

115TH CONGRESS
2D SESSION

H. R. 7186

To amend the Small Business Act to modify the upfront guarantee fees for certain 7(a) loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 28, 2018

Mr. VEASEY (for himself, Mr. BROWN of Maryland, Ms. JACKSON LEE, Mr. THOMPSON of Mississippi, Mr. TAKANO, Mr. GONZALEZ of Texas, Mr. GRIJALVA, Mr. CORREA, Mr. SIRES, Mrs. NAPOLITANO, Ms. CLARKE of New York, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. RASKIN, Mr. COHEN, Ms. NORTON, and Ms. WILSON of Florida) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to modify the upfront guarantee fees for certain 7(a) loans, 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 “Diverse Small Business
5 Empowerment Act”.

1 **SEC. 2. MODIFICATIONS TO UPFRONT GUARANTEE FEES**
2 **FOR CERTAIN 7(a) LOANS.**

3 (a) GUARANTEE FEES FOR CERTAIN 7(a) LOANS.—
4 Section 7(a)(18) of the Small Business Act (15 U.S.C.
5 636(a)(18)) is amended—

6 (1) in subparagraph (A), by striking “With”
7 and inserting “Except as provided in subparagraph
8 (C), and with”;

9 (2) in subparagraph (B), by inserting “or
10 (C)(ii)” after “subparagraph (A)(i)”; and

11 (3) by adding at the end the following new sub-
12 paragraph:

13 “(C) FEES FOR CERTAIN SMALL BUSINESS
14 CONCERNS.—

15 “(i) GUARANTEE FEE WAIVER.—The
16 Administrator may not collect a guarantee
17 fee described in subparagraph (A) in con-
18 nection with a loan made in the amount of
19 \$125,000 or less under this subsection
20 (other than a loan that is repayable in 1
21 year or less) if such loan is made to a
22 small business concern owned and con-
23 trolled by veterans, small business concern
24 owned and controlled by socially and eco-
25 nomically disadvantaged individuals, or

1 small business concern owned and con-
2 trolled by women.

3 “(ii) REDUCED FEE.—With respect to
4 each loan guaranteed under this subsection
5 (other than a loan that is repayable in 1
6 year or less) made to a small business con-
7 cern owned and controlled by veterans,
8 small business concern owned and con-
9 trolled by socially and economically dis-
10 advantaged individuals, or small business
11 concern owned and controlled by women,
12 the Administration shall collect a guar-
13 antee fee, which shall be payable by the
14 participating lender and may be charged to
15 the borrower, in an amount not to exceed
16 1 percent of the deferred participation
17 share of a total loan amount that is more
18 than \$125,000, but not more than
19 \$350,000.

20 “(iii) DEFINITIONS.—In this subpara-
21 graph:

22 “(I) SMALL BUSINESS CONCERN
23 OWNED AND CONTROLLED BY SO-
24 CIALY AND ECONOMICALLY DIS-
25 ADVANTAGED INDIVIDUALS.—The

1 term ‘small business concern owned
 2 and controlled by socially and eco-
 3 nomically disadvantaged individuals’
 4 has the meaning given in section
 5 8(d)(3)(C).

6 “(II) SMALL BUSINESS CONCERN
 7 OWNED AND CONTROLLED BY VET-
 8 ERANS.—The term ‘small business
 9 concern owned and controlled by vet-
 10 erans’ has the meaning given in sec-
 11 tion 3(q).

12 “(III) SMALL BUSINESS CON-
 13 CERN OWNED AND CONTROLLED BY
 14 WOMEN.—The term ‘small business
 15 concern owned and controlled by
 16 women’ has the meaning given in sec-
 17 tion 3(n).”.

18 (b) SBA EXPRESS LOAN GUARANTEE FEE WAIV-
 19 ER.—Section 7(a)(31) of the Small Business Act (15
 20 U.S.C. 636(a)(31)) is amended by adding at the end the
 21 following new subparagraph:

22 “(I) GUARANTEE FEE WAIVER FOR CER-
 23 TAIN SMALL BUSINESS CONCERNS.—

24 “(i) GUARANTEE FEE WAIVER.—The
 25 Administrator may not collect a guarantee

1 fee described in paragraph (18) in connec-
2 tion with a loan made under this para-
3 graph to a small business concern owned
4 and controlled by socially and economically
5 disadvantaged individuals or a small busi-
6 ness concern owned and controlled by
7 women on or after the date of the enact-
8 ment of this subparagraph.

9 “(ii) EXCEPTION.—If the President’s
10 budget for the upcoming fiscal year, sub-
11 mitted to Congress pursuant to section
12 1105(a) of title 31, United States Code,
13 includes a cost for the program established
14 under this subsection that is above zero,
15 the requirements of clause (i) shall not
16 apply to loans made during such upcoming
17 fiscal year.

18 “(iii) DEFINITIONS.—In this subpara-
19 graph:

20 “(I) SMALL BUSINESS CONCERN
21 OWNED AND CONTROLLED BY SO-
22 CIALY AND ECONOMICALLY DIS-
23 ADVANTAGED INDIVIDUALS.—The
24 term ‘small business concern owned
25 and controlled by socially and eco-

1 nominically disadvantaged individuals’
2 has the meaning given in section
3 8(d)(3)(C).

4 “(II) SMALL BUSINESS CONCERN
5 OWNED AND CONTROLLED BY
6 WOMEN.—The term ‘small business
7 concern owned and controlled by
8 women’ has the meaning given in sec-
9 tion 3(n).”.

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