCIALIZA-**  
7 **TION.**

8 (a) PURPOSE.—The purpose of this section is to  
9 make the small business research programs permanent,  
10 allow limited skipping of the first research phase, and des-  
11 ignate a Technology Commercialization Officer in each  
12 participating agency to help companies with commer-  
13 cialization.

14 (b) PERMANENCY OF SBIR AND STTR PRO-  
15 GRAMS.—

16 (1) SBIR.—Section 9(m) of the Small Business  
17 Act (15 U.S.C. 638(m)) is amended—

18 (A) in the subsection heading, by striking  
19 “TERMINATION” and inserting “SBIR PRO-  
20 GRAM AUTHORIZATION”; and

21 (B) by striking “terminate on September  
22 30, 2022” and inserting “be in effect for each  
23 fiscal year”.

1           (2) STTR.—Section 9(n)(1)(A) of the Small  
2           Business Act (15 U.S.C. 638(n)(1)(A)) is amended  
3           by striking “through fiscal year 2022”.

4           (c) COMMERCIALIZATION SELECTION.—Section 9 of  
5           the Small Business Act (15 U.S.C. 638) is amended—

6           (1) in subsection (g)—

7           (A) in paragraph (4)(B)(i)—

8           (i) by striking “1 year” and inserting  
9           “180 days”; and

10           (ii) by striking “National Institutes of  
11           Health or the National Science Founda-  
12           tion” and inserting “Department of Health  
13           and Human Services, the National Science  
14           Foundation, or the Department of Agri-  
15           culture”;

16           (B) in paragraph (11), by striking “and”  
17           at the end;

18           (C) in paragraph (12), by striking the pe-  
19           riod at the end and inserting “; and”; and

20           (D) by adding at the end the following:

21           “(13) with respect to peer review carried out  
22           under the SBIR program, to the extent practicable,  
23           include in the peer review—

1           “(A) the likelihood of commercialization in  
2 addition to scientific and technical merit and  
3 feasibility; and

4           “(B) not less than 1 reviewer with com-  
5 mercialization expertise who is capable of as-  
6 sessing the likelihood of commercialization.”;

7 (2) in subsection (o)—

8           (A) in paragraph (4)(B)(i)—

9           (i) by striking “1 year” and inserting  
10 “180 days”; and

11           (ii) by striking “National Institutes of  
12 Health or the National Science Founda-  
13 tion” and inserting “Department of Health  
14 and Human Services, the National Science  
15 Foundation, or the Department of Agri-  
16 culture”;

17           (B) in paragraph (15), by striking “and”  
18 at the end;

19           (C) in paragraph (16), by striking the pe-  
20 riod at the end and inserting “; and”; and

21           (D) by adding at the end the following:

22           “(17) with respect to peer review carried out  
23 under the STTR program, to the extent practicable,  
24 include in the peer review—

1           “(A) the likelihood of commercialization in  
2           addition to scientific and technical merit and  
3           feasibility; and

4           “(B) not less than 1 reviewer with com-  
5           mercialization expertise who is capable of as-  
6           sessing the likelihood of commercialization.”;

7           (3) in subsection (aa), by adding at the end the  
8           following:

9           “(6) APPLICATION OF WAIVER.—The waiver  
10          authority under paragraph (4) shall not apply to  
11          Phase II awards that skip Phase I unless the addi-  
12          tional funds are needed to respond to an urgent  
13          need in the United States, such as a pandemic.”;

14          (4) in subsection (cc)—

15                 (A) by striking “During fiscal years 2012  
16                 through 2022, the National Institutes of  
17                 Health, the Department of Defense, and the  
18                 Department of Education” and inserting the  
19                 following:

20                 “(1) IN GENERAL.—During fiscal years 2020  
21                 through 2025, each Federal agency with an SBIR or  
22                 STTR program”;

23                 (B) by adding at the end the following:

1           “(2) LIMITATION.—The total value of awards  
2 provided by a Federal agency under this subsection  
3 in a fiscal year shall be—

4           “(A) except as provided in subparagraph  
5 (B), not more than 10 percent of the total  
6 funds allocated to the SBIR and STTR pro-  
7 grams of the Federal agency during that fiscal  
8 year; and

9           “(B) with respect to the Department of  
10 Health and Human Services, not more than 15  
11 percent of the total funds allocated to the SBIR  
12 and STTR programs of the Department of  
13 Health and Human Services during that fiscal  
14 year.

15           “(3) EXTENSION.—During fiscal years 2024  
16 and 2025, each Federal agency with an SBIR or  
17 STTR program may continue phase flexibility as de-  
18 scribed in this subsection only if—

19           “(A) the reports required under subsection  
20 (tt)(1)(B) have been submitted to the appro-  
21 priate committees;

22           “(B) the results in the reports demonstrate  
23 that skipping Phase I is effective at commer-  
24 cializing SBIR and STTR projects; and

1           “(C) the allocation percentages in sub-  
2           sections (f)(1) and (n)(1) have been increased  
3           above 3.2 percent and .45 percent, respec-  
4           tively.”;

5           (5) in subsection (hh)(2)(A)(i), by striking  
6           “procedures and model contracts” and inserting  
7           “processes and requirements and simplified and  
8           standardized model contracts or awards”; and

9           (6) by adding at the end the following:

10          “(vv) TECHNOLOGY COMMERCIALIZATION OFFI-  
11          CIAL.—Each Federal agency participating in the SBIR or  
12          STTR program shall designate a Technology Commer-  
13          cialization Official in the Federal agency, who shall—

14               “(1) have sufficient commercialization experi-  
15               ence;

16               “(2) provide assistance to SBIR and STTR  
17               program awardees in commercializing and  
18               transitioning technologies;

19               “(3) identify SBIR and STTR program tech-  
20               nologies with sufficient technology and commer-  
21               cialization readiness to advance to Phase III awards  
22               or other non-SBIR or STTR program contracts;

23               “(4) coordinate with the Technology Commer-  
24               cialization Officials of other Federal agencies to  
25               identify additional markets and commercialization

1 pathways for promising SBIR and STTR program  
2 technologies;

3 “(5) submit to the Administration an annual  
4 report on the number of technologies from the SBIR  
5 or STTR program that have advanced commer-  
6 cialization activities, including information required  
7 in the commercialization impact assessment under  
8 subsection (xx) and how those activities may relate  
9 to support of the diversification of the United States  
10 supply chain;

11 “(6) submit to the Administration an annual  
12 report on actions taken by the Federal agency, and  
13 the results of those actions, to simplify, standardize,  
14 and expedite the application process and require-  
15 ments, procedures, and contracts as required under  
16 subsection (hh) and described in subsection (xx)(E);  
17 and

18 “(7) carry out such other duties as the Federal  
19 agency determines necessary.”.

20 **SEC. 22. SPURRING INNOVATION IN UNDERSERVED MAR-**  
21 **KETS.**

22 (a) IN GENERAL.—The Small Business Act (15  
23 U.S.C. 631 et seq.) is amended—

24 (1) by redesignating section 49 (15 U.S.C. 631  
25 note) as section 50; and

1           (2) by inserting after section 48 (15 U.S.C.  
2           657u) the following:

3   **“SEC. 49. INNOVATION CENTERS PROGRAM.**

4           “(a) DEFINITIONS.—In this section:

5                 “(1) ACCELERATOR.—The term ‘accelerator’  
6           means an organization—

7                         “(A) that—

8                                 “(i) works with a startup or growing  
9                                 small business concern for a predetermined  
10                                period; and

11                               “(ii) provides mentorship and instruc-  
12                               tion to scale businesses; and

13                         “(B) that may—

14                               “(i) provide, but is not exclusively de-  
15                               signed to provide, seed investment in ex-  
16                               change for a small amount of equity; and

17                               “(ii) offer startup capital or the op-  
18                               portunity to raise capital from outside in-  
19                               vestors.

20                 “(2) FEDERALLY RECOGNIZED AREA OF ECO-  
21           NOMIC DISTRESS.—The term ‘federally recognized  
22           area of economic distress’ means—

23                         “(A) a HUBZone; or

24                         “(B) an area that has been designated  
25           as—

1           “(i) an empowerment zone under sec-  
2           tion 1391 of the Internal Revenue Code of  
3           1986;

4           “(ii) a qualified opportunity zone  
5           under section 1400Z-1 of the Internal  
6           Revenue Code of 1986;

7           “(iii) a Promise Zone by the Secretary  
8           of Housing and Urban Development; or

9           “(iv) a low-income neighborhood or  
10          moderate-income neighborhood for pur-  
11          poses of the Community Reinvestment Act  
12          of 1977 (12 U.S.C. 2901 et seq.).

13           “(3) GROWING; NEWLY ESTABLISHED; START-  
14          UP.—The terms ‘growing’, ‘newly established’, and  
15          ‘startup’, with respect to a small business concern,  
16          mean growing, newly established, and startup, re-  
17          spectively, within the meaning given those terms  
18          under section 7(m).

19           “(4) INCUBATOR.—The term ‘incubator’ means  
20          an organization—

21           “(A) that—

22           “(i) tends to work with startup and  
23           newly established small business concerns;  
24           and

1           “(ii) provides mentorship to startup  
2           and newly established small business con-  
3           cerns; and

4           “(B) that may—

5                 “(i) provide a co-working environment  
6                 or a month-to-month lease program; and

7                 “(ii) work with a startup or newly es-  
8                 tablished small business concern for a pre-  
9                 determined period or an open-ended pe-  
10                riod.

11           “(5) INDIVIDUALS WITH A DISABILITY.—The  
12           term ‘individuals with a disability’ means more than  
13           one individual with a disability, as defined in section  
14           3 of the Americans with Disabilities Act of 1990 (42  
15           U.S.C. 12102).

16           “(6) ELIGIBLE ENTITY.—The term ‘eligible en-  
17           tity’ means—

18                 “(A) an institution described in any of  
19                 paragraphs (1) through (7) of section 371(a) of  
20                 the Higher Education Act of 1965 (20 U.S.C.  
21                 1067q(a));

22                 “(B) a junior or community college, as de-  
23                 fined in section 312 of the Higher Education  
24                 Act of 1965 (20 U.S.C. 1058); or

1           “(C) any nonprofit organization associated  
2           with an entity described in subparagraph (A) or  
3           (B).

4           “(7) RURAL AREA.—The term ‘rural area’ has  
5           the meaning given that term in section 7(m)(11).

6           “(8) SOCIALLY AND ECONOMICALLY DISADVAN-  
7           TAGED INDIVIDUALS.—The term ‘socially and eco-  
8           nomically disadvantaged individual’ means a socially  
9           and economically disadvantaged individual within the  
10          meaning given that term under section 8(d)(3)(C).

11          “(b) ESTABLISHMENT.—Not later than 18 months  
12          after the date of enactment of the COVID–19 Recovery  
13          by Enhancing Loan, Investment, and Education Funds  
14          for Small Businesses Act of 2020, the Administrator shall  
15          develop and begin implementing a program (to be known  
16          as the ‘Innovation Centers Program’) to enter into cooper-  
17          ative agreements with eligible entities under this section.

18          “(c) PURPOSES.—The purposes of the Innovation  
19          Centers Program are to—

20                 “(1) stimulate economic growth in underserved  
21                 communities by creating good paying jobs and path-  
22                 ways to prosperity, which are especially important in  
23                 times of economic downturn;

24                 “(2) increase prospects for success for small  
25                 business concerns in underserved communities,

1 which often suffer from higher business failure rates  
2 than the national average;

3 “(3) help create a pipeline for small business  
4 concerns in underserved and rural markets into  
5 high-growth sectors, where they are generally under-  
6 represented;

7 “(4) help address the multi-decade decline in  
8 the rate of new business creation;

9 “(5) close the gaps that underserved small busi-  
10 ness concerns often have in terms of revenue and  
11 number of employees, which represent lost oppor-  
12 tunity for the economy; and

13 “(6) encourage collaboration between the Ad-  
14 ministration and institutions of higher learning that  
15 serve low-income and minority communities.

16 “(d) AUTHORITY.—

17 “(1) IN GENERAL.—The Administrator may—

18 “(A) enter into cooperative agreements to  
19 provide financial assistance to eligible entities  
20 to conduct 5-year projects for the benefit of  
21 startup, newly established, or growing small  
22 business concerns; and

23 “(B) renew a cooperative agreement en-  
24 tered into under this section for additional 3-  
25 year periods, in accordance with paragraph (3).

1           “(2) PROJECT REQUIREMENTS.—A project con-  
2           ducted under a cooperative agreement under this  
3           section shall—

4                   “(A) include operating as an accelerator,  
5                   an incubator, or any other small business inno-  
6                   vation-focused project as the Administrator ap-  
7                   proves;

8                   “(B) be carried out in such locations as to  
9                   provide maximum accessibility and benefits to  
10                  the small business concerns that the project is  
11                  intended to serve;

12                  “(C) have a full-time staff, including a  
13                  full-time director who shall—

14                          “(i) have the authority to make ex-  
15                          penditures under the budget of the project;  
16                          and

17                          “(ii) manage the activities carried out  
18                          under the project;

19                  “(D) include the joint provision of pro-  
20                  grams and services by the eligible entity and  
21                  the Administration, which—

22                          “(i) shall be jointly developed, nego-  
23                          tiated, and agreed upon, with full partici-  
24                          pation of both parties, pursuant to an exe-

1           cuted cooperative agreement between the  
2           eligible entity and the Administration; and  
3           “(ii) shall include—  
4                 “(I) 1-to-1 individual counseling  
5                 as described in section 21(c)(3)(A);  
6                 and  
7                 “(II) a formal, structured  
8                 mentorship program;  
9                 “(E) incorporate continuous upgrades and  
10                modifications to the services and programs of-  
11                fered under the project, as needed to meet the  
12                changing and evolving needs of the business  
13                community;  
14                “(F) involve working with underserved  
15                groups, which include—  
16                   “(i) women;  
17                   “(ii) socially and economically dis-  
18                   advantaged individuals;  
19                   “(iii) veterans;  
20                   “(iv) individuals with disabilities; or  
21                   “(v) startup, newly established, or  
22                growing small business concerns located in  
23                rural areas;  
24                “(G) not impose or otherwise collect a fee  
25                or other compensation in connection with par-

1 participation in the programs and services de-  
2 scribed in subparagraph (D)(ii); and

3 “(H) ensure that small business concerns  
4 participating in the project have access, includ-  
5 ing through resource partners, to information  
6 concerning Federal, State, and local regulations  
7 that affect small business concerns.

8 “(3) CONTINUED FUNDING.—

9 “(A) IN GENERAL.—An eligible entity that  
10 enters into an initial cooperative agreement or  
11 a renewal of a cooperative under paragraph (1)  
12 may submit an application for a 3-year renewal  
13 of the cooperative agreement at such time, in  
14 such manner, and accompanied by such infor-  
15 mation as the Administrator may establish.

16 “(B) APPLICATION AND APPROVAL CRI-  
17 TERIA.—

18 “(i) CRITERIA.—The Administrator  
19 shall develop and publish criteria for the  
20 consideration and approval of applications  
21 for renewals by eligible entities under this  
22 paragraph, which shall take into account  
23 the structure and the stated goals of the  
24 project.

1           “(ii) NOTIFICATION.—Not later than  
2           60 days after the date of the deadline to  
3           submit applications for each fiscal year,  
4           the Administrator shall approve or deny  
5           any application under this paragraph and  
6           notify the applicant for each such applica-  
7           tion.

8           “(C) PRIORITY.—In allocating funds made  
9           available for cooperative agreements under this  
10          section, the Administrator shall give applica-  
11          tions under this paragraph priority over first-  
12          time applications for cooperative agreements  
13          under paragraph (1)(A).

14          “(4) LIMIT ON USE OF FUNDS.—Amounts re-  
15          ceived by an eligible entity under a cooperative  
16          agreement under this section may not be used to  
17          provide capital to a participant in the project carried  
18          out under the cooperative agreement.

19          “(5) SCOPE OF AUTHORITY.—

20                 “(A) SUBJECT TO APPROPRIATIONS.—The  
21                 authority of the Administrator to enter into co-  
22                 operative agreements under this section shall be  
23                 in effect for each fiscal year only to the extent  
24                 and in the amounts as are provided in advance  
25                 in appropriations Acts.

1           “(B) SUSPENSION, TERMINATION, AND  
 2 FAILURE TO RENEW OR EXTEND.—After the  
 3 Administrator has entered into a cooperative  
 4 agreement with an eligible entity under this sec-  
 5 tion, the Administrator shall not suspend, ter-  
 6 minate, or fail to renew or extend the coopera-  
 7 tive agreement unless the Administrator pro-  
 8 vides the eligible entity with written notification  
 9 setting forth the reasons therefore and affords  
 10 the eligible entity an opportunity for a hearing,  
 11 appeal, or other administrative proceeding  
 12 under chapter 5 of title 5, United States Code.

13           “(e) CRITERIA.—

14           “(1) IN GENERAL.—The Administrator shall—

15           “(A) establish and rank in terms of rel-  
 16 ative importance the criteria the Administrator  
 17 shall use in awarding cooperative agreements  
 18 under this section, which shall include—

19           “(i) whether the proposed project will  
 20 be located in—

21           “(I) a federally recognized area  
 22 of economic distress;

23           “(II) a rural area; or

24           “(III) an area lacking sufficient  
 25 entrepreneurial development re-

1 sources, as determined by the Admin-  
2 istrator; and

3 “(ii) whether the proposed project  
4 demonstrates a commitment to partner  
5 with core stakeholders working with small  
6 business concerns in the relevant area, in-  
7 cluding—

8 “(I) investment and lending orga-  
9 nizations;

10 “(II) nongovernmental organiza-  
11 tions;

12 “(III) programs of State and  
13 local governments that are concerned  
14 with aiding small business concerns;

15 “(IV) Federal agencies; and

16 “(V) for-profit organizations with  
17 an expertise in small business innova-  
18 tion;

19 “(B) make publicly available, including on  
20 the website of the Administration, and state in  
21 each solicitation for applications for cooperative  
22 agreements under this section the selection cri-  
23 teria and ranking established under subpara-  
24 graph (A); and

1           “(C) evaluate and rank applicants for co-  
2           operative agreements under this section in ac-  
3           cordance with the selection criteria and ranking  
4           established under subparagraph (A).

5           “(2) CONTENTS.—The criteria established  
6           under paragraph (1)(A)—

7           “(A) for eligible entities that have in oper-  
8           ation an accelerator, incubator, or other small  
9           business innovation-focused project shall include  
10          the record of the eligible entity in assisting  
11          growing, newly established, and startup small  
12          business concerns, including, for each of the 3  
13          full years before the date on which the eligible  
14          entity applies for a cooperative agreement  
15          under this section, or if the accelerator, incu-  
16          bator, or other small business innovation-fo-  
17          cused project has been in operation for less  
18          than 3 years, for the most recent full year the  
19          accelerator, incubator, or other small business  
20          innovation-focused project was in operation—

21                  “(i) the number and retention rate of  
22                  growing, newly established, and startup  
23                  business concerns in the program of the el-  
24                  igible entity;

1           “(ii) the average period of participa-  
2           tion by growing, newly established, and  
3           startup small business concerns in the pro-  
4           gram of the eligible entity;

5           “(iii) the total and median capital  
6           raised by growing, newly established, and  
7           startup small business concerns partici-  
8           pating in the program of the eligible entity;

9           “(iv) the number of investments or  
10          loans received by growing, newly estab-  
11          lished, and startup small business concerns  
12          participating in the program of the eligible  
13          entity; and

14          “(v) the total and median number of  
15          employees of growing, newly established,  
16          and startup small business concerns par-  
17          ticipating in the program of the eligible en-  
18          tity; and

19          “(B) for all eligible entities—

20                 “(i) shall include whether the eligible  
21                 entity—

22                         “(I) indicates the structure and  
23                         goals of the project;

24                         “(II) demonstrates ties to the  
25                         business community;

1                   “(III) identifies the resources  
2                   available for the project;

3                   “(IV) describes the capabilities of  
4                   the project, including coordination  
5                   with local resource partners and local  
6                   or national lending partners of the  
7                   Administration;

8                   “(V) addresses the unique busi-  
9                   ness and economic challenges faced by  
10                  the community in which the eligible  
11                  entity is located and businesses in  
12                  that community; and

13                  “(VI) provides a proposed budget  
14                  and plan for use of funds; and

15                  “(ii) may include any other criteria  
16                  determined appropriate by the Adminis-  
17                  trator.

18                  “(f) PROGRAM EXAMINATION.—

19                   “(1) IN GENERAL.—The Administrator shall—

20                   “(A) develop and implement an annual  
21                   programmatic and financial examination of  
22                   each project conducted under this section,  
23                   under which each eligible entity entering into a  
24                   cooperative agreement under this section shall  
25                   provide to the Administrator—

1           “(i) an itemized cost breakdown of ac-  
2           tual expenditures for costs incurred during  
3           the preceding year; and

4           “(ii) documentation regarding—

5                   “(I) the amount of matching as-  
6                   sistance from non-Federal sources ob-  
7                   tained and expended by the eligible  
8                   entity during the preceding year in  
9                   order to meet the matching require-  
10                  ment; and

11                   “(II) with respect to any in-kind  
12                   contributions that were used to satisfy  
13                   the matching requirement, verification  
14                   of the existence and valuation of those  
15                   contributions; and

16           “(B) analyze the results of each examina-  
17           tion conducted under subparagraph (A) and,  
18           based on that analysis, make a determination  
19           regarding the programmatic and financial via-  
20           bility of each eligible entity.

21           “(2) CONDITIONS FOR CONTINUED FUNDING.—

22           In determining whether to continue or renew a coop-  
23           erative agreement under this section, the Adminis-  
24           trator—

1           “(A) shall consider the results of the most  
2           recent examination of the project under para-  
3           graph (1); and

4           “(B) may terminate or not renew a cooper-  
5           ative agreement, if the Administrator deter-  
6           mines that the eligible entity has failed to pro-  
7           vide any information required to be provided  
8           (including information provide for purpose of  
9           the annual report by the Administrator under  
10          subsection (n)) or the information provided by  
11          the eligible entity is inadequate.

12          “(g) TRAINING AND TECHNICAL ASSISTANCE.—The  
13          Administrator—

14                 “(1) shall provide in person or online training  
15                 and technical assistance to each eligible entity enter-  
16                 ing into a cooperative agreement under this section  
17                 at the beginning of the participation of the eligible  
18                 entity in the Innovation Centers Program, or as re-  
19                 quested by the eligible entity, in order to build the  
20                 capacity of the eligible entity and ensure compliance  
21                 with procedures established by the Administrator;

22                 “(2) shall ensure that the training and tech-  
23                 nical assistance described in paragraph (1) is pro-  
24                 vided at no cost or at a low cost; and

1           “(3) may enter into a contract to provide the  
2           training or technical assistance described in para-  
3           graph (1) with 1 or more organizations with exper-  
4           tise in the entrepreneurial development programs of  
5           the Administration, innovation, and entrepreneurial  
6           development.

7           “(h) COORDINATION.—In carrying out a project  
8           under this section, an eligible entity may coordinate  
9           with—

10           “(1) resource and lending partners of the Ad-  
11           ministration;

12           “(2) programs of State and local governments  
13           that are concerned with aiding small business con-  
14           cerns; and

15           “(3) other Federal agencies, including to pro-  
16           vide services to and assist small business concerns in  
17           participating in the SBIR and STTR programs, as  
18           defined in section 9(e).

19           “(i) FUNDING LIMIT.—The amount of financial as-  
20           sistance provided to an eligible entity under a cooperative  
21           agreement entered into under this section shall be not  
22           more than \$400,000 during each year.

23           “(j) MATCHING REQUIREMENT.—

24           “(1) IN GENERAL.—An eligible entity shall con-  
25           tribute toward the cost of the project carried out

1 under the cooperative agreement under this section  
2 an amount equal to 50 percent of the amount re-  
3 ceived under the cooperative agreement.

4 “(2) IN-KIND CONTRIBUTIONS.—Not more than  
5 75 percent of the contribution of an eligible entity  
6 under paragraph (1) may be in the form of in-kind  
7 contributions.

8 “(3) WAIVER.—

9 “(A) IN GENERAL.—If the Administrator  
10 determines that an eligible entity is unable to  
11 meet the contribution requirement under para-  
12 graph (1), the Administrator may reduce the  
13 required contribution.

14 “(B) PRESUMPTION.—

15 “(i) IN GENERAL.—The Administra-  
16 tion shall, by regulation, establish criteria  
17 to determine which eligible entities are pre-  
18 sumed to be unable to meet the contribu-  
19 tion requirement under paragraph (1).

20 “(ii) STAKEHOLDERS.—In estab-  
21 lishing the criteria under clause (i), the  
22 Administrator shall work with stakeholders  
23 immediately impacted by the criteria.

24 “(iii) PERIODIC REVIEW.—The Ad-  
25 ministration shall periodically review the

1 criteria established under clause (i) not  
2 less than every 5 years to ensure that the  
3 criteria aligns with economic conditions.

4 “(4) FAILURE TO OBTAIN NON-FEDERAL FUND-  
5 ING.—If an eligible entity fails to obtain the re-  
6 quired non-Federal contribution during any project,  
7 or the reduced non-Federal contribution as deter-  
8 mined by the Administrator—

9 “(A) the eligible entity shall not be eligible  
10 thereafter for any other project for which it is  
11 or may be funded by the Administration; and

12 “(B) prior to approving assistance for the  
13 eligible entity for any other projects, the Ad-  
14 ministrator shall specifically determine whether  
15 the Administrator believes that the eligible enti-  
16 ty will be able to obtain the requisite non-Fed-  
17 eral funding and enter a written finding setting  
18 the forth the reasons for making that deter-  
19 mination.

20 “(5) RULE OF CONSTRUCTION.—The dem-  
21 onstrated inability of an eligible entity to meet the  
22 contribution requirement under paragraph (1) shall  
23 not disqualify the eligible entity from entering into  
24 a cooperative agreement under this section.

25 “(k) CONTRACT AUTHORITY.—

1           “(1) IN GENERAL.—An eligible entity may  
2 enter into a contract with a Federal department or  
3 agency to provide specific assistance to startup,  
4 newly established, or growing small business con-  
5 cerns.

6           “(2) PERFORMANCE.—Performance of a con-  
7 tract entered into under paragraph (1) may not  
8 hinder the eligible entity in carrying out the terms  
9 of the cooperative agreement under this section.

10           “(3) EXEMPTION FROM MATCHING REQUIRE-  
11 MENT.—A contract entered into under paragraph  
12 (1) shall not be subject to the matching requirement  
13 under subsection (j).

14           “(4) ADDITIONAL PROVISION.—Notwith-  
15 standing any other provision of law, a contract for  
16 assistance under paragraph (1) shall not be applied  
17 to any Federal department or agency’s small busi-  
18 ness, woman-owned business, or socially and eco-  
19 nomically disadvantaged business contracting goal  
20 under section 15(g).

21           “(1) PRIVACY REQUIREMENTS.—

22           “(1) IN GENERAL.—An eligible entity may not  
23 disclose the name, address, or telephone number of  
24 any individual or small business concern receiving

1 assistance under this section without the consent of  
2 such individual or small business concern, unless—

3 “(A) the Administrator is ordered to make  
4 such a disclosure by a court in any civil or  
5 criminal enforcement action initiated by a Fed-  
6 eral or State agency; or

7 “(B) the Administrator considers such a  
8 disclosure to be necessary for the purpose of  
9 conducting a financial audit of an eligible enti-  
10 ty, but a disclosure under this subparagraph  
11 shall be limited to the information necessary for  
12 such audit.

13 “(2) ADMINISTRATION USE OF INFORMATION.—

14 This subsection shall not—

15 “(A) restrict Administration access to pro-  
16 gram activity data; or

17 “(B) prevent the Administration from  
18 using client information (other than the infor-  
19 mation described in subparagraph (A)) to con-  
20 duct client surveys.

21 “(3) REGULATIONS.—The Administrator shall  
22 issue regulations to establish standards for requiring  
23 disclosures during a financial audit under paragraph  
24 (1)(B).

1       “(m) PUBLICATION OF INFORMATION.—The Admin-  
2   istrator shall—

3               “(1) publish information about the program  
4   under this section online, including—

5                       “(A) on the website of the Administration;  
6                       and

7                       “(B) on the social media of the Adminis-  
8   tration; and

9               “(2) request that the resource and lending part-  
10   ners of the Administration and the district offices of  
11   the Administration publicize the program.

12       “(n) ANNUAL REPORTING.—Not later than 1 year  
13   after the date on which the Administrator establishes the  
14   program under this section, and every year thereafter, the  
15   Administrator shall submit to Congress a report on the  
16   activities under the program, including—

17               “(1) a list of all eligible entities participating in  
18   the program;

19               “(2) the number of startup, newly established,  
20   and growing small business concerns participating in  
21   the project carried out by each eligible entity under  
22   a cooperative agreement under this section (in this  
23   paragraph referred to as ‘participants’), including a  
24   breakdown of the owners of the participants by race,

1 gender, veteran status, and urban versus rural loca-  
2 tion;

3 “(3) the retention rate for participants;

4 “(4) the total and median amount of capital  
5 accessed by participants, including the type of cap-  
6 ital accessed;

7 “(5) the total and median number of employees  
8 of participants;

9 “(6) the number and median wage of jobs cre-  
10 ated by participants;

11 “(7) the number of jobs sustained by partici-  
12 pants; and

13 “(8) information regarding such other metrics  
14 as the Administrator determines appropriate.

15 “(o) FUNDING.—

16 “(1) AUTHORIZATION OF APPROPRIATIONS.—

17 There are authorized to be appropriated to carry out  
18 this section—

19 “(A) \$4,000,000 for the first fiscal year  
20 beginning after the date of enactment of the  
21 COVID–19 Recovery by Enhancing Loan, In-  
22 vestment, and Education Funds for Small Busi-  
23 nesses Act of 2020;

24 “(B) \$7,500,000 for the second fiscal year  
25 beginning after such date of enactment; and

1           “(C) \$12,000,000 for each of the third,  
2           fourth, and fifth fiscal years beginning after  
3           such date of enactment.

4           “(2) ADMINISTRATIVE EXPENSES.—Of the  
5           amount made available to carry out this section for  
6           any fiscal year, not more than 10 percent may be  
7           used by the Administrator for administrative ex-  
8           penses.”.

9           (b) REGULATIONS.—The Administrator shall promul-  
10          gate regulations to carry out section 49 of the Small Busi-  
11          ness Act, as added by subsection (b).

12       **SEC. 23. COORDINATING LENDING IN UNDERSERVED MAR-**  
13                               **KETS.**

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

16          “(o) OFFICE OF EMERGING MARKETS.—

17               “(1) DEFINITIONS.—In this subsection—

18                       “(A) the term ‘Associate Administrator’  
19                       means the Associate Administrator of the Office  
20                       of Capital Access of the Administration;

21                       “(B) the term ‘Director’ means the Direc-  
22                       tor of the Office of Emerging Markets;

23                       “(C) the term ‘microloan program’ means  
24                       the program described in subsection (m);

1           “(D) the term ‘Reservist’ means a member  
2 of a reserve component of the Armed Forces  
3 named in section 10101 of title 10, United  
4 States Code;

5           “(E) the term ‘rural area’ has the meaning  
6 given the term in subsection (m)(11);

7           “(F) the term ‘service-connected’ has the  
8 meaning given the term in section 101 of title  
9 38, United States Code; and

10          “(G) the term ‘small business concern in  
11 an emerging market’ means a small business  
12 concern—

13           “(i) that is located in—

14           “(I) a low income or moderate  
15 income area for purposes of the Com-  
16 munity Development Block Grant  
17 Program under title I of the Housing  
18 and Community Development Act of  
19 1974 (42 U.S.C. 5301 et seq.);

20           “(II) a HUBZone;

21           “(III) a community that has been  
22 designated as an empowerment zone  
23 or an enterprise community under  
24 section 1391 of the Internal Revenue  
25 Code of 1986;

1           “(IV) a community that has been  
2           designated as a Promise Zone by the  
3           Secretary of Housing and Urban De-  
4           velopment;

5           “(V) a community that has been  
6           designated as a qualified opportunity  
7           zone under section 1400Z-1 of the In-  
8           ternal Revenue Code of 1986; or

9           “(VI) a rural area;

10          “(ii) that has more than 50 percent of  
11          employees residing in a low- or moderate-  
12          income community;

13          “(iii) that is growing, newly estab-  
14          lished, or a startup, as those terms are  
15          used in subsection (m);

16          “(iv) owned and controlled by socially  
17          and economically disadvantaged individ-  
18          uals, including Black Americans, Hispanic  
19          Americans, Native Americans, Asian Pa-  
20          cific Americans, and other minorities;

21          “(v) owned and controlled by women;

22          “(vi) owned and controlled by vet-  
23          erans;

24          “(vii) owned and controlled by service-  
25          disabled veterans; or

1           “(viii) not less than 51 percent owned  
2           and controlled by 1 or more—

3                   “(I) members of the Armed  
4                   Forces participating in the Transition  
5                   Assistance Program of the Depart-  
6                   ment of Defense;

7                   “(II) Reservists;

8                   “(III) spouses of veterans, mem-  
9                   bers of the Armed Forces, or Reserv-  
10                  ists;

11                  “(IV) surviving spouses of vet-  
12                  erans who died on active duty or as a  
13                  result of a service-connected disability;  
14                  or

15                  “(V) individuals with a disability,  
16                  as defined in section 3 of the Ameri-  
17                  cans with Disabilities Act of 1990 (42  
18                  U.S.C. 12102).

19                  “(2) ESTABLISHMENT.—There is established  
20                  within the Administration the Office of Emerging  
21                  Markets, which shall be—

22                   “(A) under the general management and  
23                   oversight of the Administration; and

24                   “(B) responsible for the planning, coordi-  
25                   nation, implementation, evaluation, and im-

1           provement of the efforts of the Administrator to  
2           enhance the economic well-being of small busi-  
3           ness concerns in an emerging market.

4           “(3) PURPOSES.—The purposes of the Office of  
5           Emerging Markets are—

6                   “(A) to provide the Administration with an  
7                   integrated approach to the development of small  
8                   business concerns in emerging markets;

9                   “(B) to reignite economic opportunity for  
10                  underserved or emerging markets, particularly  
11                  after an economic downturn; and

12                  “(C) to oversee the expansion of access to  
13                  capital programs that meet the needs of emerg-  
14                  ing markets.

15           “(4) DIRECTOR.—

16                   “(A) IN GENERAL.—Not later than 180  
17                   days after the date of enactment of the  
18                   COVID–19 Recovery by Enhancing Loan, In-  
19                   vestment, and Education Funds for Small Busi-  
20                   nesses Act of 2020, the Administrator shall ap-  
21                   point a Director of the Office of Emerging Mar-  
22                   kets, who shall—

23                           “(i) supervise the Office of Emerging  
24                           Markets and report to the Associate Ad-  
25                           ministrators; and

1           “(ii) be in the Senior Executive Serv-  
2           ice.

3           “(B) DUTIES.—The Director shall—

4           “(i) create and implement strategies  
5           and programs that provide an integrated  
6           approach to the development of small busi-  
7           ness concerns in an emerging market;

8           “(ii) develop and recommend policies  
9           concerning the microloan program and any  
10          other access to capital program of the Ad-  
11          ministration, as such programs pertain to  
12          small business concerns in an emerging  
13          market;

14          “(iii) establish partnerships to ad-  
15          vance the goal of improving the economic  
16          success of small business concerns in an  
17          emerging market; and

18          “(iv) review the effectiveness and im-  
19          pact of the microloan program and any  
20          other access to capital program of the Ad-  
21          ministration that is targeted to serve small  
22          business concerns in an emerging market.

23          “(C) CONSULTATION.—In carrying out the  
24          duties under this paragraph, the Director shall

1           consult with district offices of the Administra-  
2           tion.”.

3 **SEC. 24. AUTHORIZATION OF APPROPRIATIONS AND OTHER**  
4           **MATTERS.**

5           (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
6           tion to amounts provided under any other provision of law,  
7           there is authorized to be appropriated, to remain available  
8           until expended—

9           (1) \$5,000,000,000 to carry out sections 8, 9,  
10          10, and 11;

11          (2) \$177,000,000 for administrative expenses  
12          related to carrying out the disaster loan program  
13          under section 7(b)(2) of the Small Business Act (15  
14          U.S.C. 636(b)(2));

15          (3) \$1,000,000,000 for loan subsidies for the  
16          disaster loan program under section 7(b)(2) of the  
17          Small Business Act (15 U.S.C. 636(b)(2)); and

18          (4) \$200,000,000 for salaries and expenses for  
19          the Administration.

20          (b) ALLOWABLE USES OF 7(a) PROGRAM LOANS.—

21           (1) IN GENERAL.—During the period beginning  
22           on the date of enactment of this Act and ending on  
23           September 30, 2021, a recipient of a loan made  
24           under section 7(a) of the Small Business Act (15  
25           U.S.C. 636(a)) (including a recipient of assistance

1 under the Community Advantage Pilot Program of  
2 the Administration) may, in addition to the allow-  
3 able uses of such a loan, use the proceeds of the loan  
4 for payroll support, including paid sick, medical, or  
5 family leave, and costs related to the continuation of  
6 group health care benefits during those periods of  
7 leave.

8 (2) GUIDANCE.—Not later than 15 days after  
9 the date of enactment of this Act, the Administrator  
10 shall issue guidance to lenders under section 7(a) of  
11 the Small Business Act (15 U.S.C. 636(a)) on pay-  
12 roll and support and disrupted supply chain eligi-  
13 bility under paragraph (1).

14 **SEC. 25. EMERGENCY RULEMAKING AUTHORITY.**

15 Not later than 15 days after the date of enactment  
16 of this Act, the Administrator shall issue regulations to  
17 carry out this Act without regard to the notice require-  
18 ments under section 553(b) of title 5, United States Code.

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