

114TH CONGRESS
1ST SESSION

S. 956

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

APRIL 15, 2015

Ms. HEITKAMP introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Dis-
5 aster Reform Act of 2015”.

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

7 Section 7(d)(6) of the Small Business Act (15 U.S.C.
8 636(d)(6)) is amended by inserting after “which are made

1 under paragraph (1) of subsection (b)” the following: “:
 2 *Provided further*, That the Administrator, in obtaining the
 3 best available collateral for a loan of not more than
 4 \$200,000 under paragraph (1) or (2) of subsection (b) re-
 5 lating to damage to or destruction of the property of, or
 6 economic injury to, a small business concern, shall not re-
 7 quire the owner of the small business concern to use the
 8 primary residence of the owner as collateral if the Admin-
 9 istrator determines that the owner has other assets with
 10 a value equal to or greater than the amount of the loan
 11 that could be used as collateral for the loan: *Provided fur-*
 12 *ther*, That nothing in the preceding proviso may be con-
 13 strued to reduce the amount of collateral required by the
 14 Administrator in connection with a loan described in the
 15 preceding proviso or to modify the standards used to
 16 evaluate the quality (rather than the type) of such collat-
 17 eral”.

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

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

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

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

1 “(A) IN GENERAL.—At the discretion”;

2 and

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

4 “(B) DISASTER RECOVERY ASSISTANCE.—

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

19 “(ii) CONTINUITY OF SERVICES.—A
20 small business development center that
21 provides counselors to an area described in
22 clause (i) shall, to the maximum extent
23 practicable, ensure continuity of services in
24 any State in which the small business de-

1 velopment center otherwise provides serv-
2 ices.

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

11 **SEC. 4. SENSE OF CONGRESS.**

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

19 **SEC. 5. INCREASED OVERSIGHT OF ECONOMIC INJURY DIS-**
20 **ASTER LOANS.**

21 (a) IN GENERAL.—Section 7(b) of the Small Busi-
22 ness Act (15 U.S.C. 636(b)) is amended by inserting im-
23 mediately after paragraph (9)(D)(3)(cc) the following:

24 “(10) INCREASED OVERSIGHT OF ECONOMIC IN-
25 JURY DISASTER LOANS.—The Administrator shall

1 increase oversight of entities receiving loans under
2 paragraph (2), including—

3 “(A) scheduled site visits to ensure bor-
4 rower eligibility and compliance with require-
5 ments established by the Administrator; and

6 “(B) reviews of the use of the loan pro-
7 ceeds by an entity described in paragraph (2) to
8 ensure compliance with requirements estab-
9 lished by the Administrator.”.

10 (b) SENSE OF CONGRESS RELATING TO USING EX-
11 ISTING FUNDS.—It is the sense of Congress that no addi-
12 tional Federal funds shall be made available to carry out
13 the amendments made by this section.

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

15 (a) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that the Administrator of the Small Business Ad-
17 ministration should—

18 (1) reduce paperwork burdens pursuant to sec-
19 tion 3501 of title 44, United States Code, on small
20 business concerns applying for disaster assistance
21 under section 7(b) of the Small Business Act (15
22 U.S.C. 636(b)); and

23 (2) ensure that the application for disaster as-
24 sistance under section 7(b) of the Small Business
25 Act (15 U.S.C. 636(b)) facilitates deterring and de-

1 tecting potential incidents of waste, fraud, and
 2 abuse.

3 (b) REDUCTION.—Section 7(b) of the Small Business
 4 Act (15 U.S.C. 636(b)) is amended by inserting imme-
 5 diately after paragraph (10), as added by this Act, the
 6 following:

7 “(11) PAPERWORK REDUCTION.—The Adminis-
 8 trator shall take steps to reduce, to the maximum
 9 extent practicable, the paperwork associated with the
 10 application for a loan under this subsection.”.

11 **SEC. 7. REPORT ON WEB PORTAL FOR DISASTER LOAN AP-**
 12 **PLICANTS.**

13 Section 38 of the Small Business Act (15 U.S.C.
 14 657j) is amended by adding at the end the following:

15 “(c) REPORT ON WEB PORTAL FOR DISASTER LOAN
 16 APPLICATION STATUS.—

17 “(1) IN GENERAL.—Not later than 90 days
 18 after the date of enactment of this subsection, the
 19 Administrator shall submit to the Committee on
 20 Small Business and Entrepreneurship of the Senate
 21 and the Committee on Small Business of the House
 22 of Representatives a report relating to the creation
 23 of a web portal to the track the status of applica-
 24 tions for disaster assistance under section 7(b).

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

3 “(A) information on the progress of the
4 Administration in implementing the information
5 system under subsection (a);

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

12 “(C) information on any related costs or
13 staffing needed to implement such a web portal;

14 “(D) information on whether such a web
15 portal can maintain high standards for data
16 privacy and data security;

17 “(E) information on whether such a web
18 portal will minimize redundancy among Admin-
19 istration disaster programs, improve manage-
20 ment of the number of inquiries made by dis-
21 aster applicants to employees located in the
22 area affected by the disaster and to call centers,
23 and reduce paperwork burdens on disaster vic-
24 tims; and

1 “(F) such additional information as is de-
2 termined necessary by the Administrator.”.

○