

116TH CONGRESS  
2D SESSION

# S. 4135

To provide forgivable physical disaster loans to businesses damaged due to civil unrest, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JULY 1, 2020

Mr. TOOMEY 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 forgivable physical disaster loans to businesses damaged due to civil unrest, 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 “Helping Entrepreneurs  
5 Access Loans Act” or the “HEAL Act”.

6 **SEC. 2. FORGIVABLE BUSINESS PHYSICAL DISASTER LOANS**

7 **FOR DAMAGE DUE TO CIVIL UNREST.**

8 (a) **DEFINITIONS.**—In this section—

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

4           (2) the term “covered period” means the period  
5           beginning on May 26, 2020 and ending on July 1,  
6           2020; and

7           (3) the term “eligible entity” means a business  
8           concern—

9                   (A) with average annual receipts (as de-  
10                  fined in section 121.104 of title 13, Code of  
11                  Federal Regulations, or any successor regula-  
12                  tion) of not more than \$2,000,000; and

13                   (B) that—

14                           (i) is located within an area for which  
15                           the Administrator declared a disaster in  
16                           accordance with section 123.3(a)(3) of title  
17                           13, Code of Federal Regulations, or any  
18                           successor regulation, with respect to civil  
19                           unrest that began on May 26, 2020 in  
20                           Minneapolis, Minnesota and spread across  
21                           the United States; and

22                           (ii) incurred damage to real or per-  
23                           sonal property of the business concern dur-  
24                           ing the covered period as a result of the  
25                           civil unrest described in clause (i).

1 (b) BUSINESS PHYSICAL DISASTER LOANS.—

2 (1) IN GENERAL.—Except as otherwise pro-  
3 vided in this subsection, an eligible entity shall be el-  
4 igible for a loan made by the Administration under  
5 section 7(b)(1) of the Small Business Act (15 U.S.C.  
6 636(b)(1)) under the same terms, conditions, and  
7 processes as a loan made under such section to re-  
8 pair, rehabilitate, or replace property, real or per-  
9 sonal, of the eligible entity that was damaged or de-  
10 stroyed during the covered period as a result of the  
11 civil unrest described in subsection (a)(3)(B)(i).

12 (2) DISASTER DECLARATION.—With respect to  
13 the disaster declaration described in subsection  
14 (a)(3)(B)(i) for a loan made under paragraph (1),  
15 the requirement under section 123.3(a)(3)(ii) of title  
16 13, Code of Federal Regulations, or any successor  
17 regulation, that 25 percent or more of the work  
18 force in the area would be unemployed for not fewer  
19 than 90 days shall not apply.

20 (3) LOAN AMOUNT.—

21 (A) IN GENERAL.—The amount of a loan  
22 made under paragraph (1) shall be equal to 100  
23 percent of the amount required to repair, reha-  
24 bilitate, or replace property, real or personal, of  
25 the eligible entity that—

1 (i) was damaged or destroyed during  
 2 the covered period as a result of the civil  
 3 unrest described in subsection (a)(3)(B)(i);  
 4 and

5 (ii) is not compensated for by—

6 (I) insurance;

7 (II) a grant from a State or local  
 8 government; or

9 (III) any other means.

10 (B) DEDUCTION OF ADVANCE AMOUNT.—

11 The amount of any advance received by an eli-  
 12 gible entity under subsection (c) shall be de-  
 13 ducted from the loan amount for the eligible en-  
 14 tity under subparagraph (A).

15 (4) TERMS; CREDIT ELSEWHERE.—

16 (A) IN GENERAL.—With respect to a loan  
 17 made to an eligible entity under paragraph  
 18 (1)—

19 (i) the Administrator shall waive—

20 (I) any rules related the personal  
 21 guarantee on loans of not more than  
 22 \$200,000 during the covered period  
 23 for all applicants; and

24 (II) any requirement that an ap-  
 25 plicant needs to be in business for the

1 1-year period before the civil unrest  
2 described in subsection (a)(3)(B)(i),  
3 except that no waiver may be made  
4 for an eligible entity that was not in  
5 operation on January 31, 2020;

6 (ii) the eligible entity shall not be re-  
7 quired to show that the eligible entity is  
8 unable to obtain credit elsewhere; and

9 (iii) no collateral shall be required for  
10 the loan.

11 (B) REPAYMENT.—Any payments on a  
12 loan made to an eligible entity under paragraph  
13 (1) are deferred until June 30, 2022, and inter-  
14 est shall not begin to accrue until such date.

15 (5) APPLICATION.—

16 (A) IN GENERAL.—Not later than 7 days  
17 after the date of enactment of this Act, the Ad-  
18 ministrator shall begin to accept applications  
19 for a loan under paragraph (1).

20 (B) DEADLINE.—An eligible entity desir-  
21 ing a loan under this subsection shall submit to  
22 the Administrator an application not later than  
23 December 31, 2020.

1 (C) APPROVAL AND ABILITY TO REPAY.—

2 With respect to an applicant for a loan made  
3 under paragraph (1), the Administrator may—

4 (i) approve the applicant based on the  
5 credit score or personal guarantee of the  
6 applicant; or

7 (ii) use alternative appropriate meth-  
8 ods to determine the applicant's ability to  
9 repay.

10 (6) USE OF FUNDS.—A recipient of a loan  
11 made under paragraph (1) shall use the loan pro-  
12 ceeds to repair, rehabilitate, or replace property, real  
13 or personal, damaged or destroyed during the cov-  
14 ered period as a result of the civil unrest described  
15 in subsection (a)(3)(B)(i), provided that such dam-  
16 age or destruction is not compensated for by insur-  
17 ance, a grant from a State or local government, or  
18 otherwise.

19 (7) LOAN FORGIVENESS.—

20 (A) IN GENERAL.—An eligible entity that  
21 received a loan made under paragraph (1), or  
22 an eligible entity that received a loan under sec-  
23 tion 7(b)(1) of the Small Business Act (15  
24 U.S.C. 636(b)(1)) before the date of enactment  
25 of this Act related to the civil unrest described

1 in subsection (a)(3)(B)(i), shall be eligible for  
2 forgiveness of indebtedness equal to 75 percent  
3 of the loan amount if the eligible entity—

4 (i) submits to the Administrator docu-  
5 mentation of sales for 2019 and 2020 and  
6 tax returns for 2019 and 2020; and

7 (ii) the eligible entity is in operation  
8 as of December 31, 2021.

9 (B) AMOUNTS NOT FORGIVEN.—Any re-  
10 maining amount of a loan described in subpara-  
11 graph (A) that is not forgiven under this para-  
12 graph as of December 31, 2021 shall—

13 (i) be considered a loan made under  
14 section 7(b)(1) of the Small Business Act  
15 (15 U.S.C. 636(b)(1));

16 (ii) bear an interest rate of 3.75 per-  
17 cent; and

18 (iii) have a 30-year term.

19 (8) DUPLICATION.—An eligible entity that re-  
20 ceived a loan under subsection (a)(36) or (b)(2) of  
21 section 7 of the Small Business Act (15 U.S.C. 636)  
22 before the date of enactment of this Act shall be eli-  
23 gible for a loan under paragraph (1) if the proceeds  
24 of the loan made under such subsection (a)(36) or

1 (b)(2) are not used for the same expenses as the  
2 loan under paragraph (1).

3 (c) EMERGENCY GRANT.—

4 (1) IN GENERAL.—An eligible entity that ap-  
5 plies for a loan under subsection (b)(1) may request  
6 that the Administrator provide an advance, subject  
7 to paragraph (3), to the eligible entity not later than  
8 10 days after the date on which the Administrator  
9 receives an application from the eligible entity.

10 (2) VERIFICATION.—Before disbursing amounts  
11 under this subsection, the Administrator shall verify  
12 that the applicant is an eligible entity by accepting  
13 a self-certification from the applicant under penalty  
14 of perjury pursuant to section 1746 of title 28,  
15 United States Code.

16 (3) AMOUNT.—The amount of an advance pro-  
17 vided to an eligible entity under this subsection shall  
18 be the lesser of—

19 (A) 20 percent of the amount requested by  
20 the eligible entity; or

21 (B) \$10,000.

22 (4) USE OF FUNDS.—An advance received  
23 under this subsection shall only be used for the al-  
24 lowable uses for a loan under subsection (b)(1).

25 (5) REPAYMENT.—



1 (A) IN GENERAL.—Except as provided  
 2 under subparagraph (B), an eligible entity that  
 3 receives an advance under this subsection shall  
 4 not be required to repay any amounts of the ad-  
 5 vance.

6 (B) RETURN OF ADVANCE.—If an appli-  
 7 cant for a loan under subsection (b)(1) is later  
 8 determined to be ineligible for the loan because  
 9 the applicant does not meet the requirements to  
 10 be an eligible entity described in subsection  
 11 (a)(3), the applicant shall return to the Admin-  
 12 istrator any advance amount provided under  
 13 this subsection—

14 (i) not later than 90 days after receiv-  
 15 ing notice of the determination of ineligi-  
 16 bility; or

17 (ii) if the Administrator determines  
 18 that the applicant submitted the applica-  
 19 tion in bad faith, not later than 30 days  
 20 after receiving notice of that determina-  
 21 tion, plus interest in an amount equal to  
 22 4.75 percent of the advance.

23 (d) RESOURCES AND SERVICES IN LANGUAGES  
 24 OTHER THAN ENGLISH.—The Administrator shall pro-  
 25 vide the resources and services made available by the Ad-

1 ministration relating to the loans and grants available  
2 under this section to eligible entities in the 10 most com-  
3 monly spoken languages, other than English, in the  
4 United States, which shall include Mandarin, Cantonese,  
5 Japanese, and Korean.

6 (e) REGULATIONS.—The Administrator shall issue  
7 guidance and rules to carry out this section.

8 (f) DIRECT APPROPRIATION.—

9 (1) IN GENERAL.—There is appropriated, out  
10 of amounts in the Treasury not otherwise appro-  
11 priated, for the fiscal year ending September 30,  
12 2020, for an additional amount for “Small Business  
13 Administration—HEAL Act”, \$80,000,000, to re-  
14 main available until September 30, 2021, for car-  
15 rying out this section.

16 (2) EMERGENCY DESIGNATION.—

17 (A) IN GENERAL.—The amounts provided  
18 under this subsection are designated as an  
19 emergency requirement pursuant to section 4(g)  
20 of the Statutory Pay-As-You-Go Act of 2010 (2  
21 U.S.C. 933(g)).

22 (B) DESIGNATION IN SENATE.—In the  
23 Senate, this subsection is designated as an  
24 emergency requirement pursuant to section  
25 4112(a) of H. Con. Res. 71 (115th Congress),

1 the concurrent resolution on the budget for fis-  
2 cal year 2018.

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