

111TH CONGRESS
1ST SESSION

S. 1832

To increase loan limits for small business concerns, provide for low interest refinancing for small business concerns, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 2009

Ms. LANDRIEU (for herself, Mr. KERRY, Mrs. SHAHEEN, Mr. CASEY, Mr. CARDIN, and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To increase loan limits for small business concerns, provide for low interest refinancing 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. SHORT TITLE.**

4 This Act may be cited as the “Small Business Access
5 to Capital Act of 2009”.

6 **SEC. 2. SECTION 7(a) BUSINESS LOANS.**

7 Section 7(a) of the Small Business Act (15 U.S.C.
8 636(a)) is amended—

9 (1) in paragraph (2)(A)—

1 (A) in clause (i), by striking “75 percent”
 2 and inserting “90 percent”; and

3 (B) in clause (ii), by striking “85 percent”
 4 and inserting “90 percent”; and

5 (2) in paragraph (3)(A), by striking
 6 “\$1,500,000 (or if the gross loan amount would ex-
 7 ceed \$2,000,000” and inserting “\$4,500,000 (or if
 8 the gross loan amount would exceed \$5,000,000”.

9 **SEC. 3. LOW INTEREST REFINANCING UNDER THE LOCAL**
 10 **DEVELOPMENT BUSINESS LOAN PROGRAM.**

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

14 “(C) REFINANCING NOT INVOLVING EX-
 15 PANSIONS.—

16 “(i) IN GENERAL.—A project that
 17 does not involve the expansion of a small
 18 business concern may include the refi-
 19 nancing of existing indebtedness if—

20 “(I) the amount of the financing
 21 is not more than 80 percent of the
 22 value of the collateral for the financ-
 23 ing;

24 “(II) the small business concern
 25 has been in operation for all of the 2-

1 year period ending on the date of the
2 financing;

3 “(III) the existing indebtedness
4 was not incurred during the 2-year
5 period ending on the date of the fi-
6 nancing;

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

10 “(V) for a loan for which the Ad-
11 ministrator determines there will be
12 an additional cost for making a loan
13 that includes the refinancing of the
14 existing indebtedness, the borrower
15 agrees to pay a fee in an amount
16 equal to the anticipated additional
17 cost.

18 “(ii) NO JOB CREATION GOALS.—A fi-
19 nancing may be approved under this sub-
20 paragraph regardless of whether the
21 project meets the job creation goals under
22 subsection (d) or (e) of section 501.”.

1 **SEC. 4. MICROLOANS.**

2 (a) MARKETING, MANAGEMENT, AND TECHNICAL
3 ASSISTANCE GRANTS.—Section 7(m)(4) of the Small
4 Business Act (15 U.S.C. 636(m)(4)) is amended—

5 (1) in subparagraph (A)—

6 (A) in the first sentence, by striking “and
7 subject to subparagraph (B)”;

8 (B) in the second sentence—

9 (i) by striking “each intermediary
10 meeting the requirements of subparagraph
11 (B)” and inserting “an intermediary”; and

12 (ii) by striking “25 percent” and in-
13 serting “50 percent”;

14 (2) by striking subparagraph (B); and

15 (3) by striking subparagraph (C)(iii).

16 (b) MICROLOAN AMOUNTS.—Section 7(m) of the
17 Small Business Act (15 U.S.C. 636(m)) is amended—

18 (1) in paragraph (1)(B)(iii), by striking
19 “\$35,000” and inserting “\$50,000”;

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

22 (3) in paragraph (11)(B), by striking
23 “\$35,000” and inserting “\$50,000”.

24 **SEC. 5. MAXIMUM LOAN AMOUNTS UNDER 504 PROGRAM.**

25 Section 502(2)(A) of the Small Business Investment
26 Act of 1958 (15 U.S.C. 696(2)(A)) is amended—

1 (1) in clause (i), by striking “\$1,500,000” and
 2 inserting “\$5,000,000”;

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

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

7 **SEC. 6. NEW MARKETS VENTURE CAPITAL COMPANY IN-**
 8 **VESTMENT LIMITATIONS.**

9 Section 355 of the Small Business Investment Act
 10 of 1958 (15 U.S.C. 689d) is amended by adding at the
 11 end the following:

12 “(e) INVESTMENT LIMITATIONS.—

13 “(1) DEFINITION.—In this subsection, the term
 14 ‘covered New Markets Venture Capital company’
 15 means a New Markets Venture Capital company—

16 “(A) granted final approval by the Admin-
 17 istrator under section 354(e) on or after March
 18 1, 2002; and

19 “(B) that has obtained a financing from
 20 the Administrator.

21 “(2) LIMITATION.—Except to the extent ap-
 22 proved by the Administrator, a covered New Markets
 23 Venture Capital company may not acquire or issue
 24 commitments for securities under this title for any

1 single enterprise in an aggregate amount equal to
 2 more than 10 percent of the sum of—

3 “(A) the regulatory capital of the covered
 4 New Markets Venture Capital company; and

5 “(B) the total amount of leverage pro-
 6 jected in the participation agreement of the cov-
 7 ered New Markets Venture Capital.”.

8 **SEC. 7. EXTRAMURAL RESEARCH AND DEVELOPMENT**
 9 **BUDGET OF THE NATIONAL INSTITUTES OF**
 10 **HEALTH.**

11 Title VIII of division A of the American Recovery and
 12 Reinvestment Act of 2009 (Public Law 111–5; 123 Stat.
 13 176) is amended in the matter under the heading “OFFICE
 14 OF THE DIRECTOR” under the heading “NATIONAL INSTI-
 15 TUTES OF HEALTH” under the heading “DEPARTMENT
 16 OF HEALTH AND HUMAN SERVICES”, by inserting
 17 after “638(n)(1):” the following: “*Provided further*, That
 18 not later than September 30, 2010, of the amount appro-
 19 priated under this heading, \$150,000,000 shall be obli-
 20 gated to be expended with the programs of the National
 21 Institutes of Health described in the previous proviso:”.

22 **SEC. 8. BUSINESS STABILIZATION PROGRAM.**

23 Section 506(c) of division A of the American Recov-
 24 ery and Reinvestment Act of 2009 (Public Law 111–5;
 25 123 Stat. 157) is amended by striking “but shall not in-

1 clude” and all that follows through “enactment of this
2 Act”.

3 **SEC. 9. PROSPECTIVE REPEALS.**

4 (a) AMENDMENTS.—

5 (1) SECTION 7(a) BUSINESS LOANS.—Section
6 7(a) of the Small Business Act (15 U.S.C. 636(a))
7 is amended—

8 (A) in paragraph (2)(A)—

9 (i) in clause (i), by striking “90 per-
10 cent” and inserting “75 percent”; and

11 (ii) in clause (ii), by striking “90 per-
12 cent” and inserting “85 percent”; and

13 (B) in paragraph (3)(A), by striking
14 “\$4,500,000” and inserting “\$3,750,000”.

15 (2) LOW INTEREST REFINANCING UNDER THE
16 LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.—
17 Section 502(7) of the Small Business Investment
18 Act of 1958 (15 U.S.C. 696(7)) is amended by strik-
19 ing subparagraph (C).

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on October 1, 2010.

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