

Calendar No. 161

113TH CONGRESS
1ST SESSION

S. 415

[Report No. 113–84]

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 SENATE OF THE UNITED STATES

FEBRUARY 28, 2013

Ms. LANDRIEU (for herself, Mr. COCHRAN, Mrs. GILLIBRAND, Mr. PRYOR, Mr. WICKER, Mr. CARDIN, Ms. HEITKAMP, and Mr. HOEVEN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

JULY 31, 2013

Reported by Ms. LANDRIEU, with an amendment

[Insert the part printed in *italic*]

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Business Dis-
3 aster Reform Act of 2013”.

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

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

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

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

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

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

5 “(A) IN GENERAL.—At the discretion”;
 6 and

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

8 “(B) DISASTER RECOVERY ASSISTANCE.—

9 “(i) IN GENERAL.—At the discretion
 10 of the Administrator, the Administrator
 11 may authorize a small business develop-
 12 ment center to provide assistance, as de-
 13 scribed in subsection (c), to a small busi-
 14 ness concern located outside of the State,
 15 without regard to geographic proximity, if
 16 the small business concern is located in an
 17 area for which the President has declared
 18 a major disaster under section 401 of the
 19 Robert T. Stafford Disaster Relief and
 20 Emergency Assistance Act (42 U.S.C.
 21 5170), during the period of the declara-
 22 tion.

23 “(ii) CONTINUITY OF SERVICES.—A
 24 small business development center that
 25 provides counselors to an area described in

1 clause (i) shall, to the maximum extent
 2 practicable, ensure continuity of services in
 3 any State in which the small business de-
 4 velopment center otherwise provides serv-
 5 ices.

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

14 **SEC. 4. SENSE OF CONGRESS.**

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

1 **SEC. 5. INCREASED OVERSIGHT OF ECONOMIC INJURY DIS-**
 2 **ASTER LOANS.**

3 (a) *IN GENERAL.*—Section 7(b) of the *Small Business*
 4 *Act* (15 U.S.C. 636(b)) is amended by inserting imme-
 5 diately after paragraph (9)(D)(3)(cc) the following:

6 “(10) *INCREASED OVERSIGHT OF ECONOMIC IN-*
 7 *JURY DISASTER LOANS.*—The Administrator shall in-
 8 crease oversight of entities receiving loans under
 9 paragraph (2), including—

10 “(A) random site visits to ensure borrower
 11 eligibility and compliance with requirements es-
 12 tablished by the Administrator; and

13 “(B) random reviews of the use of the loan
 14 proceeds by an entity described in paragraph (2)
 15 to ensure compliance with requirements estab-
 16 lished by the Administrator.”.

17 (b) *SENSE OF CONGRESS RELATING TO USING EXIST-*
 18 *ING FUNDS.*—It is the sense of Congress that no additional
 19 Federal funds shall be made available to carry out the
 20 amendments made by this section.

21 **SEC. 6. REDUCTION OF PAPERWORK BURDEN.**

22 (a) *SENSE OF CONGRESS.*—It is the sense of Congress
 23 that the Administrator of the *Small Business Administra-*
 24 *tion* should—

25 (1) reduce paperwork burdens pursuant to sec-
 26 tion 3501 of title 44, United States Code, on small

1 *business concerns applying for disaster assistance*
 2 *under section 7(b) of the Small Business Act (15*
 3 *U.S.C. 636(b)); and*

4 *(2) ensure that the application for disaster as-*
 5 *sistance under section 7(b) of the Small Business Act*
 6 *(15 U.S.C. 636(b)) facilitates deterring and detecting*
 7 *potential incidents of waste, fraud, and abuse.*

8 *(b) REDUCTION.—Section 7(b) of the Small Business*
 9 *Act (15 U.S.C. 636(b)) is amended by inserting imme-*
 10 *diately after paragraph (10), as added by this Act, the fol-*
 11 *lowing:*

12 *“(11) PAPERWORK REDUCTION.—The Adminis-*
 13 *trator shall take steps to reduce, to the maximum ex-*
 14 *tent practicable, the paperwork associated with the*
 15 *application for a loan under this subsection.”.*

16 **SEC. 7. REPORT ON WEB PORTAL FOR DISASTER LOAN AP-**
 17 **PLICANTS.**

18 *Section 38 of the Small Business Act (15 U.S.C. 657j)*
 19 *is amended by adding at the end the following:*

20 *“(c) REPORT ON WEB PORTAL FOR DISASTER LOAN*
 21 *APPLICATION STATUS.—*

22 *“(1) IN GENERAL.—Not later than 90 days after*
 23 *the date of enactment of this subsection, the Adminis-*
 24 *trator shall submit to the Committee on Small Busi-*
 25 *ness and Entrepreneurship of the Senate and the*

1 *Committee on Small Business of the House of Rep-*
2 *resentatives a report relating to the creation of a web*
3 *portal to the track the status of applications for dis-*
4 *aster assistance under section 7(b).*

5 “(2) *CONTENTS.—The report under paragraph*
6 *(1) shall include—*

7 “(A) *information on the progress of the Ad-*
8 *ministration in implementing the information*
9 *system under subsection (a);*

10 “(B) *recommendations from the Adminis-*
11 *tration relating to the creation of a web portal*
12 *for applicants to check the status of an applica-*
13 *tion for disaster assistance under section 7(b),*
14 *including a review of best practices and web por-*
15 *tal models from the private sector;*

16 “(C) *information on any related costs or*
17 *staffing needed to implement such a web portal;*

18 “(D) *information on whether such a web*
19 *portal can maintain high standards for data*
20 *privacy and data security;*

21 “(E) *information on whether such a web*
22 *portal will minimize redundancy among Admin-*
23 *istration disaster programs, improve manage-*
24 *ment of the number of inquiries made by disaster*
25 *applicants to employees located in the area af-*

1 *fected by the disaster and to call centers, and re-*
2 *duce paperwork burdens on disaster victims; and*
3 *“(F) such additional information as is de-*
4 *termined necessary by the Administrator.”.*

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