

Calendar No. 485

114TH CONGRESS
2D SESSION**S. 2850**

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

APRIL 26, 2016

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

MAY 24, 2016

Reported by Mr. VITTER, with amendments

[Omit the part struck through and insert the part printed in *italic*]

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 Program
5 Modernization Act of 2016”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act—

3 (1) the term “intermediary” has the meaning
4 given the 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. ELIMINATION OF 25/75 RULE.**

15 Section 7(m)(4) of the Small Business Act (15
16 U.S.C. 636(m) (4)) is amended—

17 (1) by striking subparagraph (E); and

18 (2) by redesignating subparagraph (F) as sub-
19 paragraph (E).

20 **SEC. 5. SBA STUDY OF MICROENTERPRISE PARTICIPATION.**

21 Not later than 1 year after the date of enactment
22 of this Act, the Administrator of the Small Business Ad-
23 ministration shall conduct a study and submit to the Com-
24 mittee on Small Business and Entrepreneurship of the
25 Senate and the Committee on Small Business of the
26 House of Representatives 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~~ *not for*
9 *profit*, and those affiliated with a United States
10 institution of higher learning) that are eligible
11 to participate in the microloan program and
12 that do not 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.

22 **SEC. 6. GAO STUDY ON MICROLOAN INTERMEDIARY PRAC-**
23 **TICES.**

24 Not later than 1 year after the date of enactment
25 of this Act, the Comptroller General of the United States

1 shall submit to the Committee on Small Business and En-
2 trepreneurship of the Senate and the Committee on Small
3 Business of the House of Representatives a report evalu-
4 ating—

5 (1) oversight of the microloan program by the
6 Small Business Administration, including oversight
7 of intermediaries participating in the microloan pro-
8 gram; and

9 (2) the specific processes used by the Small
10 Business Administration to ensure—

11 (A) compliance by intermediaries partici-
12 pating in the microloan program; and

13 (B) the overall performance of the micro-
14 loan program.

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