

past 2 years, for the 7(a) program alone, costs have doubled for smaller loans, and the average loan size has declined by 37 percent.

A recent study released by the National Small Business Association found that access to capital is the number two concern for entrepreneurs. This means that it is more of a concern than taxes and even the regulatory burden.

The Small Business Lending Improvements Act of 2007 is a bipartisan effort introduced by Ms. BEAN and Mr. CHABOT. This bill will make loans more economical, while providing long-term stability for small business owners.

H.R. 1332 touches all aspects of the SBA lending initiative, including the 504 program.

Not only will this legislation put affordable financing back into the hands of entrepreneurs, but will also accomplish a number of important public policy initiatives. H.R. 1332 provides incentives for medical professionals to locate in low income areas, establishes a rural lender program, and allows for veterans to secure funds to start or expand their firms.

With the number of veterans returning from Iraq and Afghanistan, the need for affordable financing is more important than ever. When Congress passed the GI bill, we made a commitment to education and homeownership for veterans. Today we have an opportunity to show our commitment to their entrepreneurial endeavors.

Small businesses must have the ability to continue spurring economic growth and creating jobs. For these reasons, H.R. 1332 has the support of American Community Bankers, Independent Community Bankers of America, American Veterans, Credit Union National Association, National Small Business Association, Veterans of Foreign Wars, American Bankers Association, the U.S. Women's Chamber of Commerce, the U.S. Hispanic Chamber of Commerce and the American Dental Association.

I strongly urge my colleagues to vote for the Small Business Lending Improvements Act of 2007.

Mr. Chairman, I reserve the balance of my time.

Mr. CHABOT. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, today, Madam Chairwoman and I rise to support H.R. 1332, the Small Business Lending Improvements Act of 2007. I want to especially thank the chairwoman and the gentlelady, Congresswoman BEAN, for working in a cooperative and bipartisan manner to bring this bill before the House, and I want to commend them for again working with us on this.

The Small Business Lending Improvements Act amends the Small Business Act to make necessary improvements and technical changes to the primary lending program offered by the Small Business Administration, the SBA, the 7(a) guaranteed loan pro-

gram. H.R. 1332 also amends title V of the Small Business Investment Act of 1958 to make significant and necessary changes to the loan program, sometimes called the 504 loan program.

Before addressing the particulars of the legislation, it is important to note what H.R. 1332 does not do. The legislation does not modify the subsidy rate for the 7(a) guaranteed lending program. The subsidy rate for the program currently is zero. After this bill is enacted, the subsidy rate for the 7(a) lending program will be zero. In fact, if this bill attempted to modify the subsidy rate, it could not because it would require an appropriation. And of course, as an authorizing committee, we are unable to appropriate. So any argument that this bill will cost hundreds of millions or even billions of dollars over 10 years or so is just plain wrong.

At the correct time, I will oppose adding a subsidy for a program that works just fine without one.

And now, I turn my attention to what this bill does. The SBA charges a fee to borrowers which can be viewed as akin to paying points on a mortgage, which many people are familiar with doing. In addition, banks pay an ongoing fee each year on the amount of unpaid balance of the loan as guaranteed. Although some confusion exists about this point, I read the Small Business Act as authorizing the SBA to adjust the up front fee or points paid by borrowers in the same way that the SBA has the unquestioned authority to reduce fees to lenders. Despite the authority that the SBA has, the agency has not in recent memory reduced, except when dictated by Congress, the up front fees paid by borrowers. The SBA, on the other hand, has modified the annual fee paid by the lender. The SBA even testified at a committee hearing recently that it would be reducing the fees paid by lenders.

Section 101 does two very important things. First, it clarifies that the SBA has the authority to reduce or increase the fees paid by the borrower. This should resolve any confusion as to whether the SBA has the power to reduce the points or up front borrowing fee, as well as the annual fee paid by the lender. And as already noted, section 101 requires that these fees be calculated to arrive at a zero subsidy. That is so that the fees will cover the cost of the 7(a) loan program, without an appropriation, as I just mentioned. The section then goes on to restrict the administrator's discretion in only one regard; if an appropriation is made to support the 7(a) loan program, section 101 directs the administrator to first utilize the funds to reduce fees to borrowers and not lenders.

I support this change because the Small Business Act is, first and foremost, legislation designed to assist small businesses, not to assist small banks or any other banks. Therefore, the bill takes the logical step of directing that, should funds be made avail-

able, the administrator should reduce the fees to small businesses, not to banks.

Section 101 also requires that the administrator update quarterly the reduction in fees given available funding remaining. That makes sense, because if the SBA did not make that calculation, they would not know how much to reduce fees in an upcoming quarter, if at all. The need for this calculation simply recognizes that loan demand is not constant throughout the year and ensures that administrator properly allocates available funds. Once funds are exhausted, the legislation simply directs the administrator to operate the program at zero subsidy, the up front annual fees needed to cover the cost of the 7(a) loan program as if there was no appropriation.

Finally, to the extent that loan demand is not high, and there are sufficient funds available, the administrator may use any available extra funds to reduce the annual fee paid by banks. Although this is a possibility, the greater probability is that all funds will be utilized to reduce cost to small business owners.

There is more to H.R. 1332 than providing the administrator with a mechanism to reduce fees under the 7(a) loan program, if an appropriation is available. The guaranteed loan program is the largest of the SBA's financing programs, reaching the greatest number of businesses, yet there are businesses whose access to this program remains limited.

The SBA loan program is a fairly complex operation, and many banks, particularly community banks, do not have a sufficient loan volume to justify the expenses associated with a 7(a) loan program. This is particularly true for independent and community banks located in rural areas.

The bill requires the SBA to establish a low-document, or LowDoc, loan program for banks located in rural areas. To the extent that a rural community has no bank willing to participate in the program, there is nothing in the Small Business Act or the bill that prohibits a small business from using a rural lender not in the immediate vicinity.

Title I also makes the Community Express Loan Program permanent. I support this because I believe it can provide the same assistance to low income communities, including those in my district in Cincinnati, which would otherwise be provided under a more costly micro loan program.

In addition to providing greater assistance in rural communities and low income communities, the bill also reduces the cost of the 7(a) loans to veterans. In addition, the bill also provides for a reduction in fees to medical practitioners seeking to establish or expand practices in areas deficient of such practitioners. These are noble goals and deserve the support of all Members of the House.

Although title I is a significant achievement, I am particularly pleased

with title II of this bill. It modifies and strengthens the loan program operator pursuant to title V of the Small Business Investment Act of 1958.

Certified development companies, or CDCs, are vital to long-term economic and community development in many districts, including mine, around the country. CDCs operate to provide long-term, fixed rate financing for small business concerns who find their financing needs cannot be met due to the loan limits of the 7(a) loan program.

□ 1645

And unlike many 7(a) lenders, CDCs must be locally based so they have a keen understanding of the needs of the communities they serve.

The first thing that title II does is change the name of the program. While this may sound minor, it is actually important. Colloquially, the program is known as the “504 loan” program for section 504 of title V of the Small Business Investment Act. This section authorizes the administrator to sell the loans made by the CDCs in a secondary market. It is not at all descriptive of the program or the entities involved in the program. By accurately describing the program, it will provide greater recognition to CDCs and enable them to better promote their important mission.

Section 202 makes important technical changes to the definitions in the CDC program, including, most importantly, defining the term “certified development company.” As a corollary, title II eliminates the outdated term “qualified State and local development company” from the Small Business Investment Act of 1958.

In my estimation section 203 is the most important provision in the bill. It statutorily establishes the procedures by which the SBA designates entities as CDCs. The most important requirement of these statutory procedures is the mandate that the CDC have local board members familiar with the economic development needs of their communities. Even though the bill authorizes expansion only into neighboring States, the CDC must have representatives that understand the local economic development needs of the new State of operation.

Another very important aspect of the bill authorizes CDCs to perform their own liquidations. Data that I have seen shows that current loan liquidation returns are about 20 cents on the dollar. Think of that. Only 20 cents on the dollar liquidation rate. That is very inadequate. By having CDCs with their local expertise perform liquidations, the government should get a better return when a loan goes bad, and that should save the taxpayers money.

Title II also makes other changes that will benefit greater financial opportunities to small businesses under the CDC program. Together all these changes made will ensure a robust CDC program that will spur economic development.

For these reasons I ask my colleagues to support passage of this important bill.

Mr. Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois (Ms. BEAN), who is a member of the Small Business Committee and sponsor of the legislation.

(Ms. BEAN asked and was given permission to revise and extend her remarks.)

Ms. BEAN. Mr. Chairman, the Small Business Lending Improvements Act of 2007, which I introduced earlier this year, was recently reported out of the Committee on Small Business, without objection, and I am pleased that it is being given consideration on the House floor today.

I would like to begin by thanking Chairwoman VELÁZQUEZ and Ranking Member CHABOT for cosponsoring this legislation and for their leadership in moving this bill forward. The expedited consideration of this bill, as well as the bipartisan support it has received, underscores the importance of ensuring access to capital to our small business community.

I am also very appreciative of the expert assistance provided by the House Small Business Committee staff, especially Michael Day, whose work on this issue has been invaluable.

Having been a small business owner myself, I can appreciate the challenges that entrepreneurs and small business owners face in gaining access to the capital that they need to grow. That is why I have long been active in my support of measures to improve and expand the SBA loan programs, which offer low-interest, long-term loans, not subsidies, to business owners seeking affordable options.

This bill is no exception. H.R. 1332 makes much-needed changes to SBA’s lending initiatives and, most importantly, helps to preserve the original intent of these programs, to help make available affordable sources of financing. This is of particular importance as the cost of capital through these programs has risen rapidly over the last few years, stifling plans for both new businesses and those ready for plant and equipment expansion. This bill helps to reverse this discouraging trend by supporting our entrepreneurs and not stifling their visions for growth.

In addition, H.R. 1332 addresses the need for lending in our rural communities by restoring the LowDoc program and by strengthening the 504 initiative, which is integral in stimulating economic growth in rural America.

Together, these initiatives will streamline and reduce the fees for SBA’s lending programs, making it easier for small lenders to participate. Local economies throughout the country will benefit from new jobs and economic development that will occur in their communities as a result.

Again, I commend the work of the Small Business Committee, under the leadership of Chairwoman VELÁZQUEZ, for recognizing the need for this legislation and prioritizing it relative to other committee work. Small businesses are the backbone of our Nation’s economic stimulus, driving 80 percent of domestic job growth, and their success is dependent upon their ability to grow and to expand. This legislation helps provide them with the fundamental tools they need to do so.

I urge your support of this bill.

Mr. CHABOT. Mr. Chairman, I would like to yield such time as she may consume to the gentlewoman from Oklahoma (Ms. FALLIN) for the purpose of entering into a colloquy with the gentlewoman from New York.

Ms. FALLIN. Mr. Chairman, I thank the ranking member for yielding.

I would now like to yield to the gentlelady from New York for the purposes of entering into a colloquy.

Ms. VELAZQUEZ. Mr. Chairman, I thank the gentlelady for yielding.

I know that the gentlelady has worked tirelessly to ensure that certain independently owned and operated franchises are afforded access to the SBA’s 7(a) loan program. You have my assurance that I will work to address this concern as the bill moves forward.

Ms. FALLIN. Thank you.

Mr. Chairman, reclaiming my time, it is my goal to address the issue of certain franchisees, who by all intents and purposes are small businesses, not being allowed to receive 7(a) loans due to their affiliation with larger franchisors.

I believe the Small Business Lending Improvements Act should eventually contain language to modify the SBA’s affiliation standard to allow that a business, if it is affiliated with another business and therefore determined to be something other than small, to still be eligible for a loan if it has no financial recourse to its affiliates for repayment of any of its debt.

These businesses operate financially independent of their franchisor and therefore operate like all other small businesses, and I believe they should be offered the same opportunity to receive the 7(a) loans as any other small business.

I ask that the gentlelady work with me to address this issue in the underlying legislation.

Ms. VELÁZQUEZ. Mr. Chairman, again I thank the gentlewoman for raising this important issue. I agree that this is an issue that we need to address, and I will make a commitment to work with you and your staff as this legislation heads to conference.

Ms. FALLIN. Mr. Chairman, I thank the chairwoman and ranking member for their work on this issue.

Mr. CHABOT. Mr. Chairman, I want to commend the gentlewoman from Oklahoma for her work on this issue. I know she has worked very hard to make this happen. So I want to commend her for that.

Mr. Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GONZALEZ), a member of the Small Business Committee.

Mr. GONZALEZ. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I rise today to express my strong support for H.R. 1332, the Small Business Lending Improvements Act of 2007.

I want to express my special thanks to the chairwoman of the Small Business Committee, NYDIA VELÁZQUEZ, as well as Ranking Member STEVE CHABOT, for their leadership in bringing this important bill which has strong bipartisan support to the floor today. I am honored to work with these fine leaders as we strive to support the small business community of this Nation.

The Small Business Lending Improvements Act of 2007 will boost our economic might by expanding entrepreneurs' access to capital through the Small Business Administration's 7(a) and 504 programs. The 7(a) and 504 programs are the SBA's largest in terms of number of loans made and amount of funds made available to small businesses. In fact, over the last decade, the SBA has approved more than 424,000 loans for over \$90 billion. Furthermore, the programs operate as public-private partnerships to provide important financing for small firms through private sector lenders, greatly limiting costs to the United States Government.

Despite the positive impact of these programs, they must now be modernized and strengthened in order to continue to meet their goals. The Small Business Lending Improvements Act of 2007 provides much-needed changes to these programs. Provisions of this bill will give the SBA the authority to contribute funds for the purpose of reducing the burden associated with borrower and lender fees on 7(a) loans. It will also make it easier for rural lenders to assist local small businesses. It will increase access to capital for socially and economically disadvantaged small businesses. It will improve access to the program for medical professionals in health professional shortage areas. And, finally, it will expand opportunities for veterans to obtain such loans.

I think all of us in this Chamber often enough go back to our districts, and all small businesses will tell us that the greatest challenge is the lack of access to capital. This is a first step in addressing that very important challenge.

Mr. CHABOT. Mr. Chairman, I have no further requests for time, and I will continue to reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. SHULER), a member of the Small Business Committee.

Mr. SHULER. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I rise today in support of H.R. 1332, the Small Business Lending Improvements Act of 2007.

As an entrepreneur, I understand the difficulties that small business owners face on a daily basis. I also know that small businesses are the backbone of our economy, both nationally and in western North Carolina.

Small businesses account for over half of all of our jobs in the U.S. and are responsible for 60 to 80 percent of all of our new jobs. For our small businesses to continue to grow and prosper, we must help them gain access to capital.

The bill will grant American entrepreneurs that access to capital by updating and streamlining SBA's 7(a) and 504 loan programs. Additionally, this bill will eliminate loan fees for veterans returning from Iraq and Afghanistan.

As a member of the Small Business Committee, I urge all Members to support this important legislation.

Mr. CHABOT. Mr. Chairman, I reserve the balance of my time.

Ms. VELAZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Chairman, I want to thank the gentlewoman for yielding. I also want to commend her for her outstanding leadership on this issue and other important issues that face this Congress.

And I want to also commend the ranking member, Mr. CHABOT, for his outstanding leadership on this particular issue.

Mr. Chairman, today I rise in strong support of H.R. 1332, the Small Business Lending Improvements Act of 2007.

As a former small business owner and an advocate for minority entrepreneurship and franchising, I might add, I am pleased that this legislation would target money more aggressively and efficiently towards small businesses and finally put them in a position to compete.

Mr. Chairman, the Small Business Administration's support of communities like my own in the First Congressional District of Illinois needs to be improved. One of the services that I provide to my constituents is monthly small business development seminars that we are conducting in cooperation with the local SBA. Also, I have hosted two franchise fairs to educate and engage my constituents on the power of minority entrepreneurship.

Mr. Chairman, one of the biggest issues raised is the accessibility of the SBA loans. Small business owners and startups have a hard time navigating the SBA. This important legislation bridges the financial gap for small business owners, particularly minority businesses. These owners are trying to create economic opportunities. They are trying to create jobs, and they are trying to increase the competition of goods and services. Not only do they need and deserve our support, but, Mr.

Chairman, by focusing on these urban business pioneers, we honor the entrepreneur spirit that this Nation was built on.

I encourage my colleagues to support this legislation.

I fully support this bill's provision of:

Establishing a small bank outreach division;

Increasing capital for socially and economically disadvantaged small businesses; and

Completely eliminating loan fees to veteran-owned small businesses.

Mr. Chairman, this bill ensures that the mission and goals of the Small Business Administration are not only being maintained but that their standards for aggressive outreach, increasing access and promoting equitable lending are raised.

□ 1700

Ms. VELÁZQUEZ. I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES), a former member of the Small Business Committee.

Mrs. JONES of Ohio. I want to thank the Chair of this wonderful committee, NYDIA VELÁZQUEZ. I was on this committee when I came to Congress, and she helped me understand what legislative bodies were all about, and I want to thank her for her leadership because many times people want to give small business to the Republican Party, but this Chair has shown that small business is a Democratic as well as a Republican issue. And I thank my colleague from Ohio (Mr. CHABOT) for the work that he has done.

Today, I rise in support of H.R. 1332, the Small Business Lending Improvements Act of 2007. This act is a tremendous effort to adapt the sometimes arcane SBA rules to the American businesswoman.

Among the impressive provisions of this act are a requirement to authorize SBA loans for projects that reduce energy consumption by at least 10 percent. In addition, the rural lending outreach program sends a great message to our small businesses in rural areas, who sometimes have to manage isolation and lack of resources because they have no proximity.

In addition, by making the Community Express Program permanent, you provide an attractive incentive for the erstwhile disenfranchised entrepreneurs to set up legitimate businesses. These businesses help to keep families together, and eventually contribute to our tax base.

I am from Cleveland, Ohio, which at the moment is said to be the poorest city in the Nation. Ninety-five percent of the private sector jobs are provided by small businesses. Therefore, the creation of jobs and growth of our small businesses is vital to our economic recovery.

The Small Business Administration's 7(a) lending program is essential for small business owners who cannot access capital through conventional markets. However, the program has been and is currently underfunded, and the burden has been shifting increasingly onto small business owners. Recent

changes to the program have increased the fees to access 7(a) programs, which diminishes access of small business owners.

I want to thank the chairwoman and the ranking member for their leadership around this issue. I want to thank you for the opportunity to be heard. And small business is not only a Republican issue, it is a Democratic issue. It's an American issue.

Mr. CHABOT. Mr. Chairman, I yield myself such time as I may consume.

I want to again thank the chairwoman for her leadership on this particular piece of legislation, which I think is very good for small businesses across the country.

Mr. Chairman, as was mentioned in the Rules Committee yesterday I believe by Mr. DREIER, it's preferable for small businesses to get their loans through the private sector if they're able to do so. And as one who believes in less government as opposed to more government, that would certainly be my preference. But there are some cases in which the private sector at this point just wouldn't cover those particular entities, some of the start-up small businesses, especially some in struggling areas, some disadvantaged areas as we have in some urban areas, and some rural areas as well. And so there is an appropriate place for 7(a) loans and the 504 loans. As I mentioned, the name of that particular program is going to be changed as a result of this bill.

I think these are vital improvements. A streamlining of the process will be helpful to small businesses all across the country. I think we have a responsibility to improve the climate for small businesses, especially when one considers that somewhere between 60 and 80 percent of the new jobs that are created in this country are created not by large corporations, but by small businesses. So I think this bill helps businesses who need it most. I think this is a good bill, and so I urge my colleagues to support it.

Mr. Chairman, I yield back the balance of my time.

Ms. VELAZQUEZ. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, this week is Small Business Week, a time to honor entrepreneurs for the contributions they make to this country. Small businesses create three out of every four new jobs. They are the economic backbone, and our largest job creators.

However, it is not easy to be a small business owner. They struggle every day to provide health care for their employees, to comply with increasing regulatory burdens, and to access financing to keep their businesses up and running.

This week, rather than just talk about supporting our Nation's 26 million small businesses, we have an opportunity to do something, provide them with the support they deserve, and ensure it is not a struggle to access much needed capital.

H.R. 1332 will make loans more economical while providing long-term stability for small business owners. Ensuring loans are affordable and that relief from rising capital costs is available is critical for small firms to remain a driving force in today's economy. Let's put the money back into the hands of entrepreneurs where it belongs.

I want to thank the ranking member, Mr. CHABOT, for his work and his leadership in working with me on this legislation. I also want to thank the staff that worked on this bill; from the minority staff, Mike Smullen, Barry Pineles and Kevin Fitzpatrick; and from the majority staff, Michael Day, Adam Minehardt, Andy Jiminez and Tim Slattery, and Elizabeth Hart and Sam Hodas from Representative BEAN's staff.

I strongly urge my colleagues to vote for the Small Business Lending Improvements Act of 2007.

Ms. JACKSON-LEE of Texas. Madam Chairman, I rise in support of H.R. 1332, the Small Business Lending Improvements Act. As a member of Congress, I have been a strong supporter of our Nation's small businesses. Already this week, we have debated bills seeking to ensure that America remains competitive in the global economy, and, in doing so, we have recognized the importance of ongoing technological innovation. Small businesses comprise an important segment of this process of development; by acting as a catalyst within our economy, they spur growth for all sectors of business.

Small businesses represent the American dream, and they define the American economy. These businesses currently account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country. However, to keep this sector of the economy thriving, small businesses require access to loans to initiate, develop, and expand their range of goods and services. The Small Business Administration (SBA), a Federal organization that aids small businesses with loan and development programs, is a key provider of support to small businesses. The SBA's main loan program accounts for 30 percent of all long-term small business borrowing in America.

By streamlining the SBA's two largest finance programs directed at small businesses, H.R. 1332 would offer these businesses the crucial tools that they need to be successful in today's marketplace. This bill gives the SBA authority to contribute funds to reduce the burden associated with borrower and lender fees on 7(a) loans, making these loans more economical, without upsetting the program's current stability.

H.R. 1332 also creates several new loan programs under the 7(a) umbrella. It specifically reaches out to rural lenders, reducing their 7(a) loan paperwork. It makes permanent the Community Express Program, granting improved access to capital for socially and economically disadvantaged small businesses. It recognizes the need for doctors and dentists in federally designated Health Professional Shortage Areas, and establishes a program to reduce borrower and lender fees in these areas. Finally, this bill offers help to our returning veterans, those who have served our Nation bravely in Iraq and Afghanistan, to establish and expand their own businesses.

In addition to all these programs, H.R. 1332 seeks to establish a Small Bank Outreach division within SBA. This new division would provide direct support to community banks participating in the 7(a) program, and would enable these local banks to make loans to a wider range of deserving businesses. It would also work to strengthen local economies by providing lenders deemed Certified Development Companies with a range of tools to grant loans to businesses within their own communities.

As we consider what we as a Congress might do to make our Nation more economically secure, and to continue to augment our position within the global economy, it is crucial that we focus on the importance of small businesses. Small business owners are leaders in innovation, creative business operations and new technologies and products. I continue to believe that the success of our economy is dependent on these businesses. I urge my colleagues to support this bill, and to continue to assist small business owners to realize their potential.

Mrs. CHRISTENSEN. Mr. Chairman, I rise in support of H.R. 1332, the Small Business Lending Improvements Act of 2007.

As we celebrate Small Business Week, it is only appropriate that we recognize the enormous contribution of small businesses to our economy by passing legislation that would facilitate access to capital. Without ready access to capital, small businesses are often forced to turn to more costly lending alternatives, including credit cards, which carry high interest rates and fees. Without access to financing, companies are unable to target new markets, grow, or hire new workers.

Currently, the SBA's 7(a) and 504 programs are the only federal lending programs available to small businesses and there are no federal grants for starting and/or financing small businesses. The SBA 7(a) and 504 programs were created to help small businesses gain access to affordable financing. However, these programs are in dire need to be modernized and strengthened if they are to continue to meet their important goals.

H.R. 1332 would make these necessary changes by updating and streamlining the 7(a) loan programs by reducing fees, make the Community Express Program permanent and reduce the paperwork generated by these loans. As a physician and Chair of the Congressional Black Caucus Health Braintrust, I am pleased that this bill also includes a provision to adapt the 7(a) program to improve access to the program for medical professionals in health professional shortage areas. Physicians are viewed first and foremost as health care providers but they are also small businesses and in today's economic environment many are struggling to stay afloat.

Mr. Chairman, I join the many organizations that support the passage this bill and urge my colleagues to support the bill as well. I would like to commend Chairwoman VELÁZQUEZ for her continued leadership and congratulate her and Ranking Member CHABOT for bringing this bill to the House floor.

Mr. INSLEE. Mr. Chairman, I thank the Chairwoman and Ranking Member for their this issue. I rise today to support my amendment to the Small Business Lending Improvements Act (H.R. 1332) which would add an eligibility area to Section 504 loans. My amendment will ensure that American entrepreneurs

have the opportunity to start, build and, grow green small businesses by adding a sustainable design or low-impact design to the public policy goals of this lending program.

This common-sense amendment would decrease long-term operating costs for small business owners, stimulate green building technologies, create a better work environment for employees and reduce carbon emissions in the United States.

Buildings account for one-third of carbon emissions per year. It is important that we help small business owners make sustainable choices that they might not otherwise make due to cost, or simply due to the fact that some of these technologies are new. My amendment will help SBA expand their financing structure to help businesses use sustainable building standards, such as LEED certified, which have a minimal impact on our environment. Currently, SBA loans can help a company upgrade to required standards, but very few Small Business Loans have helped owners choose green building standards.

Furthermore, green buildings benefit workers. Case studies show examples of 2 to 16 percent increase in productivity in among employees who work in buildings that incorporate sustainable building design.

Sustainable design and green building practices are easy and available. An excellent example of how this can be done, and why green technologies help small businesses and the community, is the Snoqualmie Gourmet Ice Cream factory in Maltby, Wash. I recently toured this factory, which is Snohomish County's first sustainable commercial project, owned by Barry Bettinger. Barry used Small Business Administration (SBA) loans for low impact development strategies. With assistance from the Sustainable Development Task Force, he used technologies to cut his lighting costs by 50 percent, reduce his water usage by 40 percent and reduce energy for cooling fans by 75 percent.

I hope that the SBA and experts in sustainable design such as the National Institute of Building Sciences will work together to develop meaningful standards in this eligibility area of sustainable design.

Congress has a huge opportunity here to further improve the small business lending program to meet goals of reducing energy consumption in this country. Thank you for supporting this amendment.

Ms. VELAZQUEZ. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill will be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 1332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Small Business Lending Improvements Act of 2007”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—7(A) PROGRAM

- Sec. 101. Authority for fee contributions.
- Sec. 102. Rural Lending Outreach Program.
- Sec. 103. Community Express program made permanent.
- Sec. 104. Medical Professionals in Designated Shortage Areas Program.
- Sec. 105. Increased Veteran Participation Program.
- Sec. 106. Alternative size standard.
- Sec. 107. Support to regional offices.

TITLE II—CERTIFIED DEVELOPMENT COMPANY ECONOMIC DEVELOPMENT LOAN PROGRAM

- Sec. 201. Certified Development Company Economic Development Loan Program.

Sec. 202. Definitions.

- Sec. 203. Eligibility of development companies to be designated as certified development companies.

Sec. 204. Definition of rural areas.

Sec. 205. Businesses in low-income areas.

Sec. 206. Combinations of certain goals.

Sec. 207. Refinancing.

Sec. 208. Additional equity injections.

Sec. 209. Loan liquidations.

Sec. 210. Closing costs.

Sec. 211. Maximum Certified Development Company and 7(a) loan eligibility.

Sec. 212. Eligibility for energy efficiency projects.

Sec. 213. Loans for plant projects used for energy-efficient purposes.

Sec. 214. Extension of period during which loss reserves of premier certified lenders determined on the basis of outstanding balance of debentures.

Sec. 215. Extension of alternative loss reserve pilot program for certain premier certified lenders.

TITLE I—7(A) PROGRAM

SEC. 101. AUTHORITY FOR FEE CONTRIBUTIONS.

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

- (1) in paragraph (18)(A) by striking “shall collect” and inserting “shall assess and collect”;
- (2) in paragraph (18) by adding at the end the following:

“(C) **OFFSET.**—The Administrator may, as provided in paragraph (32), offset fees assessed and collected under subparagraph (A).”;

(3) in paragraph (23) by striking subparagraph (C) and adding at the end the following:

“(C) **OFFSET.**—The Administrator may, as provided in paragraph (32), offset fees assessed and collected under subparagraph (A).”;

(4) by adding at the end the following:

“(32) FEE CONTRIBUTIONS.—

“(A) **IN GENERAL.**—To the extent that amounts are made available to the Administrator for the purpose of fee contributions, the Administrator shall—

“(i) first consider contributing to fees paid by small business borrowers under clauses (i) through (iii) of paragraph (18)(A), to the maximum extent possible; and

“(ii) then consider contributing to fees paid by small business lenders under paragraph (23)(A).

“(B) **QUARTERLY ADJUSTMENT.**—Each fee contribution under subparagraph (A) shall be effective for one fiscal quarter and shall be adjusted as necessary for each fiscal quarter thereafter to ensure that the amounts under subparagraph (A) are fully used. The fee contribution for a fiscal quarter shall be based on the loans that the Administrator projects will be made during that fiscal quarter, given the program level authorized by law for that fiscal year and any other factors that the Administrator considers appropriate.”

SEC. 102. RURAL LENDING OUTREACH PROGRAM.

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

- (1) by striking paragraph (25)(C); and
- (2) by adding at the end the following:

“(33) **RURAL LENDING OUTREACH PROGRAM.**—The Administrator shall carry out a rural lending outreach program to provide up to an 85 percent guaranty for loans of \$250,000 or less. The program shall be carried out only through lenders located in rural areas (as ‘rural’ is defined in section 501(f) of the Small Business Investment Act of 1958). For a loan made through the program, the following shall apply:

“(A) The Administrator shall approve or disapprove the loan within 36 hours.

“(B) The program shall use abbreviated application and documentation requirements.

“(C) Minimum credit standards, as the Administrator considers necessary to limit the rate of default on loans made under the program, shall apply.”

SEC. 103. COMMUNITY EXPRESS PROGRAM MADE PERMANENT.

(a) **IN GENERAL.**—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(34) **COMMUNITY EXPRESS PROGRAM.**—The Administrator shall carry out a Community Express Program for loans of \$250,000 or less. For a loan made under this paragraph, the following shall apply:

“(A) The loan shall be made to a business concern—

“(i) the majority ownership interest of which is directly held by individuals who are women, socially or economically disadvantaged individuals (as defined by the Administrator), or veterans of the Armed Forces; or

“(ii) that is located in a low- or moderate-income area, as defined by the Administrator.

“(B) The loan shall comply with the collateral policy of the Administration, except that, if the amount of the loan is less than or equal to \$25,000, the Administration shall not require the lender to take collateral.

“(C) The loan shall include terms requiring the lender to ensure that technical assistance is provided to the borrower, through the lender or a third-party provider.

“(D) The Administration shall approve or disapprove the loan within 36 hours.”

(b) **NOTICE AND COMMENT.**—The program required by section 7(a)(34) of the Small Business Act, as added by subsection (a), shall be established after the opportunity for notice and comment and not later than 180 days after the date of the enactment of this Act.

SEC. 104. MEDICAL PROFESSIONALS IN DESIGNATED SHORTAGE AREAS PROGRAM.

(a) **IN GENERAL.**—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(35) **MEDICAL PROFESSIONALS IN DESIGNATED SHORTAGE AREAS PROGRAM.**—The Administrator shall carry out a Medical Professionals in Designated Shortage Areas Program. For a loan made under this paragraph, the following shall apply:

“(A) The loan shall be made to a business concern that provides properly licensed medical, dental, or psychiatric services to the public.

“(B) The loan shall be for the purpose of opening a business concern in a health professional shortage area (as defined in section 322 of the Public Health Service Act (42 U.S.C. 254e)).

“(C) The loan shall include the participation by the Administration equal to 90 percent of the balance of the financing outstanding at the time of disbursement.

“(D) The fees on the loan under paragraphs (18) and (23) shall be reduced by half.”

(b) **NOTICE AND COMMENT.**—The program required by section 7(a)(35) of the Small Business Act, as added by subsection (a), shall be established after the opportunity for notice and comment and not later than 180 days after the date of the enactment of this Act.

SEC. 105. INCREASED VETERAN PARTICIPATION PROGRAM.

(a) **IN GENERAL.**—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(36) INCREASED VETERAN PARTICIPATION PROGRAM.—The Administrator shall carry out an Increased Veteran Participation Program. For a loan made under this paragraph, the following shall apply:

“(A) The loan shall be made to a business concern the majority ownership interest of which is directly held by individuals who are veterans of the Armed Forces.

“(B) The loan shall include the participation by the Administration equal to 90 percent of the balance of the financing outstanding at the time of disbursement.

“(C) The fees on the loan under paragraphs (18) and (23) shall not apply.”.

(b) NOTICE AND COMMENT.—The program required by section 7(a)(36) of the Small Business Act, as added by subsection (a), shall be established after the opportunity for notice and comment and not later than 180 days after the date of the enactment of this Act.

SEC. 106. ALTERNATIVE SIZE STANDARD.

(a) IN GENERAL.—Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

“(5) In addition to any other size standard under this subsection, the Administrator shall establish, and permit a lender making a loan under section 7(a) and a lender making a loan under the development company loan program to use, an alternative size standard. The alternative size standard shall be based on factors including maximum tangible net worth and average net income.”.

(b) APPLICABILITY.—Until the Administrator establishes, under section 3(a)(5) of the Small Business Act (as added by subsection (a)), an alternative size standard in the case of a lender making a loan under section 7(a) of that Act, the alternative size standard in section 121.301(b) of title 13, Code of Federal Regulations, shall apply to such a case.

SEC. 107. SUPPORT TO REGIONAL OFFICES.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(37) SUPPORT TO REGIONAL OFFICES.—The Administrator shall carry out a program, within an element of the Administration already in existence as of the date of the enactment of the Small Business Lending Improvements Act of 2007, to provide support to regional offices of the Administration in assisting small lenders who do not participate in the preferred lender program to participate in the 7(a) program.”.

TITLE II—CERTIFIED DEVELOPMENT COMPANY ECONOMIC DEVELOPMENT LOAN PROGRAM

SEC. 201. CERTIFIED DEVELOPMENT COMPANY ECONOMIC DEVELOPMENT LOAN PROGRAM.

Section 504 of the Small Business Investment Act of 1958 (15 U.S.C. 697a) is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c); and

(2) by inserting before subsection (b) (as so redesignated) the following:

“(a) The program to provide financing to small businesses by guarantees of loans under this Act which are funded by debentures guaranteed by the Administration may be known as the ‘Certified Development Company Economic Development Loan Program’.”.

SEC. 202. DEFINITIONS.

Section 103(6) of the Small Business Investment Act of 1958 (15 U.S.C. 662(6)) is amended to read as follows:

“(6) the term ‘development company’ means an entity incorporated under State law with the authority to promote and assist the growth and development of small-business concerns in the areas in which it is authorized to operate by the Administration, and the term ‘certified development company’ means a development company which the Administration has determined meets the criteria of section 506;”.

SEC. 203. ELIGIBILITY OF DEVELOPMENT COMPANIES TO BE DESIGNATED AS CERTIFIED DEVELOPMENT COMPANIES.

Section 506 of the Small Business Investment Act of 1958 (15 U.S.C. 697c) is amended to read as follows:

SEC. 506. CERTIFIED DEVELOPMENT COMPANIES.

“(a) AUTHORITY TO ISSUE DEBENTURES.—A development company may issue debentures pursuant to this Act if the Administration certifies that the company meets the following criteria:

“(1) SIZE.—The development company is required to be a small concern with fewer than 500 employees and not under the control of any entity which does not meet the Administration’s size standards as a small business, except that any development company which was certified by the Administration prior to December 31, 2005 may continue to issue debentures.

“(2) PURPOSE.—The primary purpose of the development company is to benefit the community by fostering economic development to create and preserve jobs and stimulate private investment.

“(3) PRIMARY FUNCTION.—The primary function of the development company is to accomplish its purpose by providing long term financing to small businesses by the utilization of the Certified Development Company Economic Development Loan Program. It may also provide or support such other local economic development activities to assist the community.

“(4) NON-PROFIT STATUS.—The development company is a non-profit corporation, except that a development company certified by the Administration prior to January 1, 1987, may retain its status as a for-profit corporation.

“(5) GOOD STANDING.—The development company is in good standing in its State of incorporation and in any other State in which it conducts business, and is in compliance with all laws, including taxation requirements, in its State of incorporation and in any other State in which it conducts business.

“(6) MEMBERSHIP.—The development company has at least 25 members (or stockholders if the corporation is a for-profit entity), none of whom may own or control more than 10 percent of the company’s voting membership, consisting of representation from each of the following groups (none of which are in a position to control the development company):

“(A) Government organizations that are responsible for economic development.

“(B) Financial institutions that provide commercial long term fixed asset financing.

“(C) Community organizations that are dedicated to economic development.

“(D) Businesses.

“(7) BOARD OF DIRECTORS.—The development company has a board of directors that—

“(A) is elected from the membership by the members;

“(B) represents at least three of the four groups enumerated in subsection (a)(6) and no group is in a position to control the company; and

“(C) meets on a regular basis to make policy decisions for such company.

“(8) PROFESSIONAL MANAGEMENT AND STAFF.—The development company has full-time professional management, including a chief executive officer to manage daily operations, and a full-time professional staff qualified to market the Certified Development Company Economic Development Loan Program and handle all aspects of loan approval and servicing, including liquidation, if appropriate. The development company is required to be independently managed and operated to pursue its economic development mission and to employ its chief executive officer directly, with the following exceptions:

“(A) A development company may be an affiliate of another local non-profit service corporation (specifically excluding another development company) whose mission is to support economic

development in the area in which the development company operates. In such a case:

“(i) The development company may satisfy the requirement for full-time professional staff by contracting with a local non-profit service corporation (or one of its non-profit affiliates), or a governmental or quasi-governmental agency, to provide the required staffing.

“(ii) The development company and the local non-profit service corporation may have partially common boards of directors.

“(B) A development company in a rural area (as defined in section 501(f)) shall be deemed to have satisfied the requirements of a full-time professional staff and professional management ability if it contracts with another certified development company which has such staff and management ability and which is located in the same general area to provide such services.

“(C) A development company that has been certified by the Administration as of December 31, 2005, and that has contracted with a for-profit company to provide services as of such date may continue to do so.

“(b) AREA OF OPERATIONS.—The Administration shall specify the area in which an applicant is certified to provide assistance to small businesses under this title, which may not initially exceed its State of incorporation unless it proposes to operate in a local economic area which is required to include part of its State of incorporation and may include adjacent areas within several States. After a development company has demonstrated its ability to provide assistance in its area of operations, it may request the Administration to be allowed to operate in one or more additional States as a multi-state certified development company if it satisfies the following criteria:

“(1) Each additional State is contiguous to the State of incorporation, except the States of Alaska and Hawaii shall be deemed to be contiguous to any State abutting the Pacific ocean.

“(2) It demonstrates its proficiency in making and servicing loans under the Certified Development Company Economic Development Loan Program by—

“(A) requesting and receiving designation as an accredited lender under section 507 or a premier certified lender under section 508; and

“(B) meeting or exceeding performance standards established by the Administration.

“(3) The development company adds to the membership of its State of incorporation additional membership from each additional State and the added membership meets the requirements of subsection (a)(6).

“(4) The development company adds at least one member to its board of directors in the State of incorporation, providing that added member was selected by the membership of the development company.

“(5) The company meets such other criteria or complies with such conditions as the Administration deems appropriate.

“(c) PROCESSING OF EXPANSION APPLICATIONS.—The Administration shall respond to the request of a certified development company for certification as a multi-state company on an expedited basis within 30 days of receipt of a completed application if the application demonstrates that the development company meets the requirements of subsection (b)(1) through (b)(4).

“(d) USE OF FUNDS LIMITED TO STATE WHERE GENERATED.—Any funds generated by a development company from making loans under the Certified Development Company Economic Development Loan Program which remain after payment of staff, operating and overhead expenses shall be retained by the development company as a reserve for future operations, for expanding its area of operations in a local economic area as authorized by the Administration, or for investment in other local economic development activity in the State from which the funds were generated.

“(e) ETHICAL REQUIREMENTS.—

“(1) IN GENERAL.—Certified development companies, their officers, employees and other staff, shall at all times act ethically and avoid activities which constitute a conflict of interest or appear to constitute a conflict of interest. No one may serve as an officer, director or chief executive officer of more than one certified development company.

“(2) PROHIBITED CONFLICT IN PROJECT LOANS.—As part of a project under the Certified Development Company Economic Development Loan Program, no certified development company may recommend or approve a guarantee of a debenture by the Administration that is collateralized by a second lien position on the property being constructed or acquired and also provide, or be affiliated with a corporation or other entity, for-profit or non-profit, which provides, financing collateralized by a first lien on the same property. A business development company that was participating as a first mortgage lender, either directly or through an affiliate, for the Certified Development Company Economic Development Loan Program in either fiscal years 2004 or 2005 may continue to do so.

“(3) OTHER ECONOMIC DEVELOPMENT ACTIVITIES.—Operation of multiple programs to assist small business concerns in order for a certified development company to carry out its economic development mission shall not be deemed a conflict of interest, but notwithstanding any other provision of law, no development company may accept funding from any source, including but not limited to any department or agency of the United States Government—

“(A) if such funding includes any conditions, priorities or restrictions upon the types of small businesses to which they may provide financial assistance under this title; or

“(B) if it includes any conditions or imposes any requirements, directly or indirectly, upon any recipient of assistance under this title unless the department or agency also provides all of the financial assistance to be delivered by the development company to the small business and such conditions, priorities or restrictions are limited solely to the financial assistance so provided.”.

SEC. 204. DEFINITION OF RURAL AREAS.

Section 501 of the Small Business Investment Act of 1958 (15 U.S.C. 695) is amended by adding at the end the following new subsection:

“(f) As used in subsection (d)(3)(D), the term ‘rural’ shall include any area other than—

“(1) a city or town that has a population greater than 50,000 inhabitants; and

“(2) the urbanized area contiguous and adjacent to such a city or town.”.

SEC. 205. BUSINESSES IN LOW-INCOME AREAS.

Section 501(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)) is amended by inserting after “business district revitalization” the following: “or expansion of businesses in low-income communities that would be eligible for new market tax credit investments under section 45D of the Internal Revenue Code of 1986 (26 U.S.C. 45D)”.

SEC. 206. COMBINATIONS OF CERTAIN GOALS.

Section 501(e) of the Small Business Investment Act of 1958 (15 U.S.C. 695(e)) is amended by adding at the end the following:

“(7) A small business concern that is unconditionally owned by more than one individual, or a corporation whose stock is owned by more than one individual, is deemed to achieve a public policy goal under subsection (d)(3) if a combined ownership share of at least 51 percent is held by individuals who are in one of the groups listed as public policy goals specified in subsection (d)(3)(C) or (d)(3)(E).”.

SEC. 207. REFINANCING.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended by adding at the end the following:

“(7) PERMISSIBLE DEBT REFINANCING.—Any financing approved under this title may also include a limited amount of debt refinancing for

debt that was not previously guaranteed by the Administration. If the project involves expansion of a small business which has existing indebtedness collateralized by fixed assets, any amount of existing indebtedness that does not exceed one-half of the project cost of the expansion may be refinanced and added to the expansion cost, providing—

“(A) the proceeds of the indebtedness were used to acquire land, including a building situated thereon, to construct a building thereon or to purchase equipment;

“(B) the borrower has been current on all payments due on the existing debt for at least the past year; and

“(C) the financing under the Certified Development Company Economic Development Loan Program will provide better terms or rate of interest than now exists on the debt.”.

SEC. 208. ADDITIONAL EQUITY INJECTIONS.

Clause (ii) of section 502(3)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 696(3)(B)) is amended to read as follows:

“(ii) FUNDING FROM INSTITUTIONS.—

“(I) If a small business concern provides the minimum contribution required under paragraph (C), not less than 50 percent of the total cost of any project financed pursuant to clauses (i), (ii), or (iii) of subparagraph (C) shall come from the institutions described in subclauses (I), (II), and (III) of clause (i).

“(II) If a small business concern provides more than the minimum contribution required under paragraph (C), any excess contribution may be used to reduce the amount required from the institutions described in subclauses (I), (II), and (III) of clause (i) except that the amount from such institutions may not be reduced to an amount less than the amount of the loan made by the Administration.”.

SEC. 209. LOAN LIQUIDATIONS.

Section 510 of the Small Business Investment Act of 1958 (15 U.S.C. 697g) is amended—

(1) by redesignating subsection (e) as subsection (g); and

(2) by inserting after subsection (d) the following:

“(e) PARTICIPATION.—

“(1) MANDATORY.—Any certified development company which elects not to apply for authority to foreclose and liquidate defaulted loans under this section or which the Administration determines to be ineligible for such authority shall contract with a qualified third-party to perform foreclosure and liquidation of defaulted loans in its portfolio. The contract shall be contingent upon approval by the Administration with respect to the qualifications of the contractor and the terms and conditions of liquidation activities.

“(2) COMMENCEMENT.—The provisions of this subsection shall not require any development company to liquidate defaulted loans until the Administration has adopted and implemented a program to compensate and reimburse development companies as provided under subsection (j).

“(f) COMPENSATION AND REIMBURSEMENT.—

“(1) REIMBURSEMENT OF EXPENSES.—The Administration shall reimburse each certified development company for all expenses paid by such company as part of the foreclosure and liquidation activities if the expenses—

“(A) were approved in advance by the Administration either specifically or generally; or

“(B) were incurred by the company on an emergency basis without Administration prior approval but which were reasonable and appropriate.

“(2) COMPENSATION FOR RESULTS.—The Administration shall develop a schedule to compensate and provide an incentive to qualified State or local development companies which foreclose and liquidate defaulted loans. The schedule shall be based on a percentage of the net amount recovered but shall not exceed a maximum amount. The schedule shall not apply

to any foreclosure which is conducted pursuant to a contract between a development company and a qualified third-party to perform the foreclosure and liquidation.”.

SEC. 210. CLOSING COSTS.

Paragraph (4) of section 503(b) of the Small Business Investment Act of 1958 (15 U.S.C. 697(b)) is amended to read as follows:

“(4) the aggregate amount of such debenture does not exceed the amount of loans to be made from the proceeds of such debenture plus, at the election of the borrower under the Certified Development Company Economic Development Loan Program, other amounts attributable to the administrative and closing costs of such loans, except for the borrower’s attorney fees;”.

SEC. 211. MAXIMUM CERTIFIED DEVELOPMENT COMPANY AND 7(A) LOAN ELIGIBILITY.

Section 502(2) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)) is amended by adding at the end the following:

“(C) COMBINATION FINANCING.—Financing under this title may be provided to a borrower in the maximum amount provided in this subsection, plus a loan guarantee under section 7(a) of the Small Business Act may also be provided to the same borrower in the maximum provided in section 7(a)(3)(A) of such Act.”.

SEC. 212. ELIGIBILITY FOR ENERGY EFFICIENCY PROJECTS.

Section 501(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)) is amended—

(1) in subparagraph (G) by striking “or” at the end;

(2) in subparagraph (H) by striking the period at the end and inserting “; or”; and

(3) by inserting after subparagraph (H) the following:

“(I) reduction of energy consumption by at least 10 percent.”.

SEC. 213. LOANS FOR PLANT PROJECTS USED FOR ENERGY-EFFICIENT PURPOSES.

Section 502(2)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)) is amended—

(1) in clause (ii) by striking “and” at the end;

(2) in clause (iii) by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(iv) \$4,000,000 for each project that reduces the borrower’s energy consumption by at least 10 percent.”.

SEC. 214. EXTENSION OF PERIOD DURING WHICH LOSS RESERVES OF PREMIER CERTIFIED LENDERS DETERMINED ON THE BASIS OF OUTSTANDING BALANCE OF DEBENTURES.

Section 508(c)(6)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(c)(6)(B)) is amended by striking “during the 2-year period beginning on the date that is 90 days after the date of the enactment of this subparagraph,” and inserting “through the end of fiscal year 2008.”.

SEC. 215. EXTENSION OF ALTERNATIVE LOSS RESERVE PILOT PROGRAM FOR CERTAIN PREMIER CERTIFIED LENDERS.

Section 508(c)(7)(J) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(c)(7)(J)) is amended by striking “means” and all that follows through the period at the end and inserting “means each calendar quarter through the end of fiscal year 2008.”.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 110-108. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment, shall not be

subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. MATHESON

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 110-108.

Mr. MATHESON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. MATHESON:

Page 6, line 4, insert after "Forces" the following: "or members of the reserve components of the Armed Forces".

Page 8, line 14, insert after "Forces" the following: "or members of the reserve components of the Armed Forces".

The CHAIRMAN. Pursuant to House Resolution 330, the gentleman from Utah (Mr. MATHESON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Utah.

Mr. MATHESON. Mr. Chairman, I rise as a supporter of H.R. 1332, the underlying bill, and I would particularly like to thank the sponsor of the bill, Representative MELISSA BEAN, as well as the chairwoman of the Small Business Committee, Ms. VELÁZQUEZ, and the ranking member, Mr. CHABOT, for all their hard work in bringing this bipartisan bill to the floor today.

Now, the 7(a) program is SBA's largest primary business loan program and provides loan guarantees to thousands of small businesses that are unable to obtain financing through the traditional lending market. That is why I am pleased that section 105 of the underlying bill will establish the Increased Veteran Participation Program to help increase 7(a) loans to military veterans, which declined by over \$170 million between fiscal year 2005 and fiscal year 2006.

Section 103 of the bill, which permanently establishes the Community Express Program, will also provide much needed loans to veterans.

As 14 percent of small businesses in America are owned by veterans, we should do all we can to support those who have served our country. However, we should not leave out the men and women who continue to serve our country honorably every day in the military reserves. Small business ownership is extremely challenging, especially for members of the Reserve component of the Armed Forces who must carefully balance their civilian careers with their duty to serve our Nation.

My amendment would simply include members of the Reserve components of the Armed Forces as eligible to receive loans under the Community Express Program in section 103 of the bill and as eligible to participate in the Increased Veteran Participation Program in section 105.

Since 9/11, I think we all know we have relied on members of the Reserve more and more to participate in serv-

ing our country, and this increased role should be recognized and supported.

I urge colleagues to support my amendment.

I yield to the Chair of the full committee, Ms. VELÁZQUEZ.

Ms. VELÁZQUEZ. I want to thank the gentleman for yielding.

Mr. Chairman, I am prepared to accept the amendment, and I will yield to Mr. CHABOT for any comments that he may have.

Mr. CHABOT. Mr. Chairman, we have no objection to the amendment. We commend the gentleman for offering this helpful amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. MATHESON).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. MATHESON

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 110-108.

Mr. MATHESON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. MATHESON:

Page 6, line 1, insert after "women," the following: "members of qualified Indian tribes".

The CHAIRMAN. Pursuant to House Resolution 330, the gentleman from Utah (Mr. MATHESON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Utah.

Mr. MATHESON. Mr. Chairman, as I just explained in the discussion on my previous amendment, SBA's 7(a) loan program helps thousands of entrepreneurs start new businesses, create jobs and grow the economy here in the United States. Unfortunately, many segments of the American population are still unable to obtain necessary capital to successfully become entrepreneurs. Now to help remedy this inequity, the SBA created the Community Express Program to reach out to segments of the small business community that have difficulty accessing capital from traditional lending markets. These businesses are typically owned by women, veterans and socially or economically disadvantaged individuals who are underrepresented as business owners and who need smaller business loans accompanied by technical assistance.

Members of Indian tribes especially lack sufficient access to capital for starting new businesses. Of minority-owned businesses, only 6.6 percent were owned by American Indians, the least percentage of any minority group surveyed. And of U.S. nonfarm businesses, less than 1 percent are owned by American Indians.

I represent many Native American tribes in my district, and I know the entrepreneurial spirit is alive and well if only scarce capital can be attained for new businesses.

My amendment would simply include members of qualified Indian tribes as eligible to receive loans under the Community Express Program in section 103 of the underlying bill. This minor revision will provide loans to a currently underserved population and help participating lenders better determine who is actually eligible to receive loans under the Community Express Program.

I urge my colleagues to support this amendment.

I yield to the Chair of the full committee, Ms. VELÁZQUEZ.

Ms. VELÁZQUEZ. Mr. Chairman, I am prepared to accept this amendment. I want to thank you for bringing this issue.

I yield to the ranking member, Mr. CHABOT, for any comment.

Mr. CHABOT. I thank the gentlelady for yielding. We would also agree with this amendment. I think they are both excellent amendments. And I meant to comment on the other one as well. When the gentleman included our Reserve forces as well as other member veterans in Armed Forces, I think when one considers how patriotic our Reservists are and how many of them, especially with our involvement in Iraq and Afghanistan, are literally putting their lives on the line, I think this is a very helpful and important amendment, both of them. And so we would commend the gentleman for introducing them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. MATHESON).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. CUELLAR

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110-108.

Mr. CUELLAR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. CUELLAR:

Page 5, line 2, strike the period and insert the following: "or, in the case of a small business concern located in a rural area that does not have a lender located within 30 miles of the principal place of business, through any lender that is enrolled in, and administers, the 7(a) loan program that the small business concern chooses".

The CHAIRMAN. Pursuant to House Resolution 330, the gentleman from Texas (Mr. CUELLAR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. CUELLAR. Mr. Chairman, I yield myself such time as I may consume.

I rise today to encourage my colleagues to support my amendment and help rural small businesses receive the access to capital they need to grow.

I would like to thank my good friend, Chairwoman VELÁZQUEZ, for reporting out this critical bill, and to Congresswoman BEAN for taking the lead on this issue. I also want to thank the

ranking member, Mr. CHABOT, for the leadership and bipartisan support that he has shown in this bill and in the committee.

My amendment would strengthen the underlying bill and ensure that we solve one of the most critical problems facing rural small businesses.

Like many parts of the United States, my congressional district is the home to many rural companies. It is well known that small businesses found in rural communities have a more difficult time accessing affordable capital than their counterparts in the large metropolitan areas.

Considering that there are probably about 1.2 million rural businesses, it is important to reach out to this vital part of our economy. The Rural Indian Outreach Program proposed in this bill will be a tremendous tool for lenders located in rural communities.

□ 1715

The provisions outlined will take a major step toward expanding the financial options for the rural economy.

Unfortunately, this bill in the current form, the rural small businesses owner needs access to the rural lenders that use this particular program. In my rural areas, many small businesses do not live close to a bank and therefore they are forced to do banking many miles away from the closest city. We must make sure that we help both the rural lender and the rural business owner.

The amendment that I have, Mr. Chairman, states that a rural small business who is not within 30 miles of a rural lender can take advantage of the rural lending outreach program through any lender in the SBA 7(a) loan program. It is my hope that this amendment will further increase opportunities for small businesses and expand the rural economies throughout our Nation.

Mr. Chairman, I yield to Chairwoman VELÁZQUEZ at this time. And I believe there is support for this amendment.

Ms. VELÁZQUEZ. In our hearings, Mr. Chairman, the committee heard testimony on the various challenges facing the 7(a) program. One of the more troubling developments has been a steady decline in the number of lenders participating in the 7(a) program, particularly among small lenders and community banks located in rural areas. With fewer lenders in the program, we all lose.

The rural lender outreach program is intended to help remedy this problem. With simpler application standards and a streamlined lending process, the rural lender outreach program will facilitate participation in the 7(a) among small lenders in rural communities.

I look forward to working with my colleague to ensure that this amendment will help the rural lender outreach program achieve its important objectives.

I yield to the gentleman from Ohio for any comments that he might have.

Mr. CHABOT. I thank the gentlelady for yielding, and I want to commend the gentleman from Texas for offering a very thoughtful amendment here.

Oftentimes when you have a bill as complicated as this one is, the point of the bill obviously is pretty straightforward: It is to streamline and improve the process, make it more accessible to small business people, because that is one of the main problems that we have, that small businessmen have, and small businesswomen as well, is access to capital.

One has to look at this sometimes what do you do to benefit rural communities, and sometimes it is more urban communities. I happen to represent an overall fairly urban community, the city of Cincinnati. But I know the gentleman has a much larger district in mind, one in which the challenges may be somewhat different. And I think it is very good that the gentleman took the time to go through this bill with such care to find a way that he can benefit the people in his community and at the same time make it a better bill.

So I again commend the gentleman for his thoughtful approach to this bill, thank him for offering this amendment, and we are in a position to accept it. And I again thank him for his hard work on this.

Ms. VELÁZQUEZ. Mr. Chairman, we are prepared to accept the amendment.

Mr. CUELLAR. Mr. Chairman, I want to thank again Chairwoman VELÁZQUEZ and the ranking member for their support and leadership, their bipartisan support.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. CUELLAR).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. INSLEE

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 110-108.

Mr. INSLEE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. INSLEE:

Page 26, strike lines 3 through 8 and insert the following:

(2) in subparagraph (H) by striking the period at the end and inserting a comma; and

(3) by inserting after subparagraph (H) the following:

“(I) reduction of energy consumption by at least 10 percent, or

“(J) increased use of sustainable design or low-impact design to produce buildings that reduce the use of non-renewable resources, minimize environmental impact, and relate people with the natural environment.”.

The CHAIRMAN. Pursuant to House Resolution 330, the gentleman from Washington (Mr. INSLEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.

Mr. INSLEE. My fellow Members, we know that small businesses have been

leaders in job creation and are the dynamic growth center for the American economy, and now they are poised to become the leaders in our green building revolution. We know that we have challenges on energy security, we know we have challenges to deal with on global warming, and we know that small businesses have challenges to receive capital to help in their programs to make their businesses more efficient, less costly for energy consumption, and less emitting of greenhouse gases.

Our amendment would create the ability of the SBA to provide capital to our small businesses across the country to do thousands of things that they want to start doing, items like putting additional energy-efficient equipment into their businesses, building green roofs that can prevent energy loss, installation of renewable energy sources like photovoltaic cells and energy equipment heating and cooling systems. The list is endless.

I would like to think of a little small business called the Snoqualmie Ice Cream Company, which is some of the best ice cream in the world, but they used an SBA loan essentially to put impervious concrete and build a green roof, which helped their business operations and helped the environment to boot.

So we would propose that we expand the SBA purposes to allow our small businessmen and women to be on the cutting edge of green building and green businesses across the country. This will help them move a step forward to use their dynamic leadership.

Mr. Chairman, I yield to Ms. VELÁZQUEZ.

Ms. VELÁZQUEZ. Mr. Chairman, we are prepared to accept the amendment. I yield to the ranking member for any comments that he might have.

Mr. CHABOT. I thank the gentlelady for yielding. We are in a position to accept this amendment as well, and I commend the gentleman for offering it.

Mr. INSLEE. Mr. Chairman, I yield back the balance of our time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. INSLEE).

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. DEGETTE) having assumed the chair, Mr. PASTOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 1332) to improve the access to capital programs of the Small Business Administration, and for other purposes, pursuant to House Resolution 330, he reported the bill back to the

House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MCCRERY

Mr. MCCRERY. Madam Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MCCRERY. In its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McCrery moves to recommit the bill, H.R. 1332, to the Committee on Small Business, with instructions to report back the same forthwith with the following amendments:

Page 6, after line 7, insert the following:

“(B) For purposes of subparagraph (A)(i), the Administrator shall consider any small business concern that can demonstrate it is adversely affected by a raise in the Federal minimum wage to be economically disadvantaged.”

Page 6, line 8, strike “(B)” and insert “(C)”.

Page 6, line 13, strike “(C)” and insert “(D)”.

Page 6, line 17, strike “(D)” and insert “(E)”.

Ms. VELÁZQUEZ. Madam Speaker, I reserve a point of order against the motion.

The SPEAKER pro tempore. The point of order is reserved.

The gentleman from Louisiana is recognized for 5 minutes.

Mr. MCCRERY. Madam Speaker, the motion to recommit that I am offering makes an important point about how we treat small businesses, the engine that drives much of our economy and creates many of our jobs in this country.

The underlying bill makes permanent the Community Express Program, which provides loans up to \$250,000 to businesses which are owned by certain favored groups such as women, minorities, veterans, or socially or economically disadvantaged individuals. The measure does not define what it means for a business owner to be “economically disadvantaged.”

This would require that the Small Business Administration would consider as economically disadvantaged those business owners that can demonstrate that they have been adversely impacted by an increase in the Federal minimum wage.

The importance of this motion is clear in the face of the failure of this

House and the conferees on the supplemental appropriations bill that will be considered later tonight to adequately provide tax relief to those small businesses most impacted by an increase in the minimum wage.

The agreement reached by the majority and inserted into the supplemental does provide a larger dollar figure for relief than was passed by the House earlier this year, but almost none of the added tax revenues will provide relief to the small businesses most in need of assistance because of the increase in the minimum wage.

For example, more than 53 percent of the tax relief is in the form of a 44-month extension of the work opportunity tax credit. While extending the work opportunity tax credit may be good policy, and I happen to like that credit, more than 90 percent of the credits are claimed by firms with gross receipts over \$50 million, hardly small businesses.

Other provisions, while well intentioned, will have little or no impact on small businesses. The S-Corp reforms, which costs almost \$1 billion, have no direct relation to firms impacted by the minimum wage.

I support the changes in the package to the low income housing tax credit, but that \$237 million in tax relief, again, does nothing towards satisfying the stated purpose of helping small businesses cope with the increase in the minimum wage.

While the work opportunity tax credit was expanded and was given a longer extension than in the House-passed package, provisions to help small businesses by increasing expensing were not given similar treatment. Other depreciation changes included in the Senate-passed bill that could have helped small businesses were completely left out of the conference agreement. In fact, barely \$1 billion of the total almost \$5 billion package provides relief to small businesses; and almost half of that, \$457 million of it, exists solely to protect restaurant owners from the tax increase they would otherwise face from a minimum wage increase. Thus, only about one-eighth of the new benefits are targeted at small businesses.

That minimal relief for small businesses looks even smaller when compared against the Congressional Budget Office’s estimate that the increase in the minimum wage will impose more than \$16 billion in costs on the private sector over the next 5 years.

It should come as no surprise to anyone to learn that the National Federation of Independent Business, a small business association, released a statement today criticizing Congress for failing to deliver meaningful tax relief to the American small business community in the face of a mandated Federal minimum wage hike.

I submit for printing in the RECORD the entire statement of NFIB.

TAX PACKAGE TIED TO MINIMUM WAGE HIKE FAILS TO DELIVER RELIEF FOR SMALL BUSINESS

NFIB disappointed in diminished small-business tax relief in the federal supplemental spending bill

WASHINGTON, D.C., APRIL 25, 2007—Dan Danner, executive vice president of the National Federation of Independent Business, today made the following statement in reaction to the reduced small-business tax-relief package contained in the federal minimum wage increase legislation, now attached to the Iraq spending bill.

It’s truly disheartening that during National Small Business Week Congress has decided to renege on their promise to deliver meaningful tax relief to the American small-business community in the face of a mandated federal minimum wage hike.

While small businesses appreciate the increased and extended expensing limit, the tax package as a whole simply does not offer enough growth-oriented tax relief to allow small businesses to invest and stay competitive. NFIB is disappointed to see that the reduced tax package falls short of truly offsetting the costs small businesses will be forced to absorb as a result of a minimum wage increase.

Small-business owners have always opposed mandated wage levels because it leaves them with fewer choices in how they compensate their employees. But in the face of an inevitable wage hike, the small-business community was pleased to hear that Congress was planning to offer a tax package aimed at helping small businesses cope with additional labor costs.

From the beginning of this debate, the accompanying tax package was supposed to be about helping the country’s small businesses. Instead, Congress has spent more time catering to big business demands than providing real tax relief to those who need it most—American small-business owners.

As this debate continues, NFIB will continue its efforts to educate members of Congress about why small businesses need and deserve meaningful tax relief.

Last week my friend, the distinguished chairman of the Ways and Means Committee, indicated that the tax package on the supplemental was the final deal. I suppose he meant the final deal on taxes associated with the minimum wage increase. And I guess he meant that, even if the supplemental is vetoed, that we don’t go back to square one, that there will still be no renegotiation of the tax package. That is unfortunate, and that is what brings us here today.

The majority has said it is unwilling to reconsider ways to ensure that we provide tax relief to the businesses most in need and to examine the shortcomings of the tax package. Thus, we must find other ways to help small businesses continue to be the engines of job creation in our economy. By making small businesses adversely affected by a minimum wage increase eligible for the community express program, Madam Speaker, we are offering the House an opportunity, a chance, to make good on the promise to help those businesses impacted by an increase of the minimum wage.

Madam Speaker, I urge passage of the motion.

□ 1730

Madam Speaker, I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Speaker, I withdraw my point of order against the motion, and I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentlewoman from New York is recognized for 5 minutes.

Ms. VELÁZQUEZ. Madam Speaker, it amazes me if the gentleman from Louisiana is so concerned about the state of small businesses in our country, why is it that every time that I brought an amendment to any bill to reduce the cost of the 7(a) business loan program, you voted against that bill, against those amendments? That is the way we provide relief to small businesses.

The problem with the gentleman from Louisiana is that he doesn't believe that the minimum wage should be raised, and that 10 years is not long enough. So by supporting this motion to recommit, you are voting against providing relief to small businesses.

What we are doing with this bill is reducing up to \$50,000 in fees to borrowers in this country. That is real relief.

So I urge my colleagues to vote against this motion, and to support the underlying bill.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. McCRERY. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 197, nays 224, not voting 11, as follows:

[Roll No. 262]

YEAS—197

Aderholt	Camp (MI)	Everett	Royer	Ryan (OH)	Slaughter	Velázquez
Akin	Campbell (CA)	Fallin	Ryan (WI)	Salazar	Smith (WA)	Visclosky
Alexander	Cannon	Feeley	Sali	Sánchez, Linda	Snyder	Wal (MN)
Bachmann	Cantor	Ferguson	Saxton	T.	Solis	Wasserman
Bachus	Capito	Flake	Schmidt	Sanchez, Loretta	Spratt	Schultz
Baker	Carney	Forbes	Sensenbrenner	Sarbanes	Stark	Waters
Barrett (SC)	Carter	Fortenberry	Sessions	Schakowsky	Stupak	Watson
Barton (TX)	Castle	Fossella	Shadegg	Schiff	Sutton	Watt
Biggert	Chabot	Foxx	Shays	Scott (GA)	Tanner	Waxman
Bilirakis	Coble	Franks (AZ)	Shimkus	Scott (VA)	Tauscher	Weiner
Bishop (UT)	Cole (OK)	Frelighuysen	Shuster	Serrano	Thompson (CA)	Welch (VT)
Blackburn	Conaway	Gallagly	Simpson	Stestak	Thompson (MS)	Wexler
Blunt	Crenshaw	Garrett (NJ)	Smith (NE)	Shea-Porter	Tierney	Wilson (OH)
Boehner	Culberson	Gerlach	Smith (NJ)	Sherman	Towns	Woolsey
Bonner	Davis (KY)	Gilchrest	Smith (TX)	Shuler	Udall (CO)	Wu
Bono	Davis, David	Gillmor	Souder	Sires	Udall (NM)	Wynn
Boozman	Davis, Tom	Gingrey	Space	Skelton	Van Hollen	Yarmuth
Boustany	Deal (GA)	Gohmert	Petri			
Brady (TX)	Dent	Goode	Stearns			
Brown (SC)	Diaz-Balart, L.	Goodlatte	Sullivan			
Brown-Waite,	Diaz-Balart, M.	Granger	Tancredo			
Ginny	Doolittle	Graves	Platts			
Buchanan	Drake	Hall (TX)	Poe			
Burgess	Dreier	Hastert	Porter			
Burton (IN)	Duncan	Hastings (WA)	Price (GA)			
Buyer	Ehlers	Hayes	Pryce (OH)			
Calvert	Emerson	Heller	Linder			
	English (PA)	Hensarling	LoBiondo			

Herger	McKeon	Royce	Ryan (OH)	Slaughter	Velázquez
Hobson	McMorris	Rodgers	Ryan (WI)	Smith (WA)	Visclosky
Hoekstra	Rodgers	Sali	Salazar	Snyder	Wal (MN)
Hulshof	Mica	Saxton	Sánchez, Linda	Spratt	Wasserman
Inglis (SC)	Miller (FL)	Schmidt	T.	Schulz	
Issa	Miller (MI)	Sensenbrenner	Sanchez, Loretta	Schulz	
Jindal	Miller, Gary	Sessions	Sarbanes	Watson	
Johnson (IL)	Moran (KS)	Shadegg	Stark	Watson	
Johnson, Sam	Murphy, Tim	Shays	Watson	Watson	
Jones (NC)	Musgrave	Shimkus	Watson	Watson	
Jordan	Myrick	Shuster	Watson	Watson	
Keller	Neugebauer	Simpson	Waters	Watson	
King (IA)	Nunes	Smith (NE)	Waxman	Watson	
King (NY)	Paul	Smith (NJ)	Weiner	Weiner	
Kingston	Pearce	Smith (TX)	Welch (VT)	Weiner	
Kirk	Pence	Souder	Thompson (CA)	Wexler	
Kline (MN)	Peterson (PA)	Space	Thompson (MS)	Wexler	
Knollenberg	Petri	Stearns	Tierney	Wilson (OH)	
Kuhl (NY)	Pickering	Sullivan	Sherman	Westmoreland	
LaHood	Pitts	Tancredo	Kaptur	Whitfield	
Lamborn	Platts	Terry	Cubin	Lampson	
Latham	Poe	Thornberry			
LaTourette	Porter	Tiaht			
Lewis (CA)	Price (GA)	Tiberi			
Lewis (KY)	Pryce (OH)	Turner			
Linder	Putnam	Upton			
LoBiondo	Radanovich	Walberg			
Lucas	Ramstad	Walden (OR)			
Lungren, Daniel E.	Regula	Walsh (NY)			
Mack	Rehberg	Wamp			
Manzullo	Reichert	Weldon (FL)			
Marchant	Renzi	Weller			
McCarthy (CA)	Reynolds	Wicker			
McCaul (TX)	Rogers (AL)	Wilson (NM)			
McCotter	Rogers (KY)	Wilson (SC)			
McCrery	Rogers (MI)	Wolf			
McHenry	Rohrabacher	Young (AK)			
McHugh	Ros-Lehtinen	Young (FL)			
	Roskam	Young (PL)			

NAYS—224

Abercrombie	Doyle	Levin	Mr. MURPHY of Connecticut, Mr. KAGEN, Ms. DELAURO, Mr. McNERNEY, Ms. MCCOLLUM of Minnesota, Mrs. GILLIBRAND, Messrs. HOYER, ALTMIRE, HILL, and SCOTT of Virginia changed their vote from "yea" to "nay."
Ackerman	Edwards	Lewis (GA)	
Allen	Ellison	Lipinski	
Altman	Ellsworth	Loeback	
Andrews	Emanuel	Lofgren, Zoe	
Arcuri	Engel	Lowey	
Baca	Eshoo	Lynch	
Baird	Etheridge	Mahoney (FL)	
Baldwin	Farr	Maloney (NY)	
Barrow	Fattah	Markey	
Bean	Filner	Marshall	
Becerra	Frank (MA)	Matheson	
Berkley	Giffords	Matsui	
Berman	Gillibrand	McCarthy (NY)	
Berry	Gonzalez	McCollum (MN)	
Bishop (NY)	Gordon	McDermott	
Blumenauer	Green, Al	McGovern	
Boren	Green, Gene	McNerney	
Boswell	Grijalva	McNulty	
Boucher	Gutierrez	Meehan	
Boyd (KS)	Hall (NY)	Meek (FL)	
Brady (PA)	Hare	Meeks (NY)	
Braley (IA)	Harman	Melancon	
Brown, Corrine	Hastings (FL)	Michaud	
Butterfield	Herseth Sandlin	Miller (NC)	
Capps	Higgins	Miller, George	
Capuano	Hill	Mitchell	
Cardoza	Hinchey	Mollohan	
Carnahan	Hinojosa	Moore (KS)	
Carson	Hirono	Moore (WI)	
Castor	Hodes	Moran (VA)	
Chandler	Holden	Murphy (CT)	
Clarke	Holt	Murphy, Patrick	
Clay	Honda	Murtha	
Cleaver	Hooley	Nadler	
Clyburn	Hoyer	Napolitano	
Cohen	Inslee	Neal (MA)	
Conyers	Israel	Oberstar	
Costar	Jackson (IL)	Obey	
Costello	Jackson-Lee	Olver	
Courtney	(TX)	Ortiz	
Cramer	Jefferson	Pallone	
Crowley	Johnson (GA)	Pascrill	
Cuellar	Johnson, E. B.	Pastor	
Davis (OH)	Jones (OH)	Rahall	
DeFazio	Kagen	Rangel	
DeGette	Kanjorski	Reyes	
Dicks	Kennedy	Rodriguez	
Dingell	Davis (CA)	Ross	
Dingell	Davis (IL)	Rothman	
Dolan	Lantos	Royal-Allard	
Dodd	Lantos	Ruppersberger	
Donnelly	Lee	Rush	

NOT VOTING—11

Bartlett (MD)	Davis, Jo Ann	McIntyre
Bishop (GA)	Hunter	Westmoreland
Boyd (FL)	Kaptur	Whitfield
Cubin	Lampson	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining to vote.

□ 1755

Mr. MURPHY of Connecticut, Mr. KAGEN, Ms. DELAURO, Mr. McNERNEY, Ms. MCCOLLUM of Minnesota, Mrs. GILLIBRAND, Messrs. HOYER, ALTMIRE, HILL, and SCOTT of Virginia changed their vote from "yea" to "nay."

Mr. MORAN of Kansas and Mr. PICKERING changed their vote from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BOYD of Florida. Madam Speaker, on rollcall No. 262, had I been present, I would have voted "nay."

LEGISLATIVE PROGRAM

(Mr. BLUNT asked and was given permission to address the House for 1 minute.)

Mr. BLUNT. Madam Speaker, I rise for the purpose of inquiring about the schedule, and I yield to my friend, the majority leader, for information about the schedule, tomorrow, Monday and Tuesday.

Mr. HOYER. I thank the gentleman for yielding, and I want to tell the Members that tomorrow we have only one bill scheduled. That is H.R. 249. We will consider that bill. I am hopeful that we will complete that bill early afternoon.

On Monday, the funeral is being held for Congresswoman Millender-McDonald, and many of our Members on both sides of the aisle I know will be attending that funeral. We will have no business on Monday. Not only no votes, but there will be no business on Monday.

On Tuesday, you need to expect votes anytime after noon. So we plan to have a full day on Tuesday, not a 6:30 coming in here, but there will be no votes until noon on Tuesday.

Mr. BLUNT. I thank the gentleman for the information, and I think that is helpful to our Members.