

## Calendar No. 22

119TH CONGRESS  
1ST SESSION**S. 300**

To improve accountability in the disaster loan program of the Small Business Administration, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 29, 2025

Mr. BUDD (for himself, Ms. ERNST, Mr. SCOTT of South Carolina, Mr. TILLIS, Mr. HUSTED, Mr. JUSTICE, Mr. YOUNG, Mr. RISCH, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

MARCH 4, 2025

Reported by Ms. ERNST, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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**A BILL**

To improve accountability in the disaster loan program of the Small Business Administration, 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 “Disaster Loan Ac-  
5       countability and Reform Act” or the “DLARA”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

See: 1: Short title.  
 See: 2: Table of contents.  
 See: 3: Definitions.  
 See: 4: Monthly disaster loan reports.  
 See: 5: Budget request relating to disaster loans.  
 See: 6: Limitations on loan forgiveness.  
 See: 7: Limits on disaster loans.  
 See: 8: Prohibition regarding SBA rules relating to disaster loans.  
 See: 9: GAO report on disaster loan changes.  
 See: 10: SBA Inspector General review.  
 See: 11: Budget and forecasting report regarding the cost of direct disaster  
 loans.

3 **SEC. 3. DEFINITIONS.**

4 In this Act—

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

8 (2) the term “appropriate committees of Con-  
 9 gress” means the Committee on Small Business and  
 10 Entrepreneurship and the Committee on Appropria-  
 11 tions of the Senate and the Committee on Small  
 12 Business and the Committee on Appropriations of  
 13 the House of Representatives.

14 **SEC. 4. MONTHLY DISASTER LOAN REPORTS.**

15 Section 12091(a) of the Small Business Disaster Re-  
 16 sponse and Loan Improvements Act of 2008 (15 U.S.C.  
 17 636k(a)) is amended—

18 (1) in paragraph (1), by striking “during the  
 19 applicable period for a major disaster”;

20 (2) in paragraph (2)—

1           (A) in subparagraph (E), by striking “how  
2           long the available funding for such loans will  
3           last” and inserting “the date at which available  
4           funding for such loans will reach 10 percent of  
5           the most recent appropriation and the date at  
6           which the funds will be depleted”;

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

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

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

12          “(J) a summary detailing any changes to  
13          estimates or assumptions on obligations and ex-  
14          penditures, including data supporting these  
15          changes.”; and

16          (3) by adding at the end the following:

17          “(3) PROHIBITION ON OFFICIAL TRAVEL.—If  
18          the Administrator does not submit a report required  
19          to be submitted under paragraph (1) by the required  
20          date, no funds may be obligated for official travel by  
21          the Administrator until the Administrator submits  
22          the report.”.

23 **SEC. 5. BUDGET REQUEST RELATING TO DISASTER LOANS.**

24          Section 1105 of title 31, United States Code, is  
25          amended—

1           (1) in subsection (a), by adding at the end the  
2 following:

3           ~~“(39) separate statements of—~~

4           ~~“(A) the amount of appropriations re-~~  
5 ~~quested for the fiscal year for which the budget~~  
6 ~~is submitted for the cost of SBA disaster loans;~~  
7 ~~the 10-year average of the cost of SBA disaster~~  
8 ~~loans; and an explanation for any difference be-~~  
9 ~~tween the amount requested and the 10-year~~  
10 ~~average cost; and~~

11           ~~“(B) the amount of appropriations re-~~  
12 ~~quested for the fiscal year for which the budget~~  
13 ~~is submitted for the cost of COVID-EIDL~~  
14 ~~loans; the 10-year average of the cost of~~  
15 ~~COVID-EIDL loans; and an explanation for~~  
16 ~~any difference between the amount requested~~  
17 ~~and the 10-year average cost.~~

18           ~~“(40) separate statements of—~~

19           ~~“(A) the amount of appropriations re-~~  
20 ~~quested for the fiscal year for which the budget~~  
21 ~~is submitted for administrative costs relating to~~  
22 ~~SBA disaster loans; the 10-year average of such~~  
23 ~~administrative costs; and an explanation for any~~  
24 ~~difference between the amount requested and~~  
25 ~~the 10-year average costs; and~~

“(B) the amount of appropriations requested for the fiscal year for which the budget is submitted for administrative costs relating to COVID-EIDL loans; the 10-year average of such administrative costs; and an explanation for any difference between the amount requested and the 10-year average costs.”; and  
(2) by adding at the end the following:

“(j) In paragraphs (39) and (40) of subsection (a)—

“(1) the term ‘COVID-EIDL loan’ means a direct loan under section 7(b) of the Small Business Act (15 U.S.C. 636(b)) that was authorized under section 1110 of the CARES Act (15 U.S.C. 9009); and

“(2) the term ‘SBA disaster loan’ means a direct loan authorized by section 7(b) of the Small Business Act (15 U.S.C. 636(b)), other than a loan that was authorized under section 1110 of the CARES Act (15 U.S.C. 9009).”.

#### **SEC. 6. LIMITATIONS ON LOAN FORGIVENESS.**

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

“(o) LIMITATIONS ON LOAN FORGIVENESS.—

“(1) IN GENERAL.—The Administrator may not—

“(A) forgive any loan under this section unless Congress has authorized such forgiveness; or

“(B) compromise on, suspend, or end collections on a debt owed to the Administration pursuant to paragraph (2) or (3) of section 3711(a) of title 31, United States Code.

“(2) REFERRAL OF DEBT.—If the Administrator seeks to discharge a debt and the discharge of such debt is limited under paragraph (1), the Administrator shall refer such debt to the Department of the Treasury for collection action, including a final determination regarding whether to suspend, end, or continue collection of the debt.”.

**SEC. 7. LIMITS ON DISASTER LOANS.**

(a) LOW FUNDING.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended—

(1) by redesignating the second paragraph designated as paragraph (16), relating to statute of limitations, as added by the COVID-19 EIDL Fraud Statute of Limitations Act of 2022 (Public Law 117-165, 136 Stat. 1363), as paragraph (18); and

(2) by inserting after paragraph (16), relating to disaster declarations in rural areas, as added by the Disaster Assistance for Rural Communities Act

1 (Public Law 117-249, 136 Stat. 2350), the fol-  
 2 lowing:

3 “(17) REQUIREMENTS WHEN FUNDING IS  
 4 LOW.—

5 “(A) IN GENERAL.—Not later than 24  
 6 hours after the unobligated balance of amounts  
 7 available for the cost of direct loans authorized  
 8 by this subsection is less than 10 percent of the  
 9 most recent appropriation for such costs, the  
 10 Administrator shall notify the Committee on  
 11 Appropriations and the Committee on Small  
 12 Business and Entrepreneurship of the Senate  
 13 and the Committee on Appropriations and the  
 14 Committee on Small Business of the House of  
 15 Representatives.

16 “(B) LIMITATION ON OBLIGATING  
 17 FUNDS.—During the period beginning on the  
 18 first business day occurring on or after the date  
 19 by which the Administrator is required to notify  
 20 Congress under subparagraph (A) and ending  
 21 on the date on which additional amounts are  
 22 appropriated for such costs, the Administrator  
 23 may not obligate funds for a direct loan author-  
 24 ized under this subsection in an amount that is

1 more than the amount of such a loan for which  
 2 collateral is required.”.

3 ~~(b) REPEAL OF AUTHORITY TO INCREASE AMOUNT~~  
 4 ~~OF LOANS FOR WHICH COLLATERAL IS NOT RE-~~  
 5 ~~QUIRED.—Section 7(d)(6) of the Small Business Act is~~  
 6 ~~amended by striking “(or such higher amount as the Ad-~~  
 7 ~~ministrator determines appropriate in the event of a major~~  
 8 ~~disaster)”.~~

9 **SEC. 8. PROHIBITION REGARDING SBA RULES RELATING**  
 10 **TO DISASTER LOANS.**

11 (a) DEFINITIONS.—In this section:

12 (1) COST.—The term “cost” has the meaning  
 13 given the term in section 502 of the Federal Credit  
 14 Reform Act of 1990 (2 U.S.C. 661a).

15 (2) RULE.—The term “rule” has the meaning  
 16 given the term in section 551 of title 5, United  
 17 States Code.

18 (b) PROHIBITION.—Notwithstanding any other provi-  
 19 sion of law or regulation, beginning on the date of enact-  
 20 ment of this Act, the Administrator of the Small Business  
 21 Administration may not issue any rule that will result in  
 22 any increased cost to the program carried out under sec-  
 23 tion 7(b) of the Small Business Act (15 U.S.C. 636(b)).



1 **SEC. 9. GAO REPORT ON DISASTER LOAN CHANGES.**

2 (a) DEFINITION.—In this section, the term “covered  
3 final rule” means—

4 (1) the final rule entitled “Disaster Assistance  
5 Loan Program Changes to Maximum Loan Amounts  
6 and Miscellaneous Updates” (88 Fed. Reg. 39335  
7 (June 16, 2023); RIN 3245–AH91); or

8 (2) the final rule entitled “Disaster Assistance  
9 Loan Program Changes to Unsecured Loan  
10 Amounts and Credit Elsewhere Criteria” (89 Fed.  
11 Reg. 59826 (July 24, 2024); RIN 3245–AI08).

12 (b) REPORT.—Not later than 1 year after the date  
13 of enactment of this Act, the Comptroller General of the  
14 United States shall submit to the Committee on Small  
15 Business and Entrepreneurship and the Committee on Ap-  
16 propriations of the Senate and the Committee on Small  
17 Business and the Committee on Appropriations of the  
18 House of Representatives a report on—

19 (1) the cost (as defined in section 502 of the  
20 Federal Credit Reform Act of 1990 (2 U.S.C.  
21 661a)) of the increase in the home loan lending lim-  
22 its for, the extension of the deferment period for, the  
23 expansion of mitigation options for, the modifica-  
24 tions to the criteria for determining whether appli-  
25 cants can obtain credit elsewhere with respect to, the  
26 changes to collateral requirements for, and other

changes to the terms and conditions of loans under  
 section 7(b)(1) of the Small Business Act (15 U.S.C.  
~~636(b)(1)~~) made by the covered final rules; and  
 (2) the effect on the subsidy for such loans of  
 the changes contained in the covered final rules.

**SEC. 10. SBA INSPECTOR GENERAL REVIEW.**

(a) DEFINITIONS.—In this section—

(1) the term “covered amounts” means  
 amounts made available for the cost of direct loans  
 authorized by section 7(b) of the Small Business Act  
 (15 U.S.C. ~~636(b)~~); and

(2) the term “Inspector General” means the In-  
 spector General of the Administration.

(b) REVIEW.—

(1) IN GENERAL.—The Inspector General shall  
 conduct a review of the circumstances surrounding  
 the funding shortfall with respect to covered  
 amounts, as described in—

(A) the letter from President Joseph R.  
 Biden, Jr. entitled “Letter to Congress on Dis-  
 aster Needs”, dated October 4, 2024; and

(B) the letter from the Administrator sub-  
 mitted to the Chair and Ranking Members of  
 the Committees on Appropriations of the Sen-

1           ate and the House of Representatives, dated  
2           October 10, 2024.

3           ~~(2) CONTENTS.—~~The review required under  
4           paragraph ~~(1)~~ shall include the following with re-  
5           spect to the funding shortfall described in that para-  
6           graph:

7                   (A) The identification of any reporting or  
8                   notification requirements in statute that the  
9                   Administration failed to provide to Congress  
10                  with respect to the funding shortfall.

11                  (B) The reason for any obligation or ex-  
12                  penditure of covered amounts for a purpose  
13                  that significantly diverged from the purpose for  
14                  which the covered amounts were made available.

15                  (C) An analysis of the accuracy of projec-  
16                  tions and estimates relevant to the divergences  
17                  described in subparagraph (B).

18                  (D) The identification and description of  
19                  any internal controls in place to manage cov-  
20                  ered amounts.

21                  (E) An analysis of the impact that any re-  
22                  organization of the Administration, including  
23                  the transfer of administrative authority for the  
24                  program carried out under section 7(b) of the  
25                  Small Business Act (15 U.S.C. 636(b)) to the

Office of Capital Access of the Administration;  
may have had with respect to the funding  
shortfall.

(F) The identification of actions that the  
Administration can take to—

(i) improve the accuracy of informa-  
tion submitted by the President under sec-  
tion 1105(a) of title 31, United States  
Code, with respect to the Administration;

(ii) prevent any future funding short-  
fall with respect to any account of the Ad-  
ministration; and

(iii) improve the report submitted to  
the appropriate committees of Congress  
under section 12091(a) of the Small Busi-  
ness Disaster Response and Loan Improve-  
ments Act of 2008 (15 U.S.C. 636k(a)).

(G) Any other matter determined relevant  
by the Inspector General.

(e) REPORT.—Not later than 180 days after the date  
of enactment of this Act, the Inspector General shall sub-  
mit to the appropriate committees of Congress a report  
that contains the findings of the review carried out under  
subsection (b).

1 **SEC. 11. BUDGET AND FORECASTING REPORT REGARDING**  
 2 **THE COST OF DIRECT DISASTER LOANS.**

3 (a) BUDGET FORMULATION AND FORECASTING.—  
 4 Not later than 30 days after the date of enactment of this  
 5 Act, the Administrator shall submit to the appropriate  
 6 committees of Congress a report detailing corrections the  
 7 Administration will make to improve forecasting, data  
 8 quality, and budget assumptions relating to budget sub-  
 9 missions relating to amounts made available for the cost  
 10 of direct loans authorized by section 7(b) of the Small  
 11 Business Act (15 U.S.C. 636(b)).

12 (b) UPDATES.—Not later than 90 days after the date  
 13 of enactment of this Act, and every 90 days thereafter  
 14 until the date that is 90 days after the date on which all  
 15 the corrections described in subsection (a) have been im-  
 16 plemented, the Administrator shall submit to the appro-  
 17 priate committees of Congress a report—

18 (1) detailing the actions the Administration has  
 19 taken to implement the corrections described in sub-  
 20 section (a); and

21 (2) explaining how each action detailed under  
 22 paragraph (1) is directly related to implementing 1  
 23 or more corrections described in subsection (a).

24 **SECTION 1. SHORT TITLE.**

25 *This Act may be cited as the “Disaster Loan Account-*  
 26 *ability and Reform Act” or the “DLARA”.*

1 **SEC. 2. TABLE OF CONTENTS.**

2 *The table of contents for this Act is as follows:*

*Sec. 1. Short title.*

*Sec. 2. Table of contents.*

*Sec. 3. Definitions.*

*Sec. 4. Monthly disaster loan reports.*

*Sec. 5. Budget request relating to disaster loans.*

*Sec. 6. Limitations on disaster loans.*

*Sec. 7. GAO report on SBA disaster loan account.*

*Sec. 8. GAO report on disaster loan changes.*

*Sec. 9. SBA Inspector General review.*

*Sec. 10. Budget and forecasting report regarding the cost of direct disaster loans.*

3 **SEC. 3. DEFINITIONS.**

4 *In this Act—*

5 *(1) the terms “Administration” and “Adminis-*  
 6 *trator” mean the Small Business Administration and*  
 7 *the Administrator thereof, respectively;*

8 *(2) the term “appropriate committees of Con-*  
 9 *gress” means the Committee on Small Business and*  
 10 *Entrepreneurship and the Committee on Appropria-*  
 11 *tions of the Senate and the Committee on Small Busi-*  
 12 *ness and the Committee on Appropriations of the*  
 13 *House of Representatives; and*

14 *(3) the term “SBA disaster loan” means a direct*  
 15 *loan authorized by section 7(b) of the Small Business*  
 16 *Act (15 U.S.C. 636(b)), other than a loan that was*  
 17 *authorized under section 1110 of the CARES Act (15*  
 18 *U.S.C. 9009).*

1 **SEC. 4. MONTHLY DISASTER LOAN REPORTS.**

2       *Section 12091(a) of the Small Business Disaster Re-*  
 3 *sponse and Loan Improvements Act of 2008 (15 U.S.C.*  
 4 *636k(a)) is amended—*

5           *(1) in paragraph (1)—*

6               *(A) by striking “during the applicable pe-*  
 7 *riod for a major disaster”; and*

8               *(B) by striking “for that major disaster”;*

9           *(2) in paragraph (2)—*

10               *(A) in subparagraph (E), by striking “how*  
 11 *long the available funding for such loans will*  
 12 *last” and inserting “the date at which available*  
 13 *funding for such loans will reach 10 percent of*  
 14 *the most recent appropriation and the date at*  
 15 *which the funds will be depleted”;*

16               *(B) in subparagraph (H), by striking*  
 17 *“and” at the end;*

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

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

21               *“(J) a summary detailing any changes to*  
 22 *estimates or assumptions on obligations and ex-*  
 23 *penditures, including data supporting these*  
 24 *changes.”; and*

25           *(3) by adding at the end the following:*

1           “(3) *PROHIBITION ON OFFICIAL TRAVEL.*—If the  
 2           Administrator does not submit a report required to be  
 3           submitted under paragraph (1) by the required date,  
 4           no funds may be obligated for official travel by the  
 5           Administrator until the Administrator submits the  
 6           report.”.

7   **SEC. 5. BUDGET REQUEST RELATING TO DISASTER LOANS.**

8           Section 1105 of title 31, United States Code, is amend-  
 9   ed—

10           (1) in subsection (a), by adding at the end the  
 11   following:

12           “(39) separate statements of—

13           “(A) the amount of appropriations re-  
 14           quested for the fiscal year for which the budget  
 15           is submitted for the cost of SBA disaster loans,  
 16           the 10-year average of the cost of SBA disaster  
 17           loans, and an explanation for any difference be-  
 18           tween the amount requested and the 10-year av-  
 19           erage cost; and

20           “(B) the amount of appropriations re-  
 21           quested for the fiscal year for which the budget  
 22           is submitted for the cost of COVID-EIDL loans,  
 23           the 10-year average of the cost of COVID-EIDL  
 24           loans, and an explanation for any difference be-



1        *tween the amount requested and the 10-year av-*  
 2        *erage cost.*

3        *“(40) separate statements of—*

4                *“(A) the amount of appropriations re-*  
 5        *quested for the fiscal year for which the budget*  
 6        *is submitted for administrative costs relating to*  
 7        *SBA disaster loans, the 10-year average of such*  
 8        *administrative costs, and an explanation for any*  
 9        *difference between the amount requested and the*  
 10       *10-year average costs; and*

11               *“(B) the amount of appropriations re-*  
 12       *quested for the fiscal year for which the budget*  
 13       *is submitted for administrative costs relating to*  
 14       *COVID-EIDL loans, the 10-year average of such*  
 15       *administrative costs, and an explanation for any*  
 16       *difference between the amount requested and the*  
 17       *10-year average costs.”; and*

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

19       *“(j) In paragraphs (39) and (40) of subsection (a)—*

20               *“(1) the term ‘COVID-EIDL loan’ means a di-*  
 21       *rect loan under section 7(b) of the Small Business Act*  
 22       *(15 U.S.C. 636(b)) that was authorized under section*  
 23       *1110 of the CARES Act (15 U.S.C. 9009); and*

24               *“(2) the term ‘SBA disaster loan’ means a direct*  
 25       *loan authorized by section 7(b) of the Small Business*

1     *Act (15 U.S.C. 636(b)), other than a loan that was*  
 2     *authorized under section 1110 of the CARES Act (15*  
 3     *U.S.C. 9009).”.*

4     **SEC. 6. LIMITATIONS ON DISASTER LOANS.**

5     *(a) LOW FUNDING.—Section 7(b) of the Small Busi-*  
 6     *ness Act (15 U.S.C. 636(b)) is amended—*

7             *(1) by redesignating the second paragraph des-*  
 8             *ignated as paragraph (16), relating to statute of limi-*  
 9             *tations, as added by the COVID–19 EIDL Fraud*  
 10            *Statute of Limitations Act of 2022 (Public Law 117–*  
 11            *165; 136 Stat. 1363), as paragraph (18); and*

12            *(2) by inserting after paragraph (16), relating to*  
 13            *disaster declarations in rural areas, as added by the*  
 14            *Disaster Assistance for Rural Communities Act (Pub-*  
 15            *lic Law 117–249; 136 Stat. 2350), the following:*

16            “(17) *REQUIREMENTS WHEN FUNDING IS LOW.—*

17            “(A) *IN GENERAL.—Not later than 24 hours*  
 18            *after the unobligated balance of amounts avail-*  
 19            *able for the cost of direct loans authorized by this*  
 20            *subsection is less than 10 percent of the 10-year*  
 21            *average annual cost provided in the most recent*  
 22            *Presidential budget request required under sec-*  
 23            *tion 1105(a)(39)(A) of title 31, United States*  
 24            *Code, or, if unavailable, the 10-year average an-*  
 25            *nual cost for the immediately preceding 10-year*

1        *period of SBA disaster loans (as defined in sec-*  
2        *tion 1105(j) of such title), the Administrator*  
3        *shall notify the Committee on Appropriations*  
4        *and the Committee on Small Business and En-*  
5        *trepreneurship of the Senate and the Committee*  
6        *on Appropriations and the Committee on Small*  
7        *Business of the House of Representatives.*

8                “(B) *LIMITATION ON OBLIGATING FUNDS.—*  
9        *During the period beginning on the first business*  
10        *day occurring on or after the date by which the*  
11        *Administrator is required to notify Congress*  
12        *under subparagraph (A) and ending on the date*  
13        *on which additional amounts are appropriated*  
14        *for such costs, the Administrator may limit the*  
15        *obligation of funds for a direct loan authorized*  
16        *under this subsection to the amount of such a*  
17        *loan for which collateral is required.*

18                “(C) *AUTHORITY TO LIMIT OBLIGATION OF*  
19        *FUNDS.—In carrying out the authority to enact*  
20        *a limitation under (B), the Administrator shall*  
21        *apply that limitation with respect to amounts*  
22        *obligated for all direct loans authorized under*  
23        *this subsection during the period described in*  
24        *subparagraph (B).*

1                   “(D) *REQUIREMENT TO DISBURSE WITHIN*  
 2                   *14 DAYS.*—*If the Administrator exercises the au-*  
 3                   *thority under (B), the Administrator shall, not*  
 4                   *later than 14 days after the date on which addi-*  
 5                   *tional amounts are appropriated under subpara-*  
 6                   *graph (B), obligate and disburse on a regular*  
 7                   *schedule any remaining amount outstanding on*  
 8                   *a direct loan authorized under this subsection.”.*

9           (b) *SUNSET.*—*Effective on the date that is 4 years*  
 10 *after the date of enactment of this Act, section 7(b) of the*  
 11 *Small Business Act (15 U.S.C. 636(b)) is amended—*

12                   (1) *by striking paragraph (17); and*

13                   (2) *by redesignating paragraph (18) as para-*  
 14 *graph (17).*

15           (c) *REPORT.*—*Not later than 1 year after the date of*  
 16 *enactment of this Act, in the event that the Administrator*  
 17 *exercises the authority described in paragraph (17)(B) of*  
 18 *section 7(b) of the Small Business Act (15 U.S.C. 636(b)),*  
 19 *as added by subsection (a), the Comptroller General of the*  
 20 *United States shall submit to the appropriate committees*  
 21 *of Congress a report assessing the actual and potential im-*  
 22 *pact of the amendments made by subsection (a) during the*  
 23 *period covered by the report.*

1 **SEC. 7. GAO REPORT ON SBA DISASTER LOAN ACCOUNT.**

2       (a) *REPORT.*—Not later than 180 days after the date  
3 of enactment of this Act, the Comptroller General of the  
4 United States shall submit to the Administrator and the  
5 appropriate committees of Congress a report on—

6           (1) *the average weekly rate at which the Admin-*  
7 *istration obligates the unobligated balance of amounts*  
8 *available for the cost of SBA disaster loans;*

9           (2) *the average amount, during the periods be-*  
10 *ginning on October 1, 2015 and ending on July 31,*  
11 *2023 and beginning on July 31, 2023 and ending on*  
12 *the date of enactment of this Act, respectively, dis-*  
13 *bursed to a borrower each week, during the initial 12-*  
14 *week period in which a borrower receives amounts*  
15 *from an SBA disaster loan, beginning the day after*  
16 *the borrower accepts their loan, separated by home*  
17 *SBA disaster loan borrowers, business SBA disaster*  
18 *loan borrowers, and economic injury disaster loan*  
19 *borrowers; and*

20           (3) *the average amount of fully disbursed SBA*  
21 *disaster loans, originated during the period beginning*  
22 *on July 31, 2023 and ending on the date of enact-*  
23 *ment of this Act, with separate averages for SBA dis-*  
24 *aster loans delineated by home, business, and eco-*  
25 *nomic injury disaster loans.*

1       (b) *RESPONSE*.—Not later than 90 days after the date  
 2       on which the Comptroller General of the United States sub-  
 3       mits the report under subsection (a), the Administrator  
 4       shall submit to the appropriate committees of Congress a  
 5       response to the report, including an implementation plan  
 6       for any recommendations in the report.

7       **SEC. 8. GAO REPORT ON DISASTER LOAN CHANGES.**

8       (a) *DEFINITION*.—In this section, the term “covered  
 9       final rule” means—

10           (1) the final rule entitled “Disaster Assistance  
 11       Loan Program Changes to Maximum Loan Amounts  
 12       and Miscellaneous Updates” (88 Fed. Reg. 39335  
 13       (June 16, 2023); RIN 3245–AH91); or

14           (2) the final rule entitled “Disaster Assistance  
 15       Loan Program Changes to Unsecured Loan Amounts  
 16       and Credit Elsewhere Criteria” (89 Fed. Reg. 59826  
 17       (July 24, 2024); RIN 3245–AI08).

18       (b) *REPORT*.—Not later than 1 year after the date of  
 19       enactment of this Act, the Comptroller General of the United  
 20       States shall submit to the appropriate committees of Con-  
 21       gress a report on—

22           (1) the cost (as defined in section 502 of the Fed-  
 23       eral Credit Reform Act of 1990 (2 U.S.C. 661a)) of  
 24       the increase in the home loan lending limits for, the  
 25       extension of the deferment period for, the expansion of

1     *mitigation options for, the modifications to the cri-*  
 2     *teria for determining whether applicants can obtain*  
 3     *credit elsewhere with respect to, the changes to collat-*  
 4     *eral requirements for, and other changes to the terms*  
 5     *and conditions of loans under section 7(b)(1) of the*  
 6     *Small Business Act (15 U.S.C. 636(b)(1)) made by*  
 7     *the covered final rules; and*

8             *(2) the effect on the subsidy for such loans of the*  
 9     *changes contained in the covered final rules.*

10   **SEC. 9. SBA INSPECTOR GENERAL REVIEW.**

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

12             *(1) the term “covered amounts” means amounts*  
 13     *made available for the cost of direct loans authorized*  
 14     *by section 7(b) of the Small Business Act (15 U.S.C.*  
 15     *636(b)); and*

16             *(2) the term “Inspector General” means the In-*  
 17     *spector General of the Administration.*

18     *(b) REVIEW.—*

19             *(1) IN GENERAL.—The Inspector General shall*  
 20     *conduct a review of the circumstances surrounding the*  
 21     *funding shortfall with respect to covered amounts, as*  
 22     *described in—*

23                 *(A) the letter from President Joseph R.*  
 24             *Biden, Jr. entitled “Letter to Congress on Dis-*  
 25             *aster Needs”, dated October 4, 2024; and*

1           (B) the letter from the Administrator sub-  
2           mitted to the Chair and Ranking Members of the  
3           Committees on Appropriations of the Senate and  
4           the House of Representatives, dated October 10,  
5           2024.

6           (2) CONTENTS.—The review required under  
7           paragraph (1) shall include the following with respect  
8           to the funding shortfall described in that paragraph:

9           (A) The identification of any report or noti-  
10          fication required by statute that the Administra-  
11          tion failed to provide to Congress with respect to  
12          the funding shortfall.

13          (B) The reason for any obligation or ex-  
14          penditure of covered amounts for a purpose that  
15          significantly diverged from the purpose for which  
16          the covered amounts were made available.

17          (C) An analysis of the accuracy of projec-  
18          tions and estimates relevant to the divergences  
19          described in subparagraph (B).

20          (D) The identification and description of  
21          any internal controls in place to manage covered  
22          amounts.

23          (E) An analysis of the impact that any re-  
24          organization of the Administration, including  
25          the transfer of administrative authority for the



1           program carried out under section 7(b) of the  
 2           Small Business Act (15 U.S.C. 636(b)) to the Of-  
 3           fice of Capital Access of the Administration, may  
 4           have had with respect to the funding shortfall.

5           (F) The identification of actions that the  
 6           Administration can take to—

7                   (i) improve the accuracy of informa-  
 8                   tion submitted by the President under sec-  
 9                   tion 1105(a) of title 31, United States Code,  
 10                  with respect to the Administration;

11                  (ii) prevent any future funding short-  
 12                  fall with respect to any account of the Ad-  
 13                  ministration; and

14                  (iii) improve the reports submitted to  
 15                  the appropriate committees of Congress  
 16                  under section 12091(a) of the Small Busi-  
 17                  ness Disaster Response and Loan Improve-  
 18                  ments Act of 2008 (15 U.S.C. 636k(a)).

19           (G) Any other matter determined relevant  
 20           by the Inspector General.

21           (c) *REPORT.*—Not later than 180 days after the date  
 22           of enactment of this Act, the Inspector General shall submit  
 23           to the appropriate committees of Congress a report that con-  
 24           tains the findings of the review carried out under subsection  
 25           (b).

1 **SEC. 10. BUDGET AND FORECASTING REPORT REGARDING**  
2 **THE COST OF DIRECT DISASTER LOANS.**

3 (a) *BUDGET FORMULATION AND FORECASTING.*—Not  
4 later than 30 days after the date of enactment of this Act,  
5 the Administrator shall submit to the appropriate commit-  
6 tees of Congress a report detailing corrections the Adminis-  
7 tration will make to improve forecasting, data quality, and  
8 budget assumptions relating to budget submissions relating  
9 to amounts made available for the cost of SBA disaster  
10 loans.

11 (b) *UPDATES.*—Not later than 90 days after the date  
12 of enactment of this Act, and every 90 days thereafter until  
13 the date that is 90 days after the date on which all the  
14 corrections described in subsection (a) have been imple-  
15 mented, the Administrator shall submit to the appropriate  
16 committees of Congress a report—

17 (1) detailing the actions the Administration has  
18 taken to implement the corrections described in sub-  
19 section (a); and

20 (2) explaining how each action detailed under  
21 paragraph (1) is directly related to implementing 1  
22 or more corrections described in subsection (a).



Calendar No. 22

119TH CONGRESS  
1ST Session  
**S. 300**

**A BILL**

To improve accountability in the disaster loan program of the Small Business Administration, and for other purposes.

MARCH 4, 2025

Reported with an amendment