

113TH CONGRESS
1ST SESSION

H. R. 1974

To clarify the collateral requirement for certain loans under section 7(d) of the Small Business Act, to address assistance to out-of-State small business concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2013

Mr. MURPHY of Florida (for himself, Mr. MULVANEY, Ms. CHU, Mr. COFFMAN, Mr. DEUTCH, Mr. KING of New York, Mr. PAYNE, Mr. NUNNELEE, and Mr. RICHMOND) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To clarify the collateral requirement for certain loans under section 7(d) of the Small Business Act, to address assistance to out-of-State 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 Dis-
5 aster Reform Act of 2013”.

1 **SEC. 2. CLARIFICATION OF COLLATERAL REQUIREMENTS.**

2 Section 7(d)(6) of the Small Business Act (15 U.S.C.
3 636(d)(6)) is amended by inserting after “which are made
4 under paragraph (1) of subsection (b)” the following: “:
5 *Provided further*, That the Administrator, in obtaining the
6 best available collateral for a loan of not more than
7 \$200,000 under paragraph (1) or (2) of subsection (b) re-
8 lating to damage to or destruction of the property of, or
9 economic injury to, a small business concern, shall not re-
10 quire the owner of the small business concern to use the
11 primary residence of the owner as collateral if the Admin-
12 istrator determines that the owner has other assets with
13 a value equal to or greater than the amount of the loan
14 that could be used as collateral for the loan: *Provided fur-*
15 *ther*, That nothing in the preceding proviso may be con-
16 strued to reduce the amount of collateral required by the
17 Administrator in connection with a loan described in the
18 preceding proviso or to modify the standards used to
19 evaluate the quality (rather than the type) of such collat-
20 eral”.

21 **SEC. 3. ASSISTANCE TO OUT-OF-STATE SMALL BUSINESSES.**

22 Section 21(b)(3) of the Small Business Act (15
23 U.S.C. 648(b)(3)) is amended—

24 (1) by striking “(3) At the discretion” and in-
25 serting the following:

1 “(3) ASSISTANCE TO OUT-OF-STATE SMALL
2 BUSINESSES.—

3 “(A) IN GENERAL.—At the discretion”;
4 and

5 (2) by adding at the end the following:

6 “(B) DISASTER RECOVERY ASSISTANCE.—

7 “(i) IN GENERAL.—At the discretion
8 of the Administrator, the Administrator
9 may authorize a small business develop-
10 ment center to provide assistance, as de-
11 scribed in subsection (c), to a small busi-
12 ness concern located outside of the State,
13 without regard to geographic proximity, if
14 the small business concern is located in an
15 area for which the President has declared
16 a major disaster under section 401 of the
17 Robert T. Stafford Disaster Relief and
18 Emergency Assistance Act (42 U.S.C.
19 5170), during the period of the declara-
20 tion.

21 “(ii) CONTINUITY OF SERVICES.—A
22 small business development center that
23 provides counselors to an area described in
24 clause (i) shall, to the maximum extent
25 practicable, ensure continuity of services in

1 any State in which the small business de-
2 velopment center otherwise provides serv-
3 ices.

4 “(iii) ACCESS TO DISASTER RECOVERY
5 FACILITIES.—For purposes of this sub-
6 paragraph, the Administrator shall, to the
7 maximum extent practicable, permit the
8 personnel of a small business development
9 center to use any site or facility designated
10 by the Administrator for use to provide
11 disaster recovery assistance.”.

12 **SEC. 4. SENSE OF CONGRESS.**

13 It is the sense of Congress that, subject to the avail-
14 ability of funds, the Administrator of the Small Business
15 Administration shall, to the extent practicable, ensure that
16 a small business development center is appropriately reim-
17 bursed for any legitimate expenses incurred in carrying
18 out activities under section 21(b)(3)(B) of the Small Busi-
19 ness Act (15 U.S.C. 648(b)(3)(B)), as added by this Act.

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