

110TH CONGRESS  
2D SESSION

# S. 2612

To provide economic stimulus for small business concerns.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 7 (legislative day, FEBRUARY 6), 2008

Mr. KERRY 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 provide economic stimulus for small business concerns.

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 Lend-  
5       ing Stimulus Act of 2008”.

6       **SEC. 2. ECONOMIC STIMULUS SMALL BUSINESS CONCERNS.**

7       (a) REDUCTION OF FEES.—

8               (1) SMALL BUSINESS ACT LOANS.—

9                       (A) IN GENERAL.—For fiscal year 2008,  
10                      and to the extent the cost of such reduction in  
11                      fees is offset by appropriations, with respect to  
12                      each loan guaranteed under section 7(a) of

1 Small Business Act (15 U.S.C. 636(a)), the Ad-  
2 ministrator shall—

3 (i) in lieu of the fee otherwise applica-  
4 ble under section 7(a)(23)(A) of the Small  
5 Business Act (15 U.S.C. 636(a)(23)(A)),  
6 collect an annual fee in an amount equal  
7 to a maximum of .25 percent of the out-  
8 standing balance of the deferred participa-  
9 tion share of that loan;

10 (ii) in lieu of the fee otherwise appli-  
11 cable under section 7(a)(18)(A) of the  
12 Small Business Act (15 U.S.C.  
13 636(a)(18)(A)), collect a guarantee fee in  
14 an amount equal to a maximum of—

15 (I) 1 percent of the deferred par-  
16 ticipation share of a total loan amount  
17 that is not more than \$150,000;

18 (II) 2.5 percent of the deferred  
19 participation share of a total loan  
20 amount that is more than \$150,000  
21 and not more than \$700,000; and

22 (III) 3 percent of the deferred  
23 participation share of a total loan  
24 amount that is more than \$700,000;  
25 and

1 (iii) in lieu of the fee otherwise appli-  
2 cable under section 7(a)(18)(A)(iv) of the  
3 Small Business Act (15 U.S.C.  
4 636(a)(18)(A)(iv)), collect no fee.

5 (B) IMPLEMENTATION.—In carrying out  
6 this paragraph, the Administrator shall reduce  
7 the fees for a loan guaranteed under section  
8 7(a) of Small Business Act (15 U.S.C. 636(a))  
9 to the maximum extent possible, subject to the  
10 availability of appropriations.

11 (2) DEBENTURES.—For fiscal year 2008, and  
12 to the extent the cost of such reduction in fees is  
13 offset by appropriations, the Administrator shall, in  
14 lieu of the fee otherwise applicable under section  
15 503(d)(2) of the Small Business Investment Act of  
16 1958 (15 U.S.C. 697(d)(2)) for an institution de-  
17 scribed in subclause (I), (II), or (III) of section  
18 502(3)(B)(i) of that Act (15 U.S.C. 696(3)(B)(i)),  
19 collect no fee.

20 (b) APPLICATION OF FEE REDUCTIONS.—If funds  
21 are made available to carry out subsection (a), the Admin-  
22 istrator shall reduce the fees under subsection (a) for any  
23 loan guarantee or project subject to such subsection for  
24 which the application is pending approval on or after the

1 date of enactment of this Act, until the amount provided  
2 for such purpose is expended.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated to the Administrator for  
5 fiscal year 2008—

6 (1) \$150,000,000 to carry out subsection  
7 (a)(1);

8 (2) \$45,000,000 to carry out subsection (a)(2);

9 (3) \$2,000,000 for direct loans under the  
10 Microloan Program under section 7(m) of the Small  
11 Business Act (15 U.S.C. 636(m)), in addition to any  
12 other amounts authorized to be appropriated for  
13 such purposes; and

14 (4) \$10,000,000 for marketing, management,  
15 and technical assistance under section 7(m)(4) of  
16 the Small Business Act (15 U.S.C. 636(m)(4)) by  
17 intermediaries that make microloans under the  
18 Microloan Program, in addition to any other  
19 amounts authorized to be appropriated for such pur-  
20 poses.

21 (d) DEFINITIONS.—In this section—

22 (1) the terms “Administration” and “Adminis-  
23 trator” mean the Small Business Administration  
24 and the Administrator thereof, respectively; and

1           (2) the term “small business concern” has the  
2           same meaning as in section 3 of the Small Business  
3           Act (15 U.S.C. 632).

4   **SEC. 3. REFINANCING UNDER THE LOCAL DEVELOPMENT**  
5           **BUSINESS LOAN PROGRAM.**

6           Section 502 of the Small Business Investment Act  
7           of 1958 (15 U.S.C. 696) is amended by adding at the end  
8           the following:

9           “(7) PERMISSIBLE DEBT REFINANCING.—A fi-  
10          nancing under this title may include refinancing of  
11          existing indebtedness, in an amount not to exceed 50  
12          percent of the projected cost of the project financed  
13          under this title, if—

14                 “(A) the project financed under this title  
15                 involves the expansion of a small business con-  
16                 cern;

17                 “(B) the existing indebtedness is  
18                 collateralized by fixed assets;

19                 “(C) the existing indebtedness was in-  
20                 curred for the benefit of the small business con-  
21                 cern;

22                 “(D) the proceeds of the existing indebted-  
23                 ness were used to acquire land (including a  
24                 building situated thereon), to construct or ex-

1           pand a building thereon, or to purchase equip-  
2           ment;

3           “(E) the borrower has been current on all  
4           payments due on the existing indebtedness for  
5           not less than 1 year preceding the proposed  
6           date of refinancing;

7           “(F) the financing under this title will pro-  
8           vide better terms or a better rate of interest  
9           than exists on the existing indebtedness on the  
10          proposed date of refinancing;

11          “(G) the financing under this title is not  
12          being used to refinance any debt guaranteed by  
13          the Government; and

14          “(H) the financing under this title will be  
15          used only for—

16                  “(i) refinancing existing indebtedness;

17                  or

18                  “(ii) costs relating to the project fi-  
19          nanced under this title.”.

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