

117TH CONGRESS
2D SESSION

S. 4476

To amend the State Small Business Credit Initiative Act of 2010 to modify allocations under the State Small Business Credit Initiative, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 23, 2022

Ms. KLOBUCHAR (for herself and Mr. WARNER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the State Small Business Credit Initiative Act of 2010 to modify allocations under the State Small Business Credit Initiative, 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 “SSBCI Improvement
5 Act”.

6 **SEC. 2. TECHNICAL AMENDMENTS TO THE STATE SMALL**
7 **BUSINESS CREDIT INITIATIVE ACT OF 2010.**

8 (a) EXCEPTION FOR ALLOCATED AMOUNTS OF NOT
9 MORE THAN \$1,000,000.—

1 (1) IN GENERAL.—Section 3003(c)(1) of the
2 State Small Business Credit Initiative Act of 2010
3 (12 U.S.C. 5702(c)(1)) is amended—

4 (A) in subparagraph (A)(i), by inserting “,
5 except as provided in subparagraph (D)” before
6 the semicolon at the end; and

7 (B) by amending subparagraph (D) to
8 read as follows:

9 “(D) EXCEPTIONS.—The Secretary—

10 “(i) may, in the Secretary’s discretion,
11 transfer the full amount of the partici-
12 pating State’s allocated amount to the
13 State in a single transfer if the partici-
14 pating State applies to the Secretary for
15 approval to use the full amount of the allo-
16 cation as collateral for a qualifying loan or
17 swap funding facility; and

18 “(ii) shall transfer the full amount of
19 the participating State’s allocated amount,
20 if the amount is not more than
21 \$1,000,000, to the State in a single trans-
22 fer upon approval under section 3004 and
23 subject to the requirements of paragraph
24 (7).”.

(2) USE OF TRANSFERRED FUNDS.—Section 3003(c)(3) of the State Small Business Credit Initiative Act of 2010 (12 U.S.C. 5702(c)(3)) is amended—

(A) in subparagraph (C)—

(i) by inserting “if the allocated amount under subsection (b) is greater than \$1,000,000,” before “in the case of”; and

(ii) by striking “or” at the end;

(B) in subparagraph (D)—

(i) by inserting “if the allocated amount under subsection (b) is more than \$1,000,000,” before “in the case of”; and

(ii) by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(E) if the allocated amount under subsection (b) is not more than \$1,000,000, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 3.6 percent of the allocated amount.”.

(3) RECOUPMENT.—Section 3003(c) of the State Small Business Credit Initiative Act of 2010

1 (12 U.S.C. 5702(c)) is amended by adding at the
2 end the following:

3 “(7) RECOUPMENT OF ALLOCATED AMOUNTS
4 FOR CERTAIN PARTICIPATING STATES.—

5 “(A) IN GENERAL.—With respect to a par-
6 ticipating State for which the Secretary allo-
7 cated an amount less than or equal to
8 \$1,000,000, the Secretary may recoup an
9 amount of the participating State’s allocated
10 amount as follows:

11 “(i) If, not later than the last day of
12 the 3-year period beginning on the date of
13 approval under section 3004, an amount
14 equal to 80 percent of $\frac{1}{3}$ of the allocated
15 amount has not been certified by the State
16 as expended, obligated, or transferred, the
17 amount recouped shall be equal to $\frac{2}{3}$ of
18 the allocated amount.

19 “(ii) If, not later than the last day of
20 the 6-year period beginning on the date of
21 approval under section 3004, an amount
22 equal to 80 percent of $\frac{2}{3}$ of the allocated
23 amount has not been certified by the State
24 as expended, obligated, or transferred, the

1 amount shall be equal to $\frac{1}{3}$ of the allo-
2 cated amount.

3 “(B) REALLOCATION.—

4 “(i) IN GENERAL.—Any amount re-
5 couped under this paragraph may be re-
6 allocated by the Secretary to a Tribal gov-
7 ernment that was not a participating State
8 subject to recoupment under this para-
9 graph.

10 “(ii) CONSIDERATION.—In making a
11 reallocation under clause (i), the Secretary
12 shall not take into account the specific al-
13 location for Tribal governments described
14 in subsection (b)(2)(D).”.

15 (4) APPLICABILITY.—The amendments made
16 by this subsection shall apply with respect to an allo-
17 cation made to a participating State under the State
18 Small Business Credit Initiative Act of 2010 (12
19 U.S.C. 5701 et seq.) for fiscal year 2022 and each
20 fiscal year thereafter.

21 (b) EXTENSION OF CERTAIN PERIODS.—The State
22 Small Business Credit Initiative Act of 2010 (12 U.S.C.
23 5701 et seq.) is amended—

1 (1) in section 3004(d)(2) (12 U.S.C.
2 5703(d)(2)), by striking “12 months” and inserting
3 “18 months”;

4 (2) in section 3007(d) (12 U.S.C. 5706(d)), by
5 striking “the first March 31” and all that follows
6 and inserting “March 31, 2031.”; and

7 (3) in section 3009(c) (12 U.S.C. 5707(c)), by
8 striking “7-year” and inserting “11-year”.

9 (c) TECHNICAL AMENDMENT.—Section 3003 of the
10 State Small Business Credit Initiative Act of 2010 (12
11 U.S.C. 5702) is amended—

12 (1) in subsection (b)(2)—

13 (A) by redesignating subparagraph (D) as
14 subparagraph (E); and

15 (B) by redesignating the second subpara-
16 graph (C) (relating to separate allocation for
17 Tribal governments) as subparagraph (D); and

18 (2) in subsection (c)(4)(B), by striking “sub-
19 section (b)(2)(C)” and inserting “subsection
20 (b)(2)(D)”.

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