

105TH CONGRESS  
1ST SESSION

# H. R. 2235

To amend the Small Business Act to make permanent the microloan program,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 1997

Mr. BALDACCI (for himself and Mr. LAFALCE) introduced the following bill;  
which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to make permanent the  
microloan 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; PURPOSE.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “Small Business Microloan Program Improvement Act”.

6       (b) **PURPOSE.**—To make permanent the microloan  
7       program, increase loan limits, and improve the loan loss  
8       reserve fund.

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1 **SEC. 2. MICROLOAN PROGRAM.**

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

5 (b) LOAN LOSS RESERVE FUND.—Section  
6 7(m)(3)(D) of the Small Business Act (15 U.S.C.  
7 636(m)(3)(D)) is amended by striking clauses (i) and (ii)  
8 and inserting the following:

9 “(i) during the initial 5 years of the  
10 intermediary’s participation in the program  
11 under this subsection, at a level equal to  
12 not more than 15 percent of the outstand-  
13 ing balance of the notes receivable owed to  
14 the intermediary; and

15 “(ii) in each year of participation  
16 thereafter, at a level equal to not more  
17 than the greater of—

18 “(I) 2 times an amount reflecting  
19 the total losses of the intermediary as  
20 a result of participation in the pro-  
21 gram under this subsection, as deter-  
22 mined by the Administrator on a case-  
23 by-case basis; or

24 “(II) 10 percent of the outstand-  
25 ing balance of the notes receivable  
26 owed to the intermediary.”.

1       (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
2 7(m) of the Small Business Act (15 U.S.C. 636(m)) is  
3 amended—

4           (1) in the subsection heading, by striking  
5 “DEMONSTRATION”;

6           (2) by striking “Demonstration” each place  
7 that term appears;

8           (3) by striking “demonstration” each place that  
9 term appears; and

10          (4) in paragraph (12), by striking “during fis-  
11 cal years 1995 through 1997” and inserting “during  
12 fiscal years 1998 through 2000”.

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