

110TH CONGRESS
1ST SESSION

H. R. 565

To amend the Small Business Act to improve the availability of disaster loans to individuals and businesses affected by catastrophic incidents.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 2007

Mr. JEFFERSON introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to improve the availability of disaster loans to individuals and businesses affected by catastrophic incidents.

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 “Small Business Dis-
5 aster Loan Improvement Act of 2007”.

6 **SEC. 2. AVAILABILITY OF DISASTER LOANS FOR CATA-**
7 **STROPHIC INCIDENTS.**

8 Section 7 of the Small Business Act (15 U.S.C. 636)
9 is amended by adding at the end the following new sub-
10 section:

1 “(o) IMPROVEMENTS TO DISASTER LOAN PROGRAM
2 WITH RESPECT TO CATASTROPHIC INCIDENTS.—

3 “(1) DEFINITION.—In this subsection, the term
4 ‘catastrophic incident’ means a disaster that—

5 “(A) results in extraordinary levels of mass
6 casualties, damage, or disruption severely af-
7 fecting the population, infrastructure, environ-
8 ment, economy, national morale, or government
9 functions;

10 “(B) has the potential to result in sus-
11 tained national impacts over a prolonged period
12 of time;

13 “(C) almost immediately exceeds resources
14 normally available to State, local, tribal, and
15 private-sector authorities in the impacted area;
16 and

17 “(D) significantly interrupts governmental
18 operations and emergency services to such an
19 extent that national security could be threat-
20 ened.

21 “(2) AVAILABILITY OF DISASTER LOANS.—In
22 carrying out the disaster loan program under sub-
23 section (b) with respect to a catastrophic incident,
24 the Administrator shall not, in determining whether
25 a person is eligible for such a loan or in determining

1 the amount of such a loan, consider the extent to
 2 which—

3 “(A) the loss or damage or injury of the
 4 person is compensated for by insurance or oth-
 5 erwise; or

6 “(B) the person paid, voluntarily or invol-
 7 untarily, insurance proceeds to a recorded
 8 lienholder.”.

9 **SEC. 3. RETROACTIVITY FOR VICTIMS OF HURRICANES**

10 **KATRINA, RITA, AND WILMA.**

11 (a) **RETROACTIVITY.**—Subsection (o) of the Small
 12 Business Act, as added by section 2 of this Act, applies
 13 to all catastrophic incidents occurring on or after August
 14 29, 2005.

15 (b) **HURRICANES KATRINA, RITA, AND WILMA.**—For
 16 purposes of subsection (o) of such Act, Hurricanes
 17 Katrina, Rita, and Wilma of 2005 are hereby deemed to
 18 be catastrophic incidents.

19 (c) **REVIEW AND COMPLIANCE.**—The Administrator
 20 of the Small Business Administration shall ensure that all
 21 applications, and all loans, under the disaster loan pro-
 22 gram before the date of the enactment of this Act are re-
 23 viewed and brought into compliance with this section.

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