

116TH CONGRESS
2D SESSION

H. R. 7451

To provide forgivable physical disaster loans to businesses damaged due to civil unrest, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2020

Mr. EVANS introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide forgivable physical disaster loans to businesses damaged due to civil unrest, 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 “Helping Entrepreneurs
5 Access Loans Act” or the “HEAL Act”.

6 **SEC. 2. FORGIVABLE BUSINESS PHYSICAL DISASTER LOANS**

7 **FOR DAMAGE DUE TO CIVIL UNREST.**

8 (a) DEFINITIONS.—In this section—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof, respectively;

4 (2) the term “covered period” means the period
5 beginning on May 26, 2020, and ending on July 1,
6 2020; and

7 (3) the term “eligible entity” means a business
8 concern—

9 (A) with average annual receipts (as de-
10 fined in section 121.104 of title 13, Code of
11 Federal Regulations, or any successor regula-
12 tion) of not more than \$2,000,000; and

13 (B) that—

14 (i) is located within an area for which
15 the Administrator declared a disaster in
16 accordance with section 123.3(a)(3) of title
17 13, Code of Federal Regulations, or any
18 successor regulation, with respect to civil
19 unrest that began on May 26, 2020, in
20 Minneapolis, Minnesota, and spread across
21 the United States; and

22 (ii) incurred damage to real or per-
23 sonal property of the business concern dur-
24 ing the covered period as a result of the
25 civil unrest described in clause (i).

1 (b) BUSINESS PHYSICAL DISASTER LOANS.—

2 (1) IN GENERAL.—Except as otherwise pro-
3 vided in this subsection, an eligible entity shall be el-
4 igible for a loan made by the Administration under
5 section 7(b)(1) of the Small Business Act (15 U.S.C.
6 636(b)(1)) under the same terms, conditions, and
7 processes as a loan made under such section to re-
8 pair, rehabilitate, or replace property, real or per-
9 sonal, of the eligible entity that was damaged or de-
10 stroyed during the covered period as a result of the
11 civil unrest described in subsection (a)(3)(B)(i).

12 (2) DISASTER DECLARATION.—With respect to
13 the disaster declaration described in subsection
14 (a)(3)(B)(i) for a loan made under paragraph (1),
15 the requirement under section 123.3(a)(3)(ii) of title
16 13, Code of Federal Regulations, or any successor
17 regulation, that 25 percent or more of the work
18 force in the area would be unemployed for not fewer
19 than 90 days shall not apply.

20 (3) LOAN AMOUNT.—

21 (A) IN GENERAL.—The amount of a loan
22 made under paragraph (1) shall be equal to 100
23 percent of the amount required to repair, reha-
24 bilitate, or replace property, real or personal, of
25 the eligible entity that—

(i) was damaged or destroyed during the covered period as a result of the civil unrest described in subsection (a)(3)(B)(i); and

(ii) is not compensated for by—

(I) insurance;

(II) a grant from a State or local government; or

(III) any other means.

(B) DEDUCTION OF ADVANCE AMOUNT.—

The amount of any advance received by an eligible entity under subsection (c) shall be deducted from the loan amount for the eligible entity under subparagraph (A).

(4) TERMS; CREDIT ELSEWHERE.—

(A) IN GENERAL.—With respect to a loan made to an eligible entity under paragraph (1)—

(i) the Administrator shall waive—

(I) any rules related the personal guarantee on loans of not more than \$200,000 during the covered period for all applicants; and

(II) any requirement that an applicant needs to be in business for the

1 1-year period before the civil unrest
2 described in subsection (a)(3)(B)(i),
3 except that no waiver may be made
4 for an eligible entity that was not in
5 operation on January 31, 2020;

6 (ii) the eligible entity shall not be re-
7 quired to show that the eligible entity is
8 unable to obtain credit elsewhere; and

9 (iii) no collateral shall be required for
10 the loan.

11 (B) REPAYMENT.—Any payments on a
12 loan made to an eligible entity under paragraph
13 (1) are deferred until June 30, 2022, and inter-
14 est shall not begin to accrue until such date.

15 (5) APPLICATION.—

16 (A) IN GENERAL.—Not later than 7 days
17 after the date of enactment of this Act, the Ad-
18 ministrator shall begin to accept applications
19 for a loan under paragraph (1).

20 (B) DEADLINE.—An eligible entity desir-
21 ing a loan under this subsection shall submit to
22 the Administrator an application not later than
23 December 31, 2020.

1 (C) APPROVAL AND ABILITY TO REPAY.—

2 With respect to an applicant for a loan made
3 under paragraph (1), the Administrator may—

4 (i) approve the applicant based on the
5 credit score or personal guarantee of the
6 applicant; or

7 (ii) use alternative appropriate meth-
8 ods to determine the applicant's ability to
9 repay.

10 (6) USE OF FUNDS.—A recipient of a loan
11 made under paragraph (1) shall use the loan pro-
12 ceeds to repair, rehabilitate, or replace property, real
13 or personal, damaged or destroyed during the cov-
14 ered period as a result of the civil unrest described
15 in subsection (a)(3)(B)(i), provided that such dam-
16 age or destruction is not compensated for by insur-
17 ance, a grant from a State or local government, or
18 otherwise.

19 (7) LOAN FORGIVENESS.—

20 (A) IN GENERAL.—An eligible entity that
21 received a loan made under paragraph (1), or
22 an eligible entity that received a loan under sec-
23 tion 7(b)(1) of the Small Business Act (15
24 U.S.C. 636(b)(1)) before the date of enactment
25 of this Act related to the civil unrest described

1 in subsection (a)(3)(B)(i), shall be eligible for
2 forgiveness of indebtedness equal to 75 percent
3 of the loan amount if the eligible entity—

4 (i) submits to the Administrator docu-
5 mentation of sales for 2019 and 2020 and
6 tax returns for 2019 and 2020; and

7 (ii) the eligible entity is in operation
8 as of December 31, 2021.

9 (B) AMOUNTS NOT FORGIVEN.—Any re-
10 maining amount of a loan described in subpara-
11 graph (A) that is not forgiven under this para-
12 graph as of December 31, 2021, shall—

13 (i) be considered a loan made under
14 section 7(b)(1) of the Small Business Act
15 (15 U.S.C. 636(b)(1));

16 (ii) bear an interest rate of 3.75 per-
17 cent; and

18 (iii) have a 30-year term.

19 (8) DUPLICATION.—An eligible entity that re-
20 ceived a loan under subsection (a)(36) or (b)(2) of
21 section 7 of the Small Business Act (15 U.S.C. 636)
22 before the date of enactment of this Act shall be eli-
23 gible for a loan under paragraph (1) if the proceeds
24 of the loan made under such subsection (a)(36) or

1 (b)(2) are not used for the same expenses as the
2 loan under paragraph (1).

3 (c) EMERGENCY GRANT.—

4 (1) IN GENERAL.—An eligible entity that ap-
5 plies for a loan under subsection (b)(1) may request
6 that the Administrator provide an advance, subject
7 to paragraph (3), to the eligible entity not later than
8 10 days after the date on which the Administrator
9 receives an application from the eligible entity.

10 (2) VERIFICATION.—Before disbursing amounts
11 under this subsection, the Administrator shall verify
12 that the applicant is an eligible entity by accepting
13 a self-certification from the applicant under penalty
14 of perjury pursuant to section 1746 of title 28,
15 United States Code.

16 (3) AMOUNT.—The amount of an advance pro-
17 vided to an eligible entity under this subsection shall
18 be the lesser of—

19 (A) 20 percent of the amount requested by
20 the eligible entity; or

21 (B) \$10,000.

22 (4) USE OF FUNDS.—An advance received
23 under this subsection shall only be used for the al-
24 lowable uses for a loan under subsection (b)(1).

25 (5) REPAYMENT.—

1 (A) IN GENERAL.—Except as provided
2 under subparagraph (B), an eligible entity that
3 receives an advance under this subsection shall
4 not be required to repay any amounts of the ad-
5 vance.

6 (B) RETURN OF ADVANCE.—If an appli-
7 cant for a loan under subsection (b)(1) is later
8 determined to be ineligible for the loan because
9 the applicant does not meet the requirements to
10 be an eligible entity described in subsection
11 (a)(3), the applicant shall return to the Admin-
12 istrator any advance amount provided under
13 this subsection—

14 (i) not later than 90 days after receiv-
15 ing notice of the determination of ineligi-
16 bility; or

17 (ii) if the Administrator determines
18 that the applicant submitted the applica-
19 tion in bad faith, not later than 30 days
20 after receiving notice of that determina-
21 tion, plus interest in an amount equal to
22 4.75 percent of the advance.

23 (d) RESOURCES AND SERVICES IN LANGUAGES
24 OTHER THAN ENGLISH.—The Administrator shall pro-
25 vide the resources and services made available by the Ad-

1 ministration relating to the loans and grants available
2 under this section to eligible entities in the 10 most com-
3 monly spoken languages, other than English, in the
4 United States, which shall include Mandarin, Cantonese,
5 Japanese, and Korean.

6 (e) REGULATIONS.—The Administrator shall issue
7 guidance and rules to carry out this section.

8 (f) DIRECT APPROPRIATION.—

9 (1) IN GENERAL.—There is appropriated, out
10 of amounts in the Treasury not otherwise appro-
11 priated, for the fiscal year ending September 30,
12 2020, for an additional amount for “Small Business
13 Administration—HEAL Act”, \$80,000,000, to re-
14 main available until September 30, 2021, for car-
15 rying out this section.

16 (2) EMERGENCY DESIGNATION.—

17 (A) IN GENERAL.—The amounts provided
18 under this subsection are designated as an
19 emergency requirement pursuant to section 4(g)
20 of the Statutory Pay-As-You-Go Act of 2010 (2
21 U.S.C. 933(g)).

22 (B) DESIGNATION IN SENATE.—In the
23 Senate, this subsection is designated as an
24 emergency requirement pursuant to section
25 4112(a) of H. Con. Res. 71 (115th Congress),

- 1 the concurrent resolution on the budget for fis-
- 2 cal year 2018.

