

114TH CONGRESS
1ST SESSION

H. R. 3191

To amend the Consolidated and Further Continuing Appropriations Act, 2015 with respect to funding available for fiscal year 2015 for certain general business loans authorized under the Small Business Act, to amend the Small Business Act to modify loan limitations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2015

Mr. CHABOT introduced the following bill; which was referred to the
Committee on Small Business

A BILL

To amend the Consolidated and Further Continuing Appropriations Act, 2015 with respect to funding available for fiscal year 2015 for certain general business loans authorized under the Small Business Act, to amend the Small Business Act to modify loan limitations, 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. AMENDMENTS TO FUNDING AVAILABLE TO THE**
 2 **SMALL BUSINESS ADMINISTRATION TO MAKE**
 3 **SECTION 7(a) LOANS.**

4 (a) **SECTION 7(a) LOAN FUNDING LEVELS.**—The
 5 third proviso under the heading “Small Business Adminis-
 6 tration—Business Loans Program Account” in title V of
 7 division E of the Consolidated and Further Continuing
 8 Appropriations Act, 2015 (Public Law 113–235; 128 Stat.
 9 2371) is amended by striking “\$18,750,000,000” and in-
 10 serting “\$23,500,000,000”.

11 (b) **LOAN LIMITATIONS.**—Section 7(a)(1) of the
 12 Small Business Act (15 U.S.C. 636(a)(1)) is amended—

13 (1) in subparagraph (A)—

14 (A) by striking “No financial assistance”
 15 and inserting the following:

16 “(i) **IN GENERAL.**—No financial as-
 17 sistance”; and

18 (B) by adding at the end the following:

19 “(ii) **LIQUIDITY.**—On and after Octo-
 20 ber 1, 2015, the Administrator may not
 21 guarantee a loan under this subsection if
 22 the lender determines that the borrower is
 23 unable to obtain credit elsewhere solely be-
 24 cause the liquidity of the lender depends
 25 upon the guaranteed portion of the loan
 26 being sold on the secondary market.”; and

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

2 “(C) LENDING LIMITS OF LENDERS.—On
3 and after October 1, 2015, the Administrator
4 may not guarantee a loan under this subsection
5 if the sole purpose for requesting the guarantee
6 is to allow the lender to exceed the legal lending
7 limit of the lender.”.

8 (c) REPORTING.—

9 (1) DEFINITIONS.—In this subsection—

10 (A) the term “Administrator” means the
11 Administrator of the Small Business Adminis-
12 tration;

13 (B) the term “business loan” means a loan
14 made or guaranteed under section 7(a) of the
15 Small Business Act (15 U.S.C. 636(a));

16 (C) the term “cancellation” means that the
17 Administrator approves a proposed business
18 loan, but the prospective borrower determines
19 not to take the business loan; and

20 (D) the term “net dollar amount of busi-
21 ness loans” means the difference between the
22 total dollar amount of business loans and the
23 total dollar amount of cancellations.

24 (2) REQUIREMENT.—During the 3-year period
25 beginning on the date of enactment of this Act, the

1 Administrator shall submit to Committee on Small
2 Business and Entrepreneurship and the Committee
3 on Appropriations of the Senate and the Committee
4 on Small Business and the Committee on Appropria-
5 tions of the House of Representatives a quarterly re-
6 port regarding the loan programs carried out under
7 section 7(a) of the Small Business Act (15 U.S.C.
8 636(a)), which shall include—

9 (A) for the fiscal year during which the re-
10 port is submitted and the 3 fiscal years before
11 such fiscal year—

12 (i) the weekly total dollar amount of
13 business loans;

14 (ii) the weekly total dollar amount of
15 cancellations; and

16 (iii) the weekly net dollar amount of
17 business loans—

18 (I) for all business loans; and

19 (II) for each category of loan
20 amount described in clause (i), (ii), or

21 (iii) of section 7(a)(18) of the Small
22 Business Act (15 U.S.C. 636(a)(18));

23 (B) for the fiscal year during which the re-
24 port is submitted—

1 (i) the amount of remaining authority
2 for business loans, in dollar amount and as
3 a percentage; and

4 (ii) estimates of the date on which the
5 net dollar amount of business loans will
6 reach the maximum for such business
7 loans based on daily net lending volume
8 and extrapolations based on year-to-date
9 net lending volume, quarterly net lending
10 volume, and quarterly growth trends;

11 (C) the number of early defaults (as deter-
12 mined by the Administrator) during the quarter
13 covered by the report;

14 (D) the total amount paid by borrowers in
15 early default during the quarter covered by the
16 report, as of the time of purchase of the guar-
17 antee;

18 (E) the number of borrowers in early de-
19 fault that are franchisees;

20 (F) the total amount of guarantees pur-
21 chased by the Administrator during the quarter
22 covered by the report; and

23 (G) a description of the actions the Admin-
24 istrator is taking to combat early defaults ad-
25 ministratively and any legislative action the Ad-

- 1 administrator recommends to address early de-
- 2 faults.

