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114TH CONGRESS
1ST SESSION

H. R. 2594

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to ensure that the receipt of certain loans provided by the Small Business Administration does not violate the prohibition against receiving duplicative financial assistance in the case of a disaster.

IN THE HOUSE OF REPRESENTATIVES

JUNE 1, 2015

Mr. MACARTHUR introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

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A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to ensure that the receipt of certain loans provided by the Small Business Administration does not violate the prohibition against receiving duplicative financial assistance in the case of a disaster.

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 ‘‘Disaster Survivor Benefit Clarification Act of 2015’’.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 et seq.) prohibits duplication of benefits, including any Federal financial assistance or insurance, which includes loans made by the Small Business Administration which carry interest.

(2) Loans made by the Small Business Administration were aggressively marketed to Hurricane Sandy survivors, who were also qualified for grants from the Federal Emergency Management Agency.

(3) Many survivors applied for these loans at the encouragement of the Small Business Administration, without knowing that receipt of these loans could make the survivors ineligible for grants from the Federal Emergency Management Agency.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that disaster loans made by the Small Business Administration that carry interest and must be repaid should not be considered the same type of benefit as a grant from the Federal Emergency Management Agency for the purposes of calculating duplication of benefits under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 et seq.).

SEC. 4. SMALL BUSINESS ADMINISTRATION DISASTER LOANS PERMITTED.

Section 312(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155(b)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) EXEMPTION FOR SMALL BUSINESS ADMINISTRATION DISASTER LOANS.—A loan made pursuant to section 7(b) of the Small Business Act (15 U.S.C. 636(b)) shall not be considered financial assistance for the purposes of subsection (a) if—

"(A) such loan has been repaid in full (including interest); or

"(B) the borrower of such loan is making the required payments on time, as determined by the terms of such loan.".

SEC. 5. APPLICABILITY.

The amendments made by section 4 shall apply to loans made pursuant to section 7(b) of the Small Business Act (15 U.S.C. 636(b)) that were made on or after January 1, 2012.

SEC. 6. EXCEPTION FOR CERTAIN LOANS.

For any loan made pursuant to section 7(b) of the Small Business Act (15 U.S.C. 636(b)) during the period beginning on January 1, 2012, and ending on the date of enactment of this Act in which the borrower was not making the required payments for such loan on time (as determined by the terms of such loan) the borrower shall be deemed to be compliant with the requirements of section 312(2)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as added by section 4 of this Act) if, within 60 days, the borrower becomes current on payments on the loan.

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