

111TH CONGRESS
1ST SESSION

H. R. 4295

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

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2009

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

A BILL

To direct the Administrator of the Small Business Administration to establish and carry out a program to provide loans directly to 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. SHORT TITLE.**

4 This Act may be cited as the “Small Business Emer-
5 gency Capital Assistance Act of 2009”.

6 **SEC. 2. SMALL BUSINESS DIRECT LENDING PROGRAM.**

7 (a) ESTABLISHMENT.—The Administrator of the
8 Small Business Administration shall establish and carry

1 out a program under which the Administrator is author-
2 ized to make loans directly to eligible small business con-
3 cerns (in this section referred to as the “program”).

4 (b) ADMINISTRATION.—Except as otherwise provided
5 under this section and to the extent practicable, the Ad-
6 ministrator of the Small Business Administration shall
7 carry out the program—

8 (1) using the administrative resources of the
9 Small Business Administration; and

10 (2) in a manner similar to the loan program
11 under section 7(a) of the Small Business Act (15
12 U.S.C. 636(a)).

13 (c) USE OF LOAN FUNDS.—Amounts from a loan
14 made under the program may be used by a small business
15 concern for the operation or expansion of such concern
16 or for any other purpose allowed under section 7(a) of the
17 Small Business Act (15 U.S.C. 636(a)).

18 (d) LOAN AMOUNT.—The maximum amount of a
19 loan made under the program shall be \$1,500,000.

20 (e) LOAN TERM.—The maximum term for repayment
21 of a loan made under the program shall be 25 years.

22 (f) LOAN INTEREST RATE.—The interest rate with
23 respect to a loan made under the program shall be the
24 sum of—

25 (1) 4.75 percent; and

1 (2) the prime rate (as determined by the Ad-
2 ministrators of the Small Business Administration).

3 (g) ACCOUNTABILITY.—

4 (1) SBA REPORTS.—Not later than 30 days
5 after the date of enactment of this Act and every
6 month thereafter, the Administrator of the Small
7 Business Administration shall submit to the Com-
8 mittee on Small Business of the House of Rep-
9 resentatives and the Committee on Small Business
10 and Entrepreneurship of the Senate a report de-
11 scribing—

12 (A) the number of loans made under the
13 program;

14 (B) the amounts of loans made under the
15 program;

16 (C) the uses of loans made under the pro-
17 gram;

18 (D) repayment progress with respect to
19 loans made under the program;

20 (E) the default rate with respect to loans
21 made under the program; and

22 (F) other relevant information with respect
23 to the program.

24 (2) GAO REPORTS.—

1 (A) REVIEW.—The Comptroller General of
2 the United States shall conduct a review of the
3 program to evaluate the effectiveness of the
4 program and identify any waste or abuse relat-
5 ing to the program.

6 (B) REPORTS.—Not later than 90 days
7 after the date of enactment of this Act and
8 quarterly thereafter, the Comptroller General
9 shall submit to the Committee on Small Busi-
10 ness of the House of Representatives and the
11 Committee on Small Business and Entrepre-
12 neurship of the Senate a report describing the
13 results of the review conducted under subpara-
14 graph (A).

15 (h) DEFINITIONS.—In this section, the following defi-
16 nitions apply:

17 (1) ELIGIBLE SMALL BUSINESS CONCERN.—
18 The term “eligible small business concern” means a
19 small business concern that the Administrator of the
20 Small Business Administration determines—

21 (A) is economically healthy;

22 (B) has good credit; and

23 (C) is unable to obtain a loan on reason-
24 able terms from a non-Federal source (which
25 may be demonstrated with respect to a small

1 business concern by evidence that a lender dis-
2 continued a line of credit of such concern not-
3 withstanding the good credit of such concern).

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

8 (i) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to the Administrator of the
10 Small Business Administration \$10,000,000,000 to carry
11 out the program, including the hiring of necessary per-
12 sonnel.

13 (j) TERMINATION.—The program shall terminate on
14 the date that is 2 years after the date of enactment of
15 this Act.

○