I

113TH CONGRESS
1ST SESSION

H. R. 2474

To transfer funds to the Community Development Financial Institutions Fund to increase the availability of credit for small businesses, to improve the microenterprise technical assistance and capacity building grant program, to establish an Office of Youth Entrepreneurship in the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2013

Mr. RICHMOND (for himself, Ms. BROWN of Florida, Ms. JACKSON LEE, Mr. PAYNE, Mr. CÁRDENAS, Mr. RUSH, Mr. CARSON of Indiana, Mr. ENYART, Mr. THOMPSON of Mississippi, Ms. CHU, Mr. CLAY, Mr. LEWIS, and Ms. CLARKE) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Small Business and Education and the Workforce, 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 transfer funds to the Community Development Financial Institutions Fund to increase the availability of credit for small businesses, to improve the microenterprise technical assistance and capacity building grant program, to establish an Office of Youth Entrepreneurship in the Small Business Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Lending and Small Business Jobs Act of 2013''.

TITLE I—SMALL BUSINESS LEG-UP ACT OF 2013

SEC. 101. SHORT TITLE.

This title may be cited as the ''Small Business Lending to Entrepreneurs for Growth in Underserved Populations Act of 2013'' or the ''Small Business Leg-Up Act of 2013''.

SEC. 102. FINDINGS.

The Congress finds the following:

(1) Families and small businesses in underserved areas have for generations been unable to access affordable credit.

(2) The financial crisis of 2008 only served to exacerbate efforts by entrepreneurs to access capital for the purpose of creating jobs and improving economic outcomes in the community.

(3) Small business investments revitalize communities by creating jobs but also contributing to the local tax base, which helps finance investments in schools, hospitals, infrastructure, and public safety.

(4) The Community Development Financial Institutions Fund is well placed to make careful, tar-

geted investments in community development financial institutions for the purposes of improving economic outcomes for underserved families across America.

(5) Providing the Community Development Financial Institutions Fund with a robust capital infusion will make efficient use of taxpayer dollars, by leveraging Federal investment for the purpose of small business lending.

SEC. 103. TRANSFER OF FUNDS FROM SMALL BUSINESS LENDING FUND TO THE CDFI FUND.

(a) UNOBLIGATED FUNDS.—On the date of the expiration of the investment authority described under section 4109(a) of the Small Business Jobs Act of 2010, the Secretary shall transfer all unobligated funds in the Small Business Lending Fund to the Community Development Financial Institutions Fund.

(b) PROCEEDS.—Section 4103(b)(3) of the Small Business Jobs Act of 2010 is amended to read as follows:

"(3) PROCEEDS TRANSFERRED TO CDFI FUND.—All funds received by the Secretary in connection with purchases made pursuant to paragraph (1), including principal, interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be transferred to the Community Development Financial Institutions Fund.''.

SEC. 104. SMALL BUSINESS CAPITAL INVESTMENT PROGRAM.

(a) IN GENERAL.—The Riegle Community Development and Regulatory Improvement Act of 1994 is amended by inserting after section 108 the following:

''SEC. 108A. SMALL BUSINESS CAPITAL INVESTMENT PROGRAM TO INCREASE CREDIT AVAILABILITY FOR SMALL BUSINESSES.

''(a) SMALL BUSINESS REVOLVING LOAN PROGRAM.—

''(1) IN GENERAL.—Using amounts described under subsection (b), the Administrator shall carry out a Small Business Capital Investment Program ('Program') to make capital investments in eligible community development financial institutions in order to increase the availability of credit for small businesses.

''(2) STRUCTURE OF THE PROGRAM.—To the extent practicable, the Administrator shall carry out the Program in the same manner as the Small Business Lending Fund Program authorized under section 4103(a)(2) of the Small Business Jobs Act of 2010, except that—

"(A) all funds received by the Administrator in connection with purchases made under the Program, including principal, interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be deposited into the Fund;

"(B) eligible community development financial institutions may apply to receive a capital investment from the Fund in an amount not exceeding 10 percent of total assets, or such other percentage as the Administrator determines to be appropriate; and

"(C) the authority to make capital investments in eligible community development financial institutions shall continue so long as amounts described under subsection (b) are available to make such investments.

"(b) FUNDING.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, amounts deposited into the Fund pursuant to section 4(a) of the Small Business Leg-Up Act of 2013, section 4103(b)(3) of the Small Business Jobs Act of 2010, or subsection (a)(2)(A) shall only be available to carry out the Program established under subsection (a).

"(2) ADMINISTRATION COSTS.—Interest payments received under subsection (a)(2)(A) may be used to pay for the administrative costs of carrying out the Program.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator $4,000,000 to carry out the Program.

"(c) RULEMAKING.—The Administrator may issue such regulations as the Administrator determines to be appropriate to carry out this section.

"(d) ELIGIBLE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION DEFINED.—For purposes of this section, the term 'eligible community development financial institution' means a community development financial institution with assets of $10,000,000,000 or less, as reported in audited financial statements.".

(b) TECHNICAL AMENDMENT.—The table of contents for the Riegle Community Development and Regulatory Improvement Act of 1994 is amended by inserting after the item relating to section 108 the following new item:

"Sec. 108A. Small Business Capital Investment Program to increase credit availability for small businesses.".

TITLE II—MICROENTERPRISE AND YOUTH ENTREPRENEURSHIP DEVELOPMENT ACT OF 2013

SEC. 201. SHORT TITLE.

This title may be cited as the ''Microenterprise and Youth Entrepreneurship Development Act of 2013''.

SEC. 202. MICROENTERPRISE TECHNICAL ASSISTANCE AND CAPACITY BUILDING PROGRAM.

(a) DEFINITIONS.—Section 172(5) of the Riegle Community Development and Regulatory Improvement Act of 1994 (15 U.S.C. 6901(5)) is amended—

(1) in subparagraph (B) by striking ''or'' at the end;

(2) in subparagraph (C) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(D) an entrepreneur that operates a business or intends to operate a business in an investment area (as such term is defined in section 103(16) of this Act).''.

(b) USES OF ASSISTANCE.—Section 174 of the Riegle Community Development and Regulatory Improvement Act of 1994 (15 U.S.C. 6903) is amended—

(1) in paragraph (3) by striking "and" at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

"(4) to advertise in print, electronic, and other media the training and technical assistance provided under paragraph (1); and".

(c) TARGETED ASSISTANCE.—Section 176(b) of the Riegle Community Development and Regulatory Improvement Act of 1994 (15 U.S.C. 6905(b)) is amended by striking "50 percent" and inserting "60 percent".

(d) MATCHING REQUIREMENTS.—Section 177(c) of the Riegle Community Development and Regulatory Improvement Act of 1994 (15 U.S.C. 6906(c)) is amended by adding at the end the following:

"(3) CONSIDERATION.—In determining whether to reduce or eliminate matching requirements under paragraph (1), the Administrator shall consider the impact of the economic crisis of 2007 through 2009 on the geographic area in which an applicant operates.".

(e) REPORT.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Small

Business Administration shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report describing recommendations for improving the application and grant making process of the microenterprise technical assistance and capacity building grant program (carried out under subtitle C of title I of the Riegle Community Development and Regulatory Improvement Act of 1994), including recommendations, developed in consultation with stakeholders, for streamlining the application and grant making process of that program.

(f) MICROENTERPRISE COORDINATOR.—

(1) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Administrator shall establish in the Small Business Administration the position of Microenterprise Coordinator.

(2) DUTIES.—The Microenterprise Coordinator shall—

(A) work to ensure that the contributions of microenterprises to the economy are maximized;

(B) work to enhance, support, and coordinate the programs of the Federal Government providing assistance to microenterprises, including Federal technical assistance programs;

(C) work to ensure that underserved entrepreneurs are included in the programs of the Federal Government providing assistance to microenterprises;

(D) make available to the public annually a comprehensive list and description of each Federal program that provides assistance to microenterprises; and

(E) encourage public-private partnerships that support entrepreneurship.

(3) MICROENTERPRISE DEFINED.—In this subsection, the term ''microenterprise'' has the meaning given that term in section 172(10) of the Riegle Community Development and Regulatory Improvement Act of 1994 (15 U.S.C. 6901(10)).

SEC. 203. OFFICE OF YOUTH ENTREPRENEURSHIP.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Small Business Administration shall establish an Office of Youth Entrepreneurship (in this section referred to as the ''Office'') in the Small Business Administration.

(b) DIRECTOR.—The Administrator shall appoint a Director of Youth Entrepreneurship (in this section referred to as the ''Director'') to serve as the head of the Office.

(c) DUTIES.—The Director shall—

(1) carry out the youth entrepreneurship technical assistance grant program described in subsection (d);

(2) carry out the youth entrepreneurship curriculum grant program described in subsection (e);

(3) promote the growth of youth entrepreneurship by establishing public-private partnerships and carrying out advertising campaigns;

(4) sponsor and support State and national youth entrepreneurship competitions that raise awareness of the importance of small business development;

(5) study and promote Federal activities that support entrepreneurship education; and

(6) support the establishment of public and private youth entrepreneurship education and mentoring opportunities.

(d) YOUTH ENTREPRENEURSHIP TECHNICAL ASSISTANCE GRANT PROGRAM.—The Director shall establish a program under which the Director may make grants to assist entities, including nonprofit microenterprise development organizations, to provide individuals under 25 years of age with technical assistance related to entrepreneurship.

(e) YOUTH ENTREPRENEURSHIP CURRICULUM GRANT PROGRAM.—

(1) IN GENERAL.—The Director shall establish a program under which the Director may make grants to a covered entity to assist the development, improvement, or implementation of a youth entrepreneurship curriculum that includes information on the topics of—

(A) securing capital and borrowing;

(B) business plan conception and drafting;

(C) accounting;

(D) management; and

(E) marketing.

(2) APPLICATION PROCESS.—To be eligible for a grant described in paragraph (1), a covered entity shall submit to the Director an application at such time, in such manner, and containing such information as the Director may require, except that the application shall include at least—

(A) a description of the curriculum to be developed, improved, or implemented;

(B) a description of how grant funds will be used;

(C) a description of goals relating to the use of grant funds and the curriculum to be developed, improved, or implemented; and

(D) a description of how progress will be measured with respect to the goals described in subparagraph (C).

(3) COVERED ENTITY DEFINED.—In this subsection, the term ''covered entity'' means a local educational agency in any of the several States, the District of Columbia, or a territory or possession of the United States and a local educational agency of a federally recognized Indian tribe.

(f) INVESTMENT AREAS.—

(1) IN GENERAL.—The Director shall ensure that at least 25 percent of the amounts made available to carry out the Office each fiscal year are used to assist youth in investment areas.

(2) INVESTMENT AREA DEFINED.—In this subsection, the term ''investment area'' has the meaning given that term in section 103(16) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702(16)).

(g) STUDENT LOAN ASSISTANCE.—Not later than 180 days after the date of enactment of this Act, the Director, in consultation with the Secretary of Education, shall submit to Congress a report that includes detailed recommendations for legislation—

(1) establishing a program to forgive student loans in a manner that assists youth entrepreneurship by making available capital for business formation; and

(2) establishing a program to defer student loan repayments in a manner that assists youth entrepreneurship by making available capital for business formation.

SEC. 204. GAO STUDY AND REPORT.

(a) STUDY.—The Comptroller General of the United States shall conduct a study on—

(1) the economic impact of allowing youth entrepreneurs to defer student loan repayments to make available capital for business formation;

(2) the economic impact of increasing the participation of individuals under 25 years of age in the microloan program of the Small Business Administration (carried out under section 7(m) of the Small Business Act (15 U.S.C. 636(m)), notwithstanding the limited collateral and formal business experience of such individuals;

(3) alternative methods for measuring credit-worthiness that may assist youth entrepreneurship; and

(4) actions Congress should consider to promote youth entrepreneurship.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on the results of the study conducted under subsection (a).

○