

119TH CONGRESS  
2D SESSION

# S. 4534

To amend the Small Business Act to establish a direct loan program for microbusinesses at the Small Business Administration, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 14, 2026

Ms. CORTEZ MASTO (for herself and Ms. ALSOBROOKS) 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 amend the Small Business Act to establish a direct loan program for microbusinesses at 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 “Microbusiness Support  
5 Act”.

6 **SEC. 2. DIRECT LOAN PROGRAM FOR MICROBUSINESSES.**

7 Section 7(a) of the Small Business Act (15 U.S.C.  
8 636(a)) is amended by adding at the end the following:

9 “(38) MICROBUSINESS LOAN PROGRAM.—

1 “(A) DEFINITION.—

2 “(i) IN GENERAL.—In this paragraph,  
3 the term ‘microbusiness’ means an inde-  
4 pendently owned and operated for-profit  
5 business entity that—

6 “(I) employs not more than 10  
7 full-time employees, determined on a  
8 full-time equivalent basis; and

9 “(II) has annual revenue of not  
10 more than the lesser of—

11 “(aa) \$5,000,000; or

12 “(bb) the size standard in  
13 dollars, if any, for the North  
14 American Industry Classification  
15 System code assigned to the busi-  
16 ness entity for the business entity  
17 to qualify as a small business  
18 concern.

19 “(ii) FULL-TIME.—For purposes of  
20 clause (i), the term ‘full-time’ means that  
21 an individual—

22 “(I) is employed for consideration  
23 for not less than 35 hours each week;  
24 or

1                   “(II) renders any other standard  
2                   of service generally accepted by cus-  
3                   tom or specified by contract as full-  
4                   time employment.

5                   “(iii) VERIFICATION.—The Adminis-  
6                   trator may request from a business entity  
7                   such documentation as may be necessary  
8                   to establish that the business entity quali-  
9                   fies as a microbusiness under this subpara-  
10                  graph.

11                  “(B) AUTHORITY.—The Administrator is  
12                  authorized to originate and disburse direct  
13                  loans, including through partnerships with third  
14                  parties, to microbusinesses under this sub-  
15                  section.

16                  “(C) MAXIMUM AMOUNT.—The maximum  
17                  amount of a loan made under this paragraph to  
18                  a microbusiness is \$100,000.

19                  “(D) FEES.—With respect to each loan  
20                  made under this paragraph, the Administrator,  
21                  an authorized third party, or an agent may—

22                         “(i) impose, collect, retain, and utilize  
23                         fees, which may be charged to the bor-  
24                         rower, to cover any costs associated with  
25                         referring applications or originating, mak-

1 ing, underwriting, disbursing, closing, serv-  
 2 icing, or liquidating the loan, including any  
 3 direct lending agent costs, other program  
 4 or contract costs, or other agent adminis-  
 5 trative expenses;

6 “(ii) impose, collect, retain, and utilize  
 7 fees (including unused fees and draw fees),  
 8 which may be charged to the borrower on  
 9 loans for revolving lines of credit; and

10 “(iii) pay third parties, including di-  
 11 rect lending agents and financial institu-  
 12 tions, with which the Administration part-  
 13 ners for assistance in referring applicants  
 14 or promoting, originating, making, under-  
 15 writing, disbursing, closing, servicing, or  
 16 liquidating loans in accordance with this  
 17 paragraph on behalf of the Administration.

18 “(E) TERMS.—

19 “(i) IN GENERAL.—Not later than 90  
 20 days after the date of enactment of this  
 21 paragraph, the Administrator shall issue  
 22 interim final rules and revise any relevant  
 23 rules to establish the terms and conditions  
 24 for a direct loan made under this para-  
 25 graph, including with respect to repay-

1                   ment, underwriting criteria, interest rate,  
2                   maturity, and other terms.

3                   “(ii) INTEREST RATE.—The interest  
4                   rate for a loan made under this paragraph  
5                   shall be in accordance with paragraph  
6                   (4)(A), except ‘6 percent per annum’ shall  
7                   be substituted for ‘1 percent per annum’.”.

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