To set the interest rate applicable to certain economic injury disaster loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 2, 2020

Mr. SCHATZ (for himself and Ms. CORTEZ MASTO) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To set the interest rate applicable to certain economic injury disaster loans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Business Disaster Loan Enhancement Act of 2020”.

SEC. 2. ECONOMIC INJURY DISASTER LOANS.

(a) DEFINITIONS.—In this section, the terms “Administration” and “Administrator” means the Administration and the Administrator thereof.
(b) INTEREST RATE.—Notwithstanding any other provision of law, any economic injury disaster loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) during the period beginning on February 15, 2020, and ending on December 31, 2020, shall have an interest rate of not more than 1 percent.

(e) ADDITIONAL LOAN FOR EXISTING BORROWERS.—

(1) IN GENERAL.—A recipient of an economic disaster injury loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) during the period beginning on February 15, 2020, and ending on December 31, 2020, may submit to the Administration an application for an additional amount to increase in the amount of that loan, provided that the aggregate amount received under such section by the recipient during that period shall be not more than $2,000,000.

(2) CONSIDERATION.—In considering an application submitted under paragraph (1), the Administrator shall only consider the financial need and ability to repay of the applicant.

(d) LOANS FOR NEW BORROWERS.—With respect to an economic injury disaster loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2))
during the period beginning on the date of enactment of this Act and ending on December 31, 2020—

(1) the Administrator shall not impose a maximum loan amount limit that is lower than $2,000,000; and

(2) in determining the amount of the loan, the Administrator shall only consider the financial need and ability to repay of the applicant.

(e) EMERGENCY EIDL GRANTS.—Section 1110(e) of division A of the CARES Act (Public Law 116–136) is amended—

(1) in paragraph (1), by inserting “full” before “amount”;

(2) in paragraph (3)—

(A) by striking “The” and inserting the following:

“(A) IN GENERAL.—Except as provided in this paragraph, the”; and

(B) by adding at the end the following:

“(B) ADDITIONAL AMOUNT.—A recipient of an advance under this subsection of less than the full amount requested may submit to the Administrator a request for an additional amount, provided that the aggregate amount received shall be not more than $10,000 or, in
the case of an entity described in subparagraph (C), not more than $25,000.

“(C) INCREASED AMOUNT FOR CERTAIN APPLICANTS.—

“(i) IN GENERAL.—An eligible entity described in paragraph (1) that suffered a decline in gross receipts of not less than 50 percent during an 8-week period between March 2, 2020, and December 31, 2020, relative to a comparable 8-week period immediately preceding March 2, 2020, or during 2019 may request an advance of not more than $25,000.

“(ii) DETERMINATION OF NEED.—In determining the amount of the advance under clause (i), the Administrator shall only consider the financial need of the applicant.”; and

(3) in paragraph (7), by striking “$20,000,000,000” and inserting “$40,000,000,000”.

(f) APPROPRIATIONS.—Out of amounts in the Treasury not otherwise appropriated, there is appropriated—

(1) to the Administration $80,000,000,000 to carry out subsection (c); and
(2) for an additional amount for “Emergency EIDL Grants” for the cost of emergency EIDL grants authorized by section 1110 of division A of the CARES Act (Public Law 116–136), $20,000,000,000, to remain available until expended, to prevent, prepare for, and respond to coronavirus, domestically or internationally.

(g) TRANSFER OF UNOBLIGATED PP AMOUNTS TO EIDL ACCOUNT.—Any amounts appropriated for loans made under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) that are unobligated as of August 8, 2020 shall be transferred to the appropriations account under the heading “Small Business Administration—Disaster Loans Program Account” and made available for the purpose of carrying out section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).

(h) EMERGENCY DESIGNATION.—

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

(2) DESIGNATION IN SENATE.—In the Senate, this section is designated as an emergency requirement pursuant to section 4112(a) of H. Con. Res. 
71 (115th Congress), the concurrent resolution on
the budget for fiscal year 2018.