

111TH CONGRESS
1ST SESSION

S. 1817

To temporarily raise the limits on certain loans under the Small Business Act and the Small Business Investment Act of 1958, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 20, 2009

Mr. BROWN introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To temporarily raise the limits on certain loans under the Small Business Act and the Small Business Investment Act of 1958, 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 Loan Relief Act of 2009”.

6 **SEC. 2. TEMPORARY INCREASE IN MAXIMUM LOAN**
7 **AMOUNTS AND USE OF REFINANCES.**

8 (a) IN GENERAL.—

9 (1) MAXIMUM AMOUNTS FOR 7(a) LOANS.—Sec-
10 tion 7(a)(3)(A) of the Small Business Act (15

1 U.S.C. 636(a)(3)(A)) is amended by striking
 2 “\$1,500,000 (or if the gross loan amount would ex-
 3 ceed \$2,000,000” and inserting “\$4,500,000 (or if
 4 the gross loan amount would exceed \$5,000,000”.

5 (2) MAXIMUM LOAN AMOUNTS UNDER 504 PRO-
 6 GRAM.—Section 502(2)(A) of the Small Business In-
 7 vestment Act of 1958 (15 U.S.C. 696(2)(A)) is
 8 amended—

9 (A) in clause (i), by striking “\$1,500,000”
 10 and inserting “\$4,000,000”;

11 (B) in clause (ii), by striking “\$2,000,000”
 12 and inserting “\$5,000,000”;

13 (C) in clause (iii), by striking
 14 “\$4,000,000” and inserting “\$5,500,000”;

15 (D) in clause (iv), by striking
 16 “\$4,000,000” and inserting “\$5,500,000”; and

17 (E) in clause (v), by striking “\$4,000,000”
 18 and inserting “\$5,500,000”.

19 (3) MAXIMUM LOAN LIMITS UNDER MICROLOAN
 20 PROGRAM.—Section 7(m) of the Small Business Act
 21 (15 U.S.C. 636(m)) is amended—

22 (A) in paragraph (1)(B)(iii), by striking
 23 “\$35,000” and inserting “\$50,000”;

1 (B) in paragraph (3)(E), by striking
2 “\$35,000” each place it appears and inserting
3 “\$50,000”; and

4 (C) in paragraph (11)(B), by striking
5 “\$35,000” and inserting “\$50,000”.

6 (4) LOW INTEREST REFINANCING UNDER THE
7 LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.—
8 Section 502(7) of the Small Business Investment
9 Act of 1958 (15 U.S.C. 696(7)) is amended—

10 (A) in subparagraph (A), by inserting “,
11 including a financing that does not involve an
12 expansion of a small business concern,” after
13 “under this title”; and

14 (B) by adding at the end the following:

15 “(C) REFINANCING NOT INVOLVING EX-
16 PANSIONS.—If the project for which a financing
17 is approved under this title does not involve the
18 expansion of a small business concern, any
19 amount of existing indebtedness may be refi-
20 nanced and added to the project cost if—

21 “(i) the total amount of the financing
22 is not more than 80 percent of the value
23 of the collateral for the financing;

1 “(ii) the small business concern has
 2 been in operation for all of the 2-year pe-
 3 riod ending on the date of the financing;

4 “(iii) the existing indebtedness was
 5 not incurred during the 2-year period end-
 6 ing on the date of the financing;

7 “(iv) the existing indebtedness is not
 8 subject to a guarantee by any Federal
 9 agency; and

10 “(v) in any case in which the Admin-
 11 istrator determines that there will be an
 12 additional cost for making a loan that in-
 13 cludes the refinancing of the existing in-
 14 debtedness, the borrower agrees to pay a
 15 fee in an amount equal to the anticipated
 16 additional cost.”.

17 (5) BUSINESS STABILIZATION PROGRAM.—Sec-
 18 tion 506(d) of division A of the American Recovery
 19 and Reinvestment Act of 2009 (Public Law 111–5;
 20 123 Stat. 157) is amended by striking “\$35,000”
 21 and inserting “\$50,000”.

22 (b) FEES.—During the period beginning on the date
 23 of enactment of this Act and ending on January 1, 2011—

24 (1) with respect to each loan guaranteed under
 25 section 7(a) of the Small Business Act (15 U.S.C.

636(a)), the Administrator of the Small Business Administration (in this subsection referred to as the “Administrator”) shall, in lieu of the fees otherwise applicable under paragraphs (23)(A) and (18)(A) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), collect no fee;

(2) the Administrator shall, in lieu of the fee otherwise applicable under section 503(d)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 697(d)(2)) for an institution described in subclause (I), (II), or (III) of section 502(3)(B)(i) of that Act (15 U.S.C. 696(3)(B)(i)), for any loan guarantee or project subject to such subsection, collect no fee; and

(3) the Administrator shall, in lieu of the fee otherwise applicable under section 503(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 697(d)(3)), collect no fee.

(c) PROSPECTIVE REPEAL.—

(1) IN GENERAL.—

(A) MAXIMUM AMOUNTS FOR 7(a) LOANS.—Section 7(a)(3)(A) of the Small Business Act (15 U.S.C. 636(a)(3)(A)) is amended by striking “\$4,500,000 (or if the gross loan amount would exceed \$5,000,000” and insert-

ing “\$1,500,000 (or if the gross loan amount would exceed \$2,000,000”.

(B) MAXIMUM LOAN AMOUNTS UNDER 504 PROGRAM.—Section 502(2)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)) is amended—

(i) in clause (i), by striking “\$4,000,000” and inserting “\$1,500,000”;

(ii) in clause (ii), by striking “\$5,000,000” and inserting “\$2,000,000”;

(iii) in clause (iii), by striking “\$5,500,000” and inserting “\$4,000,000”;

(iv) in clause (iv), by striking “\$5,500,000” and inserting “\$4,000,000”;

and

(v) in clause (v), by striking “\$5,500,000” and inserting “\$4,000,000”.

(C) MAXIMUM LOAN LIMITS UNDER MICROLOAN PROGRAM.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(i) in paragraph (1)(B)(iii), by striking “\$50,000” and inserting “\$35,000”;

1 (ii) in paragraph (3)(E), by striking
 2 “\$50,000” each place it appears and in-
 3 serting “\$35,000”; and

4 (iii) in paragraph (11)(B), by striking
 5 “\$50,000” and inserting “\$35,000”.

6 (D) LOW INTEREST REFINANCING UNDER
 7 THE LOCAL DEVELOPMENT BUSINESS LOAN
 8 PROGRAM.—Section 502(7) of the Small Busi-
 9 ness Investment Act of 1958 (15 U.S.C.
 10 696(7)) is amended—

11 (i) in subparagraph (A), by striking “,
 12 including a financing that does not involve
 13 an expansion of a small business con-
 14 cern,”; and

15 (ii) by striking subparagraph (C).

16 (2) EFFECTIVE DATE.—The amendments made
 17 by paragraph (1) shall take effect on January 1,
 18 2011.

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