

118TH CONGRESS
2D SESSION

H. R. 10241

To amend the Small Business Act to optimize the operations of the microloan program, lower costs for small business concerns and intermediary participants in the program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2024

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

A BILL

To amend the Small Business Act to optimize the operations of the microloan program, lower costs for small business concerns and intermediary participants in the program, 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 “Microloan Improve-
5 ment Act of 2024”.

1 **SEC. 2. INTEREST RATE FOR CERTAIN INTERMEDIARIES.**

2 Section 7(m)(3)(F)(iii) of the Small Business Act (15
3 U.S.C. 636(m)(3)(F)(iii)) is amended by striking
4 “\$7,500” and inserting “\$10,000”.

5 **SEC. 3. LINES OF CREDIT AUTHORIZED.**

6 Section 7(m)(6)(A) of the Small Business Act (15
7 U.S.C. 636(m)(6)(A)) is amended by striking “fixed rate
8 loans” and inserting “fixed-rate loans (including exten-
9 sions of a short-term, fixed-rate line of credit)”.

10 **SEC. 4. EXTENDED REPAYMENT TERMS.**

11 (a) IN GENERAL.—Section 7(m)(6) of the Small
12 Business Act (15 U.S.C. 636(m)(6)) is amended by add-
13 ing at the end the following:

14 “(F) REPAYMENT TERMS.—

15 “(i) LIMITATION ON REPAYMENTS
16 TERM.—The repayment term for a loan
17 made under this paragraph shall not be
18 more than—

19 “(I) in the case of a loan made
20 by an intermediary of \$10,000 or less,
21 7 years; and

22 “(II) in the case of a loan made
23 by an intermediary of greater than
24 \$10,000, 10 years.

25 “(ii) NO ADDITIONAL LIMITATIONS.—
26 The Administrator may not impose any ad-

1 ditional limitation on the term for repay-
 2 ment of a loan made by an intermediary
 3 under this paragraph.”.

4 (b) TECHNICAL AMENDMENT.—Section 329(c) of the
 5 Economic Aid to Hard-Hit Small Businesses, Nonprofits,
 6 and Venues Act (Public Law 116–260; 134 Stat. 2042
 7 15 U.S.C. 636 note) is repealed.

8 **SEC. 5. PROGRAM FUNDING FOR MICROLOANS.**

9 (a) IN GENERAL.—Section 7(m) of the Small Busi-
 10 ness Act (15 U.S.C. 636(m)) is amended—

11 (1) in paragraph (7)(B)—

12 (A) by amending clause (i) to read as fol-
 13 lows:

14 “(i) ALLOCATION.—Subject to the
 15 availability of appropriations and for the
 16 first 2 quarters of a fiscal year, of the total
 17 amount of new loan funds made available
 18 for award under this subsection in such
 19 fiscal year, the Administrator shall—

20 “(I) reserve 15 percent of such
 21 funds for award to designated under-
 22 utilized States; and

23 “(II) make the remaining 85 per-
 24 cent of such funds available for award
 25 in any State.”; and

1 (B) in clause (ii), by striking “to carry
2 out” and all that follows through the period at
3 the end and inserting the following: “under
4 clause (i)(I) remains unexpended, the Adminis-
5 trator may make that portion available for
6 award in any State or designated underutilized
7 State.”; and

8 (2) in paragraph (11)—

9 (A) in clause (ii) of subparagraph (C), by
10 striking “rural” and all that follows through
11 the end of such clause and inserting “rural;”;

12 (B) in subparagraph (D), by striking the
13 period at the end and inserting “; and”; and

14 (C) by adding at the end the following new
15 subparagraph:

16 “(E) the term ‘State’ means each of the
17 several States, the District of Columbia, the
18 Commonwealth of Puerto Rico, the United
19 States Virgin Islands, Guam, the Northern
20 Mariana Islands, and American Samoa.”.

21 (b) RULEMAKING.—Not later than 180 days after the
22 date of the enactment of this Act, the Administrator of
23 the Small Business Administration shall issue regulations
24 to define the term “designated underutilized State”, as

1 used in section 7(m)(7)(B) of the Small Business Act (15
 2 U.S.C. 636(m)(7)(B)), as added by this section.

3 **SEC. 6. CREDIT REPORTING INFORMATION.**

4 The Administrator of the Small Business Administra-
 5 tion shall issue rules establishing a process under which
 6 an intermediary that makes a loan to a borrower under
 7 section 7(m) of the Small Business Act (15 U.S.C.
 8 636(m)) shall be required to provide the major credit re-
 9 porting agencies with information about the borrower rel-
 10 evant to credit reporting, such as the borrower’s payment
 11 activity on the loan.

12 **SEC. 7. REPORT REGARDING EQUITABLE DISTRIBUTION.**

13 Section 7(m)(8) of the Small Business Act (15
 14 U.S.C. 636(m)(8)) is amended—

15 (1) by striking “In approving” and inserting
 16 the following:

17 “(A) IN GENERAL.—In approving”; and

18 (2) by adding at the end the following:

19 “(B) ANNUAL REPORT.—The Adminis-
 20 trator shall include in the report submitted
 21 under paragraph (10), and make publicly avail-
 22 able on the website of the Administration, infor-
 23 mation on how the Administration has complied
 24 with the requirements of subparagraph (A).”.

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