

111TH CONGRESS
1ST SESSION

H. R. 4265

To direct the Administrator of the Small Business Administration to establish and carry out a direct lending program for small business concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2009

Mr. YARMUTH introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Administrator of the Small Business Administration to establish and carry out a direct lending program for small business concerns, 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. DIRECT LENDING PROGRAM FOR SMALL BUSI-**
4 **NESS CONCERNS.**

5 (a) ESTABLISHMENT.—The Administrator of the
6 Small Business Administration shall establish and carry
7 out a loan program (in this section referred to as the “pro-

1 gram”) under which the Administrator is authorized to
2 make loans directly to eligible small business concerns.

3 (b) LOAN AMOUNT.—Each loan made to an eligible
4 small business concern under the program shall be in an
5 amount not exceeding the lesser of—

6 (1) 10 percent of the annual revenues of such
7 concern (as determined by the Administrator of the
8 Small Business Administration); or

9 (2) \$500,000.

10 (c) LOAN INTEREST RATE.—The interest rate of a
11 loan made under the program shall be equal to the dis-
12 count window primary credit interest rate most recently
13 published in the Federal Reserve Statistical Release on se-
14 lected interest rates (daily or weekly), and commonly re-
15 ferred to as the H.15 release (or any successor publica-
16 tion), in the week preceding the making of such loan.

17 (d) PAYMENTS ON PRINCIPAL.—A small business
18 concern may not be required to make payments on the
19 principal of a loan under the program during the 2-year
20 period beginning on the date on which such loan is made.

21 (e) FUNDING.—Of funds made available to the Sec-
22 retary of the Treasury under title I of the Emergency Eco-
23 nomic Stabilization Act of 2008 (12 U.S.C. 5211 et seq.)
24 that remain unobligated, the Secretary of the Treasury
25 shall make available to the Administrator of the Small

1 Business Administration \$20,000,000,000 and the Ad-
2 ministrator of the Small Business Administration shall
3 carry out the program using such funds.

4 (f) DEFINITIONS.—In this section, the following defi-
5 nitions apply:

6 (1) ELIGIBLE SMALL BUSINESS CONCERN.—

7 The term “eligible small business concern” means a
8 small business concern that has been operating as a
9 small business concern for at least 2 years prior to
10 the receipt by the Administrator of an application
11 from such concern for a loan under the program.

12 (2) SMALL BUSINESS CONCERN.—The term
13 “small business concern” has the meaning given
14 such term under section 3(a) of the Small Business
15 Act (15 U.S.C. 632(a)).

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