

Calendar No. 550

110TH CONGRESS
1ST SESSION**S. 1784**

To amend the Small Business Act to improve programs for veterans, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 12, 2007

Mr. KERRY (for himself, Ms. Snowe, Ms. Cantwell, Ms. Landrieu, Mr. Hagel,
Mr. Lieberman, and Mr. Tester) introduced the following bill; which was
read twice and referred to the Committee on Small Business and Entre-
preneurship

DECEMBER 19, 2007

Committee discharged; considered, amended, read the third time, and ordered
to be placed on the calendar

A BILL

To amend the Small Business Act to improve programs
for veterans, 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 “Military Reservist and
5 Veteran Small Business Reauthorization and Opportunity
6 Act of 2007”.

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.

TITLE I—VETERANS BUSINESS DEVELOPMENT

- Sec. 101. Increased funding for the Office of Veterans Business Development.
- Sec. 102. Interagency task force.
- Sec. 103. Permanent extension of SBA Advisory Committee on Veterans Business Affairs.
- Sec. 104. Office of Veterans Business Development.
- Sec. 105. Increasing the number of outreach centers.
- Sec. 106. Independent study on gaps in availability of outreach centers.
- Sec. 201. Veterans assistance and services program.
- Sec. 202. Disaster loans.

TITLE III—RESERVIST PROGRAMS

- Sec. 301. Reservist programs.
- Sec. 302. Reservist loans.
- Sec. 303. Noncollateralized loans.
- Sec. 304. Loan priority.
- Sec. 305. Relief from time limitations for veteran-owned small businesses.
- Sec. 306. Service-disabled veterans.
- Sec. 307. Study on options for promoting positive working relations between employers and their Reserve Component employees.
- Sec. 308. Increased Veteran Participation Program.

3 **SEC. 3. DEFINITIONS.**

4 In this Act—

5 (1) the term “activated” means receiving an
6 order placing a Reservist on active duty;

7 (2) the term “active duty” has the meaning
8 given that term in section 101 of title 10, United
9 States Code;

10 (3) the terms “Administration” and “Adminis-
11 trator” mean the Small Business Administration
12 and the Administrator thereof, respectively;

1 (4) the term “Reservist” means a member of a
 2 reserve component of the Armed Forces, as de-
 3 scribed in section 10101 of title 10, United States
 4 Code;

5 (5) the term “Service Corps of Retired Execu-
 6 tives” means the Service Corps of Retired Execu-
 7 tives authorized by section 8(b)(1) of the Small
 8 Business Act (15 U.S.C. 637(b)(1));

9 (6) the terms “service-disabled veteran” and
 10 “small business concern” have the meaning as in
 11 section 3 of the Small Business Act (15 U.S.C.
 12 632);

13 (7) the term “small business development cen-
 14 ter” means a small business development center de-
 15 scribed in section 21 of the Small Business Act (15
 16 U.S.C. 648); and

17 (8) the term “women’s business center” means
 18 a women’s business center described in section 29 of
 19 the Small Business Act (15 U.S.C. 656).

20 **TITLE I—VETERANS BUSINESS** 21 **DEVELOPMENT**

22 **SEC. 101. INCREASED FUNDING FOR THE OFFICE OF VET-** 23 **ERANS BUSINESS DEVELOPMENT.**

24 (a) IN GENERAL.—There are authorized to be appro-
 25 priated to the Office of Veterans Business Development

1 of the Administration, to remain available until ex-
 2 pended—

3 (1) \$2,100,000 for fiscal year 2008; and

4 (2) \$2,300,000 for fiscal year 2009.

5 (b) FUNDING OFFSET.—Amounts necessary to carry
 6 out subsection (a) shall be offset and made available
 7 through the reduction of the authorization of funding
 8 under section 20(e)(1)(B)(iv) of the Small Business Act
 9 (15 U.S.C. 631 note).

10 (c) SENSE OF CONGRESS.—It is the sense of Con-
 11 gress that any amounts provided pursuant to this section
 12 that are in excess of amounts provided to the Administra-
 13 tion for the Office of Veterans Business Development in
 14 fiscal year 2007, should be used to support Veterans Busi-
 15 ness Outreach Centers.

16 **SEC. 102. INTERAGENCY TASK FORCE.**

17 Section 32 of the Small Business Act (15 U.S.C.
 18 657b) is amended—

19 (1) by redesignating subsection (c) as (f); and

20 (2) by inserting after subsection (b) the fol-
 21 lowing:

22 “(c) INTERAGENCY TASK FORCE.—

23 “(1) ESTABLISHMENT.—Not later than 90 days
 24 after the date of enactment of this subsection, the
 25 President shall establish an interagency task force to

1 coordinate the efforts of Federal agencies necessary
2 to improve capital and business development oppor-
3 tunities for, and ensure achievement of the pre-es-
4 tablished Federal contracting goals for, small busi-
5 ness concerns owned and controlled by service-dis-
6 abled veterans and small business concerns owned
7 and controlled by veterans (in this section referred
8 to as the ‘task force’).

9 “(2) MEMBERSHIP.—The members of the task
10 force shall include—

11 “(A) the Administrator, who shall serve as
12 chairperson of the task force; and

13 “(B) a senior level representative from—

14 “(i) the Department of Veterans Af-
15 fairs;

16 “(ii) the Department of Defense;

17 “(iii) the Administration (in addition
18 to the Administrator);

19 “(iv) the Department of Labor;

20 “(v) the Department of the Treasury;

21 “(vi) the General Services Administra-
22 tion; and

23 “(vii) the Office of Management and
24 Budget.

25 “(3) DUTIES.—The task force shall—

1 “(A) consult regularly with veterans serv-
2 ice organizations and military organizations in
3 performing the duties of the task force; and

4 “(B) coordinate administrative and regu-
5 latory activities and develop proposals relating
6 to—

7 “(i) improving capital access and ca-
8 pacity of small business concerns owned
9 and controlled by service-disabled veterans
10 and small business concerns owned and
11 controlled by veterans through loans, sur-
12 ety bonding, and franchising;

13 “(ii) ensuring achievement of the pre-
14 established Federal contracting goals for
15 small business concerns owned and con-
16 trolled by service-disabled veterans and
17 small business concerns owned and con-
18 trolled by veterans through expanded men-
19 tor-protégé assistance and matching such
20 small business concerns with contracting
21 opportunities;

22 “(iii) increasing the integrity of cer-
23 tifications of status as a small business
24 concern owned and controlled by service-

1 disabled veterans or a small business con-
 2 cern owned and controlled by veterans;

3 “(iv) reducing paperwork and admin-
 4 istrative burdens on veterans in accessing
 5 business development and entrepreneurship
 6 opportunities;

7 “(v) increasing and improving train-
 8 ing and counseling services provided to
 9 small business concerns owned and con-
 10 trolled by veterans; and

11 “(vi) making other improvements re-
 12 lating to the support for veterans business
 13 development by the Federal Government.

14 **SEC. 103. PERMANENT EXTENSION OF SBA ADVISORY COM-**
 15 **MITTEE ON VETERANS BUSINESS AFFAIRS.**

16 (a) ASSUMPTION OF DUTIES.—Section 33 of the
 17 Small Business Act (15 U.S.C. 657c) is amended—

18 (1) by striking subsection (h); and

19 (2) by redesignating subsections (i) through (k)
 20 as subsections (h) through (j), respectively.

21 (b) PERMANENT EXTENSION OF AUTHORITY.—Sec-
 22 tion 203 of the Veterans Entrepreneurship and Small
 23 Business Development Act of 1999 (15 U.S.C. 657b note)
 24 is amended by striking subsection (h).

1 **SEC. 104. OFFICE OF VETERANS BUSINESS DEVELOPMENT.**

2 Section 32 of the Small Business Act (15 U.S.C.
3 657b) is amended by inserting after subsection (c) (as
4 added by section 102) the following:

5 “(d) PARTICIPATION IN TAP WORKSHOPS.—

6 “(1) IN GENERAL.—The Associate Adminis-
7 trator shall increase veteran outreach by ensuring
8 that Veteran Business Outreach Centers regularly
9 participate, on a nationwide basis, in the workshops
10 of the Transition Assistance Program of the Depart-
11 ment of Labor.

12 “(2) PRESENTATIONS.—In carrying out para-
13 graph (1), a Veteran Business Outreach Center may
14 provide grants to entities located in Transition As-
15 sistance Program locations to make presentations on
16 the opportunities available from the Administration
17 for recently separating or separated veterans. Each
18 presentation under this paragraph shall include, at
19 a minimum, a description of the entrepreneurial and
20 business training resources available from the Ad-
21 ministration.

22 “(3) WRITTEN MATERIALS.—The Associate Ad-
23 ministrator shall—

24 “(A) create written materials that provide
25 comprehensive information on self-employment
26 and veterans entrepreneurship, including infor-

1 mation on resources available from the Admin-
2 istration on such topics; and

3 “(B) make the materials created under
4 subparagraph (A) available to the Secretary of
5 Labor for inclusion in the Transition Assistance
6 Program manual.

7 “(4) REPORTS.—The Associate Administrator
8 shall submit to Congress progress reports on the im-
9 plementation of this subsection.

10 “(e) WOMEN VETERANS BUSINESS TRAINING.—The
11 Associate Administrator shall—

12 “(1) compile information on existing resources
13 available to women veterans for business training,
14 including resources for—

15 “(A) vocational and technical education;

16 “(B) general business skills, such as mar-
17 keting and accounting; and

18 “(C) business assistance programs targeted
19 to women veterans; and

20 “(2) disseminate the information compiled
21 under paragraph (1) through Veteran Business Out-
22 reach Centers and women’s business centers.”.

1 **SEC. 105. INCREASING THE NUMBER OF OUTREACH CEN-**
2 **TERS.**

3 (a) IN GENERAL.—The Administrator shall use the
4 authority in section 8(b)(17) of the Small Business Act
5 (15 U.S.C. 637(b)(17)) to ensure that the number of Vet-
6 erans Business Outreach Centers throughout the United
7 States increases—

8 (1) subject to subsection (b), by at least 2, for
9 each of fiscal years 2008 and 2009; and

10 (2) by the number that the Administrator con-
11 siders appropriate, based on need, for each fiscal
12 year thereafter.

13 (b) LIMITATION.—Subsection (a)(1) shall apply in a
14 fiscal year if, for that fiscal year, the amount made avail-
15 able for the Office of Veterans Business Development is
16 more than the amount made available for the Office of
17 Veterans Business Development for fiscal year 2007.

18 **SEC. 106. INDEPENDENT STUDY ON GAPS IN AVAILABILITY**
19 **OF OUTREACH CENTERS.**

20 The Administrator shall sponsor an independent
21 study on gaps in the availability of Veterans Business Out-
22 reach Centers across the United States, to inform deci-
23 sions on funding and on the allocation and coordination
24 of resources. Not later than 6 months after the date of
25 enactment of this Act, the Administrator shall submit to
26 Congress a report on the results of the study.

1 **SEC. 201. VETERANS ASSISTANCE AND SERVICES PRO-**
2 **GRAM.**

3 Section 21 of the Small Business Act (15 U.S.C. 648)
4 is amended by adding at the end the following:

5 “(n) VETERANS ASSISTANCE AND SERVICES PRO-
6 GRAM.—

7 “(1) IN GENERAL.—A small business develop-
8 ment center may apply for a grant under this sub-
9 section to carry out a veterans assistance and serv-
10 ices program.

11 “(2) ELEMENTS OF PROGRAM.—Under a pro-
12 gram carried out with a grant under this subsection,
13 a small business development center shall—

14 “(A) create a marketing campaign to pro-
15 mote awareness and education of the services of
16 the center that are available to veterans, and to
17 target the campaign toward veterans, service-
18 disabled veterans, military units, Federal agen-
19 cies, and veterans organizations;

20 “(B) use technology-assisted online coun-
21 seling and distance learning technology to over-
22 come the impediments to entrepreneurship
23 faced by veterans and members of the Armed
24 Forces; and

25 “(C) increase coordination among organi-
26 zations that assist veterans, including by estab-

1 lishing virtual integration of service providers
2 and offerings for a one-stop point of contact for
3 veterans who are entrepreneurs or owners of
4 small business concerns.

5 “(3) AMOUNT OF GRANTS.—A grant under this
6 subsection shall be for not less than \$75,000 and
7 not more than \$250,000.

8 “(4) FUNDING.—Subject to amounts approved
9 in advance in appropriations Acts, the Administra-
10 tion may make grants or enter into cooperative
11 agreements to carry out the provisions of this sub-
12 section.”.

13 **SEC. 202. DISASTER LOANS.**

14 Section 7(b)(3) of the Small Business Act (15 U.S.C.
15 636(b)(3)) is amended—

16 (1) in subparagraph (E), by striking “unless”
17 and all that follows and inserting a period; and

18 (2) by inserting after subparagraph (I), the fol-
19 lowing:

20 “(J) There shall be reasonable assurance that a
21 loan recipient under this paragraph can repay the
22 loan of personal or business cash flow.”.

TITLE III—RESERVIST PROGRAMS

SEC. 301. RESERVIST PROGRAMS.

(a) APPLICATION PERIOD.—Section 7(b)(3)(C) of the Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended—

(1) by striking “90 days” and inserting “1 year”; and

(2) by adding at the end the following: “The Administrator may, when appropriate (as determined by the Administrator), extend the ending date specified in the preceding sentence by not more than 1 year.”.

(b) PRE-CONSIDERATION PROCESS.—

(1) DEFINITION.—In this subsection, the term “eligible Reservist” means a Reservist who—

(A) has not been ordered to active duty;

(B) expects to be ordered to active duty during a period of military conflict; and

(C) can reasonably demonstrate that the small business concern for which that Reservist is a key employee will suffer economic injury in the absence of that Reservist.

(2) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the

1 Administrator shall establish a pre-consideration
2 process, under which the Administrator—

3 (A) may collect all relevant materials nec-
4 essary for processing a loan to a small business
5 concern under section 7(b)(3) of the Small
6 Business Act (15 U.S.C. 636(b)(3)) before an
7 eligible Reservist employed by that small busi-
8 ness concern is activated; and

9 (B) shall distribute funds for any loan ap-
10 proved under subparagraph (A) if that eligible
11 Reservist is activated.

12 (c) OUTREACH AND TECHNICAL ASSISTANCE PRO-
13 GRAM.—

14 (1) IN GENERAL.—Not later than 6 months
15 after the date of enactment of this Act, the Adminis-
16 trator, in consultation with the Secretary of Vet-
17 erans Affairs and the Secretary of Defense, may de-
18 velop a comprehensive outreach and technical assist-
19 ance program (in this subsection referred to as the
20 “program”) to—

21 (A) market the loans available under sec-
22 tion 7(b)(3) of the Small Business Act (15
23 U.S.C. 636(b)(3)) to Reservists, and family
24 members of Reservists, that are on active duty
25 and that are not on active duty; and

1 (B) provide technical assistance to a small
2 business concern applying for a loan under that
3 section.

4 (2) COMPONENTS.—The program shall—

5 (A) incorporate appropriate websites main-
6 tained by the Administration, the Department
7 of Veterans Affairs, and the Department of De-
8 fense; and

9 (B) require that information on the pro-
10 gram is made available to small business con-
11 cerns directly through—

12 (i) the district offices and resource
13 partners of the Administration, including
14 small business development centers, wom-
15 en’s business centers, and the Service
16 Corps of Retired Executives; and

17 (ii) other Federal agencies, including
18 the Department of Veterans Affairs and
19 the Department of Defense.

20 (3) REPORT.—

21 (A) IN GENERAL.—Not later than 6
22 months after the date of enactment of this Act,
23 and every 6 months thereafter until the date
24 that is 30 months after such date of enactment,

1 the Administrator shall submit to Congress a
2 report on the status of the program.

3 (B) CONTENTS.—Each report submitted
4 under subparagraph (A) shall include—

5 (i) for the 6-month period ending on
6 the date of that report—

7 (I) the number of loans approved
8 under section 7(b)(3) of the Small
9 Business Act (15 U.S.C. 636(b)(3));

10 (II) the number of loans dis-
11 bursed under that section; and

12 (III) the total amount disbursed
13 under that section; and

14 (ii) recommendations, if any, to make
15 the program more effective in serving small
16 business concerns that employ Reservists.

17 **SEC. 302. RESERVIST LOANS.**

18 (a) IN GENERAL.—Section 7(b)(3)(E) of the Small
19 Business Act (15 U.S.C. 636(b)(3)(E)) is amended by
20 striking “\$1,500,000” each place such term appears and
21 inserting “\$2,000,000”.

22 (b) LOAN INFORMATION.—

23 (1) IN GENERAL.—The Administrator and the
24 Secretary of Defense shall develop a joint website
25 and printed materials providing information regard-

1 ing any program for small business concerns that is
2 available to veterans or Reservists.

3 (2) **MARKETING.**—The Administrator is author-
4 ized—

5 (A) to advertise and promote the program
6 under section 7(b)(3) of the Small Business Act
7 jointly with the Secretary of Defense and vet-
8 erans’ service organizations; and

9 (B) to advertise and promote participation
10 by lenders in such program jointly with trade
11 associations for banks or other lending institu-
12 tions.

13 **SEC. 303. NONCOLLATERALIZED LOANS.**

14 Section 7(b)(3) of the Small Business Act (15 U.S.C.
15 636(b)(3)) is amended by adding at the end the following:

16 “(G)(i) Notwithstanding any other provi-
17 sion of law, the Administrator may make a loan
18 under this paragraph of not more than \$50,000
19 without collateral.

20 “(ii) The Administrator may defer pay-
21 ment of principal and interest on a loan de-
22 scribed in clause (i) during the longer of—

23 “(I) the 1-year period beginning on
24 the date of the initial disbursement of the
25 loan; and

1 “(II) the period during which the rel-
 2 evant essential employee is on active
 3 duty.”.

4 **SEC. 304. LOAN PRIORITY.**

5 Section 7(b)(3) of the Small Business Act (15 U.S.C.
 6 636(b)(3)), as amended by this Act, is amended by adding
 7 at the end the following:

8 “(H) The Administrator shall give priority
 9 to any application for a loan under this para-
 10 graph and shall process and make a determina-
 11 tion regarding such applications prior to proc-
 12 essing or making a determination on other loan
 13 applications under this subsection, on a rolling
 14 basis.”.

15 **SEC. 305. RELIEF FROM TIME LIMITATIONS FOR VETERAN-**
 16 **OWNED SMALL BUSINESSES.**

17 Section 3(q) of the Small Business Act (15 U.S.C.
 18 632(q)) is amended by adding at the end the following:

19 “(5) RELIEF FROM TIME LIMITATIONS.—

20 “(A) IN GENERAL.—Any time limitation
 21 on any qualification, certification, or period of
 22 participation imposed under this Act on any
 23 program that is available to small business con-
 24 cerns shall be extended for a small business
 25 concern that—

1 “(i) is owned and controlled by—

2 “(I) a veteran who was called or
3 ordered to active duty under a provi-
4 sion of law specified in section
5 101(a)(13)(B) of title 10, United
6 States Code, on or after September
7 11, 2001; or

8 “(II) a service-disabled veteran
9 who became such a veteran due to an
10 injury or illness incurred or aggra-
11 vated in the active military, naval, or
12 air service during a period of active
13 duty pursuant to a call or order to ac-
14 tive duty under a provision of law re-
15 ferred to in subclause (I) on or after
16 September 11, 2001; and

17 “(ii) was subject to the time limitation
18 during such period of active duty.

19 “(B) DURATION.—Upon submission of
20 proper documentation to the Administrator, the
21 extension of a time limitation under subpara-
22 graph (A) shall be equal to the period of time
23 that such veteran who owned or controlled such
24 a concern was on active duty as described in
25 that subparagraph.

1 “(C) EXCEPTION FOR PROGRAMS SUBJECT
 2 TO FEDERAL CREDIT REFORM ACT OF 1990.—
 3 The provisions of subparagraphs (A) and (B)
 4 shall not apply to any programs subject to the
 5 Federal Credit Reform Act of 1990 (2 U.S.C.
 6 661 et seq.).”.

7 **SEC. 306. SERVICE-DISABLED VETERANS.**

8 Not later than 180 days after the date of enactment
 9 of this Act, the Comptroller General of the United States
 10 shall submit to the Committee on Small Business and En-
 11 trepreneurship of the Senate and the Committee on Small
 12 Business of the House of Representatives a report describ-
 13 ing—

- 14 (1) the types of assistance needed by service-
 15 disabled veterans who wish to become entrepreneurs;
 16 and
 17 (2) any resources that would assist such serv-
 18 ice-disabled veterans.

19 **SEC. 307. STUDY ON OPTIONS FOR PROMOTING POSITIVE**
 20 **WORKING RELATIONS BETWEEN EMPLOYERS**
 21 **AND THEIR RESERVE COMPONENT EMPLOY-**
 22 **EES.**

23 (a) STUDY REQUIRED.—The Comptroller General of
 24 the United States shall conduct a study on options for pro-
 25 moting positive working relations between employers and

1 Reserve component employees of such employers, includ-
2 ing assessing options for improving the time in which em-
3 ployers of Reservists are notified of the call or order of
4 such members to active duty other than for training.

5 (b) REPORT.—

6 (1) IN GENERAL.—Not later than 180 days
7 after the date of enactment of this Act, the Comp-
8 troller General of the United States shall submit to
9 the appropriate committees of Congress a report on
10 the study conducted under subsection (a).

11 (2) CONTENTS.—The report submitted under
12 paragraph (1) shall—

13 (A) provide a quantitative and qualitative
14 assessment of—

15 (i) what measures, if any, are being
16 taken to inform Reservists of the obliga-
17 tions and responsibilities of such members
18 to their employers;

19 (ii) how effective such measures have
20 been; and

21 (iii) whether there are additional
22 measures that could be taken to promote
23 positive working relations between Reserv-
24 ists and their employers, including any
25 steps that could be taken to ensure that

1 employers are timely notified of a call to
2 active duty; and

3 (B) assess whether there has been a reduc-
4 tion in the hiring of Reservists by business con-
5 cerns because of—

6 (i) any increase in the use of Reserv-
7 ists after September 11, 2001; or

8 (ii) any change in any policy of the
9 Department of Defense relating to Reserv-
10 ists after September 11, 2001.

11 (c) APPROPRIATE COMMITTEES OF CONGRESS DE-
12 FINED.—In this section, the term “appropriate commit-
13 tees of Congress” means—

14 (1) the Committee on Armed Services and the
15 Committee on Small Business and Entrepreneurship
16 of the Senate; and

17 (2) the Committee on Armed Services and the
18 Committee on Small Business of the House of Rep-
19 resentatives.

20 (d) ADDITIONAL STUDY.—Not later than 180 days
21 after the date of enactment of this Act, the Office of Advo-
22 cacy of the Administration shall submit to Congress a re-
23 port describing—

1 (1) the barriers in place arising from Federal
2 regulations for veterans who wish to become entre-
3 preneurs;

4 (2) the barriers in place arising from the tax
5 code for veterans who wish to become entrepreneurs;
6 and

7 (3) any recommendations for how best to elimi-
8 nate those barriers to better assist current or pro-
9 spective veteran small business owners.

10 **SEC. 308. INCREASED VETERAN PARTICIPATION PROGRAM.**

11 Section 7(a) of the Small Business Act (15 U.S.C.
12 636(a)) is amended by adding at the end the following:

13 “(32) INCREASED VETERAN PARTICIPATION
14 PROGRAM.—

15 “(A) DEFINITIONS.—In this paragraph—

16 “(i) the term ‘cost’ has the meaning
17 given that term in section 502 of the Fed-
18 eral Credit Reform Act of 1990 (2 U.S.C.
19 661a);

20 “(ii) the term ‘pilot program’ means
21 the pilot program established under sub-
22 paragraph (B); and

23 “(iii) the term ‘veteran participation
24 loan’ means a loan made under this sub-
25 section to a small business concern owned

1 and controlled by veterans of the Armed
2 Forces or members of the reserve compo-
3 nents of the Armed Forces.

4 “(B) ESTABLISHMENT.—The Adminis-
5 trator shall establish and carry out a pilot pro-
6 gram under which the Administrator shall re-
7 duce the fees for veteran participation loans.

8 “(C) DURATION.—The pilot program shall
9 terminate at the end of the second full fiscal
10 year after the date that the Administrator es-
11 tablishes the pilot program.

12 “(D) MAXIMUM PARTICIPATION.—A vet-
13 eran participation loan shall include the max-
14 imum participation levels by the Administrator
15 permitted for loans made under this subsection.

16 “(E) FEES.—

17 “(i) IN GENERAL.—The fee on a vet-
18 eran participation loan shall be equal to 50
19 percent of the fee otherwise applicable to
20 that loan under paragraph (18).

21 “(ii) WAIVER.—The Administrator
22 may waive clause (i) for a fiscal year if—

23 “(I) for the fiscal year before
24 that fiscal year, the annual estimated
25 rate of default of veteran participation

1 loans exceeds that of loans made
2 under this subsection that are not vet-
3 eran participation loans;

4 “(II) the cost to the Administra-
5 tion of making loans under this sub-
6 section is greater than zero and such
7 cost is directly attributable to the cost
8 of making veteran participation loans;
9 and

10 “(III) no additional sources of
11 revenue authority are available to re-
12 duce the cost of making loans under
13 this subsection to zero.

14 “(iii) EFFECT OF WAIVER.—If the
15 Administrator waives the reduction of fees
16 under clause (ii), the Administrator—

17 “(I) shall not assess or collect
18 fees in an amount greater than nec-
19 essary to ensure that the cost of the
20 program under this subsection is not
21 greater than zero; and

22 “(II) shall reinstate the fee re-
23 ductions under clause (i) when the
24 conditions in clause (ii) no longer
25 apply.

1 “(iv) NO INCREASE OF FEES.—The
2 Administrator shall not increase the fees
3 under paragraph (18) on loans made under
4 this subsection that are not veteran par-
5 ticipation loans as a direct result of the
6 pilot program.

7 “(F) GAO REPORT.—

8 “(i) IN GENERAL.—Not later than 1
9 year after the date that the pilot program
10 terminates, the Comptroller General of the
11 United States shall submit to the Com-
12 mittee on Small Business of the House of
13 Representatives and the Committee on
14 Small Business and Entrepreneurship of
15 the Senate a report on the pilot program.

16 “(ii) CONTENTS.—The report sub-
17 mitted under clause (i) shall include—

18 “(I) the number of veteran par-
19 ticipation loans for which fees were
20 reduced under the pilot program;

21 “(II) a description of the impact
22 of the pilot program on the program
23 under this subsection;

1 “(III) an evaluation of the effi-
2 cacy and potential fraud and abuse of
3 the pilot program; and
4 “(IV) recommendations for im-
5 proving the pilot program.”.

Calendar No. 550

110TH CONGRESS
1ST Session
S. 1784

A BILL

To amend the Small Business Act to improve programs for veterans, and for other purposes.

DECEMBER 19, 2007

Committee discharged; considered, amended, read the third time, and ordered to be placed on the calendar