

Calendar No. 224

114TH CONGRESS
1ST SESSION**S. 1857**

To amend the Small Business Act to provide for expanded participation
in the microloan program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2015

Mrs. FISCHER (for herself, Ms. AYOTTE, Mr. SCOTT, Mrs. SHAHEEN, and Mr.
PETERS) introduced the following bill; which was read twice and referred
to the Committee on Small Business and Entrepreneurship

SEPTEMBER 15, 2015

Reported by Mr. VITTER, without amendment

A BILL

To amend the Small Business Act to provide for expanded
participation in the microloan program, 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 “Microloan Moderniza-
5 tion Act of 2015”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act—

3 (1) the term “intermediary” has the meaning
4 given that term in section 7(m)(11) of the Small
5 Business Act (15 U.S.C. 636(m)(11)); and

6 (2) the term “microloan program” means the
7 program established under section 7(m) of the Small
8 Business Act (15 U.S.C. 636(m)).

9 **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**
10 **CREASED.**

11 Section 7(m)(3)(C) of the Small Business Act (15
12 U.S.C. 636(m)(3)(C)) is amended by striking
13 “\$5,000,000” and inserting “\$6,000,000”.

14 **SEC. 4. WAIVERS OF 25/75 RULE.**

15 Section 7(m)(4)(E) of the Small Business Act (15
16 U.S.C. 636(m)(4)(E)) is amended by adding at the end
17 the following:

18 “(iii) WAIVER.—

19 “(I) IN GENERAL.—The Admin-
20 istrator shall by rule, after a notice
21 and comment period of not less than
22 60 days, establish a process by which
23 an intermediary may apply for and
24 the Administrator may grant a waiver
25 from the requirements of clause (i).

1 “(II) CONTENTS.—The rule re-
 2 quired under subclause (I) shall—

3 “(aa) require any applicant
 4 for a waiver to—

5 “(AA) specify how the
 6 applicant will use the addi-
 7 tional technical assistance;
 8 and

9 “(BB) provide assur-
 10 ance, in a form provided for
 11 by the Administrator in the
 12 rule, that the intermediary
 13 will have sufficient funds to
 14 provide technical assistance
 15 to all borrowers of the inter-
 16 mediary; and

17 “(bb) incorporate any dele-
 18 gation of the authority of the Ad-
 19 ministrator to approve waivers to
 20 any appropriate subsidiary offi-
 21 cial.”.

22 **SEC. 5. LINES OF CREDIT AUTHORIZED.**

23 Section 7(m)(6)(A) of the Small Business Act (15
 24 U.S.C. 636(m)(6)(A)) is amended by inserting “(including
 25 lines of credit)” after “short-term”.

1 **SEC. 6. EXTENDED REPAYMENT TERMS.**

2 Section 7(m)(6) of the Small Business Act (15
3 U.S.C. 636(m)(6)) is amended by adding at the end the
4 following:.

5 “(F) REPAYMENT TERMS FOR LOANS TO
6 SMALL BUSINESSES.—The Administrator may
7 not impose limitations on the term for repay-
8 ment of a loan made by an intermediary to a
9 small business concern or entrepreneur, except
10 that—

11 “(i) in the case of a loan made by an
12 intermediary of not more than \$10,000,
13 the repayment term shall be not more than
14 6 years; and

15 “(ii) in the case of a loan made by an
16 intermediary of more than \$10,000, the re-
17 payment term shall be not more than 10
18 years.”.

19 **SEC. 7. GAO STUDY OF MICROENTERPRISE PARTICIPATION.**

20 Not later than 120 days after the date of enactment
21 of this Act, the Comptroller General of the United States
22 shall conduct a study and submit to the Committee on
23 Small Business and Entrepreneurship of the Senate and
24 the Committee on Small Business of the House of Rep-
25 resentatives a report on—

1 (1) the operations (including services provided,
2 structure, size, and area of operation) of a rep-
3 resentative sample of—

4 (A) intermediaries that are eligible to par-
5 ticipate in the microloan program and that do
6 participate; and

7 (B) intermediaries (including those oper-
8 ated for profit, operated as non-profits, and
9 those affiliated with a United States institution
10 of higher learning) that are eligible to partici-
11 pate in the microloan program and that do not
12 participate;

13 (2) the reasons why intermediaries described in
14 paragraph (1)(B) choose not to participate in the
15 microloan program;

16 (3) recommendations on how to encourage in-
17 creased participation in the microloan program by
18 intermediaries described in paragraph (1)(B); and

19 (4) recommendations on how to decrease the
20 costs associated with participation in the microloan
21 program for eligible intermediaries.

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