which shall not contain instructions. Clause 1(c) of rule XIX shall not apply to the consideration of House Resolution 554.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information form Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Ms. PINGREE of Maine. I yield back the balance of my time and move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1430

GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the H.R. 3854.

The SPEAKER pro tempore (Mr. KIND). Is there objection to the request of the gentlewoman from New York?

There was no objection.

SMALL BUSINESS FINANCING AND INVESTMENT ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 875 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3854.

□ 1431

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3854) to amend the Small Business Act and the Small Business Investment Act of 1958 to improve programs providing access to capital under such Acts, and for other purposes, with Mr. SERRANO in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentlewoman from New York (Ms. VELÁZQUEZ) and the gentleman from Missouri (Mr. GRAVES) each will control 30 minutes.

The Chair recognizes the gentlewoman from New York.

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

Mr. Chairman, I rise in support of this bill, which will enhance the SBA's capital access programs. This bill is a bipartisan product. It has the support of 48 stakeholder groups and could not have come together without the contributions of eight different committee members, including two from the minority. It addresses a key concern for small firms and ensures they have the resources to help grow our economy.

If history is any guide, small businesses will be the key to our recovery. Since our Nation's founding, they have helped us bounce back from countless downturns, including the recession of the mid-1990s. At that time, start-up businesses generated 3.8 million new jobs. And ultimately, Mr. Chairman, that is what our recovery efforts are all about, putting Americans back to work.

Through innovation and ingenuity, small businesses have created enormous wealth for our Nation. But America's economic engine doesn't run on good ideas alone. Small firms need capital to not only get off the ground, but to operate and grow. That is why H.R. 3854 delivers better funding options to small firms at every stage of development.

For the aspiring entrepreneur, it opens new avenues for seed capital and microloans. For the mid-market venture, it provides fresh funds for investment. And for the established business, it creates room for targeted risk and innovation. And it could not have come at a more critical time.

Small business lending is declining at alarming rates. In July, a survey by the Federal Reserve found that 35 percent of banks have tightened lending to small businesses. In terms of credit cards, a popular source of funding for entrepreneurs, 79 percent have seen their lines cut radically. These are exceptional declines. And if we fail to address them, we risk losing more than our most innovative businesses. We risk losing hundreds of thousands of jobs.

Small businesses with tight profit margins do not have the luxury of simply tightening the belt. When money is short, they are often forced to lay off workers. But with unemployment at 9.8 percent, we just cannot afford more losses. That is why this bill delivers critical capital to new ventures.

To begin, it helps steer equity investment to start-ups in high-growth fields like IT and clean energy. It also enhances SBA's microloan program. Two weeks ago, my committee heard from an entrepreneur who used microloans to grow his business from a fledgling firm to a thriving enterprise with 30 employees. By improving the microloan program, imagine how many more new businesses, and new jobs, we can generate.

Ask any small business owner, and they will tell you that start-ups are not the only firms that need capital. Established ventures in fields like manufacturing, for example, need funding to adapt to the changing marketplace. By improving the 504 program, this bill gives them the flexibility to purchase new equipment and otherwise retool operations. When paired with new initiatives like the New Markets Venture Capital and Renewable Energy Capital Investment programs, these efforts will help manufacturers emerge from the downturn stronger and better poised to create new jobs.

Meanwhile, we are also delivering important lending options to our Nation's veterans, offering reduced borrower fees and increased loan guarantees. As our servicemen and -women return home from deployment abroad, we need to be sure they have access to the economic opportunities that entrepreneurship offers.

Mr. Chairman, this bill is about choices. It is about better options for the small businesses that didn't get a bailout. H.R. 3854 provides critical funding to small firms in every industry and, most importantly, generates

jobs. In fact, it will create or sustain more than 1.3 million positions nationwide.

In the 111th Congress, job creation is our number one priority. It only makes sense to support legislation that gets us there.

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

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

Mr. Chairman, I rise today in support of H.R. 3854, the Small Business Financing and Investment Act of 2009. Before we even get started, I want to thank the chairwoman, the gentlelady from New York, and Subcommittee Chairman SCHRADER for working in a very bipartisan manner to craft this important legislation. This bill includes bills introduced by Mr. BUCHANAN and Mr. LUETKEMEYER of the committee, and I think it is a good piece of legislation.

The bill before us today will significantly strengthen the ability of small businesses to obtain needed capital for retaining and creating new jobs. The committee has heard time and time and time again that small businesses want to expand but can't find funds necessary to do so. I am sure most of the Members of this Chamber have heard the same thing from their small business constituents back home.

If small businesses create most of the new jobs in this country and can't obtain capital, economic recovery is going to be a faint light at the end of a very long and dark tunnel. Enactment of H.R. 3854 isn't going to magically correct the flaws in the credit markets for small businesses, nor will the programs in these bills increase the confidence of small businesses while the President continues to push initiatives such as capital-and-trade and health care reform that are going to raise costs on small businesses. Nevertheless, the provisions of this bill to improve the financing programs operated by the Small Business Administration can play a vital role in relieving the existing stress on the capital and credit markets for small businesses until those markets return to more normal operations.

Title I of the bill reduces the barriers to utilization of the 7(a) guaranteed loan program by community banks, particularly those in rural areas.

Mr. BUCHANAN's bill, incorporated as title II, overhauls the operation of the Certified Development Company loan program and will make long-term fixed rate debt available to many small businesses, particularly manufacturers seeking to retool and expand their operations.

Title III makes modest, but important, changes to the microloan program, which will give America's smallest entrepreneurs a greater chance of success.

Title IV adopts Mr. LUETKEMEYER's bill to enhance the Small Business Investment Company program by enabling successful managers of such companies to more easily expand their operations.

Title V's most significant change is to correct a flaw in the New Market Venture Capital Company program that would spur greater investment in poor rural areas of the country.

Title VI establishes a loan program which will enable physicians and other providers of health care to make the necessary investment in the efficiency of electronic health records.

Title VII provides the SBA with the opportunity to leverage Federal funds with the best venture operators to promote investment in early stage businesses, like the next Microsoft, Dell, Google or Federal Express.

Title VIII makes additional modifications to the SBA's disaster loan program in order to ensure that small businesses will quickly have needed funds to help recover from a disaster.

In addition to amending key financing programs, this bill, including title IX, makes concerted efforts at increasing the transparency of the SBA's decision-making process. It would be foolish to make significant improvements in these vital financial programs, yet have small businesses' access to them curtailed by inefficient and opaque administration by the SBA.

I would like to add one final point to my comments, Mr. Chairman. Some may question the cost of this bill in a time of fiscal constraints. However, I believe that it represents a vital investment in a better future for our economy. For the past decade, this country's biggest export has been risk. However, America was not built on derivatives or credit default swaps. It was built by individuals creating new products in new ways that the entire world demanded. This bill will help us return to that America, one based on the hard work of creating real and tangible products that are the envy of the entire world.

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

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

I rise today in strong support of H.R. 3854, the Small Business Financing and Investment Act of 2009. This bill represents the culmination of work done by many hard-working members of the Small Business Committee, Democrats and Republicans. They both understand how critical small business growth is for communities throughout this Nation and to our economy as a whole.

I specifically want to acknowledge Chairwoman VELÁZQUEZ, Ranking Member GRAVES, Representatives HALVORSON, KIRKPATRICK, NYE, LUETKEMEYER, DAHLKEMPER, ELLSWORTH and GRIFFITH, and the ranking member of my Subcommittee on Finance and Tax, Representative BUCHANAN, and their expertise in crafting the various sections of the bill that the ranking member referenced. These leaders recognize that small businesses are the backbone of our economy and must be the driving force in spurring economic growth.

Also, I want to thank personally my Small Business Advisory Board in Oregon. They provided me critical information and thoughts about what this Congress can be doing to truly aid small businesses.

Small businesses are the real job creators for most of our communities, but unfortunately, the current recession has hit them very, very hard. As a small business owner myself for over 30 years, I understand all too well the difficulties they face accessing capital during these tough economic times. Many small business owners literally survive month-to-month. They rely on timely payment for their products and services because they do not possess the deep reserves of some of the larger companies. That is why a deep, prolonged recession is particularly dangerous for small businesses.

In August, I held a hearing of my Finance and Tax Subcommittee in Salem, Oregon, in the heart of my congressional district. We took testimony from small business owners and learned firsthand about the difficulties of accessing loans and how crippling the current situation is for many small businesses. We also heard from banks and credit unions who talked about their concerns with making loans, given the recession environment, and the new regulatory burdens placed on them. We talked about problems with the SBA and how we can improve their programs to make them friendlier, more efficient and responsive to both businesses and lenders, and we talked about many solutions to the current credit freeze. I am pleased to say that many of these proposals are in the legislation we are debating here today.

In our current environment, small businesses everywhere, in every industry, face the same problem: They cannot access affordable capital. Entrepreneurs who are looking to expand and hire workers, and companies who want to borrow money to stay afloat, are unable to secure necessary credit because of the economic downturn, despite their own past good credit.

□ 1445

The SBA's diverse catalog of lending and investment programs, as approved here today, have the potential to increase access to capital and provide the needed loans when the private sector is uncertain about accepting more risk.

That is why passage of H.R. 3854 is so critical to create jobs and build our economy right now. It increases the maximum loan sizes for SBA 7(a), 504, microloan, and newly created ARC loan programs. It increases efficiency at the SBA, something we have needed for a long time, by reducing burdensome application loan times for the regular loans, rural loans, cooperative loans and the ARC program. It allows CDCs to do loan liquidation for the 504 program, helping pay for that program. It includes closing costs on 7(a) and 504

loans in the loans. It approves the SBIC licensing protocol to make it more attractive to our lenders and aligns definitions and program opportunities with the U.S. Department of Agriculture with similar programs.

It encourages banks to participate once again and loan by increasing guarantees to 90 percent. It extends for a longer period of time the American Recovery and Reinvestment Act so it's more attractive for banks to gear up for those programs. It cuts lender fees, requires prompt purchase of bad loans by the SBA within 45 days, and simplifies the ARC loan application to one page.

Mr. Chairman, our American small businesses are comprised of individuals who drive innovation, develop resources to meet the demands of our changing world, and make a meaningful impact on our local communities. In my State of Oregon, 98 percent of the businesses are small businesses, and they employ almost 60 percent of our workforce.

At a time when our State and our country face high unemployment, it makes perfect sense to do all we can to help small businesses do what they do best, create jobs in our economy. That's what H.R. 3854 will do, and why I urge a strong ''yes'' vote.

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

Mr. GRAVES. Mr. Chairman, I yield such time as he may consume to my colleague from Missouri, Mr. LUETKEMEYER, the ranking member of the Rural Development, Entrepreneurship and Trade Subcommittee.

Mr. LUETKEMEYER. Again, I would like to echo the sentiments of Ranking Member GRAVES with regards to the fine bipartisanship and the good, hard work of everybody on the committee to come up with, I think, an outstanding bill to help our small business folks in this country.

Mr. Chairman, I rise today in support of H.R. 3854 and am pleased to see that this bill includes my legislation, H.R. 3740, the Small Business Investment Company Modernization and Improvement Act of 2009.

As a small businessman, I am proud to support a bill that would assist many fellow small business owners and employees throughout my district and Missouri and all throughout the country. Small businesses have generated up to 80 percent of new net jobs annually over the last decade and contribute 38 percent of the GDP. Like every recession before, small business will lead us back to economic prosperity.

Most small business owners remain cautious in their economic outlook, with more than two-thirds in recent polls saying the recession is not over for them. Many people want to signal that their economy is on the mend, but American small businesses and small business owners aren't able to send that message yet.

Small businesses have never had a harder time getting a loan, as access to credit is being denied at an increasing pace. Since the onset of the credit crisis over 2 years ago, available credit to small business consumers has contracted by billions of dollars. Without access to credit, small businesses can't grow, can't hire, and too often end up going out of business.

In recent hearings on the Small Business Administration's capital access programs, we heard from two SBIC witnesses from my home State of Missouri, Capital For Business and C3 Capital. Both testified that despite having a 50-year record of growing American small businesses and providing over $55 billion in financing to over 100,000 U.S.-based businesses, the SBIC is being dramatically underutilized. When both credit and investment have evaporated, it does not make sense to leave an effective small business tool unused.

Additionally, this bill will halt the continued flight of SBICs that participate in the program by establishing an expedited licensing process. A broken licensing system for far too long has been cutting off capital to good small businesses. I know of a successful SBIC in Missouri that applied for a second license and it took over 1 year, countless hours of paperwork and expensive legal bills.

This legislation would provide a transparent process with clear standards and a reasonable timeline for applicants. This bill also includes strong taxpayer protections. New background checks and proof of raised capital would be required.

Funds that have major regulatory problems or are unable to raise private funds would not be able to get an expedited repeat license. Further, the administrator should have the authority to put the brakes on any application that she thinks may pose a risk to the taxpayer.

At a time when small businesses are still struggling to keep their doors open, I am pleased to see a bill working its way through the legislative process that would improve initiatives already available to small businesses. Perhaps more important, the bill we consider today recognizes the ability here to create good private sector jobs in Missouri and across the country.

Mr. Chairman, this bill is not an answer to what ails our economy. It is a good start to help small business, the economic engine of our economy, get back into the business of doing business.

I urge my colleagues to adopt the legislation.

Mr. SCHRADER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Illinois (Mrs. HALVORSON).

Mrs. HALVORSON. Mr. Chairman, I rise today in support of H.R. 3854, the Small Business Financing and Investment Act. I am proud to be an original cosponsor of this bill, which includes language from legislation I introduced, H.R. 3723, the Small Business Credit Expansion and Loan Markets Stabilization Act.

I commend Chairwoman VELÁZQUEZ, Ranking Member GRAVES, and Mr. SCHRADER for his hard work on the bill before us today.

This year, the House has already passed several pieces of legislation that will help our Nation's small business owners, but it's clear that we still have much work to do. I also want to thank the small business owners in my district for getting together regularly to let me know what is going on with their small business. In fact, we are still hearing from them every day about what's going on and especially the difficulties in accessing credit, which continues to be a major challenge.

Small businesses need capital to grow and create new jobs, but the credit crunch has made it exceedingly difficult for them to obtain loans, which we know firsthand, as my husband owns two small businesses, and that also continually is a difficult time. In times like this, small businesses turn to the SBA. The American Recovery and Reinvestment Act includes several provisions that strengthen the Small Business Administration's ability to help small businesses access capital.

The legislation before us today will enhance the SBA's access to capital programs and build on the progress made by the recovery bill. H.R. 3854 will improve the SBA's flagship 7(a) loan program. It extends provisions in the Recovery Act that reduce borrower fees and increase SBA loan guarantees.

We will also extend the ARC loan program, simplify the application process and increase the maximum loan. To increase lender participation, the bill creates new rural and small lender outreach programs of the SBA.

Finally, we are going to help veteran entrepreneurs by fully implementing the SBA's Increased Veteran Participation Loan Program.

H.R. 3854 will help get credit flowing again for America's small business owners so that they can create new jobs and jump-start our economy.

I urge my colleagues to join me in supporting this legislation.

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

Mr. SCHRADER. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. ELLSWORTH).

Mr. ELLSWORTH. I thank the chairman and thank all of my colleagues on the committee for their hard work on this bill, especially Chairwoman VELÁZQUEZ and Ranking Member GRAVES for their leadership and the bipartisan spirit with which we wrote this bill.

Mr. Chairman, tough economic times like these we are in right now have time and time again spurred the innovations to put us back on the right track. The entrepreneurs who take on the risk of starting a new business in these times, they are the ones who will transform our economy and jump-start growth in our communities.

Unfortunately, entrepreneurs in my district and across the country are

being turned away by lenders nervous about the risk of starting a new business. That's why it's so important that we pass this bill today. The Small Business Financing and Investment Act will provide much-needed assistance to entrepreneurs who are just asking for a chance to succeed.

The Small Business Administration's microloan program helps entrepreneurs like these secure start-up capital to get their new ventures off the ground. Unfortunately, the SBA's microloan program remains underused.

Too many of these funds Congress has provided to help these small businesses are being left on the table, despite the credit crunch in the private marketplace. Clearly we need to bridge the gap so that more aspiring business owners find the credit they need to get started.

The legislation before us includes a bill that I authored to improve how the SBA's microloan program functions. The Small Business Microlending Expansion Act makes a number of changes to improve this program and expand its reach to more small businesses.

These changes will put unused loan funds toward making existing microloans more affordable. It will get more lenders involved in the program while expanding the amount existing lenders can provide to their communities. It improves the ability of lenders to provide the technical assistance entrepreneurs need to succeed.

Simply put, this bill will increase the capital flowing to entrepreneurs, who can use those loans to build a business, employ their neighbors, and improve their community. That is our goal today, and it should be the goal every day.

Mr. GRAVES. Mr. Chairman, I continue to reserve the balance of my time.

Mr. SCHRADER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Illinois (Ms. BEAN).

Ms. BEAN. I thank the Chair for yielding.

Mr. Chairman, I rise in strong support of the manager's amendment and the Small Business Financing and Investment Act of 2009.

I want to commend Chairwoman VELÁZQUEZ and the subcommittee Chair, Mr. SCHRADER, for their hard work on behalf of small businesses across the country. As a former small business owner, I appreciate the challenges entrepreneurs and small business owners face in gaining access to the capital that they need to grow their businesses.

This summer, I held a roundtable with Illinois businesses and the SBA to discuss these challenges. That's why I have long supported measures to improve and expand SBA loan programs, which offer low interest, long-term loans to creditworthy community business owners. In the last Congress, I authored similar legislation, the Small Business Lending Improvements Act, which passed the House in 2007.

The expedited consideration of H.R. 3854 underscores both the importance and urgency of assuring access to capital for our small business community. Simply put, the U.S. cannot promote economic recovery without small businesses, as they are the engine of job creation and innovation in our Nation.

The American Recovery and Reinvestment Act did a great deal to provide lending and investment. Since the bill's enactment in February, the SBA has supported $13.4 billion in small business lending, and weekly loan approvals have increased by 75 percent.

That said, the SBA's capital access programs aren't equipped to meet current needs. H.R. 3854 brings long-awaited updates and improvements to SBA's lending initiatives, most importantly, preserving the original intent of these programs to help make affordable sources of financing accessible.

This legislation raises the cap on 7(a), 504 and ARC loans. It directs the SBA to target capital towards communities hard-hit by the recession and towards industries that hold the most promise for American innovation and competitiveness. The measure also streamlines the loan application process and makes it easier for small and community lenders to participate in the programs.

I am particularly pleased that a provision that I authored enabling staffing company franchises to qualify for SBA programs was included in the manager's amendment. Supporting the temporary staffing industry is important now more than ever as temporary positions provide a lifeline to many workers in a constrained job market. Their market growth also serves as an early indicator of emerging job markets towards broader recovery.

My provision directs the SBA to continue applying its historically considered affiliation factors when determining a business' independence so that franchisees are not penalized.

I would like to thank Chairwoman VELÁZQUEZ for including this provision in the manager's amendment. H.R. 3854 provides the tools to help small businesses access capital, create jobs and fuel our economy as we move forward.

I urge my colleagues to support this important bill.

□ 1500

The CHAIR. The Chair will note that the gentleman from Oregon has 12½ minutes remaining. The gentleman from Missouri has 22½ minutes remaining.

Mr. GRAVES. Mr. Chairman, I continue to reserve the balance of my time.

Mr. SCHRADER. Mr. Chairman, I would like to yield 3 minutes to the gentlelady from Pennsylvania (Mrs. DAHLKEMPER).

Mrs. DAHLKEMPER. Mr. Chairman, I rise today in support of the Small Business Financing and Investment Act. I want to thank Subcommittee Chair SCHRADER and Chairwoman VELÁZQUEZ as well as so many members of the committee who have worked so hard on this legislation.

As a member of the Small Business Committee and a former small business owner, I know firsthand that small businesses are the driving force of our economy, creating between 60 and 80 percent of our Nation's new jobs every year. Small businesses create good jobs and strengthen our communities. Not only do small businesses bring valuable resources to our neighborhoods, but they bring prosperity as well. When small businesses succeed, they benefit everyone in the community.

Small businesses have been among the hardest hit by the recession. The Small Business Financing and Investment Act will help open tight credit markets that have shut down small business owners during this economic crisis so that small businesses can create jobs, particularly in struggling regions and industries. In addition, this small business legislation takes an important step to address another issue affecting small businesses in the health care business sector.

My legislation, the Small Business Health Information Technology Financing Act, which has been incorporated into this bill, makes cost-saving information technology affordable for small group and individual health care practitioners. Administrative burdens add dramatically to the ever-rising price tag of health care, but the cost-saving information, technologies which are ready available, are often too expensive an investment for small group or individual health care providers. That includes small group physicians, nurse practitioners, community pharmacists and others.

My provision creates an affordable loan program for these providers to make the investment in health information technologies that lower the cost of health care for everyone.

The Small Business Health Information Technology Financing Act creates a new loan guarantee program at the Small Business Administration for the purchase of health information technology by health care professionals in individual and small group practices, those with 50 or fewer employees. The loan guarantee program provides a 90 percent guarantee and loan amounts up to $350,000 for an individual practitioner and $2 million for a group.

Mr. Chairman, the Small Business Financing and Investment Act will help grow small businesses, create good jobs for Americans and help lower the administrative costs of health care. I urge my colleagues on both sides of the aisle to support this small business legislation.

Mr. GRAVES. Mr. Chairman, may I inquire how many speakers the majority has?

Mr. SCHRADER. We have no further speakers and are prepared to close.

Mr. GRAVES. Mr. Chairman, I will go ahead and yield back the balance of my time.

Mr. SCHRADER. I yield the balance of my time to the gentlewoman from New York (Ms. VELÁZQUEZ).

The CHAIR. The gentlewoman is recognized for 10 minutes.

Ms. VELÁZQUEZ. Mr. Chairman, I would like to take this opportunity to thank the staff—from both sides of the aisle—that worked so hard on this bill.

From the majority—Michael Day and Andy Jiminez; and Ethan Pittleman from Mr. SCHRADER's staff.

From the minority—Barry Pineles and Karen Haas; and Max Goodman from Mr. BUCHANAN's staff.

Their efforts to ensure the members' priorities are included in this legislation are very much appreciated.

Mr. Chairman, the Small Business Committee is not alone in its commitment to small firms. Since the downturn began, we have heard countless calls from both sides of the aisle for a new economic foundation—one that puts Main Street before Wall Street and that values entrepreneurship over corporate greed. Well, this bill does both. By empowering small businesses, it makes a direct investment in the two things our economy needs most—innovation and job creation.

Capital is a fundamental building block for small business growth. Without it, new ventures cannot get off the ground and existing companies cannot hire workers. H.R. 3854 delivers the resources small firms need to grow. For small medical practices, it makes health IT more affordable. For entrepreneurs developing the next breakthrough in clean energy, it buys time for R&D. And for veterans and rural Americans seeking economic empowerment, it puts entrepreneurship within reach. Most importantly, however, this bill keeps workers on payroll. By allowing entrepreneurs to expand their ventures, H.R. 3854 will create and sustain more than 1.3 million jobs. In other words, Mr. Chairman, a vote for this bill is a vote for job creation. If you ask me, that is something we can all get behind, Democrats and Republicans alike, and I urge adoption of this bill.

Mr. VAN HOLLEN. Mr. Chair, small businesses are the backbone of the American economy. They represent almost 8 out of every 10 new jobs created in the country and are a key element of the Nation's efforts to achieve a successful and complete economic recovery.

Last week I joined President Obama, Treasury Secretary Tim Geithner, Small Business Administrator Karen Mills, Members of the Maryland Delegation, Governor Martin O'Malley, County Executive Jack Johnson, and Hyattsville Mayor William Gardner at Metropolitan Archives in Largo, MD to discuss the work Congress and the Obama administration are doing to create jobs and expand credit access to Maryland small businesses. The bill we consider today, H.R. 3854, the Small Business Financing and Investment Act of 2009, is a significant part of our efforts.

H.R. 3854 reauthorizes and increases the resources of successful programs such as the SBA 7(a), Business Stabilization Loans and the SBA Microloan programs. The Small Business Administration 7(a) program guarantees long-term loans for business startups and expansions. The bill authorizes funds to guarantee $20 billion in 7(a) loans in 2010 and 2011. The bill extends until 2011 Business Stabilization Loans which provide $50,000 each for qualifying small businesses to make payments on existing loans. The bill also helps provide small businesses with short-term, working capital through the SBA Microloan program. Under the program, small businesses and not-for-profit child care centers can qualify for loans up to $35,000 to use for equipment, supplies, inventory and other business necessities.

The bill renews and expands the resources of the public/private partnership programs that serve small businesses such as community development programs, the Small Business Investment Company and the New Markets Venture Capital Program.

The SBA works with certified development companies to contribute to the economic development of communities. These public/private partnerships provide community small businesses with long-term loans to expand and modernize with the purpose of creating local jobs. This bill authorizes the SBA to guarantee no less than $9 billion of these community directed loans in 2010 and 2011.

The bill also continues Congress' commitment to the Small Business Investment Company by authorizing the SBA to guarantee $5 billion in loans in 2010 and $5.5 billion in 2011 for the program. The Small Business Investment Company licenses private investment firms to borrow Treasury money and make loans to small businesses. The loans are made with the long-term growth in mind since such investments can take years before becoming profitable. Since its creation in 1958, the Small Business Investment Company has provided nearly 100,000 small businesses with the capital they need to develop and grow.

The bill also reauthorizes the New Markets Venture Capital Program to promote economic development and job creation in low-income areas with $100 million in loans and loan guarantees for qualifying venture capital companies engaged in small business and job creation and economic development.

The latest reports and statistics catalogue the continued difficulty small businesses are experiencing as they attempt to access credit. The Nation's rising unemployment statistics emphasize the urgency of the problem. The resources provided by this bill should help American small businesses cope as the country struggles to right itself in the aftermath of the greatest economic downturn the world has ever known. I urge my colleagues to join me in support of the bill.

Mr. LANGEVIN. Mr. Chair, I rise in strong support of H.R. 3854, the Small Business Financing and Investment Act. This legislation will directly support small business jobs in Rhode Island by extending certain small business American Recovery and Reinvestment Act provisions and updating SBA programs to help meet the needs of businesses.

Small businesses have borne the brunt of this economic crisis. I continue to hear from many small business owners in Rhode Island that accessing credit remains a significant problem. Remarkably, small businesses make up 96 percent of all employers in Rhode Island, and their inability to access credit to keep their businesses operating has clearly added to our high unemployment rate of 13 percent.

It is imperative that our small businesses have access to the tools they need to weather this economic downturn, as well as to keep and create jobs. H.R. 3854 does this by extending Recovery Act provisions that eliminated fees on SBA loans and guaranteeing these loans at 90 percent. This gives local banks and credit unions the confidence to lend to small businesses. This bill also raises the cap level on 7(a) loans from $2 million to $3 million, makes microloans more affordable for budding entrepreneurs, and streamlines the cumbersome loan application process.

Additionally, the legislation boosts programs that help small manufacturers and improves a renewable energy investment program to encourage small enterprises that are researching alternative and renewable energy solutions. H.R. 3854 also provides tools for veterans to start their own businesses and also makes permanent the Community Express program, which promotes lending to small businesses owned by women and economically disadvantaged individuals.

I encourage my colleagues to support H.R. 3854, which will help our small businesses grow, keep people employed and create new jobs. A few months ago, I had the chance to visit Jamiel's Shoe World, a small, family-owned business and a Rhode Island institution, which was able to take advantage of a loan guaranteed by the stimulus bill—a loan that enabled them to keep their doors open and keep Rhode Islanders employed. I look forward to seeing this legislation signed into law so that other small Rhode Island businesses can access the capital they need to flourish.

Ms. MATSUI. Mr. Chair, I rise today in strong support of the Small Business Financing and Investment Act. I also want to congratulate Chairwoman VELÁZQUEZ and the Small Business Committee for bringing this bill before us today.

We are all aware of the importance of small businesses in our neighborhoods and communities.

While we rely on them to produce goods and services, we also depend on them to create and sustain jobs. Small businesses are the engine of economic growth and innovation.

Nationally they represent more than 90 percent of all business in our country and have generated 70 percent of all new jobs over the past decade.

In my home district of Sacramento, small businesses are an integral part of our economy.

In fact, most Sacramentans obtain their first job through a small business.

In today's economic recession, however, many small businesses are struggling to make payroll, retain their employees, and expand their operations.

Over the last few months I've held two, separate, ''Small Business Workshops'' in Sacramento to help existing small business owners understand the stimulus legislation, obtain

financing and find new opportunities through government programs.

These two workshops attracted more than 800 local small businesses in Sacramento.

At these workshops, I heard from small business owners who were eager to be connected to business counseling resources, learn more about financing opportunities, SBA loan products, and government contracting opportunities.

I also heard from local small engineering firms who expressed concern that they did not qualify for an SBA loan because of their Standard Size.

I thank Chairwoman Velázquez for joining me in writing to SBA Administrator Karen Mills to move quickly to consider changing the size standard applied to small engineering firms.

Mr. Chair, the failure to promptly adjust the standard could inflict long-term damage to businesses within the engineering community and reduce federal contract participation opportunities.

The American Recovery and Reinvestment Act that we passed earlier this year included dozens of new opportunities for small businesses through government contracts and grant programs totaling nearly $9 billion in lending since its enactment.

The bill before us today would build on these successes by infusing more than $44 billion for new lending and investment for small businesses.

It would also establish a new public-private partnership at the SBA and improve access to capital by increasing loan sizes.

Finally, it would create a new program to help small health practitioners adopt Health Information Technology, while increasing investment in small companies that are researching alternative and renewable energy solutions.

Mr. Chair, the federal government, in partnership with the private sector, is taking demonstrative action today to strengthen small businesses.

I commend our Leadership for bringing the Small Business Financing and Investment Act to the floor, and for their ongoing efforts to assist America's small businesses.

I urge my colleagues to support passage of the pending legislation.

Mr. REYES. Mr. Chair, I rise today in support of H.R. 3854, the Small Business Financing and Investment Act of 2009. This bill will assist small businesses across the country by increasing the amount of funding that is available to them as well as streamlining many of the current SBA application processes.

There is a vibrant business community in my district of El Paso, Texas, with the Greater El Paso Chamber of Commerce, the El Paso Hispanic Chamber of Commerce, and the El Paso Small Business Consortium all playing a key role to open doors for many of our local entrepreneurs. Small businesses are a vital part of El Paso's economy, and I support this bill because it will help small firms access larger amounts of capital which is critical during these difficult economic times.

I am particularly pleased with the provisions of the bill that make permanent the Community Express and the Veteran Participation Loan Programs. These programs share a common goal of assisting borrowers who have not accessed SBA programs in the past or who have traditionally had limited access to capital. The Community Express Program is an important tool used by the El Paso Hispanic Chamber of Commerce to provide funding to local firms that are deemed un-bankable by conventional lenders. El Paso's growing military community will also benefit from the higher guarantees and lower cost loans available to veterans interested in starting their own businesses.

Mr. Chair, I support this legislation because I believe it will improve the efficiency and transparency of the SBA's programs as well as provide essential capital to small firms. I urge my colleagues to vote in favor of this bill.

Mr. THOMPSON of Mississippi. Mr. Chair, I rise in firm support of H.R. 3854, the Small Business Financing and Investment Act.

As a vital part of our economy, small businesses account for at least 65 percent of American jobs.

The legislation we are considering today provides a much-needed increase in loans for the nation's small businesses.

During a time of economic recession, it is increasingly important that we provide access to start-up capital, long term financing, and other forms of investment capital to small businesses.

Hit particularly hard by these rough economic times, small businesses receive greater access to critical financing through this legislation.

The bill also provides financing opportunities for rural communities through the Rural Lender Outreach Program.

Another critical provision in H.R. 3854 creates a grant program for companies to begin recovery efforts after a natural disaster.

I am confident that the nation's underserved small businesses—particularly minority owned businesses—will be better served because of this important legislation.

Access to capital is one of the greatest challenges preventing fair competition for small businesses.

H.R. 3854 addresses accessibility to financing and overall investment.

I urge my colleagues to support this important legislation.

Mr. BOSWELL. Mr. Chair, I ask unanimous consent to revise and extend my marks.

I rise today in support of the manager's amendment, and the underlying bill, H.R. 3854, the Small Business Financing and Investment Act of 2009.

Thank you Chairwoman VELÁZQUEZ for including an amendment I submitted to Rules.

This amendment will ensure that Small Business Administration loans may be used to purchase facilities and equipment that have been left behind by closed manufacturing plants.

Each of us has seen communities devastated by the loss of a factory—from the closing of automotive businesses, to the buyout of Maytag Corporation in my own district.

On Tuesday, many of us read in the Washington Post that an electronic car company will be taking over a GM building in Delaware.

I believe we must continue to incentivize this practice—but on a broader scale.

In my own district I have seen companies from within and outside Iowa purchase Maytag campus facilities, our own Iowa Telecom, Trinity Towers wind energy, and a new and locally owned small business, Madhouse Brewery.

The empty factory buildings scattered across our nation represent the loss of jobs, tough times, and hard choices for families and community leaders.

I believe these buildings can be used to better our districts and states. By helping small businesses that are rooted in the community purchase these buildings or equipment, we will help bring hope to our towns that have suffered such losses.

This amendment and legislation will empower the financial stability of America's small businesses. I urge my colleagues to support this amendment and H.R. 3854.

Mr. ETHERIDGE. Mr. Chair, I rise in support of H.R. 3854, the Small Business Financing and Investment Act of 2009.

While our economy has begun to show some signs of rebounding from the recession, there is still a long way to go before we have returned to full strength. Far too many Americans are looking for work and the unemployment rate remains high, reaching into the double digits in my State of North Carolina. Many businesses are finding it difficult to obtain the credit they need to operate. H.R. 3854 will benefit the small businesses that form the backbone of our economy and serve as our biggest job creators.

H.R. 3854 contains several provisions that will help finance new small businesses and allow them access to more capital. This bill supports public and private partnerships that invest capital into new startups, and makes microloans more affordable for budding entrepreneurs. For existing small businesses, this bill improves the Small Business Administration's 7(a) loan initiative by raising loan amounts and maintaining the fee reductions and guarantee increases that were included in the American Recovery and Reinvestment Act. I am also pleased that his bill contains provisions that help rural businesses and veteran-owned businesses obtain loans. H.R. 3854 is expected to support $44 billion in small business lending, which could create or save over 1 million jobs.

I support stronger lending tools for our nation's small businesses and I support the Small Business Financing and Investment Act of 2009. I urge my colleagues to join me in voting for its passage.

The CHAIR. All time for general debate has expired.

Pursuant to the rule, the amendment printed in part A of House Report 111–317 is adopted. The bill, as amended, shall be considered as an original bill for the purpose of further amendment under the 5-minute rule and shall be considered read.

The text of the bill, as amended, is as follows:

H.R. 3854

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 Financing and Investment Act of 2009''.

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

TITLE I—SMALL BUSINESS LENDING ENHANCEMENTS

SEC. 101. SMALL LENDER OUTREACH PROGRAM.

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

''(34) SMALL LENDER OUTREACH PROGRAM.—The Administrator shall establish and carry out a program to provide support to regional, district, and branch offices of the Administration to assist small lenders, who do not participate in the Preferred Lenders Program, to participate in the programs under this subsection.''.

SEC. 102. RURAL LENDING OUTREACH PROGRAM.

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

''(35) RURAL LENDING OUTREACH PROGRAM.—

''(A) IN GENERAL.—The Administrator shall establish and carry out a rural lending outreach program (hereinafter referred to in this paragraph as the 'program') to provide loans under this subsection in accordance with this paragraph.

''(B) MAXIMUM PARTICIPATION.—A loan under the program shall include the maximum participation levels by the Administrator permitted for loans made under this subsection.

''(C) MAXIMUM LOAN AMOUNT.—The maximum amount of a loan under the program shall be $250,000.

''(D) USE OF RURAL LENDERS.—The program shall be carried out through lenders located in a rural area (as such term is defined under subsection (m)(11)(C)) or, if a small business concern located in a rural area does not have a lender located within 30 miles of the principal place of business of such concern, through any lender chosen by such concern that provides loans under this subsection.

''(E) TIME FOR APPROVAL.—The Administrator shall approve or disapprove a loan under the program within 36 hours.

''(F) DOCUMENTATION.—The program shall use abbreviated application and documentation requirements.

''(G) CREDIT STANDARDS.—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.

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

''(36) COMMUNITY EXPRESS PROGRAM.—

''(A) IN GENERAL.—The Administrator shall carry out a Community Express Program to provide loans under this subsection in accordance with this paragraph.

''(B) REQUIREMENTS.—For a loan made under the Community Express Program, the following shall apply:

''(i) The loan shall be in an amount not exceeding $250,000.

''(ii) The loan shall be made to a small business concern the majority ownership interest of which is directly held by individuals the Administrator determines are, without regard to the geographic location of such individuals, women, members of qualified Indian tribes, socially or economically disadvantaged individuals, veterans, or members of the reserve components of the Armed Forces.

''(iii) The loan shall comply with the collateral policy of the Administration.

''(iv) The loan shall include terms requiring the lender to provide, at the expense of the lender, technical assistance to the borrower through the lender or a third-party provider.

''(v) The Administrator shall approve or disapprove the loan within 36 hours.''.

SEC. 104. INCREASED VETERAN PARTICIPATION PROGRAM MADE PERMANENT.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by this Act, is further amended—

(1) by redesignating the second paragraph (32), as added by section 208 of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110–186; 122 Stat. 631), as paragraph (33); and

(2) in paragraph (33), as so redesignated by paragraph (1) of this section—

(A) by striking ''pilot program'' each place it appears and inserting ''program'';

(B) by striking subparagraphs (C) and (F); and

(C) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 105. LEASING POLICY.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by this Act, is further amended by striking paragraph (28) and inserting the following:

''(28) LEASING.—If a loan under this subsection is used to acquire or construct a facility, the assisted small business concern—

''(A) shall permanently occupy and use not less than 50 percent of the space in such facility; and

''(B) may, on a temporary or permanent basis, lease to others not more than 50 percent of the space in such facility.''.

SEC. 106. NATIONAL LENDER TRAINING PROGRAM.

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

''(37) NATIONAL LENDER TRAINING PROGRAM.—

''(A) IN GENERAL.—The Administrator shall establish and carry out, through the regional offices of the Administration, a lender training program for new and existing lenders under this subsection with respect to the lending systems, policies, and procedures of the Administration.

''(B) FEES.—The Administrator shall charge a fee for the program established under subparagraph (A) to reduce the cost of such program to zero.

''(C) LIMITATION.—The program established under subparagraph (A) may not be carried out by contract with a nongovernmental entity.''.

(b) PARTICIPATION.—An entity may not be permitted to participate in any program under the Small Business Act (15 U.S.C. 631 et seq.) or the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) that is amended under this Act, as a lending or investment entity or as an agent of the Small Business Administration, unless such entity satisfies the following:

(1) The entity has as the primary mission of the entity the financing or development of small business concerns.

(2) The entity has a full-time staff dedicated to loan making activities, investment activities, or entrepreneurial development training.

(3) The entity does not significantly participate in activities unrelated to the primary mission of the entity.

SEC. 107. APPLICATIONS FOR REPURCHASE OF LOANS.

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

''(38) APPLICATIONS FOR REPURCHASE OF LOANS.—

''(A) IN GENERAL.—Not later than 45 days after the date of the receipt of a claim from a lender for proper payment of the guaranteed portion of a loan under this subsection due to default, the Administrator shall make a final determination with respect to the approval or denial of such claim.

''(B) LATE DETERMINATIONS.—If the Administrator does not make a final determination under subparagraph (A) in the time period specified in such subparagraph, the claim shall be approved and paid promptly.''.

SEC. 108. 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) to use an alternative size standard. The alternative size standard shall be based on factors including the maximum tangible net worth and average net income of a business concern.''.

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

SEC. 109. PILOT PROGRAM AUTHORITY.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by this Act, is further amended by striking paragraph (25) and inserting the following:

''(25) LIMITATION ON CONDUCTING PILOT PROJECTS.—

''(A) LIMITATION ON NUMBER.—Not more than 10 percent of the total number of loans guaranteed in any fiscal year under this subsection may be awarded as part of a pilot program.

''(B) DOLLAR LIMITATIONS.—

''(i) IN GENERAL.—With respect to any pilot program under this subsection established on or after the date of the enactment of the Small Business Financing and Investment Act of 2009, no loan shall be made under such program if such loan would result in the total amount of loans made during a fiscal year under all such programs to be in excess of 5 percent of the total amount of loans guaranteed in such fiscal year under this subsection.

''(ii) CERTAIN PRE-EXISTING PROGRAMS.—With respect to any pilot program under this subsection established before the date of the enactment of the Small Business Financing and Investment Act of 2009, no loan shall be made under such program if such loan would result in the total amount of loans made during a fiscal year under all such programs to be in excess of 10 percent of the total amount of loans guaranteed in such fiscal year under this subsection.

''(C) EXPIRATION.—

''(i) IN GENERAL.—Except as provided in clause (iii), the duration of any pilot program under this subsection may not exceed 3 years.

''(ii) DESIGNATION AS NEW PROGRAM.—For purposes of this subparagraph, a pilot program shall not be treated as a new pilot program solely on the basis of a modification or change in the pilot program, including the change of its name.

''(iii) EXISTING PROGRAMS.—With respect to any pilot program in existence on the date of the enactment of the Small Business Financing and Investment Act of 2009, such program may continue in effect for a period not exceeding 3 years after such date without regard to the duration of such program before such date.

''(D) REGULATIONS.—

''(i) IN GENERAL.—With respect to each pilot program under this subsection, including each pilot program in existence on the date of the enactment of the Small Business Financing and Investment Act of 2009, the Administrator shall—

''(I) issue regulations for such program after providing notice in the Federal Register and an opportunity for comment; and

''(II) ensure that such regulations are published in the Code of Federal Regulations.

''(ii) PILOT PROGRAMS ESTABLISHED AFTER DATE OF ENACTMENT.—With respect to any pilot program established after the date of the enactment of the Small Business Financing and Investment Act of 2009, such program shall not take effect until the requirements under this subparagraph are satisfied.

''(E) REPEAL OF AUTHORITY TO WAIVE CERTAIN RULES.—

''(i) IN GENERAL.—Notwithstanding section 120.3 of title 13, Code of Federal Regulations, the Administrator may not from time to time suspend, modify, or waive rules for a limited period of time to test new programs or ideas with respect to this subsection, unless such suspension, modification, or waiver is explicitly authorized by Act of Congress.

''(ii) EXISTING PILOT PROGRAMS.—Nothing under clause (i) may be construed to affect a pilot program in existence on the date of the enactment of the Small Business Financing and Investment Act of 2009.

''(F) PILOT PROGRAM.—For purposes of this paragraph, the term 'pilot program' means any lending program initiative, project, innovation, or other activity not specifically authorized by Act of Congress.''.

SEC. 110. LOANS TO COOPERATIVES.

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

''(39) COOPERATIVES.—The Administration may provide loans under this subsection to any cooperative that—

''(A) is not organized as a tax-exempt entity;

''(B) is engaged in a legal business activity;

''(C) obtains financial benefits for the cooperative and for the members of such cooperative; and

''(D) is eligible under applicable size standards of the Administration, including that any business entity that is a member of such cooperative is eligible under applicable size standards of the Administration.''.

SEC. 111. CAPITAL BACKSTOP PROGRAM.

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

''(40) CAPITAL BACKSTOP PROGRAM.—

''(A) IN GENERAL.—The Administrator shall establish a process under which a small business concern may submit an application to the Administrator for the purpose of securing a loan under this subsection. With respect to such application, the Administrator shall collect all information necessary to determine the creditworthiness and repayment ability of an applicant and shall determine if such application meets basic eligibility and credit standards for a loan under this subsection.

''(B) PARTICIPATION OF LENDERS.—

''(i) IN GENERAL.—The Administrator shall establish a process under which the Administrator makes available to lenders each loan application submitted and determined to meet basic eligibility and credit standards under subparagraph (A) for the purpose of such lenders originating, underwriting, closing, and servicing the loan for which the applicant applied.

''(ii) ELIGIBILITY.—Lenders are eligible to receive a loan application described in clause (i) if they participate in the programs established under this subsection.

''(iii) LOCAL LENDERS.—The Administrator shall first make available a loan application described in clause (i) to lenders within 100 miles of the principal office of the loan applicant.

''(iv) PREFERRED LENDERS.—If a lender described in clause (iii) does not agree to originate, underwrite, close, and service the loan applied for within 5 business days of receiving a loan application described in clause (i),

the Administrator shall subsequently make available such loan application to lenders in the Preferred Lenders Program under paragraph (2)(C)(ii) of this subsection.

''(v) AUTHORITY OF ADMINISTRATION TO LEND.—If a lender described in clauses (iii) or (iv) does not agree to originate, underwrite, close, and service the loan applied for within 10 business days of receiving a loan application described in clause (i), the Administrator shall originate, underwrite, close, and service such loan.

''(C) ASSET SALES.—The Administrator shall offer to sell loans made by the Administrator under this paragraph. Such sales shall be made through the semi-annual public solicitation (in the Federal Register and in other media) of offers to purchase. The Administrator may contract with vendors for due diligence, asset valuation, and other services related to such sales. The Administrator may not sell any loan under this subparagraph for less than 90 percent of the net present value of the loan, as determined and certified by a qualified third party.

''(D) LOANS NOT SOLD.—The Administrator shall maintain and service loans made by the Administrator under this paragraph that are not sold through the asset sales under this paragraph.

''(E) EFFECTIVE DATES.—This paragraph shall have effect on a date if—

''(i) such date occurs during a period that—

''(I) begins on the date the Bureau of Economic Analysis, or any successor organization, makes a determination that the gross domestic product of the United States has decreased for three consecutive quarters; and

''(II) ends on the date the Bureau of Economic Analysis, or any successor organization, makes a determination that the gross domestic product of the United States has increased for two consecutive quarters; and

''(ii) the number of loans provided under this subsection prior to such date in the fiscal year including such date is at least 30 percent less than the number of such loans provided prior to the same point in the previous fiscal year.

''(F) IMPLEMENTATION.—The Administrator shall establish a group of at least 250 individuals available to carry out activities under this paragraph on any date on which this paragraph has effect under subparagraph (E). The Administrator shall provide to such group the training necessary to carry out activities under this paragraph.

''(G) APPLICATION OF OTHER LAW.—Nothing in this paragraph shall be construed to exempt any activity of the Administrator under this paragraph from the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

''(H) AUTHORIZATION OF APPROPRIATIONS.—

''(i) PROGRAM LEVELS.—The Administrator is authorized to make loans under this paragraph in an amount that is equal to half the amount authorized for loans under this subsection other than loans under this paragraph.

''(ii) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available to carry out this subsection, there are authorized to be appropriated such sums as may be necessary to carry out this paragraph.''.

SEC. 112. LOANS TO FINANCE GOODWILL.

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

''(41) GOODWILL.—The Administrator may not apply an application, processing, or approval standard to a loan for the purpose of financing goodwill under this subsection, unless such standard applies to all loans under this subsection.''.

SEC. 113. APPELLATE PROCESS AND OMBUDSMAN.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 44 as section 45; and

(2) by inserting after section 43 the following:

''SEC. 44. APPELLATE PROCESS AND OMBUDSMAN.

''(a) APPELLATE PROCESS.—

''(1) IN GENERAL.—Not later than 270 days after the date of the enactment of the Small Business Financing and Investment Act of 2009, the Administrator shall establish an independent appellate process within the Administration. The process shall be available to review material determinations made by the Administration that affect a lender or investment company that participates or is applying to participate in a program administered by the Administration.

''(2) REVIEW PROCESS.—In establishing the independent appellate process under paragraph (1), the Administrator shall ensure that—

''(A) any appeal of a material determination by the Administration is heard and resulting recommendations are provided expeditiously; and

''(B) appropriate safeguards exist for protecting the appellant from retaliation by Administration employees.

''(3) COMMENT PERIOD.—Not later than 180 days after the date of the enactment of the Small Business Financing and Investment Act of 2009, the Administrator shall provide an opportunity for notice and comment on proposed guidelines for the establishment of an independent appellate process under this section.

''(b) AGENCY OMBUDSMAN.—

''(1) ESTABLISHMENT.—Not later than 180 days after the date of the enactment of the Small Business Financing and Investment Act of 2009, the Administrator shall appoint an ombudsman.

''(2) DUTIES.—The ombudsman appointed in accordance with paragraph (1) shall—

''(A) act as a liaison between the Administration and any lender or investment company that participates or is applying to participate in a program administered by the Administration with respect to a problem such entity may have in dealing with the Administration resulting from a material determination made by the Administration; and

''(B) ensure that safeguards exist to encourage complainants to come forward and preserve confidentiality.

''(c) OTHER AUTHORITY.—An individual carrying out the independent appellate process established under subsection (a) or the position of ombudsman established under subsection (b) is authorized to—

''(1) examine records and documents relating to a matter under review pursuant to such subsections; and

''(2) initiate the review of a matter under such subsections if such individual believes that Administration procedures have not been followed as intended with respect to such matter, without regard to whether an appeal or complaint has been made.

''(d) LIMITATIONS.—

''(1) IN GENERAL.—An individual carrying out the independent appellate process established under subsection (a) or the position of ombudsman established under subsection (b) may not, as a result of the authority provided under this section—

''(A) make, change, or set aside a law, policy, or administrative decision;

''(B) make binding decisions or determine rights;

''(C) directly compel an entity to implement the recommendations of such individual; or

''(D) accept jurisdiction over an issue that is pending in a legal forum.

''(2) RULE OF CONSTRUCTION.—Activities carried out under this section may not be construed—

''(A) as a formal investigation, formal hearing, or binding decision;

''(B) as limiting any remedy or right of appeal;

''(C) as affecting any procedure concerning grievances, appeals, or administrative matters under law; or

''(D) as a substitute for an administrative or judicial proceeding.

''(e) REPORT.—Not later than one year after the date of the enactment of the Small Business Financing and Investment Act of 2009 and annually thereafter, the Administrator shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report describing and providing the status of appeals made under subsection (a) and complaints made under subsection (b).

''(f) DEFINITIONS.—In this section, the following apply:

''(1) MATERIAL DETERMINATION.—The term 'material determination' includes determinations relating to—

''(A) applications for payment relating to a loan guarantee; and

''(B) the ability of an entity to participate in an Administration loan or investing program.

''(2) INDEPENDENT APPELLATE PROCESS.—The term 'independent appellate process' means a review by an Administration official who does not directly or indirectly report to the Administration official who made the material determination under review.''.

SEC. 114. EXTENSION OF RECOVERY AND RELIEF LOAN BENEFITS.

(a) FEE REDUCTIONS.—Section 501 of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended—

(1) in subsection (a) by striking ''September 30, 2010'' and inserting ''September 30, 2011''; and

(2) in subsection (c) by striking paragraph (2).

(b) ECONOMIC STIMULUS LENDING PROGRAM FOR SMALL BUSINESSES.—Section 502(f) of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended by striking ''the date 12 months after the date of enactment of this Act'' and inserting ''September 30, 2011''.

SEC. 115. REDUCED DOCUMENTATION FOR BUSINESS STABILIZATION LOANS.

Section 506(a) of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended by adding at the end the following: ''In carrying out such program, the Administrator shall establish and utilize a one-page application for loans under this section and shall authorize lenders to utilize the same documentation and procedural requirements for loans under this section as such lenders utilize for other loans of a similar size and type.''.

SEC. 116. EXPANDED ELIGIBILITY FOR BUSINESS STABILIZATION LOANS.

Section 506(c) of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended by striking ''but shall not include'' and all that follows through ''enactment of this Act''.

SEC. 117. INCREASED AMOUNT OF BUSINESS STABILIZATION LOANS.

Section 506(d) of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended by striking ''$35,000'' and inserting ''$50,000''.

SEC. 118. EXTENSION OF BUSINESS STABILIZATION LOANS.

Section 506(j) of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended by striking ''September 30, 2010'' and inserting ''September 30, 2011''.

SEC. 119. SBA SECONDARY MARKET LENDING AUTHORITY MADE PERMANENT.

Section 509 of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f), (h), and (i) as subsections (e), (f), and (g), respectively.

SEC. 120. SBA SECONDARY MARKET LENDING AUTHORITY EXPANDED.

Section 509 of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5), as amended by this Act, is further amended—

(1) in subsection (c)(1) by adding at the end the following: ''Such process shall include the designation of each lender participating in a program under section 7(a) of the Small Business Act as a Systematically Important Secondary Market Broker-Dealer for purposes of this section.''; and

(2) in subsection (e), as so redesignated by section 20 of this Act, by adding at the end the following: ''To the extent that the cost of an elimination or reduction of fees is offset by appropriations, the Administrator shall in lieu of the fee otherwise applicable under this subsection collect no fee or reduce fees to the maximum extent possible.''.

SEC. 121. INCREASED LOAN LIMITS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by this Act, is further amended—

(1) in paragraph (2)(A)—

(A) in clause (i)—

(i) by inserting after ''$150,000'' the following: ''and is less than or equal to $2,000,000''; and

(ii) by striking ''or'' at the end;

(B) in clause (ii) by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(iii) 50 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $2,000,000.''; and

(2) in paragraph (3)(A) by striking ''$2,000,000'' and inserting ''$3,000,000''.

SEC. 122. REAL ESTATE APPRAISALS.

Section 7(a)(29) of the Small Business Act (15 U.S.C. 636(a)(29)) is amended—

(1) in the matter preceding subparagraph (A) by striking ''a State licensed or certified appraiser'' and inserting ''an appraiser licensed or certified by the State in which such property is located'';

(2) in subparagraph (A) by striking ''$250,000'' and inserting ''$400,000''; and

(3) in subparagraph (B) by striking ''$250,000'' and inserting ''$400,000''.

SEC. 123. ADDITIONAL SUPPORT FOR EXPRESS LOAN PROGRAM.

Section 7(a)(18)(B) of the Small Business Act (15 U.S.C. 636(a)(18)(B)) is amended by adding after ''under subparagraph (A)(i)'' the following: '', except that a lender making a loan under paragraph (31) may not retain any percentage of a fee collected under such subparagraph''.

SEC. 124. AUTHORIZATION OF APPROPRIATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by inserting after subsection (e) the following:

''(f) FISCAL YEARS 2010 AND 2011 WITH RESPECT TO SECTION 7(a).—

''(1) PROGRAM LEVELS.—For the programs authorized by this Act, in each of fiscal years 2010 and 2011 commitments for general business loans authorized under section 7(a) may not exceed $20,000,000,000.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out paragraph (1).''.

TITLE II—CDC ECONOMIC DEVELOPMENT LOAN PROGRAM

Subtitle A—General Provisions

SEC. 201. PROGRAM LEVELS.

Section 20 of the Small Business Act (15 U.S.C. 631 note), as amended by this Act, is further amended by inserting after subsection (f) the following:

''(g) PROGRAM LEVELS WITH RESPECT TO CDC ECONOMIC DEVELOPMENT LOAN PROGRAM.—

''(1) FISCAL YEAR 2010.—For financings authorized by section 7(a)(13) of this Act and title V of the Small Business Investment Act of 1958, the Administrator is authorized to make $9,000,000,000 in guarantees of debentures for fiscal year 2010.

''(2) FISCAL YEAR 2011.—For financings authorized by section 7(a)(13) of this Act and title V of the Small Business Investment Act of 1958, the Administrator is authorized to make $10,000,000,000 in guarantees of debentures for fiscal year 2011.''.

SEC. 202. DEFINITIONS.

Section 103 of the Small Business Investment Act of 1958 (5 U.S.C. 662) is amended as follows:

(1) By amending paragraph (6) to read as follows:

''(6) the term 'development company' means any corporation organized in order to promote economic development and the growth of small business concerns and includes companies chartered under a special State law authorizing them to operate on a statewide basis;''.

(2) By striking ''and'' at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting a semicolon, and by adding at the end the following new paragraphs:

''(20) the term 'certified development company' means a development company that the Administrator has determined meets the criteria set forth in section 501;

''(21) the term 'local governmental entity' means—

''(A) a State or a political subdivision of a State; or

''(B) a combination of political subdivisions which—

''(i) has been formed to promote economic or community development;

''(ii) is composed of representatives of the State or a political subdivision acting in their official capacity; and

''(iii) includes an area in an adjacent State if it is part of a local economic area, a rural area, or has a population determined by the Administrator to be insufficient to support the formation of a separate development company;

such term includes entities meeting the requirements of clauses (i) through (iii), such as, but not limited to, a council of governments, regional development corporation, regional planning commission, or economic development district;

''(22) the term 'member' means any person authorized to vote for a director of a corporation or the dissolution or merger of a company (for purposes of this definition, a shareholder of a for-profit corporation shall be considered a member);

''(23) the terms 'rural' and 'rural area' shall have the same meaning as those terms are given in section 1991(a)(13)(A) of title 7, United States Code; and

''(24) the term 'small manufacturer' means a small business concern—

''(A) the primary business of which is classified in sector 31, 32, or 33 of the North American Industrial Classification System; and

''(B) all of the production facilities of which are located in the United States.''.

Subtitle B—Certified Development Companies

SEC. 211. CERTIFIED DEVELOPMENT COMPANIES.

Section 501 of the Small Business Investment Act of 1958 (15 U.S.C. 695) is amended to read as follows:

''SEC. 501. CERTIFIED DEVELOPMENT COMPANIES.

''(a) CERTIFIED DEVELOPMENT COMPANY DEBENTURE AUTHORITY.—Only development companies certified by the Administrator shall have the authority to issue debentures under this Act.

''(b) CERTIFICATION STANDARDS.—A development company shall be certified for the purposes of issuing debentures if the Administrator determines that it meets each of the following criteria:

''(1) SMALL CONCERN.—

''(A) IN GENERAL.—Except as provided in subparagraph (C) of paragraph (2), the company, including its affiliates, shall have no more than 200 employees.

''(B) CONTROL.—Except as provided in paragraph (2) (B) or (C) the company shall not be under the control of any other concern.

''(C) NOT FOR PROFIT.—The development company is organized as a not-for-profit corporation.

''(2) EXCEPTIONS.—

''(A) FOR PROFIT STATUS.—If a development company was chartered as a for-profit corporation and issued debentures prior to January 1, 1987, the company shall not be required to change its status to not-for-profit in order to be certified.

''(B) AFFILIATION GRANDFATHER.—Any company that was authorized by the Administrator to issue debentures before December 31, 2005, shall be eligible for certification without regard to its status as part of, or its affiliation with, any other not-for-profit corporation or local governmental entity unless that not-for-profit corporation or local governmental entity is another entity that issues debentures under this title.

''(C) AFFILIATION WITH LOCAL GOVERNMENTAL ENTITIES.—Any company that was organized after the date of enactment of the Small Business Financing and Investment Act of 2009 shall be eligible for certification without regard to its status as part of or affiliation with any local governmental entity.

''(3) GOOD STANDING.—A development company shall be in good standing and comply with all laws, in every State in which it is incorporated or authorized to conduct business.

''(4) MEMBERSHIP.—

''(A) IN GENERAL.—The development company shall have at least 25 members.

''(B) VOTING RIGHTS.—No member shall control more than 10 percent of the total voting power in the development company.

''(C) RESIDENCE.—Members must be residents of the State in which the development company is chartered or authorized to do business.

''(D) DIVERSITY.—The development company must have at least one member from each of the following:

''(i) A local governmental entity.

''(ii) A financial institution subject to regulation by a Federal organization belonging to the Federal Financial Institutions Examination Council and that provides long-term fixed asset financing in the commercial market.

''(iii) A not-for-profit organization, other than a development company, that is dedicated to promoting economic growth.

''(iv) A for-profit business, other than a financial institution described in clause (ii).

''(E) EMPLOYMENT STATUS.—Membership in a development company shall not be predicated on employment status and an individual who retired from or was terminated (for reasons other than fraud or the commission of a crime) from an entity described in subparagraph (D) shall be deemed to be from the organization described in that subparagraph.

''(5) BOARD OF DIRECTORS.—

''(A) IN GENERAL.—The development company's board consists of members and each director receives a majority vote of the members unless the development company is a for-profit corporation in which case the board need not consist entirely of members.

''(B) BOARD REPRESENTATION.—There shall be at least one director from not fewer than 3 of the 4 types of organizations specified in paragraph (4)(D) but no single type of organization shall have more than 50 percent representation on the board of the development company. If the development company is a for-profit corporation, financial institution representatives may make up more than 50 percent of the board.

''(C) AFFILIATED ENTITY REPRESENTATION RESTRICTIONS.—A development company that is described in paragraph (1)(C) may have any or all of its board members appointed by entities affiliated with the company and may include common members who also serve on the affiliate's board of directors if the appointment of board members was exercised by an affiliate prior to December 31, 2005.

''(D) SPECIAL RULE FOR CERTAIN DEVELOPMENT COMPANIES.—The board of directors for any development company issuing debentures before December 31, 2005, and incorporated under a State law requiring, or which is interpreted by the State's legal department as imposing specific requirements on, the number and selection of members, board members, or both, and the rights and privileges conferred by such State law, may adhere to such provisions.

''(6) PROFESSIONAL MANAGEMENT AND STAFF.—

''(A) IN GENERAL.—The development company shall have full-time independent professional management, including a chief executive officer to manage the daily operations and a full-time professional staff qualified to carry out the functions authorized under this title.

''(B) UTILIZATION OF STAFF FROM AFFILIATED ENTITIES.—A development company shall not be denied certification under this section if its chief executive or full-time professional staff is from an affiliated entity as described in paragraph (1)(C).

''(C) STAFF UNDER CONTRACT.—The Administrator shall not deny certification to a development company that contracts for its full time staff if one of the following conditions is met:

''(i) The development company is located in a rural area, obtains its staff through contract from another development company that is certified by the Administrator and that development company operates in the same or a contiguous State.

''(ii) The development company had issued debentures under this title prior to December 31, 2005, and had contracted with a for-profit business concern to provide staffing and management services.

''(c) APPLICATIONS.—

''(1) DEVELOPMENT COMPANIES ISSUING DEBENTURES BEFORE SEPTEMBER 30, 2009.—

''(A) SHORT FORM APPLICATION.—(i) For any development company that issued debentures pursuant to this title before September 30, 2009, the Administrator shall develop, after an opportunity for notice and comment, no later than 90 days after the date of enactment of the Small Business Financing and Investment Act of 2009, a short-form application that contains sufficient information for the Administrator to determine that the development company currently meets the standards set forth in subsection (b). In developing such application, the Administrator shall be required to limit the amount of paperwork necessary to determine whether the development company meets the standards for certification and may limit the application to the filing of reports previously submitted to the Administrator.

''(ii) For those companies that obtain staff through contracts, the application shall include a copy of the contract.

''(B) CERTIFICATION DECISION.—(i) The Administrator shall certify the development company if the application demonstrates that the applicant meets the standards in subsection (b). The decision to certify or not approve the request for certification shall be made within 7 business days from the date the initial submission of the application is received by the Administrator. If the Administrator takes no action to approve or disapprove within 7 business days, the application for certification is deemed approved and no further action is required by the Administrator or the development company to obtain certification. If the Administrator disapproves the application, the Administrator shall provide in writing within 3 business days the reasons for the disapproval. If such document is not provided within the time specified, the application is deemed approved and no further action is required by the Administrator or the development company to obtain certification.

''(ii) For those development companies that submit contracts under subparagraph (A)(ii), the Administrator is limited in rejecting the application only if the Administrator finds that the entity servicing the applicant is no longer able to provide the employees or services needed by the applicant to perform the functions that would be authorized under this title.

''(C) APPLICATION RESUBMITTAL.—If the Administrator disapproves the application for certification and provides a written statement as set forth in subparagraph (B), the development company may file a new application limited solely to addressing the concerns of the Administrator and the certification procedures set forth in subparagraph (B) shall recommence.

''(D) APPEALS.—If the Administrator disapproves an application in accordance with the procedures of subparagraphs (B) or (C), the applicant may, within 10 calendar days after receipt of the disapproval, appeal such disapproval. The Administrator shall conduct a hearing to determine such appeal pursuant to sections 554, 556, and 557 of title 5, United States Code, and shall issue a decision not later than 45 days after the appeal is filed. The decision on appeal shall constitute final agency action for purposes of chapter 7 of title 5, United States Code.

''(E) GRANDFATHERING.—

''(i) IN GENERAL.—For the period 2 years after date of enactment of the Small Business Financing and Investment Act of 2009, any development company that was issuing debentures on or before the date set forth in this clause (i) shall be deemed to be a certified development company.

''(ii) COMPLETION OF APPLICATION PROCESS.—The procedures set forth in this paragraph for determining certification shall apply to any development company meeting the qualifications of clause (i).

''(iii) EFFECT OF DENIAL.—The denial or rejection of an application for certification as set forth in this subsection shall have no effect on the ability of a development company meeting the qualifications in clause (i) from continuing to issue debentures during the entire two-year period established in that clause.

''(iv) FAILURE TO OBTAIN CERTIFICATION.—Any development company that fails to obtain certification in accordance with the procedures set forth in this paragraph during the period set forth in clause (i) shall be considered to be a new development company and the procedures of paragraph (2) shall apply. The authority to issue debentures shall cease for any development company covered by this subparagraph that has failed to obtain certification from the Administrator during the time period set forth in clause (i).

''(F) AUTOMATIC QUALIFICATION PROVISION.—If the Administrator fails to implement the certification process set forth in this paragraph, any development company that was issuing debentures before September 30, 2009, pursuant to this title shall be considered certified until such time as the Administrator develops the certification procedures set forth in this paragraph.

''(G) SAVINGS CLAUSE.—Any action taken by a development company or the Administrator pursuant to this paragraph shall have no impact on any guarantee of a debenture issued prior to the date of enactment of the Small Business Financing and Investment Act of 2009.

''(2) APPLICATION PROCESS FOR NEW DEVELOPMENT COMPANIES.—

''(A) IN GENERAL.—For any development company that has not issued debentures prior to September 30, 2009, the Administrator shall develop no later than 180 days after the date of enactment of the Small Business Financing and Investment Act of 2009, after an opportunity for notice and comment, an application form for certification that provides the Administrator with sufficient information to insure that the applicant meets the standards set forth in subsection (b). The Administrator shall certify such development company or reject the application within 60 calendar days from the date the initial submission was received by the Administrator. If the Administrator rejects the application, the Administrator shall provide in writing within 7 business days after the decision, the reason for rejecting the application.

''(B) APPEALS.—A development company shall be able to appeal the disapproval of an application under the procedures set forth in paragraph (1)(D).''.

SEC. 212. CERTIFIED DEVELOPMENT COMPANY; OPERATIONAL REQUIREMENTS.

(a) OPERATIONAL REQUIREMENTS.—Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended to read as follows:

''SEC. 502. OPERATIONAL REQUIREMENTS FOR CERTIFIED DEVELOPMENT COMPANIES.

''(a) MAINTENANCE OF STANDARDS FOR CERTIFICATION.—Any company certified pursuant to section 501 shall continue to comply with the requirements of that section to remain certified. The Administrator shall develop a reporting form, which to the extent possible, incorporates other documents and reports already kept by certified development companies, demonstrating their continued compliance. The form shall be developed in a manner that the estimated time for completion shall take no more than 2 hours.

''(b) ETHICS AND CONFLICT OF INTERESTS.—

''(1) IN GENERAL.—A certified development company, its officers, employees, and contractors shall act ethically and avoid activities which constitute a conflict of interest or appear to constitute a conflict of interest. For purposes of this subsection, conduct that is unethical includes, but is not limited to, the actions specified in section 120.140 of

title 13, Code of Federal Regulations, as in effect on January 1, 2009.

''(2) BY ASSOCIATES.—An associate may not be an officer, director, or manager of more than 1 certified development company. The term 'associate' shall have the same meaning given the term 'Associate of a CDC' in section 120.10 of title 13, Code of Federal Regulations, as in effect on January 1, 2009. For the purposes of this subsection, 10 percent shall be substituted wherever section 120.10 of title 13, Code of Federal Regulation uses 20 percent.

''(3) BY ENTITIES.—Except as provided in sections 501(b)(5) and 501(b)(6), no person, sole proprietorship, partnership, or corporation shall control or have managerial control of more than one certified development company. Control means any of the following:

''(A) The ability to appoint or remove a member of the company or member of its board of directors.

''(B) The ability to modify or approve rate or fee changes affecting revenues of the certified development company.

''(C) The ability to veto, overrule, or modify decisions of the certified development company's body.

''(D) The ability, either directly or contractually, to appoint, hire, reassign, or dismiss those managers and employees responsible for the daily operations of the certified development company.

''(E) The ability to access the certified development company's resources or amend its budget.

''(F) The ability to control another certified development company pursuant to provisions in a contract.

''(c) MEETINGS.—The board of directors of the certified development company shall meet on a regular basis to make policy decisions for the company.

''(d) LOAN COMMITTEES.—The board of directors of a certified development company may use a loan committee to process loans in the State in which it operates as well as adjacent local economic areas. Members of the loan committee shall be residents of the certified development company's State of operation or the adjacent local economic area. Such loan committees shall meet on a periodic basis as set forth by the board of directors.

''(e) PROHIBITED CONFLICT IN PROJECT LOANS.—

''(1) IN GENERAL.—Certified development companies shall not recommend or approve a guarantee of a debenture that will be collateralized by property being constructed or acquired on which an institution, as provided in section 508(c)(1)(A), will have a first lien position.

''(2) EXCEPTION.—The prohibition in paragraph (1) shall not apply to any certified development company that was affiliated with or part of any entity that took a first lien position between October 1, 2003, and September 30, 2005.

''(f) AFFILIATION WITH LENDERS OPERATING UNDER SECTION 7 OF THE SMALL BUSINESS ACT.—

''(1) PROHIBITION.—No certified development company may invest in, or be an affiliate of, a lender who participates in the loan programs authorized in sections 7(a) and 7(c) of the Small Business Act (15 U.S.C. 636(a) and (c)).

''(2) EXCEPTION.—The prohibition in paragraph (1) shall not apply to any certified development company that is affiliated with an entity authorized by the Administrator to operate under section 7(a) of the Small Business Act if such affiliation occurred on or before November 6, 2003.

''(3) CREDIT UNION AFFILIATION.—A certified development company shall not lose its status due to an affiliation with an institution regulated by the National Credit Union Administration if the development company was affiliated with such an institution prior to January 1, 2007.

''(g) SERVICING AND PACKAGING GUARANTEED LOANS.—A certified development company is authorized to prepare applications for loans under sections 7(a) or 7(c) of the Small Business Act (15 U.S.C. 636(a) or (c)), to service such loans, and to charge a reasonable fee for servicing such loans.

''(h) USE OF EXCESS FUNDS.—Any funds generated by a certified development company from the issuance of debentures under this title, the sale of debentures in the private secondary market, or fees described in subsection (g) that remain unexpended after payment of staff, operating, and overhead expenses shall be used by the certified development company for—

''(1) operating reserves;

''(2) expanding the area in which the certified development company operates through the methods authorized in section 505 (relating to multi-State operation);

''(3) investment in other community and local economic development activity or community development primarily in the State from which such funds were generated; or

''(4) investment in small business investment companies subject to the limitations in subsection (i).

''(i) LIMITATIONS WITH RESPECT TO SMALL BUSINESS INVESTMENT COMPANIES.—A certified development company shall not—

''(1) invest excess funds in a small business investment company that the Administrator determines to be capitally impaired as set forth in section 107.1830 of title 13, Code of Federal Regulations, as in effect on January 1, 2009, or any successor regulation to that regulation, but may maintain its investment in such company if such investment was made prior to the determination of capital impairment; and

''(2) provide a debenture under this title to a small business concern that has financing with a small business investment company in which the certified development company has invested excess funds.

''(j) ECONOMIC DEVELOPMENT ACTIVITIES.—A company certified pursuant to this section shall carry out each of the following economic development activities that create or preserve jobs in urban and rural areas:

''(1) The company shall provide long-term financing to small business concerns through debentures described in section 506.

''(2) The company shall operate any other program to assist small business concerns or communities that promote local economic development and job creation or preservation.

''(k) RESTRICTIONS ON ASSISTANCE.—

''(1) IN GENERAL.—After the date of enactment of the Small Business Financing and Investment Act of 2009, no certified development company may accept funding from any source, including any Federal agency (as that term is defined in section 551 of title 5, United States Code) if the source imposes—

''(A) conditions on the types of small business concerns that a certified development company may provide assistance to under this title; or

''(B) conditions or requirements, directly or indirectly, upon any small business concern receiving assistance under this title.

''(2) EXCEPTION.—The conditions of subparagraphs (A) and (B) of paragraph (1) shall not apply if the source provides all of the financing that will be provided by the certified development company to the small business concern, provided further that any conditions or restrictions are limited solely to the financing provided by the source of funding.

''(l) REVOCATION AND SUSPENSION.—The Administrator may suspend or revoke a certified development company's status if the Administrator determines, after a hearing on the record as set forth in sections 554, 556, and 557 of title 5, United States Code, that the certified development company no longer—

''(1) meets the eligibility criteria established under section 501 of this title;

''(2) satisfies the operational standards in this section; or

''(3) complies with the Administrator's rules, regulations, or provisions of law.

''(m) EFFECT OF SUSPENSION OR REVOCATION.—A suspension or revocation under subsection (l) shall not affect any outstanding debenture guarantee.''.

SEC. 213. ACCREDITED LENDERS PROGRAM.

Section 503 of the Small Business Investment of 1958 (15 U.S.C. 697) is amended to read as follows:

''SEC. 503. ACCREDITED LENDERS PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—A certified development company may apply for status to become an accredited certified development company if it meets the operational standards of section 502 and the criteria in subsection (b).

''(2) APPLICATION.—The Administrator shall, after opportunity for notice and comment, develop an application for certified development companies seeking to become accredited certified development companies.

''(3) PROCESSING OF APPLICATION.—The Administrator shall make a determination within 30 days after a complete application has been filed by the certified development company.

''(4) REAPPLICATION.—If the Administrator rejects the application, the Administrator shall provide in writing the reasons for the rejection. Any certified development company may reapply which will recommence the processing time limits set forth in paragraph (3), and such reapplication shall be limited to addressing the reasons for rejection. If the Administrator rejects a second application, that shall be considered final agency action for purposes of chapter 7 of title 5, United States Code.

''(b) STANDARDS FOR ACCREDITED CERTIFIED DEVELOPMENT COMPANY PROGRAM.—The Administrator shall designate a certified development company as accredited if it meets the following standards:

''(1) Has been a certified development company for not less than the preceding 12 months and has issued debentures as authorized under this title during that time period.

''(2) Has well-trained, qualified personnel who are knowledgeable in the lending policies and procedures for certified development companies.

''(3) Has the ability to process, close, and service the loan issued under this title.

''(4) Has a loss rate on the company's debentures that is reasonable and acceptable to the Administrator.

''(5) Has a history of submitting to the Administrator complete and accurate debenture guaranty application packages.

''(6) Has the ability to serve small business credit needs for financing plant and equipment as a certified development company.

''(c) EXPEDITED PROCESSING OF GUARANTEE APPLICATIONS.—The Administrator shall develop an expedited procedure for processing a guarantee application or servicing action submitted by an accredited certified development company. For purposes of this subsection, an expedited procedure is one that takes at least two business days less than the processing performed for certified development companies that have not been accredited.

''(d) SUSPENSION OR REVOCATION OF ACCREDITED STATUS.—The Administrator may suspend or revoke a certified development company's accredited status if the Administrator

determines, after a hearing on the record as set forth in sections 554, 556, and 557 of title 5, United States Code, that the certified development company no longer meets the eligibility criteria established under this section (which shall not include a time limit on the term of the certified development company's accredited status) or failed to adhere to the Administrator's rules, regulations, or is violating some other provision of law. Such suspension or revocation shall have no effect on the development company's status as certified.

''(e) EFFECT OF SUSPENSION OR REVOCATION ON EXISTING GUARANTEES.—A suspension or revocation of accredited status shall not affect any outstanding debenture guarantee.

''(f) GRANDFATHER PROVISION.—Any certified development company that was accredited by the date of enactment of the Small Business Financing and Investment Act of 2009 shall remain accredited for 24 months after that date. If the certified development company does not have an application for accreditation approved by the Administrator within the 24 months, its accreditation standard shall lapse.

''(g) AUTOMATIC QUALIFICATION.—

''(1) IN GENERAL.—Until the Administrator develops procedures for granting accredited status, any certified development company that was accredited as of the date of enactment of the Small Business Financing and Investment Act of 2009 shall be deemed to be accredited.

''(2) APPLICATIONS.—Any certified development company that satisfies the provision of paragraph (1) shall have 24 months in which to submit the application established by this section for accredited status.

''(3) EFFECT WHILE APPLICATION PENDING.—The denial or rejection of an application for accredited status as set forth in this section shall have no effect on the ability of a development company that meets the standard set forth in paragraph (1) from maintaining its status during the 24 months specified in this subsection.

''(h) PROMULGATION OF ACCREDITING STANDARDS.—The Administrator shall develop standards for accrediting, suspension, and revocation under the program established by this section only after notice and an opportunity for comment as set forth in section 553(b) of title 5, United States Code. After the development of such standards, the Administrator shall publish such standards in the Code of Federal Regulations.

''(i) RULE OF CONSTRUCTION.—Any reference to the term 'accredited lender' in any provision of law enacted, or any regulation adopted, prior to the enactment of the Small Business Financing and Investment Act of 2009 shall be deemed to be a reference to the term 'accredited certified development company'.''.

SEC. 214. PREMIER CERTIFIED LENDER PROGRAM.

Section 504 of the Small Business Investment Act of 1958 (15 U.S.C. 697a) is amended to read as follows:

''SEC. 504. PREMIER CERTIFIED LENDER PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—A certified development company accredited under section 503 may apply for status to become a premier certified development company.

''(2) APPLICATION.—The Administrator shall, after opportunity for notice and comment, develop an application for accredited certified development companies seeking to become premier certified development companies.

''(3) PROCESSING OF APPLICATION.—The Administrator shall make a determination within 60 days after a complete application has been filed by an accredited certified development company.

''(4) REAPPLICATION.—If the Administrator rejects the application, the Administrator shall provide in writing the reasons for the rejection. Any accredited certified development company may reapply which will recommence the processing time limits set forth in paragraph (3), and such reapplication shall be limited to addressing the reasons for rejection. If the Administrator rejects a second application, that shall be considered final agency action for purposes of chapter 7 of title 5, United States Code.

''(b) STANDARDS FOR OBTAINING PREMIER CERTIFIED DEVELOPMENT COMPANY STATUS.—The Administrator shall designate an accredited certified development company as a premier certified development company if the application submitted pursuant to subsection (a) demonstrates that the accredited certified development company meets the following standards:

''(1) Has been an accredited certified development company for at least 12 months.

''(2) Has submitted to the Administrator adequately analyzed debenture guarantee applications.

''(3) Has closed, in a proper manner following the Administrator regulations, loans under this title.

''(4) Has serviced its loan portfolio in accordance with the standards set by the Administrator.

''(5) Has established a loan loss reserve established in accordance with this section that the Administrator determines is sufficient to meet its obligations to protect the Federal Government from the risk of loss on each debenture guaranteed under this section.

''(6) Has agreed, as part of the application and in order to protect the Federal Government against the risk of loss, to the following—

''(A) on account of a debenture, the proceeds of which were used to fund a loan approved prior to the date of enactment of the Small Business Financing and Investment Act of 2009, agrees to reimburse the Administrator for 10 percent of any loss sustained by the Administrator as a result of a default by the company in the payment of principal or interest on a debenture issued by such company and guaranteed by the Administrator;

''(B) on account of a debenture, the proceeds of which were used to fund a loan approved prior to the date of enactment of the Small Business Financing and Investment Act of 2009 and which were issued during the period in which the company had made a selection pursuant to section 508(c)(7) of the Small Business Investment Act of 1958, as in effect on the day before such date of enactment, agrees to reimburse the Administrator for 15 percent of any loss sustained by the Administrator as a result of a default by the company in the payment of principal or interest on a debenture issued by such company and guaranteed by the Administrator; or

''(C) on account of a debenture, the proceeds of which are used to fund a loan approved on or after the date of enactment of the Small Business Financing and Investment Act of 2009, upon closing, pay to the Administrator a one-time participation fee in the amount equal to the higher of the following:

''(i) 0.25 percent of the amount of the debenture.

''(ii) A percent of the amount of the debenture equal to 10 percent of the amount of the company's historic loss rate on debentures guaranteed under this section as determined by the Administrator. The rate specified by this clause shall be determined annually based upon the company's loan losses as of close of business on June 30 and notice of the determination shall be provided to each company not later than August 31. Such rate shall be applicable to loans approved during the fiscal year commencing after the determination is made and shall expire and have no further application after the end of such fiscal year. If no timely determination has been made prior to the commencement of a fiscal year, including the year of enactment of the Small Business Financing and Investment Act of 2009, one may be made after the commencement and it shall be applicable to loans approved during the balance of such fiscal year commencing 30 days after notification to the development company involved.

''(c) SUSPENSION OR REVOCATION OF PREMIER STATUS.—The Administrator may suspend or revoke an accredited certified development company's premier status if the Administrator determines, after a hearing on the record as set forth in sections 554, 556, and 557 of title 5, United States Code, that the accredited certified development company no longer meets the eligibility criteria for premier status as established under this section or failed to adhere to the Administrator's rules, regulations, or is violating some other provision of law. Such revocation or suspension shall have no effect on its status as an accredited certified development company.

''(d) LOAN LOSS RESERVE.—

''(1) ASSETS.—Each loan loss reserve maintained by the premier certified development company for loans made pursuant to the authority in subsection (g)(1) shall be comprised of—

''(A) segregated funds on deposit in an account or accounts with a federally insured depository institution or institutions selected by the company, subject to a collateral assignment in favor of, and in a format acceptable to, the Administrator that shall amount to 10 percent of the company's exposure as determined pursuant to subsection (b)(6);

''(B) irrevocable letter or letters of credit, with a collateral assignment in favor of, and a commercially reasonable format acceptable to, the Administrator; or

''(C) any combination of the assets described in subparagraphs (A) and (B).

''(2) CONTRIBUTIONS.—The company shall make contributions to the loss reserve, either cash or letters of credit as provided above, in the following amounts and at the following intervals:

''(A) 50 percent when a debenture is closed.

''(B) 25 percent additional not later than 1 year after a debenture is closed.

''(C) 25 percent additional not later than 2 years after a debenture is closed.

''(3) REPLENISHMENT.—If a loss has been sustained by the Administrator, any portion of the loss reserve, and other funds provided by the premier certified development company as necessary, may be used to reimburse the Administrator for the premier certified development company's share of the loss as provided for in subsection (b)(6). If the premier certified development company utilizes the reserve, it shall, within 30 calendar days, replace an equivalent amount of funds.

''(4) DISBURSEMENTS.—

''(A) IN GENERAL.—The Administrator shall allow the premier certified development company to withdraw from the loss reserve amounts attributable to any debenture that has been repaid.

''(B) REDUCTION.—The Administrator shall allow the premier certified development company to withdraw from the loss reserve such amounts as are in excess of 1 percent of the aggregate outstanding balances of debentures to which such loss reserve relates. The reduction authorized by this subparagraph

shall not apply with respect to any debenture before 100 percent of the contribution described in paragraph (2) with respect to such debenture has been made.

(5) APPLICABILITY.—This subsection shall apply only to a premier certified development company designated as a premier certified development company by the Administrator under this section on or after the date of the enactment of the Small Business Financing and Investment Act of 2009. The loan loss reserve requirements relating to any premier certified development company certified prior to the date of the enactment of such Act shall continue to be governed by regulations in effect on the date of the enactment of such Act.

''(e) BUREAU OF PREMIER CERTIFIED DEVELOPMENT COMPANY LENDER OVERSIGHT.—

''(1) IN GENERAL.—There is hereby established a Bureau of Premier Certified Development Company Lender Oversight in the Office of Lender Oversight at the Administration which shall have responsibility and capability for carrying out oversight of premier certified development companies and such other responsibilities as the Administrator designates.

''(2) ANNUAL REVIEW.—The Bureau established in paragraph (1) annually shall review the financing made by each premier certified development company. Such review shall include the premier certified development company's credit decisions and general compliance with the eligibility requirements for each financing approved as a result of its status as a premier certified development company.

''(3) RANDOM AUDITS.—The Bureau shall develop and implement a method for sampling the debentures issued by premier certified development companies. Such sampling shall be similar to the random file audits of development companies that utilize the Abridged Submission Method described in chapter 4 of subpart C of Standard Operating Procedure 50 10 (5)(A) as was in effect on March 2, 2009.

''(4) REVIEW OF LENDERS PROVIDING SENIOR FINANCING.—

''(A) CALCULATION OF LOAN LOSS RATE.—The Bureau shall periodically calculate the loss rate of all debentures approved under this section and shall calculate a loss rate on the basis of the total debentures attributable to projects approved by premier certified development companies in which each lender is a participating lender.

''(B) NOTIFICATION.—If the Bureau determines that the loss rate on debentures involving an individual lender exceeds the average for all debentures approved under this section, it shall advise the Administrator.

''(5) USE OF REVIEWS AND AUDITS.—The Administrator shall consider the findings under paragraphs (2), (3), and (4) in carrying out the responsibilities under subsection (h).

''(f) SALE OF CERTAIN DEFAULTED LOANS.—

''(1) NOTICE.—If, upon default in repayment, the Administrator acquires a debenture issued by a premier certified development company and identifies such loan for inclusion in a bulk asset sale of defaulted or repurchased loans or other financing, the Administrator shall give prior notice thereof to any premier certified development company which has a contingent liability under this section. The notice shall be given to the premier certified development company as soon as possible after the financing is identified, but not less than 90 days before the date the Administrator first makes any records on such financing available for examination by prospective purchasers prior to its offering in a package of loans for bulk sale.

''(2) LIMITATIONS.—The Administrator shall not offer any loan described in paragraph (1) as part of a bulk sale unless the Administrator—

''(A) provides prospective purchasers with the opportunity to examine the Administration's records with respect to such loan; and

''(B) provides the notice required by paragraph (1).

''(g) LOAN APPROVAL AUTHORITY.—

''(1) IN GENERAL.—A premier certified development company may, under conditions determined by the Administrator in regulations published in the Code of Federal Regulations, issue guarantees on debentures, approve, authorize, close, service, foreclose, litigate (except that the Administrator may monitor conduct of any such litigation), and liquidate loans that are funded with proceeds of a debenture issued by a premier certified development company unless the Administrator advises the company that loans involving a specific institutional lender are to be submitted to the Administrator for further consideration, and approval by the Administrator.

''(2) PROGRAM GOALS.—Each premier certified development company shall establish a goal of processing no less than 50 percent of the applications for assistance under this title that the premier certified development company receives. Failure to meet this goal shall have no affect on the company's status as a premier certified development company under this section.

''(3) SCOPE OF REVIEW.—The approval of a loan and guarantee of a debenture by a premier certified development company shall be subject to final approval as to the eligibility of any guarantee by the Administrator as set forth in section 506, but such final approval shall not include review of decisions by the premier certified development company involving creditworthiness, loan closing, or compliance with legal requirements imposed by law or regulation.

''(h) SUSPENSION OR REVOCATION.—The Administrator may suspend or revoke an accredited certified development company's premier status if the Administrator determines, after a hearing on the record as set forth in sections 554, 556, and 557 of title 5, United States Code, that the accredited certified development company no longer meets the eligibility criteria established under this section, fails to maintain adequate loan loss reserves mandated in this section even if it meets the other eligibility requirements for premier status, or violates the Administrator's rules, regulations, or some other provision of law. The Administrator shall consider the review of the premier certified development company conducted pursuant to subsection (e) in determining whether to suspend or revoke an accredited development company's premier status. Such suspension or revocation shall have no effect on the development company's status as an accredited certified development company.

''(i) EFFECT OF SUSPENSION OR REVOCATION.—A suspension or revocation of premier status shall not affect any outstanding debenture guarantee.

''(j) RULE OF CONSTRUCTION.—Any reference to the term 'premier certified lender' or 'PCL' in legislation enacted, or regulations adopted, prior to the enactment of the Small Business Financing and Investment Act of 2009 shall be deemed to be a reference to the term 'premier certified development company'.''.

SEC. 215. MULTI-STATE OPERATIONS.

Section 505 of the Small Business Investment Act of 1958 (15 U.S.C. 697b) is amended to read as follows:

''SEC. 505. MULTI-STATE OPERATIONS.

''(a) AUTHORIZATION.—The Administrator shall permit an accredited or premier certified development company to make loans or issue debentures in any State that is contiguous to the State of incorporation of that company only if the company—

''(1) has members, from each of the States in which it operates with not fewer than 25 members who reside in such States;

''(2) has a board of directors that contains not fewer than 2 members from each State in which the company makes loans and issues debentures and are residents of that State;

''(3) maintains a separate loan committee to process loans in each expansion State and the members of the loan committee are solely residents of the expansion State; and

''(4) files an application developed by the Administrator which provides—

''(A) notice of the intention to make loans in multiple States;

''(B) a specification of the States in which the company intends to make loans;

''(C) a list of members in each expansion State; and

''(D) a detailed statement on how the company will comply with the requirements of this subsection.

''(b) LOAN COMMITTEES.—The requirements of paragraph (3) of subsection (a) shall not require a development company to establish a loan committee in its State of incorporation or in a local economic area outside the State of incorporation unless such area is part of an expansion State.

''(c) REVIEW.—

''(1) IN GENERAL.—The Administrator shall review each application for expansion under subsection (a), but such review shall be limited to that information needed to determine whether the company will comply with the requirements of subsection (a).

''(2) DEADLINE FOR DECISION.—The Administrator shall make a decision on each application under subsection (a) within 15 calendar days after the receipt of the application. If no such decision is granted, the application is deemed to be approved and no further action is required by the applicant or the Administrator for the company to expand into the States specified in the application.

''(3) APPLICATION RESUBMITTAL.—If the Administrator rejects the application for expansion, the Administrator shall provide in writing the reasons for denial within 10 calendar days of the decision. The applicant then may resubmit the application but the review of such resubmitted applications will be limited only to the areas in which the Administrator found the original application deficient. The deadlines in paragraph (2) shall apply to resubmitted applications.

''(4) APPEAL.—If a resubmitted application is denied, the applicant may, within 10 calendar days after receipt of the disapproval, appeal such disapproval. The Administrator shall conduct a hearing to determine such appeal pursuant to sections 554, 556, and 557 of title 5, United States Code, and shall issue a decision not later than 45 days after the appeal is filed. The decision on appeal shall constitute final agency action for purposes of chapter 7 of title 5, United States Code.

''(d) FAILURE TO DEVELOP APPLICATION.—If the Administrator fails to develop an application as required in subsection (a)(4) within 60 days of the enactment of the Small Business Financing and Investment Act of 2009, an accredited or premier certified development company only need submit the information required in subsection (a) to the Administrator to be deemed eligible to commence operations authorized by this section. Such eligibility shall not be terminated if the Administrator develops an application after the 60-day period set forth in this subsection.

''(e) AGGREGATE ACCOUNTING.—An accredited or premier certified development company authorized to operate in multiple States pursuant to this section may maintain an aggregate accounting of all revenue and expenses of the company for purposes of this title.

''(f) LOCAL JOB CREATION REQUIREMENTS.—

''(1) IN GENERAL.—Any company making loans in multiple States as authorized in this section shall not count jobs created or retained in one State towards any applicable job creation or retention requirements mandated by this title in another State.

''(2) APPLICABILITY.—Any company operating under the authority of this section shall be required to meet any job creation or retention requirement of this title on the date that is 2 years after the certified development company closed its first loan in its new State of operation.

''(g) CONTIGUOUS STATES.—For the purposes of this section, the States of Alaska and Hawaii shall be deemed to be contiguous to any State abutting the Pacific Ocean. Territories of the United States located in the Pacific Ocean shall be deemed to be contiguous to any State abutting the Pacific Ocean, including Alaska and Hawaii, and territories of the United States located in the Caribbean Sea shall be deemed contiguous to any State abutting the Gulf of Mexico.

''(h) EXEMPTION FOR LOCAL ECONOMIC AREAS.—Except as provided in subsection (a)(3) with respect to loan committees, any certified, accredited, or premier development company or applicant operating in a local economic development area that crosses the border of another State shall not be considered to be operating under the provisions of this section and shall not be required to comply with the requirements of this section for multi-State operation.''.

SEC. 216. GUARANTY OF DEBENTURES.

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

''SEC. 506. GUARANTY OF DEBENTURES.

''(a) AUTHORITY TO GUARANTEE.—Except as provided in subsection (c), the Administrator may guarantee the timely payment of all principal and interest as scheduled on any debenture issued by a certified development company.

''(b) TERMS AND CONDITIONS OF THE GUARANTEE.—Such guarantees may be made on such terms and conditions as the Administrator may by regulation, published in the Code of Federal Regulations, determine to be appropriate, except that the Administrator shall not decline to issue such guarantee when the ownership interests of the small business concern and the ownership interests of the property to be financed with the proceeds of the loan made pursuant to subsection (e)(1) are not identical because one or more of the following classes of relatives have an ownership interest in either the small business concern or the property: father, mother, son, daughter, wife, husband, brother, or sister, if the Administrator or his designee has determined on a case-by-case basis that such ownership interest, such guarantee, and the proceeds of such loan, will substantially benefit the small business concern.

''(c) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts guaranteed under this section.

''(d) SUBORDINATION.—Any debenture issued by a certified development company with respect to which a guarantee is made under this section may be subordinated by the Administrator to any other debenture, promissory note, or other debt or obligation of such company.

''(e) STANDARDS FOR ADMINISTRATOR GUARANTEES.—No guarantee may be made with respect to any debenture under this section unless—

''(1) the debenture is issued for the purpose of making one or more loans to small business concerns the proceeds of which shall be used for the purposes set forth in section 507;

''(2) the interest rate on such debentures is not less than the rate of interest determined by the Secretary of the Treasury for purposes of section 303(b);

''(3) the aggregate amount of such debenture does not exceed the amount of the loans to be made from the proceeds of such debenture plus, at the election of the borrower, other amounts attributable to the administrative and closing costs of such loans, except for the attorney fees of the borrower;

''(4) the amount of any loan to be made from such proceeds does not exceed an amount equal to 50 percent of the cost of the project with respect to which such loan is made;

''(5) the Administrator, except to the extent provided in section 504 with respect to premier certified development companies, approves each loan to be made from such proceeds; and

''(6) with respect to each loan made from the proceeds of such debenture, the Administrator—

''(A) assesses and collects a fee, which shall be payable by the borrower, in an amount established annually by the Administration, which amount shall not exceed—

''(i) the lesser of—

''(I) 0.9375 percent per year of the outstanding balance of the loan; or

''(II) the minimum amount necessary to reduce the cost (as defined in section 502 of the Federal Credit Reform Act of 1990) to the Administrator of purchasing and guaranteeing debentures under this title to zero; and

''(ii) 50 percent of the amount established under clause (i) in the case of a loan made during the 2-year period beginning on October 1, 2002, for the life of the loan; and

''(B) uses the proceeds of such fee to offset the cost (as such term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administrator of making guarantees under this section.

''(f) INTEREST RATES ON COMMERCIAL LOANS.—Notwithstanding the provisions of the constitution or laws of any State limiting the rate or amount of interest which may be charged, taken, received, or reserved, the maximum legal rate of interest on any commercial loan which funds any portion of the cost of the project financed pursuant to this title which is not funded by a debenture guaranteed under this section shall be a rate which is established by the Administrator who shall publish such rate quarterly in, at a minimum, the Federal Register and on the Administration's website.

''(g) DEBENTURE REPAYMENT.—Any debenture that is issued under this section shall provide for the payment of principal and interest on a semiannual basis.

''(h) CHARGES FOR ADMINISTRATOR'S EXPENSES.—The Administrator may impose an additional charge for administrative expenses with respect to each debenture for which payment of principal and interest is guaranteed under this section. Such administrative expenses may include—

''(1) development company fees for processing, closing, servicing, late payment, or loan assumption;

''(2) agent or trustee fees for central servicing, underwriters, or debenture funding; and

''(3) fees charged by the Administrator for the debenture guaranty and from the certified development company to reduce the subsidy cost.

''(i) PARTICIPATION FEE.—The Administrator shall collect a one-time fee in an amount equal to 50 basis points on the total participation in any project of any State or local government, bank, other financial institution, or foundation or not-for-profit institution. Such fee shall be imposed only when the participation of the entity described in the previous sentence will occupy a senior credit position to that of the development company. All proceeds of the fee shall be used to offset the cost (as that term is defined in section 502 of the Credit Reform Act of 1990) to the Administrator of making guarantees under this section.

''(j) CERTIFIED DEVELOPMENT COMPANY FEE.—The Administrator shall collect annually from each development company a fee of 0.125 percent of the outstanding principal balance of any guaranteed debenture authorized by the Administrator after September 30, 1996. Such fee shall be derived from the servicing fees collected by the certified development company pursuant to regulation, and shall not be derived from any additional fees imposed on small business concerns. All proceeds of the fee shall be used to offset the cost (as that term is defined in section 502 of the Credit Reform Act of 1990) to the Administrator of making guarantees under this section.

''(k) EFFECTIVE DATE.—The fees authorized by this section shall apply to any financing approved under this title on or after October 1, 1996.

''(l) CALCULATION OF SUBSIDY RATE.—All fees, interest, and profits received and retained by the Administrator under this section shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administrator of purchasing and guaranteeing debentures under this title.

''(m) ACTIONS UPON DEFAULT.—

''(1) INITIAL ACTIONS.—Not later than the 45th day after the date on which a payment on a loan funded through a debenture guaranteed under this section is due and not received, the Administrator shall—

''(A) take all necessary steps to bring such loan current; or

''(B) implement a formal written deferral agreement.

''(2) PURCHASE OR ACCELERATION OF DEBENTURE.—Not later than the 65th day after the date on which a payment on a loan described in paragraph (1) is due and not received, and absent a formal written deferral agreement, the Administrator shall take all necessary steps to purchase or accelerate the debenture.

''(3) PREPAYMENT PENALTIES.—With respect to the portion of any project derived from funds not provided by a debenture issued by a certified development company or borrower, the Administrator—

''(A) shall negotiate the elimination of any prepayment penalties or late fees on defaulted loans made prior to September 30, 1996;

''(B) shall not pay any prepayment penalty or late fee on the default based purchase of loans issued after September 30, 1996; and

''(C) shall not pay a default interest rate higher than the interest rate on the note prior to the date of default for any project financed after September 30, 1996.

''(4) COLLECTION AND SERVICING.—

''(A) IN GENERAL.—In the event of the default of any loan and the repurchase of a debenture guaranteed by the Administrator under this title, the Administrator shall continue to delegate to the central servicing agent that was contracted for that service as of January 1, 2009, or successor contractor the authority to collect and disburse all funds or payments received on such defaulted loans, including payments from guarantors or on notes in compromise of the original note. The central servicing agent shall continue to provide an accounting of income and expenses for any such loan on the same basis it does for any other loan issued under this title. The central servicing

agent shall make the accounting of income and expenses and reports thereon available as requested by the certified development company that issued the debenture or the Administrator.

''(B) EFFECTIVE DATE.—The requirements of subparagraph (A) shall become effective 180 days after the date of enactment of the Small Business Financing and Investment Act of 2009.''.

SEC. 217. ECONOMIC DEVELOPMENT THROUGH DEBENTURES.

Section 507 of the Small Business Investment Act of 1958 (15 U.S.C. 697d) is amended to read as follows:

''SEC. 507 ECONOMIC DEVELOPMENT AND DEBENTURES.

''(a) IN GENERAL.—A certified development company shall be prohibited from issuing a debenture under this title unless the project funded with the debenture meets one of the following economic development objectives:

''(1) The creation of job opportunities within two years of the completion of the project or the preservation or retention of jobs attributable to the project.

''(2) Improving the economy of the locality, such as stimulating other business development in the community, bringing new income into the area, or assisting the community in diversifying and stabilizing its economy.

''(3) The achievement of one or more of the following public policy goals:

''(A) Business district revitalization or expansion of businesses in low-income communities which would be eligible for a new markets tax credit under section 45D(a) of the Internal Revenue Code of 1986, or implementing regulations issued under that section.

''(B) Expansion of exports.

''(C) Expansion of minority business development or women-owned business development.

''(D) Rural development.

''(E) Expansion of small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), especially service-disabled veterans, as defined in such section.

''(F) Enhanced economic competition, including the advancement of technology, plan retooling, conversion to robotics, or competition with imports.

''(G) Changes necessitated by Federal budget cutbacks, including defense related industries.

''(H) Business restructuring arising from federally mandated standards or policies affecting the environment or the safety and health of employees.

''(I) Reduction of energy consumption by at least 10 percent.

''(J) Increased use of sustainable design, including designs that reduce the use of greenhouse gas emitting fossil fuels, or low-impact design to produce buildings that reduce the use of nonrenewable resources and minimize environmental impact.

''(K) Plant, equipment, and process upgrades of renewable energy sources such as the small-scale production of energy for individual buildings or communities consumption, commonly known as micropower, or renewable fuels producers including biodiesel and ethanol producers.

''(4) Debt refinancing to the extent permitted by subsection (d).

''(b) JOB CREATION AND RETENTION REQUIREMENTS.—

''(1) IN GENERAL.—A project meets the job creation or retention objective set forth in subsection (a)(1) if the project creates or retains one job for every $65,000 guaranteed by the Administrator, except that the amount shall be $100,000 in the case of a project of a small manufacturer.

''(2) EXCEPTIONS.—

''(A) Paragraph (1) shall not apply to a project for which eligibility is based on the objectives set forth in subsection (a)(2) or (a)(3) if the certified development company's portfolio of outstanding debentures creates or retains one job for every $65,000 guaranteed by the Administrator.

''(B) For projects in Alaska, Hawaii, State-designated enterprise zones, empowerment zones, enterprise communities, or labor surplus areas designated by the Administrator, the certified development company's portfolio may average not more than $75,000 per job created or retained.

''(C) Loans for projects of small manufacturers shall be excluded from the calculations in subparagraphs (A) and (B).

''(c) COMBINATION OF CERTAIN GOALS.—A small business concern that is unconditionally owned by more than 1 individual, or a corporation, the stock of which is owned by more than 1 individual, shall be deemed to have achieved a goal under subsection (a)(3) if a combined ownership share of not less than 51 percent is held by individuals who are in 1 of, or a combination of, the groups described in subparagraphs (C) or (E) of subsection (a)(1).

''(d) COMPOSITION OF THE PROJECT.—

''(1) IN GENERAL.—The projects described in this section shall include, but not be limited to, plant acquisition, construction, conversion, expansion (including the acquisition of land), equipment and related project costs, or to acquire the stock of a corporation (as long as the value of the loan for the acquisition of the stock does not exceed the fixed asset value attributable to such assets as would be eligible for financing under subsection (a)).

''(2) DEBT REFINANCING.—Any financing approved under this title may include a limited amount of debt refinancing if the project involves the expansion of a small business concern.

''(3) LIMITATION.—The amount of the existing indebtedness may be refinanced and added to the expansion cost if—

''(A) the existing indebtedness does not exceed 50 percent of the project cost of the expansion;

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

''(C) the existing indebtedness is collateralized by fixed assets;

''(D) the existing indebtedness was incurred for the benefit of the small business concern;

''(E) the financing under this title will be used only for refinancing existing indebtedness or costs relating to the project financed under this title;

''(F) the financing under this title will provide a substantial benefit to the borrower when prepayment penalties, financing fees, and other financing costs are accounted for;

''(G) the borrower has been current on all payments due on the existing debt for not less than 1 year preceding the date of refinancing; and

''(H) the financing under this title will provide better terms or rate of interest than the existing indebtedness at the time of refinancing.

''(e) DEFINITION.—For purposes of subparagraphs (J) and (K) of subsection (a)(3), the terms included have the meanings given those terms under the Leadership in Energy and Environmental Design (more generally referred to as LEED) standard for green building certification, as determined by the Administrator through regulation to be published in the Code of Federal Regulations.''.

SEC. 218. PROJECT FUNDING REQUIREMENTS.

Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended to read as follows:

''SEC. 508. PROJECT FUNDING REQUIREMENTS.

''(a) IN GENERAL.—Any project described in section 507 must meet the funding standards set forth in this section.

''(b) SIZE OF DEBENTURE.—The Administrator shall only be permitted to guarantee debenture issued by a certified development company up to the following amounts:

''(1) $3,000,000 for any project of a small business concern.

''(2) $4,000,000 for any project that meets the public policy goals set forth in section 507(a)(3).

''(3) $4,000,000 for any project to be located in a low-income community as that term is described in section 507(a)(3)(A).

''(4) $8,000,000 for each project of a small manufacturer.

''(5) $8,000,000 for each project that reduces the borrower's energy consumption by at least 10 percent.

''(6) $8,000,000 for each project that generates renewable energy or renewable fuels, such as, but not limited to, biodiesel or ethanol production.

''(7) $10,000,000 for each project for a small business concern that constitutes a major source of employment as that term is used in section 7(b)(3)(E) of the Small Business Act (15 U.S.C. 636(b)(3)(E)).

''(c) FUNDING FROM SOURCES OTHER THAN DEBENTURES ISSUED BY CERTIFIED DEVELOPMENT COMPANIES.—

''(1) IN GENERAL.—Any project financed pursuant to this title must have the following contributions from parties other than the debenture issued by the certified development company:

''(A) FUNDING FROM INSTITUTIONS.—

''(i) If a small business concern provides—

''(I) the minimum contribution required by subparagraph (B), not less than 50 percent of the total cost of any project financed shall come from State or local governments, banks or other financial institutions, or foundations or other not-for-profit institutions; and

''(II) more than the minimum contribution required under subparagraph (B), any excess contribution may be used to reduce the amount required from institutions described in subclause (I), except that the amount provided by such institution may not be reduced to an amount that is less than the amount of the loan made by the Administrator.

''(B) FUNDING FROM SMALL BUSINESS CONCERNS.—The small business concern (or its owners, stockholders, or affiliates) that will have a project financed pursuant to this title shall provide—

''(i) at least 15 percent of the total cost of the project financed if the small business concern has been in operation for a period of 2 years or less;

''(ii) at least 15 percent of the total cost of the project financed if the project involves construction of a limited or single purposed building or structure;

''(iii) at least 20 percent of the total cost of the project financed if the project involves both of the conditions in clauses (i) and (ii); or

''(iv) at least 10 percent of the total cost of the project financed and not covered by clauses (i), (ii), or (iii), at the discretion of the certified development company.

''(2) SELLER FINANCING.—Seller-provided financing may be used to meet the requirements of paragraph (1)(B), if the seller subordinates the interest of the seller in the property to the debenture guaranteed by the Administrator.

''(3) COLLATERALIZATION.—

''(A) IN GENERAL.—The collateral provided by the small business concern shall generally include a subordinate lien position on the property being financed under this title, and is only one of the factors to be evaluated in the credit determination. Additional collateral shall be required only if the Administrator determines, on a case-by-case basis, that additional security is necessary to protect the interest of the Government.

''(B) APPRAISALS.—With respect to commercial real property provided by the small business concern as collateral, an appraisal of the property by a State licensed or certified appraiser—

''(i) shall be required by the Administrator before disbursement of the loan if the estimated value of that property is more than $400,000; or

''(ii) may be required by the Administrator or the lender before disbursement of the loan if the estimated value of that property is $400,000 or less, and such appraisal is necessary for appropriate evaluation of creditworthiness.

''(C) ADJUSTMENT.—The Administrator shall periodically adjust the amount under subparagraph (B) to account for the effects of inflation, provided that no such adjustment shall be less than $50,000.

''(4) LIMITATION ON LEASING.—

''(A) If the project funded under this section includes the acquisition of a facility or the construction of a new facility, the small business concern—

''(i) shall permanently occupy and use not less than 50 percent of the project property; and

''(ii) may, on a temporary or permanent basis, lease to others not more than 50 percent of the project property.

''(B) For purposes of this paragraph, the term 'project property' means—

''(i) the building and any exterior areas used in connection with the building or a part thereof and includes all of the parcels of real property included in the project in the aggregate; and

''(ii) occupancy and use of the project property by the operating company shall be deemed to be occupancy and use by the small business concern that received funding under this section.

''(d) REGULATIONS.—(1) The Administrator shall promulgate regulations, after notice and comment, to implement the provisions of this section within 60 days after enactment of the Small Business Financing and Investment Act of 2009. The Administrator may limit the comment period to 15 days to meet this deadline.

''(2) If the Administrator fails to promulgate the regulations as provided in paragraph (1), all leases entered into, absent clear and convincing evidence of fraud, shall be deemed to be in compliance with the limitations on leasing in this subparagraph for purposes of honoring the guarantee on the debenture issued by the certified development company.

''(3) Any regulation of the Administrator or interpretation of any regulation by the Administrator or the Office of Hearings and Appeals that restricts the use of proceeds for leased projects that was in effect on the date of enactment of the Small Business Financing and Investment Act of 2009 shall hereby cease to apply.

''(4) Any interpretation of the leasing provisions issued by the Administrator prior to the issuance of regulations required by paragraph (1) shall be considered null and void and may be not be used in any court of competent jurisdiction, be it Federal or State court, to dishonor any guarantee of a debenture issued by a certified development company for a project funded pursuant to this section.

''(e) OWNERSHIP CALCULATION.—Ownership requirements to determine the eligibility of a small business concern that applies for funding under this title shall be determined without regard to any ownership interest of a spouse arising solely from the application of the community property laws of a State for purposes of determining marital interests.

''(f) COMBINATION FINANCING.—Financing under this title may be provided to a borrower in the maximum amount provided in this section, and a loan guarantee under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) may be provided to the same borrower in the maximum amount provided in section 7(a)(3)(A) of such Act, to the extent that the borrower otherwise qualifies for such assistance.

''(g) RULES FOR DEBENTURES FUNDING PROJECTS IN LOW-INCOME AREAS.—

''(1) SIZE STANDARDS.—For purposes of determining the size of a small business concern seeking funds for a project described in subsection (b)(3), the size standard promulgated by the Administrator in section 121.201 of title 13, Code of Federal Regulations, as in effect on January, 1, 2009, or any successor regulation, shall be increased by 25 percent.

''(2) PERSONAL LIQUIDITY.—

''(A) IN GENERAL.—The amount of personal resources of an owner for a project described in subsection (b)(3) that are excluded from the amount required to reduce the portion of the project funded by the Administrator shall be not less than 25 percent more than that required for funding of any other project described in subsection (b).

''(B) DEFINITION.—For purposes of subparagraph (A), the term 'owner' means any person that owns not less than 20 percent of the equity or has not less than 20 percent of the voting rights (in the case of a small business organized as a partnership) of a small business concern seeking funds under this section.

''(h) APPLICABILITY OF CREDIT ELSEWHERE AND PERSONAL RESOURCES REGULATIONS.—Except as provided in subsection (c)(1)(B) with respect to project funding, the Administrator shall be prohibited from applying the regulations set forth in sections 120.101 and 120.102 of title 13, Code of Federal Regulations, as in effect on January 1, 2009, or any successor regulation that applies a credit elsewhere or personal resources test to any application for a loan under this title pending or filed after the date of enactment of the Small Business Financing and Investment Act of 2009.''.

SEC. 219. PRIVATE DEBENTURE SALES AND POOLING OF DEBENTURES.

Section 509 of the Small Business Investment Act of 1958 (15 U.S.C. 697f) is amended to read as follows:

''SEC. 509. PRIVATE DEBENTURE SALES AND POOLING OF DEBENTURES.

''(a) PRIVATE DEBENTURE SALES.—Notwithstanding any other law, rule, or regulation, the Administrator shall sell to investors, either publicly or by private placement, debentures issued by certified development companies pursuant to this title for the full amount of the program levels authorized in each fiscal year and if there is not authorization of a level, the amount of debentures actually issued.

''(b) FEDERAL FINANCING BANK.—Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire—

''(1) any obligation the payment of principal or interest on which at any time has been guaranteed in whole or in part under this title and which is being sold pursuant to the provisions of this section;

''(2) any obligation which is an interest in any obligation which is an interest in any obligation described in paragraph (1); or

''(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).

''(c) POOLING OF DEBENTURES.—

''(1) IN GENERAL.—The Administrator is authorized to issue trust certificates representing ownership of all or a fractional part of debentures issued by certified development companies and guaranteed under this title if such trust certificates are based on and backed by a trust or pool approved by the Administrator and composed solely of guaranteed debentures.

''(2) GUARANTEE OF TRUST CERTIFICATES.—The Administrator is authorized, upon such terms and conditions as are deemed appropriate, to guarantee the timely payment of the principal of and interest on trust certificates issued by the Administrator or its agent for purposes of this section. Such guarantee shall be limited to the extent of principal and interest on the guaranteed debentures which compose the trust or pool. In the event that a debenture in such trust or pool is prepaid, either voluntarily or in the event of default, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest such prepaid debenture represents in the trust or pool. Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Administrator only through the date of payment on the guarantee. During the term of the trust certificate, it may be called for redemption due to prepayment or default of all debentures constituting the pool.

''(3) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee of such trust certificates issued by the Administrator or its agent pursuant to this section.

''(4) PROHIBITION ON GUARANTEE FEE FOR POOLS.—The Administrator shall not collect any fee for any guarantee under this section, provided that nothing herein shall preclude any agent of the Administrator from collecting a fee approved by the Administrator for the functions performed in paragraph (6)(F).

''(5) SUBROGATION.—

''(A) IN GENERAL.—In the event the Administrator pays a claim under a guarantee issued under this section, it shall be subrogated fully to the rights satisfied by such payment.

''(B) ADMINISTRATOR EXERCISE OF RIGHTS.—No Federal, State, or local law shall preclude or limit the exercise by the Administrator of its ownership rights in the debentures constituting the trust or pool against which the trust certificates are issued.

''(6) CENTRAL REGISTRATION.—

''(A) IN GENERAL.—The Administrator shall provide for a central registration of all trust certificates sold pursuant to this section.

''(B) CONTRACT.—The Administrator shall contract with an agent to carry out on behalf of the Administrator the central registration functions of this section and the issuance of trust certificates to facilitate pooling.

''(C) BOND.—The Administrator shall require the contractor to provide a fidelity bond or insurance in such amounts as is deemed necessary to fully protect the interests of the Government.

''(D) DISCLOSURE REQUIREMENTS.—The Administrator shall, prior to any sale, require the seller to disclose to a purchaser of a trust certificate issued pursuant to this section, information on terms, conditions, and yield of such instruments.

''(E) AUTHORITY TO REGULATE.—The Administrator shall have the authority to regulate

brokers and dealers in trust certificates sold pursuant to this section.

''(F) BOOK ENTRY PERMITTED.—Nothing in this paragraph shall prohibit the utilization of a book-entry or other electronic form of registration for trust certificates.''.

SEC. 220. FORECLOSURE AND LIQUIDATION OF LOANS.

Section 510 of the Small Business Investment Act of 1958 (15 U.S.C. 697g) is amended to read as follows:

''SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.

''(a) DELEGATION OF AUTHORITY.—In accordance with this section, the Administrator shall delegate to any certified development company that meets the eligibility requirements of subsection (b)(1), the authority to foreclose and liquidate, or to otherwise treat in accordance with this section, defaulted loans in its portfolio that are funded with the proceeds of debentures guaranteed by the Administrator pursuant to this title.

''(b) ELIGIBILITY FOR DELEGATION.—

''(1) REQUIREMENTS.—A certified development company shall be eligible for a delegation of authority under subsection (a) if—

''(A) the certified development company—

''(i) has participated in the loan liquidation pilot program established by the Small Business Programs Improvement Act of 1996 (15 U.S.C. 695 note), before the enactment of the Small Business Financing and Investment Act of 2009;

''(ii) is an accredited or premier certified development company; or

''(iii) during the 3 fiscal years immediately prior to seeking such a delegation, has made an average of not less than 10 loans per year that are funded with the proceeds of debentures guaranteed under this title; and

''(B) the certified development company—

''(i) has one or more employees—

''(I) with not less than 2 years of substantive, decisionmaking experience in administering the liquidation and workout of problem loans secured in a manner substantially similar to loans funded with the proceeds of debentures guaranteed under this title; and

''(II) who have completed a training program on loan liquidation developed by the Administrator in conjunction with a certified development company that meet the requirements of this paragraph; or

''(ii) submits to the Administrator documentation demonstrating that the company has contracted with a qualified third party to perform any liquidation activities and secures the approval of the contract by the Administrator with respect to the qualifications of the contractor and the terms and conditions of liquidation activities.

''(2) CONFIRMATION.—On the request, the Administrator shall examine the qualifications of any certified development company described in subsection (a) to determine if such company is eligible for the delegation of authority under this section. If the Administrator determines that a company is not eligible, the Administrator shall provide the company, in writing, with the reasons for such ineligibility. The certified development company shall be entitled to request delegated authority and the Administrator shall review the request only to address whether the certified development company has rectified the reasons for the Administrator's original determination of ineligibility.

''(c) SCOPE OF DELEGATED AUTHORITY.—

''(1) IN GENERAL.—Each certified development company to which the Administrator delegates authority under subsection (a) may with respect to any loan described in subsection (a)—

''(A) perform all liquidation and foreclosure functions, including the purchase in accordance with this subsection of any other indebtedness secured by the property securing the loan, in a reasonable and sound manner according to commercially accepted practices, pursuant to a liquidation plan approved in advance by the Administrator under paragraph (2)(A);

''(B) litigate any matter relating to the performance of the functions described in subparagraph (A), except that the Administrator may—

''(i) defend or bring any claim if—

''(I) the outcome of the litigation may adversely affect the Administrator's management of the program established under this title; or

''(II) the Administrator is entitled to legal remedies not available to a certified development company and such remedies will benefit either the Administrator or the certified development company; and

''(ii) oversee the conduct of any such litigation; and

''(C) take other appropriate actions to mitigate loan losses in lieu of total liquidation or foreclosures, including the restructuring of a loan in accordance with prudent loan servicing practices and pursuant to a workout plan approved in advance by the Administrator under paragraph (2).

''(2) ADMINISTRATOR APPROVAL OF PLANS.—

''(A) CERTIFIED DEVELOPMENT COMPANY SUBMISSION OF PLANS.—Before carrying out functions described in paragraph (1)(A) or (1)(C), the certified development company shall submit to the Administrator a proposed liquidation plan, any proposal for the Administrator to the purchase of any other indebtedness secured by the property securing a defaulted loan, or a workout plan or any combination thereof.

''(B) ADMINISTRATOR APPROVAL PROCEDURES.—

''(i) TIMING.—Not later than 15 business days after the plans described in subparagraph (A) are received by the Administrator, the Administrator shall approve or reject the plan.

''(ii) NOTICE OF NO DECISION.—With respect to any plan that cannot be approved or denied within the 15-day period required by clause (i), the Administrator shall within such period provide in accordance with subparagraph (E) notice to the company that submitted the plan.

''(C) ROUTINE ACTIONS.—In carrying out the functions described in paragraph (1)(A), a certified development company may undertake routine actions not addressed in a liquidation or workout plan without obtaining additional approval from the Administrator.

''(D) COMPROMISE OF INDEBTEDNESS.—In carrying out functions described in paragraph (1)(A), a certified development company may—

''(i) consider an offer made by an obligor to compromise the debt for less than the full amount owing; and

''(ii) pursuant to such offer, release any obligor or other party contingently liable, if the company secures the written approval of the Administrator.

''(E) CONTENTS OF NOTICE OF NO DECISION.—Any notice provided by the Administrator pursuant to subparagraph (B)(ii) shall—

''(i) be in writing stating the specific reasons for which the Administrator was unable to act on the request submitted pursuant to subparagraph (A);

''(ii) provide an estimate of the additional time needed for the Administrator to reach a decision on the request; and

''(iii) specify any additional information or documentation that the Administrator needs to make a decision but was not provided in the plan submitted by the certified development company.

''(3) CONFLICT OF INTEREST.—In carrying out functions described in paragraph (1), a certified development company shall take no action that would result in an actual or apparent conflict of interest between the company (or any employee of the company) and any third-party lender, associate of a third-party lender, or any other person participating in a liquidation, foreclosure, or loss mitigation action.

''(d) SUSPENSION OR REVOCATION OF AUTHORITY.—

''(1) IN GENERAL.—The Administrator may revoke or suspend a delegation of authority under this section to a certified development company if the Administrator determines that the company—

''(A) does not meet the requirements of subsection (b)(1);

''(B) violated any applicable law or rule or regulation of the Administrator that in the estimation of the Administrator requires revocation; or

''(C) fails to comply with any reporting that may be established by the Administrator relating to the establishment of eligibility in subsection (b)(1) or carrying out the functions described in subsection (c)(1).

''(2) WRITTEN NOTICE.—The Administrator shall provide in writing detailed reason why the delegation of authority was suspended or revoked.

''(e) PARTICIPATION IN LIQUIDATION.—

''(1) IN GENERAL.—

''(A) CONTRACT WITH QUALIFIED THIRD PARTY.—A certified development company which elects not to apply for authority to foreclose and liquidate defaulted loans under this section, or which the Administrator 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.

''(B) CONTRACT APPROVAL.—The contract entered into by the certified development company specified in subparagraph (A) shall be contingent upon approval by the Administrator with respect to the qualifications of the contractor and the terms and conditions of liquidation activities. The Administrator shall not unreasonably withhold such approval.

''(C) NOTIFICATION OF REJECTION.—If the Administrator rejects the contract, the Administrator shall provide a notice to the certified development company, in writing, explaining the reasons for such rejection within ten business days after submission of the contract.

''(D) RESUBMITTAL.—The certified development company shall be permitted to resubmit the contract and the Administrator's review of any such resubmittal shall be limited to insufficiencies described in the notification of rejection.

''(E) REGULATIONS.—The Administrator shall promulgate regulations, after notice and opportunity for comment, adopting standards for the approval of qualified third-party contractors within 90 days after the date of enactment of the Small Business Financing and Investment Act of 2009.

''(F) FAILURE TO PROMULGATE REGULATIONS.—If the Administrator fails to promulgate such regulations, any contract for liquidation entered into by a certified development company under this subsection shall be considered valid for the purposes of this subsection and subsection (f).

''(G) EFFECT OF ADMINISTRATOR'S PROMULGATION OF REGULATIONS.—If the Administrator promulgates regulations after the deadline specified in subparagraph (E), those regulations shall not have any retroactive application with respect to contracts that are described in subparagraph (F).

''(2) COMMENCEMENT.—This subsection shall not require any certified development company to liquidate defaulted loans until the Administrator implements a system to compensate and reimburse certified development companies for liquidation of any defaulted loans.

''(f) COMPENSATION AND REIMBURSEMENT.—

''(1) REIMBURSEMENT OF EXPENSES.—The Administrator shall reimburse each certified development company for all expenses paid by such company as part of the foreclosure and liquidation activities taken to carry out this section, if the expenses—

''(A) were—

''(i) approved in advance by the Administrator, either specifically in a plan submitted pursuant to subsection (c) or generally, such as, but not limited to, actions approved by the Administrator in regulations or other interpretative issuances; or

''(ii) incurred by the development company on an emergency basis without prior approval from the Administrator, if the Administrator determines that the expenses were reasonable and appropriate; and

''(B) are submitted by the certified development company to the Administrator not later than 3 years after the date the expense was incurred or the bill therefore is submitted to the certified development company, whichever is later.

''(2) ALTERNATIVE REIMBURSEMENT.—As an alternative to the procedure in paragraph (1), a certified development company may elect to obtain reimbursement for all such expenses from the proceeds of any collateral provided by the borrower that was liquidated by the certified development company if the expenses comply with the requirements of paragraph (1). Within 6 months of the reimbursement, the certified development company shall provide the Administrator with the same information and documentation it would be required to submit to obtain payment from the Administrator.

''(3) REGULATIONS.—The Administrator shall promulgate regulations, after notice and comment to carry out the provisions of paragraphs (1) and (2). If the Administrator does not promulgate such regulations within one year, certified development companies shall be authorized, notwithstanding the requirements of subsection (e)(2), to liquidate defaulted loans and such costs and expenses incurred, absent clear and convincing evidence of fraud, shall be deemed to be approved.

''(4) COMPENSATION FOR RESULTS.—

''(A) DEVELOPMENT.—In regulations promulgated pursuant to paragraph (3), the Administrator also shall develop a schedule of compensation that provides monetary incentives for certified development companies in order to increase recoveries on defaulted loans.

''(B) CRITERIA.—The schedule shall—

''(i) be based on a percentage of the net amount recovered, but shall not exceed a maximum amount; and

''(ii) not apply to any foreclosure which is conducted under a contract between a certified development company and a qualified third party to perform the foreclosure and liquidation.

''(C) PAYMENT.—The Administrator shall transmit the compensation provided herein to the development company from the proceeds of liquidated collateral, unless the Administrator utilizes another source for funds, within 30 days from the date when the liquidation case has been closed and documentation received.''.

SEC. 221. REPORTS AND REGULATIONS.

Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following:

''SEC. 511. REPORTS.

''(a) PREMIER CERTIFIED DEVELOPMENT COMPANIES.—The Administrator shall report annually to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate on the implementation of section 504. Each report shall include—

''(1) the number of premier certified development companies;

''(2) the debenture volume of each premier certified development company;

''(3) a comparison of the loss rate for premier certified development companies to the loss rate for accredited or certified development companies; and

''(4) such other information as the Administrator deems appropriate.

''(b) REPORTS ON LIQUIDATION AND FORECLOSURES.—

''(1) IN GENERAL.—Based on information provided by certified development companies and the Administrator, the Administrator shall submit annually to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the results of delegation of authority under section 510.

''(2) CONTENTS.—Each report submitted under paragraph (1) shall include the following information:

''(A) With respect to each loan foreclosed or liquidated by a certified development company, or for which losses were otherwise mitigated by pursuant to a workout plan—

''(i) the total cost of the project financed with the loan;

''(ii) the total original dollar amount guaranteed by the Administration;

''(iii) the total dollar amount of the loan at the time of liquidation, foreclosure, or mitigation of loss;

''(iv) the total dollar losses resulting from the liquidation, foreclosure, or mitigation of loss; and

''(v) the total recoveries resulting from the liquidation, foreclosure, or mitigation of loss, both as a percentage of the amount guaranteed and the total cost of the project financed.

''(B) With respect to each certified development company to which authority is delegated under section 510, the totals of each of the amounts described in clauses (i) through (v) of subparagraph (A).

''(C) With respect to each certified development company that contracts with a qualified third-party contractor pursuant to section 510(e), the total of each of the amounts described in clauses (i) through (v) of subparagraph (A).

''(D) With respect to all loans subject to foreclosure, liquidation, or mitigation under section 510, the totals of each of the amounts described in clauses (i) through (v) of subparagraph (A).

''(E) A comparison between—

''(i) the information provided under subparagraph (D) with respect to the 12-month period preceding the date on which the report is submitted; and

''(ii) the same information with respect to loans foreclosed and liquidated, or otherwise treated, by the Administrator during the same period.

''(F) The number of times that the Administrator has failed to approve or reject a liquidation plan, workout plan, request to purchase indebtedness, or failed to approve a third-party contractor under section 510, including specific information regarding the reasons for the Administrator's failure and any delays that resulted.

''(c) REPORTS ON COMBINATION FINANCING.—

''(1) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of the Small Business Financing and Investment Act of 2009, and annually thereafter, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives that—

''(A) includes the number of small business concerns that have financing under both section 7(a) of the Small Business Act (15 U.S.C. 636(a)) and title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) during the year before the year of that report; and

''(B) describes the total amount and general performance of the financing described in subparagraph (A).

''(d) REPORT ON OTHER ECONOMIC DEVELOPMENT ACTIVITY.—The Administrator shall compile and submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate on an annual basis, commencing in the year that the Small Business Financing and Investment Act of 2009 is enacted, a report that describes the economic and community development activities, other than loan making under this title, of each certified development company during the prior fiscal year. The Administrator may contract with another party, including non-governmental entities, to collect information or otherwise assist in the preparation of the report required by this subsection.

''SEC. 512. PROMULGATION OF REGULATIONS UNDER THIS TITLE.

''(a) DEADLINES FOR IMPLEMENTING REGULATIONS.—Except as expressly provided elsewhere in the Small Business Financing and Investment Act of 2009, the Administrator shall promulgate regulations under this title, after providing notice and the opportunity for comment, within 180 days after the date of enactment of that Act.

''(b) NOTICE AND COMMENT REQUIREMENTS IN GENERAL.—Except as otherwise provided elsewhere in this title, the Administrator shall provide, after the date of enactment of the Small Business Financing and Investment Act of 2009, notice of any proposed change to a regulation implementing this title (whether in existence on the date of enactment of the Small Business Financing and Investment Act of 2009 or subsequently adopted), publish such notification in the Federal Register, and provide a comment period of not less than 60 days.''.

SEC. 222. PROGRAM NAME.

Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), as amended by this Act, is further amended by adding at the end the following:

''SEC. 513 PROGRAM NAME.

''(a) IN GENERAL.—The program created by this title shall be referred to as the CDC Economic Development Loan Program.

''(b) MODIFICATION OF MATERIALS USED.—Not later than 60 days after the date of enactment of the Small Business Financing and Investment Act of 2009, the Administrator shall modify all documents and websites to conform to the name change made by this section.''.

Subtitle C—Miscellaneous

SEC. 231. REPORT ON STANDARD OPERATING PROCEDURES.

(a) REPORT.—The Administrator of the Small Business Administration shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report within 180 days after enactment of this Act identifying each Standard Operating Procedure issued after January 1, 1996, that relates to the operation of a development company (in any manner) under

title V of the Small Business Investment Act of 1958, that is still in effect on the date of enactment of this Act, and the regulation codified in title 13 of the Code of Federal Regulations that authorizes the issuance of the Standard Operating Procedure and separately identifies the regulation that the Standard Operating Procedure purports to interpret.

(b) INAPPLICABILITY.—If the Administrator fails to complete the report by the time specified in subsection (a), the Administrator shall, unless there is clear and convincing evidence of fraud, honor the terms and conditions of any debenture to the entity that issued the debenture pursuant to title V of the Small Business Investment Act of 1958 without regard to whether the entity complied with any of the Standard Operating Procedures described in subsection (a) until such time as the Administrator submits the report required under subsection (a).

(c) DEFINITION.—For purposes of this section, the term ''Standard Operating Procedure'' has the meaning given that term in section 120.10 of title 13, Code of Federal Regulations, as in effect on January 1, 2009, and includes any reference to the acronym ''SOP''.

SEC. 232. ALTERNATIVE SIZE STANDARD.

(a) REVIEW AND STUDY.—

(1) IN GENERAL.—The Administrator of the Small Business Administration shall study and review the optional size standard set forth in section 121.301(b) of title 13, Code of Federal Regulations, as in effect on January 1, 2009, for eligibility of a small business concern for financing under title V of the Small Business Investment Act of 1958.

(2) CONTENTS.—The review shall analyze whether the alternative size standard includes the business concerns defined in section 3(a)(1) of the Small Business Act and what, if any, regulatory changes are needed in the alternative size standard.

(3) SUBMISSION TO CONGRESS.—The Administrator shall submit its study and conclusions within 180 days after the date of enactment of the Small Business Financing and Investment Act of 2009 to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

(b) ISSUANCE OF REGULATIONS.—Any changes in the optional size standard described in subsection (a)(1) shall be promulgated within 180 days of the submission of the report to committees referred to in paragraph (3) of subsection (a).

(c) INTERIM ALTERNATIVE SIZE STANDARD.—Until the Administrator promulgates regulations either readopting the size standard referred to in subsection (a)(1) or adopts a new alternative size standard, the alternative size standard shall be a maximum tangible net worth of not more than $15,000,000 and an average net income after the payment of Federal taxes (but excluding any carryover losses) for the preceding two fiscal years not more than $5,000,000.

TITLE III—MICROLENDING EXPANSION

SEC. 301. MICROLOAN CREDIT BUILDING INITIATIVE.

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

''(14) CREDIT REPORTING INFORMATION.—The Administrator shall establish a process, for use by an intermediary making a loan to a borrower under this subsection, under which the intermediary shall provide to the major credit reporting agencies the information about the borrower, both positive and negative, that is relevant to credit reporting, such as the payment activity of the borrower on the loan. Such process shall allow an intermediary the option of providing information to the major credit reporting agencies through the Administration or independently.''.

SEC. 302. FLEXIBLE CREDIT TERMS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)), as amended by this Act, is further amended—

(1) in paragraph (1)(B)(i) by striking ''short-term,'';

(2) in paragraph (6)(A) by striking ''short-term,''; and

(3) in paragraph (11)(B) by striking ''short-term,''.

SEC. 303. INCREASED PROGRAM PARTICIPATION.

Section 7(m)(2) of the Small Business Act (15 U.S.C. 636(m)(2)) is amended—

(1) in subparagraph (A) by striking ''paragraph (10)'' and inserting ''paragraph (11)''; and

(2) by amending subparagraph (B) to read as follows:

''(B) has—

''(i) at least—

''(I) 1 year of experience making microloans to startup, newly established, or growing small business concerns; or

''(II) 1 full-time employee who has not less than 3 years of experience making microloans to startup, newly established, or growing small business concerns; and

''(ii) at least—

''(I) 1 year of experience providing, as an integral part of its microloan program, intensive marketing, management, and technical assistance to its borrowers; or

''(II) 1 full-time employee who has not less than 1 year of experience providing intensive marketing, management, and technical assistance to borrowers.''.

SEC. 304. INCREASED LIMIT ON INTERMEDIARY BORROWING.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended—

(1) by striking ''$750,000'' and inserting ''$1,000,000'';

(2) by striking ''$3,500,000'' and inserting ''$7,000,000''; and

(3) by adding at the end the following: ''The Administrator may treat the amount of $7,000,000 in this subparagraph as if such amount is $10,000,000 if the Administrator determines, with respect to an intermediary, that such treatment is appropriate.''.

SEC. 305. EXPANDED BORROWER EDUCATION ASSISTANCE.

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

(1) in clause (i) by striking ''25 percent'' and inserting ''35 percent''; and

(2) in clause (ii) by striking ''25 percent'' and inserting ''35 percent''.

SEC. 306. INTEREST RATES AND LOAN SIZE.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)), as amended by this Act, is further amended—

(1) in paragraph (3)(F)(iii) by striking ''$7,500'' and inserting ''$10,000'';

(2) in paragraph (6)(C)(i) by striking ''$7,500'' and inserting ''$10,000''; and

(3) in paragraph (6)(C)(ii) by striking ''$7,500'' and inserting ''$10,000''.

SEC. 307. REPORTING REQUIREMENT.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)), as amended by this Act, is further amended by adding at the end the following:

''(15) REPORTING REQUIREMENT.—Not later than 90 days after the end of each fiscal year, the Administrator shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report that includes, with respect to such fiscal year of the microloan program, the following:

''(A) The names and locations of each intermediary that received funds to make microloans or provide marketing, management, and technical assistance.

''(B) The amounts of each loan and each grant provided to each such intermediary in such fiscal year and in prior fiscal years.

''(C) A description of the contributions from non-Federal sources of each such intermediary.

''(D) The number and amounts of microloans made by each such intermediary to all borrowers and to each of the following:

''(i) Women entrepreneurs and business owners.

''(ii) Low-income entrepreneurs and business owners.

''(iii) Veteran entrepreneurs and business owners.

''(iv) Disabled entrepreneurs and business owners.

''(v) Minority entrepreneurs and business owners.

''(E) A description of the marketing, management, and technical assistance provided by each such intermediary to all borrowers and to each of the following:

''(i) Women entrepreneurs and business owners.

''(ii) Low-income entrepreneurs and business owners.

''(iii) Veteran entrepreneurs and business owners.

''(iv) Disabled entrepreneurs and business owners.

''(v) Minority entrepreneurs and business owners.

''(F) The number of jobs created and retained as a result of microloans and marketing, management, and technical assistance provided by each such intermediary.

''(G) The repayment history of each such intermediary.

''(H) The number of businesses that achieved success after receipt of a microloan.''.

SEC. 308. SURPLUS INTEREST RATE SUBSIDY FOR BUSINESSES.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)), as amended by this Act, is further amended by adding at the end the following:

''(16) INTEREST ASSISTANCE.—The Administrator is authorized to make grants to intermediaries for the purposes of reducing interest rates charged to borrowers that receive financing under this subsection.''.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note), as amended by this Act, is further amended by inserting after subsection (g) the following:

''(h) FISCAL YEARS 2010 AND 2011 WITH RESPECT TO SECTION 7(m).—

''(1) PROGRAM LEVELS.—For the programs authorized by this Act, the Administration is authorized to make during each of fiscal years 2010 and 2011—

''(A) $80,000,000 in technical assistance grants, as provided in section 7(m); and

''(B) $110,000,000 in direct loans, as provided in section 7(m).

''(C) $10,000,000 in interest assistance grants, as provided in section 7(m)(16).

''(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out paragraph (1).''.

TITLE IV—SMALL BUSINESS INVESTMENT COMPANY MODERNIZATION

SEC. 401. INCREASED INVESTMENT FROM STATES.

Section 103(13)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 662(13)(C)) is amended by striking ''33 percent'' and inserting ''45 percent''.

SEC. 402. EXPEDITED LICENSING FOR EXPERIENCED APPLICANTS.

Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by

inserting after subsection (c) the following new subsection:

''(d) LICENSES FOR EXPERIENCED APPLICANTS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, not later than 60 days after the initial receipt by the Administrator of any request (which shall be deemed to be the application) for a license to operate as a small business investment company under this Act, the Administrator shall approve the request and issue such license if each of the following requirements is satisfied:

''(A) At least 50 percent of the principal managers of the applicant consist of at least two-thirds of the principal managers of a small business investment company that has been licensed under this Act.

''(B) The licensed small business investment company specified under subparagraph (A) has operated under such license for at least 3 years prior to the receipt of the request specified in this paragraph.

''(C) The licensed small business investment company specified under subparagraph (A)—

''(i) either has invested at least 70 percent of its private capital and drawn at least 50 percent of its projected leverage at the time of the receipt of the request specified in this paragraph or reserved for investment and expenses or some combination of both at least 70 percent of its private capital in the one-year period prior to the date on which the application referred to in this paragraph was received by the Administrator;

''(ii) has maintained 6 consecutive quarters of profitable net investment income; and

''(iii) has made at least 3 exits from investments in small businesses that have realized profits from those respective investments.

''(D) The applicant submits to the Administrator, in writing, an application consisting of all of the following:

''(i) A certification, in the form prescribed by the Administrator, that such applicant satisfies the requirements of this subsection and that all information contained in the application is true and complete.

''(ii) A copy of the organizational documents of the applicant.

''(iii) A copy of the operating plan of the applicant demonstrating that at least 50 percent of the amount of the planned investments of the applicant will be in the same or substantially similar investment stage and use the same or substantially similar type of investment instruments as the investments of the licensed small business investment company specified under subparagraph (A).

''(iv) A certification, in a form prescribed by the Administrator, that the applicant satisfies the requirements of subsections (a) and (c) of section 302 of this Act.

''(E) The applicant is in good standing as set forth in paragraph (2).

''(F) The applicant pays all fees prescribed by the Administrator under subsection (e).

''(2) GOOD STANDING.—For purposes of this subsection, an applicant is in good standing if—

''(A) a licensed leveraged debentured or non-leveraged small business investment company specified under paragraph (1)(A) is actively operating under this Act on the date of the initial receipt of the application by the Administrator to which this subsection applies;

''(B) no principal manager of the applicant has been found liable in a civil action for fraud if the Administrator makes a reasonable determination based on evidence in the agency record that such liability has a material adverse effect on the ability of the applicant to perform obligations required by a license issued pursuant to this Act; and

''(C) no principal manager is under investigation by a governmental agency or authority for, is under indictment for, or has been convicted of a felony for a violation of Federal or State securities laws, fraud, or another criminal violation if such investigation, indictment, or conviction has a material adverse effect on the ability of the applicant to perform obligations under a license issued under this Act.

''(3) LIMITATION.—

''(A) IN GENERAL.—The Administrator may remove an application from the approval process under this subsection if the Administrator determines based on evidence in the agency record that the approval of the license would present an unacceptable risk to the Federal Government.

''(B) IN WRITING.—Such determination shall be made in writing and provided to the applicant no later than 10 calendar days after such determination is made. Failure to provide this determination to the applicant shall be deemed to be a permanent waiver of the Administrator's authority to remove an application pursuant to this subsection.

''(C) NON-DELEGABILITY.—The Administrator may rely on agency personnel to collect data or other material relevant to establishing a record, but the decision to remove the application may not be delegated by the Administrator to any subordinate personnel in the agency.

''(4) NOTICE AND OPPORTUNITY TO CURE NONCONFORMANCE.—

''(A) NOTICE OF NON-CONFORMANCE.—Except for a determination made pursuant to paragraph (3), the Administrator shall provide an applicant described in paragraph (1) within 60 days after receipt of the application a written notice and description of any nonconformance with any requirement of this subsection based on evidence in the agency record.

''(B) OPPORTUNITY TO CURE.—The applicant shall have 30 days following the receipt of notice of nonconformance or the receipt of removal as set forth in paragraph (3) to cure such nonconformance.

''(C) FAILURE TO PROVIDE NOTICE.—Failure to provide the notice within the time limit set forth in subparagraph (A) shall be deemed to be acceptance by the Administrator of the applicant's conformance with the requirements of this subsection.

''(5) BACKGROUND REVIEWS.—The Administrator shall ensure that a timely background check of the principal managers of each applicant is completed with respect to paragraphs (2)(B) and (2)(C).

''(6) FEES.—The Administrator may charge an applicant additional fees for carrying out the background reviews mandated by paragraph (5). Such fees shall not exceed $10,000.

''(7) EFFECT OF NON-QUALIFICATION.—The failure of an applicant to qualify for expedited licensure under this subsection shall have no effect on an existing license or the ability for the applicant or any of its individual managers to apply for or receive a license to operate a small business investment company under the procedures established elsewhere in this Act or its implementing regulations.

''(8) REGULATIONS.—The Administrator shall develop forms and promulgate regulations to implement this subsection after providing an opportunity for notice and comment. Regulations promulgated pursuant to this paragraph shall be published in the Code of Federal Regulations.''.

SEC. 403. REVISED LEVERAGE LIMITATIONS FOR SUCCESSFUL SBICS.

(a) MAXIMUM LEVERAGE.—Section 303(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)) is amended by striking so much of paragraph (2) as precedes subparagraph (C) and inserting the following:

''(2) MAXIMUM LEVERAGE.—

''(A) IN GENERAL.—(i) The maximum amount of outstanding leverage made available to any one company licensed under section 301(c) of this Act may not exceed the lesser of—

''(I) 300 percent of such company's private capital; or

''(II) $150,000,000.

''(ii) In applying clause (i)(I) in the case of a debenture licensee which is in good standing without the imposition of additional regulatory standards and whose financings at cost are comprised of at least 50 percent of loans and debt securities, such licensee may be leveraged as follows:

''(I) The first one-third of private capital to 300 percent.

''(II) The second one-third of private capital to 200 percent.

''(III) The last third of private capital to 100 percent.

''(iii) Notwithstanding clause (i), in the case of any company operating as a business development company (as such term is defined under section 2(a)(48) of the Investment Company Act of 1940) or a majority-owned subsidiary of such a company that is in good standing without the imposition of additional regulatory requirements, the maximum amount of outstanding leverage made available to such company shall be $250,000,000.

''(B) MULTIPLE LICENSEES UNDER COMMON CONTROL.—The maximum amount of outstanding leverage made available to two or more debenture companies licensed under section 301(c) of this Act that are commonly controlled (as determined by the Administrator) and not under capital impairment may not exceed $350,000,000.''.

(b) REGULATIONS.—Section 303(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)), as amended by this Act, is further amended by adding at the end the following:

''(E) REGULATIONS.—The Administrator shall promulgate regulations, after notice and opportunity for comment, establishing quantifiable objective criteria under which a licensee's private capital in its entirety may be leveraged up to 300 percent. Such regulations shall be published in the Code of Federal Regulations.''.

(c) INVESTMENTS IN LOW-INCOME GEOGRAPHIC AREAS.—Section 303(b)(2)(C)(ii) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)(C)(ii)) is amended by striking ''$250,000,000'' in subclause (II) and inserting ''$400,000,000''.

SEC. 404. CONSISTENCY FOR COST CONTROL.

Section 305(c) of the Small Business Investment Act of 1958 (15 U.S.C. 685(c)) is amended by adding at the end the following:

''In addition to the foregoing, with respect to a loan made, or debt with equity features acquired, under this section, the minimum coupon rate of interest (cost of money ceiling) imposed by the Administrator shall not be less than 19 percent per annum for a loan or a debt security, except that nothing herein shall alter or affect provisions permitting higher coupon rates of interest (cost of money ceilings) and a company may charge up to an additional 7 percent more than the interest rate set forth in the loan or debt security in the event of a default. For purposes of this subsection a default means the occurrence of any of the following:

''(1) Failure to pay an amount when due.

''(2) Failure to provide in a timely manner material information required under the applicable financing documents.

''(3) Failure to observe any material term, covenant, or other agreement contained in the applicable financing documents.

''(4) A representation, warranty, certification, or statement of fact made by or on

behalf of a borrower in any applicable financing document or in any document delivered in connection therewith, that was materially incorrect or misleading when made.

''(5) Any material event of default specified in the applicable financing documents.''.

SEC. 405. INVESTMENT IN VETERAN-OWNED SMALL BUSINESSES.

Section 303(b)(2)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)(C)) is amended as follows:

(1) In the heading, by inserting after ''AREAS'' the following: ''AND VETERANS''.

(2) In clause (i), by inserting after ''351)'' the following: ''or in a small business concern owned and controlled by veterans (as such term is defined in section 3(q)(3) of the Small Business Act)''.

(3) In clause (iii), by inserting after ''351)'' the following: ''or in small business concerns owned and controlled by veterans (as such term is defined in section 3(q)(3) of the Small Business Act)''.

SEC. 406. TANGIBLE NET WORTH.

Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662), as amended by this Act, is further amended by striking ''and'' at the end of paragraph (23), by striking the period at the end of paragraph (24) and inserting ''; and'', and by adding at the end the following:

''(25) for purposes of the terms 'small-business concern' in paragraph (5) and 'smaller enterprise' in paragraph (12), tangible net worth shall, to the extent used, mean the total net worth of the small business, in accordance with General Accepted Accounting Principles, minus all intangibles in accordance with General Accepted Accounting Principles.''.

SEC. 407. DEVELOPMENT OF AGENCY RECORD.

Part A of title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.), as amended by this Act, is further amended by adding at the end the following:

''SEC. 321. AGENCY RECORD FOR LICENSING OF SMALL BUSINESS INVESTMENT COMPANIES.

''(a) RECORD.—The Associate Administrator for Investment shall establish an agency record of evidence referring or relating to each application for a license to become a small business investment company.

''(b) WRITTEN NOTIFICATION.—The Administrator shall provide a written explanation of any denial of a license application based upon evidence in the agency record. Absent an order by a Federal or State court of general jurisdiction, access to applications and the agency record shall be limited to the applicant and to the Administrator and subordinate personnel of the Administrator.''.

SEC. 408. PROGRAM LEVELS.

Section 20 of the Small Business Act (15 U.S.C. 631 note), as amended by this Act, is further amended by inserting after subsection (h) the following:

''(i) PART A OF TITLE III OF THE SMALL BUSINESS INVESTMENT ACT OF 1958.—

''(1) PROGRAM LEVELS 2010.—For fiscal year 2010, in carrying out the program authorized by part A of title III of the Small Business Investment Act of 1958, the Administrator is authorized to make $5,000,000,000 in guarantees of debentures.

''(2) PROGRAM LEVELS 2011.—For fiscal year 2011, in carrying out the program authorized by part A of title III of the Small Business Investment Act of 1958, the Administrator is authorized to make $5,5000,000,000 in guarantees of debentures.''.

TITLE V—INVESTMENT IN SMALL MANUFACTURERS AND RENEWABLE ENERGY SMALL BUSINESSES

Subtitle A—Enhanced New Markets Venture Capital Program

SEC. 501. EXPANSION OF NEW MARKETS VENTURE CAPITAL PROGRAM.

(a) ADMINISTRATION PARTICIPATION REQUIRED.—Section 353 of the Small Business Investment Act of 1958 (15 U.S.C. 689b) is amended by striking ''under which the Administrator may'' and inserting ''under which the Administrator shall''.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report describing any expansion of the New Markets Venture Capital Program as a result of this section.

SEC. 502. IMPROVED NATIONWIDE DISTRIBUTION.

Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c) is amended by adding at the end the following:

''(f) GEOGRAPHIC EXPANSION.—From among companies submitting applications under subsection (b), the Administrator shall consider the selection criteria and promotion of nationwide distribution under subsection (c) and shall, to the extent practicable, approve at least one company from each geographic region of the Small Business Administration.''.

SEC. 503. INCREASED INVESTMENT IN SMALL BUSINESS CONCERNS ENGAGED PRIMARILY IN MANUFACTURING.

(a) DEVELOPMENTAL VENTURE CAPITAL AND PARTICIPATION AGREEMENTS.—Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689) is amended—

(1) in paragraph (1) by inserting after ''geographic areas'' the following: ''or encouraging the growth or continuation of small business concerns located in low-income geographic areas and engaged primarily in manufacturing''; and

(2) in paragraph (6)(B) by inserting after ''geographic areas'' the following: ''or in small business concerns located in low-income geographic areas at least 80 percent of which are engaged primarily in manufacturing''.

(b) PURPOSES.—Section 352(2) of the Small Business Investment Act of 1958 (15 U.S.C. 689a(2)) is amended—

(1) in the matter preceding subparagraph (A) by inserting after ''geographic areas'' the following: ''and small business concerns located in low-income geographic areas and engaged primarily in manufacturing'';

(2) in subparagraph (B) by inserting after ''geographic areas'' the following: ''or in small business concerns located in low-income geographic areas and engaged primarily in manufacturing''; and

(3) in subparagraph (C) by inserting after ''smaller enterprises'' the following: ''and small business concerns''.

(c) ELIGIBILITY, APPLICATIONS, AND REQUIREMENTS FOR FINAL APPROVAL.—Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c), as amended by this Act, is further amended—

(1) in subsection (a)(3) by inserting after ''geographic areas'' the following: ''or investing in small business concerns located in low-income geographic areas and engaged primarily in manufacturing'';

(2) in subsection (b)—

(A) in paragraph (1) by inserting after ''geographic areas'' the following: ''or in small business concerns located in low-income geographic areas and engaged primarily in manufacturing''; and

(B) in paragraph (4) by inserting after ''smaller enterprises'' the following: ''or small business concerns''; and

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking ''Each'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), each''; and

(ii) by adding at the end the following:

''(B) SMALL BUSINESS CONCERNS ENGAGED PRIMARILY IN MANUFACTURING.—Each conditionally approved company engaged primarily in development of and investment in small business concerns located in low-income geographic areas and engaged primarily in manufacturing shall raise not less than $3,000,000 of private capital or binding capital commitments from one or more investors (other than agencies or departments of the Federal Government) who met criteria established by the Administrator.''; and

(B) in paragraph (2)(A) by inserting after ''smaller enterprises'' the following: ''or small business concerns''.

(d) OPERATIONAL ASSISTANCE GRANTS.—Section 358 of the Small Business Investment Act of 1958 (15 U.S.C. 689g) is amended—

(1) in subsection (a)(1) by inserting after ''smaller enterprises'' the following: ''and small business concerns''; and

(2) in subsection (b)(1) by inserting after ''smaller enterprises'' the following: ''and small business concerns''.

SEC. 504. EXPANDED USES FOR OPERATIONAL ASSISTANCE IN MANUFACTURING.

Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689), as amended by this Act, is further amended in paragraph (5) by inserting after ''business development'' the following: ''or assistance that assists a small business concern located in a low-income geographic area and engaged primarily in manufacturing with retooling, updating, or replacing machinery or equipment''.

SEC. 505. UPDATING DEFINITION OF LOW-INCOME GEOGRAPHIC AREA.

Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689), as amended by this Act, is further amended—

(1) by striking paragraphs (2) and (3);

(2) by inserting after paragraph (1) the following:

''(2) LOW-INCOME GEOGRAPHIC AREA.—The term 'low-income geographic area' has the meaning given the term 'low-income community' in section 45D(e) of the Internal Revenue Code of 1986.''; and

(3) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively.

SEC. 506. EXPANDING OPERATIONAL ASSISTANCE TO CONDITIONALLY APPROVED COMPANIES.

Section 358(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689g(a)) is amended by adding at the end the following:

''(6) GRANTS TO CONDITIONALLY APPROVED COMPANIES.—

''(A) IN GENERAL.—Subject to the provisions of this paragraph, upon the request of a company conditionally approved under section 354(c), the Administrator shall make a grant to the company under this subsection.

''(B) REPAYMENT BY COMPANIES NOT APPROVED.—If a company receives a grant under this paragraph and does not receive final approval under section 354(e), the company shall repay the amount of the grant to the Administrator.

''(C) DEDUCTION FROM GRANT TO APPROVED COMPANY.—If a company receives a grant under this paragraph and receives final approval under section 354(e), the Administrator shall deduct the amount of such grant from the amount of any immediately succeeding grant the company receives for operational assistance.

''(D) AMOUNT OF GRANT.—No company may receive a grant of more than $50,000 under this paragraph.''.

SEC. 507. LIMITATION ON TIME FOR FINAL APPROVAL.

Section 354(d) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)) is amended in the matter preceding paragraph (1) by striking ''a period of time, not to exceed 2 years,'' and inserting ''2 years''.

SEC. 508. STREAMLINED APPLICATION FOR NEW MARKETS VENTURE CAPITAL PROGRAM.

Not later than 60 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall prescribe standard documents for a New Markets Venture Capital company final approval application under section 354(e) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(e)). The Administrator shall ensure that the standard documents are designed to substantially reduce the cost burden of the application process for companies.

SEC. 509. ELIMINATION OF MATCHING REQUIREMENT.

Section 354(d)(2)(A)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)(2)(A)(i)) is amended—

(1) in subclause (I) by adding ''and'' at the end;

(2) in subclause (II) by striking ''and'' at the end; and

(3) by striking subclause (III).

SEC. 510. SIMPLIFIED FORMULA FOR OPERATIONAL ASSISTANCE GRANTS.

Section 358(a)(4)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 689g(a)(4)(A)) is amended—

(1) by striking ''shall be equal to'' and all that follows through the period at the end and inserting ''shall be equal to the lesser of—''; and

(2) by adding at the end the following:

''(i) 10 percent of the resources (in cash or in-kind) raised by the company under section 354(d)(2); or

''(ii) $1,000,000.''.

SEC. 511. AUTHORIZATION OF APPROPRIATIONS AND ENHANCED ALLOCATION FOR SMALL MANUFACTURING.

Section 368(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689q(a)) is amended—

(1) in the matter preceding paragraph (1) by striking ''fiscal years 2001 through 2006'' and inserting ''fiscal years 2010 and 2011'';

(2) in paragraph (1)—

(A) by striking ''$150,000,000'' and inserting ''$100,000,000''; and

(B) by inserting before the period at the end the following: '', of which not less than 50 percent shall be used to guarantee debentures of companies engaged primarily in development of and investment in small business concerns located in low-income geographic areas and engaged primarily in manufacturing''; and

(3) in paragraph (2)—

(A) by striking ''$30,000,000'' and inserting ''$20,000,000''; and

(B) by inserting before the period at the end the following: '', of which not less than 50 percent shall be used to make grants to companies engaged primarily in development of and investment in small business concerns located in low-income geographic areas and engaged primarily in manufacturing''.

Subtitle B—Expanded Investment in Small Business Renewable Energy

SEC. 521. EXPANDED INVESTMENT IN RENEWABLE ENERGY.

Part C of title III of the Small Business Investment Act of 1958 (15 U.S.C. 690 et seq.) is amended—

(1) in the heading by striking ''**RENEWABLE FUEL CAPITAL INVESTMENT**'' and inserting ''**RENEWABLE ENERGY CAPITAL INVESTMENT**'';

(2) in the heading of paragraph (4) of section 381 by striking ''RENEWABLE FUEL CAPITAL INVESTMENT'' and inserting ''RENEWABLE ENERGY CAPITAL INVESTMENT'';

(3) in the heading of section 384 by striking ''**RENEWABLE FUEL CAPITAL INVESTMENT**'' and inserting ''**RENEWABLE ENERGY CAPITAL INVESTMENT**''; and

(4) by striking ''Renewable Fuel Capital Investment'' each place it appears and inserting ''Renewable Energy Capital Investment''.

SEC. 522. RENEWABLE ENERGY CAPITAL INVESTMENT PROGRAM MADE PERMANENT.

Part C of title III of the Small Business Investment Act of 1958 (15 U.S.C. 690 et seq.), as amended by this Act, is further amended—

(1) in the heading by striking ''**PILOT**''; and

(2) by striking section 398.

SEC. 523. EXPANDED ELIGIBILITY FOR SMALL BUSINESSES.

Part C of title III of the Small Business Investment Act of 1958 (15 U.S.C. 690 et seq.), as amended by this Act, is further amended by striking ''smaller enterprises'' each place it appears and inserting ''small business concerns''.

SEC. 524. EXPANDED USES FOR OPERATIONAL ASSISTANCE IN MANUFACTURING AND SMALL BUSINESSES.

Section 381(1) of the Small Business Investment Act of 1958 (15 U.S.C. 690(1)) is amended by inserting after ''business development'' the following: '', assistance that assists a small business concern to reduce energy consumption, or assistance that assists a small business concern engaged primarily in manufacturing with retooling, updating, or replacing machinery or equipment''.

SEC. 525. EXPANSION OF RENEWABLE ENERGY CAPITAL INVESTMENT PROGRAM.

(a) ADMINISTRATION PARTICIPATION REQUIRED.—Section 383 of the Small Business Investment Act of 1958 (15 U.S.C. 690b) is amended by striking ''under which the Administrator may'' and inserting ''under which the Administrator shall''.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report describing any expansion of the Renewable Energy Capital Investment Program as a result of this section.

SEC. 526. SIMPLIFIED FEE STRUCTURE TO EXPEDITE IMPLEMENTATION.

Section 387(a) of the Small Business Investment Act of 1958 (15 U.S.C. 690f(a)) is amended by striking ''or grant''.

SEC. 527. INCREASED OPERATIONAL ASSISTANCE GRANTS.

Section 397(a) of the Small Business Investment Act of 1958 (15 U.S.C. 690p(a)) is amended by inserting after ''and 2009'' the following: ''and $30,000,000 in such grants for each of fiscal years 2010 and 2011''.

SEC. 528. AUTHORIZATIONS OF APPROPRIATIONS.

Section 397 of the Small Business Investment Act of 1958 (15 U.S.C. 690p) is amended—

(1) in the heading by inserting after ''**APPROPRIATIONS**'' the following: ''**AND PROGRAM LEVELS**''; and

(2) by adding at the end the following:

''(c) PROGRAM LEVELS.—For the programs authorized by this part, the Administration is authorized to make $1,000,000,000 in guarantees of debentures for each of fiscal years 2010 and 2011.''.

TITLE VI—SMALL BUSINESS HEALTH INFORMATION TECHNOLOGY FINANCING PROGRAM

SEC. 601. SMALL BUSINESS HEALTH INFORMATION TECHNOLOGY FINANCING PROGRAM.

The Small Business Act (15 U.S.C. 631 et seq.), as amended by this Act, is further amended by redesignating section 45 as section 46 and by inserting the following new section after section 44:

''SEC. 45. LOAN GUARANTEES FOR HEALTH INFORMATION TECHNOLOGY.

''(a) DEFINITIONS.—As used in this section:

''(1) The term 'health information technology' means computer hardware, software, and related technology that supports the meaningful EHR use requirements set forth in section 1848(o)(2)(A) of the Social Security Act (42 U.S.C. 1395w–4(o)(2)(A)) and is purchased by an eligible professional to aid in the provision of health care in a health care setting, including, but not limited to, electronic medical records, and that provides for—

''(A) enhancement of continuity of care for patients through electronic storage, transmission, and exchange of relevant personal health data and information, such that this information is accessible at the times and places where clinical decisions will be or are likely to be made;

''(B) enhancement of communication between patients and health care providers;

''(C) improvement of quality measurement by eligible professionals enabling them to collect, store, measure, and report on the processes and outcomes of individual and population performance and quality of care;

''(D) improvement of evidence-based decision support; or

''(E) enhancement of consumer and patient empowerment.

Such term shall not include information technology whose sole use is financial management, maintenance of inventory of basic supplies, or appointment scheduling.

''(2) The term 'eligible professional' means any of the following:

''(A) A physician (as defined in section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)).

''(B) A practitioner described in section 1842(b)(18)(C) of that Act.

''(C) A physical or occupational therapist or a qualified speech-language pathologist.

''(D) A qualified audiologist (as defined in section 1861(ll)(3)(B)) of that Act.

''(E) A qualified medical transcriptionist who is either certified by or registered with the Association for Healthcare Documentation Integrity, or a successor association thereto.

''(F) A State-licensed pharmacist.

''(G) A State-licensed supplier of durable medical equipment, prosthetics, orthotics, or supplies.

''(3) The term 'qualified eligible professional' means an eligible professional whose office can be classified as a small business concern by the Administrator for purposes of this Act under size standards established under section 3 of this Act.

''(4) The term 'qualified medical transcriptionist' means a specialist in medical language and the healthcare documentation process who interprets and transcribes dictation by physicians and other healthcare professionals to ensure accurate, complete, and consistent documentation of healthcare encounters.

''(b) LOAN GUARANTEES FOR QUALIFIED ELIGIBLE PROFESSIONALS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Administrator may guarantee up to 90 percent of the amount of a loan made to a qualified eligible professional to be used for the acquisition of health information technology for use in such eligible professional's medical practice and for the costs associated with the installation of such technology. Except as otherwise provided in this section, the terms and conditions that apply to loans made under section 7(a) of this Act shall apply to loan guarantees made under this section.

''(2) LIMITATIONS ON GUARANTEE AMOUNTS.—The maximum amount of loan principal guaranteed under this subsection may not exceed—

''(A) $350,000 with respect to any single qualified eligible professional; and

''(B) $2,000,000 with respect to a single group of affiliated qualified eligible professionals.

''(c) FEES.—(1) The Administrator may impose a guarantee fee on the borrower for the purpose of reducing the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the guarantee to zero in an amount not to exceed 2 percent of the total guaranteed portion of any loan guaranteed under this section. The Administrator may also impose annual servicing fees on lenders not to exceed 0.5 percent of the outstanding balance of the guarantees on lenders' books.

''(2) No service fees, processing fees, origination fees, application fees, points, brokerage fees, bonus points, or other fees may be charged to a loan applicant or recipient by a lender in the case of a loan guaranteed under this section.

''(d) DEFERRAL PERIOD.—Loans guaranteed under this section shall carry a deferral period of not less than 1 year and not more than 3 years. The Administrator shall have the authority to subsidize interest during the deferral period.

''(e) EFFECTIVE DATE.—No loan may be guaranteed under this section until the meaningful EHR use requirements have been determined by the Secretary of Health and Human Services.

''(f) SUNSET.—No loan may be guaranteed under this section after the date that is 5 years after meaningful EHR use requirements have been determined by the Secretary of Health and Human Services.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of guaranteeing $10,000,000,000 in loans under this section. The Administrator shall determine such program cost separately and distinctly from other programs operated by the Administrator.''.

TITLE VII—SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM

SEC. 701. SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM.

Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended by adding at the end the following:

''PART D—SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM

''SEC. 399A. ESTABLISHMENT OF PROGRAM.

''The Administrator shall establish and carry out an early-stage investment program (hereinafter referred to in this part as the 'program') to provide equity investment financing to support early-stage small businesses in targeted industries in accordance with this part.

''SEC. 399B. ADMINISTRATION OF PROGRAM.

''The program shall be administered by the Administrator acting through the Associate Administrator described under section 201.

''SEC. 399C. APPLICATIONS.

''(a) IN GENERAL.—Any incorporated body, limited liability company, or limited partnership organized and chartered or otherwise existing under Federal or State law for the purpose of performing the functions and conducting the activities contemplated under the program and any small business investment company may submit to the Administrator an application to participate in the program.

''(b) REQUIREMENTS FOR APPLICATION.—An application to participate in the program shall include the following:

''(1) A business plan describing how the applicant intends to make successful venture capital investments in early-stage small businesses in targeted industries.

''(2) Information regarding the relevant venture capital investment qualifications and backgrounds of the individuals responsible for the management of the applicant.

''(3) A description of the extent to which the applicant meets the selection criteria under section 399D.

''(c) APPLICATIONS FROM SMALL BUSINESS INVESTMENT COMPANIES.—The Administrator shall establish an abbreviated application process for small business investment companies that have received a license under section 301 and that are applying to participate in the program. Such abbreviated process shall incorporate a presumption that such small business investment companies satisfactorily meet the selection criteria under paragraphs (3) and (5) of section 399D(b).

''SEC. 399D. SELECTION OF PARTICIPATING INVESTMENT COMPANIES.

''(a) IN GENERAL.—Not later than 90 days after the date on which the Administrator receives an application from an applicant under section 399C, the Administrator shall make a final determination to approve or disapprove such applicant to participate in the program and shall transmit such determination to the applicant in writing.

''(b) SELECTION CRITERIA.—In making a determination under subsection (a), the Administrator shall consider each of the following:

''(1) The likelihood that the applicant will meet the goals specified in the business plan of the applicant.

''(2) The likelihood that the investments of the applicant will create or preserve jobs, both directly and indirectly.

''(3) The character and fitness of the management of the applicant.

''(4) The experience and background of the management of the applicant.

''(5) The extent to which the applicant will concentrate investment activities on early-stage small businesses in targeted industries.

''(6) The likelihood that the applicant will achieve profitability.

''(7) The experience of the management of the applicant with respect to establishing a profitable investment track record.

''SEC. 399E. GRANTS.

''(a) IN GENERAL.—The Administrator may make one or more grants to a participating investment company.

''(b) GRANT AMOUNTS.—

''(1) NON-FEDERAL CAPITAL.—A grant made to a participating investment company under the program may not be in an amount that exceeds the amount of the capital of such company that is not from a Federal source and that is available for investment on or before the date on which a grant is drawn upon. Such capital may include legally binding commitments with respect to capital for investment.

''(2) LIMITATION ON AGGREGATE AMOUNT.—The aggregate amount of all grants made to a participating investment company under the program may not exceed $100,000,000.

''(c) GRANT PROCESS.—In making a grant under the program, the Administrator shall commit a grant amount to a participating investment company and the amount of each such commitment shall remain available to be drawn upon by such company—

''(1) for new-named investments during the 5-year period beginning on the date on which each such commitment is first drawn upon; and

''(2) for follow-on investments and management fees during the 10-year period beginning on the date on which each such commitment is first drawn upon, with not more than 2 additional 1-year periods available at the discretion of the Administrator.

''SEC. 399F. INVESTMENTS IN EARLY-STAGE SMALL BUSINESSES IN TARGETED INDUSTRIES.

''(a) IN GENERAL.—As a condition of receiving a grant under the program, a participating investment company shall make all of the investments of such company in small business concerns, of which at least 50 percent shall be early-stage small businesses in targeted industries.

''(b) EVALUATION OF COMPLIANCE.—With respect to a grant amount committed to a participating investment company under section 399E, the Administrator shall evaluate the compliance of such company with the requirements under this section if such company has drawn upon 50 percent of such commitment.

''SEC. 399G. PRO RATA INVESTMENT SHARES.

''Each investment made by a participating investment company under the program shall be treated as comprised of capital from grants under the program according to the ratio that capital from grants under the program bears to all capital available to such company for investment.

''SEC. 399H. GRANT INTEREST.

''(a) GRANT INTEREST.—

''(1) IN GENERAL.—As a condition of receiving a grant under the program, a participating investment company shall convey a grant interest to the Administrator in accordance with paragraph (2).

''(2) EFFECT OF CONVEYANCE.—The grant interest conveyed under paragraph (1) shall have all the rights and attributes of other investors attributable to their interests in the participating investment company, but shall not denote control or voting rights to the Administrator. The grant interest shall entitle the Administrator to a pro rata portion of any distributions made by the participating investment company equal to the percentage of capital in the participating investment company that the grant comprises. The Administrator shall receive distributions from the participating investment company at the same times and in the same amounts as any other investor in the company with a similar interest. The investment company shall make allocations of income, gain, loss, deduction, and credit to the Administrator with respect to the grant interest as if the Administrator were an investor.

''(b) MANAGER PROFITS.—As a condition of receiving a grant under the program, the manager profits interest payable to the managers of a participating investment company under the program shall not exceed 20 percent of profits, exclusive of any profits that may accrue as a result of the capital contributions of any such managers with respect to such company. Any excess of this amount, less taxes payable thereon, shall be returned by the managers and paid to the investors and the Administrator in proportion to the capital contributions and grants paid in. No manager profits interest (other than a tax distribution) shall be paid prior to the repayment to the investors and the Administrator of all contributed capital and grants made.

''(c) DISTRIBUTION REQUIREMENTS.—As a condition of receiving a grant under the program, a participating investment company shall make all distributions to all investors in cash and shall make distributions within a reasonable time after exiting investments, including following a public offering or market sale of underlying investments.

''SEC. 399I. FUND.

''There is hereby created within the Treasury a separate fund for grants which shall be available to the Administrator subject to annual appropriations as a revolving fund to be

used for the purposes of the program. All amounts received by the Administrator, including any moneys, property, or assets derived by the Administrator from operations in connection with the program, shall be deposited in the fund. All expenses and payments, excluding administrative expenses, pursuant to the operations of the Administrator under the program shall be paid from the fund.

''SEC. 399J. APPLICATION OF OTHER SECTIONS.

''To the extent not inconsistent with requirements under this part, the Administrator may apply sections 309, 311, 312, 313, and 314 to activities under this part and an officer, director, employee, agent, or other participant in a participating investment company shall be subject to the requirements under such sections.

''SEC. 399K. DEFINITIONS.

''In this part, the following definitions apply:

''(1) EARLY-STAGE SMALL BUSINESS IN A TARGETED INDUSTRY.—The term 'early-stage small business in a targeted industry' means a small business concern that—

''(A) is domiciled in a State;

''(B) has not generated gross annual sales revenues exceeding $15,000,000 in any of the previous 3 years; and

''(C) is engaged primarily in researching, developing, manufacturing, producing, or bringing to market goods, products, or services with respect to any of the following business sectors:

''(i) Agricultural technology.

''(ii) Energy technology.

''(iii) Environmental technology.

''(iv) Life science.

''(v) Information technology.

''(vi) Digital media.

''(vii) Clean technology.

''(viii) Defense technology.

''(2) PARTICIPATING INVESTMENT COMPANY.—The term 'participating investment company' means an applicant approved under section 399D to participate in the program.

''(3) SMALL BUSINESS CONCERN.—The term 'small business concern' has the same meaning given such term under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

''SEC. 399L. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out the program $200,000,000 for the first full fiscal year beginning after the date of the enactment of this part.''.

TITLE VIII—SBA DISASTER PROGRAM REFORM

SEC. 801. REVISED COLLATERAL REQUIREMENTS.

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

(1) by striking ''(e) [RESERVED].'' and ''(f) [RESERVED].''; and

(2) in subsection (f), as added by section 12068(a)(2) of the Small Business Disaster Response and Loan Improvements Act of 2008 (subtitle B of title XII of the Food, Conservation, and Energy Act of 2008; Public Law 110–246), by adding at the end the following:

''(2) REVISED COLLATERAL REQUIREMENTS.—In making a loan with respect to a business under subsection (b), if the total approved amount of such loan is less than or equal to $250,000, the Administrator may not require the borrower to use the borrower's home as collateral.''.

SEC. 802. INCREASED LIMITS.

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

(1) in paragraph (3)(E) by striking ''$1,500,000'' each place it appears and inserting ''$3,000,000''; and

(2) in paragraph (8)(A) by striking ''$2,000,000'' and inserting ''$3,000,000''.

SEC. 803. REVISED REPAYMENT TERMS.

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

''(3) REVISED REPAYMENT TERMS.—In making loans under subsection (b), the Administrator—

''(A) may not require repayment to begin until the date that is 12 months after the date on which the final disbursement of approved amounts is made; and

''(B) shall calculate the amount of repayment based solely on the amounts disbursed.''.

SEC. 804. REVISED DISBURSEMENT PROCESS.

Section 7(f) of the Small Business Act (15 U.S.C. 636(f)), as amended by this Act, is further amended by adding at the end the following:

''(4) REVISED DISBURSEMENT PROCESS.—In making a loan under subsection (b), the Administrator shall disburse loan amounts in accordance with the following:

''(A) If the total amount approved with respect to such loan is less than or equal to $150,000—

''(i) the first disbursement with respect to such loan shall consist of 40 percent of the total loan amount, or a lesser percentage of the total loan amount if the Administrator and the borrower agree on such a lesser percentage;

''(ii) the second disbursement shall consist of 50 percent of the loan amounts that remain after the first disbursement, and shall be made when the borrower has produced satisfactory receipts to demonstrate the proper use of 50 percent of the first disbursement; and

''(iii) the third disbursement shall consist of the loan amounts that remain after the preceding disbursements, and shall be made when the borrower has produced satisfactory receipts to demonstrate the proper use of the first disbursement and 50 percent of the second disbursement.

''(B) If the total amount approved with respect to such loan is more than $150,000 but less than or equal to $500,000—

''(i) the first disbursement with respect to such loan shall consist of 20 percent of the total loan amount, or a lesser percentage of the total loan amount if the Administrator and the borrower agree on such a lesser percentage;

''(ii) the second disbursement shall consist of 30 percent of the loan amounts that remain after the first disbursement, and shall be made when the borrower has produced satisfactory receipts to demonstrate the proper use of 50 percent of the first disbursement;

''(iii) the third disbursement shall consist of 25 percent of the loan amounts that remain after the first and second disbursements, and shall be made when the borrower has produced satisfactory receipts to demonstrate the proper use of the first disbursement and 50 percent of the second disbursement; and

''(iv) the fourth disbursement shall consist of the loan amounts that remain after the preceding disbursements, and shall be made when the borrower has produced satisfactory receipts to demonstrate the proper use of the first and second disbursements and 50 percent of the third disbursement.

''(C) If the total amount approved with respect to such loan is more than $500,000—

''(i) the first disbursement with respect to such loan shall consist of at least $100,000, or a lesser amount if the Administrator and the borrower agree on such a lesser amount; and

''(ii) the number of disbursements after the first, and the amount of each such disbursement, shall be in the discretion of the Administrator, but the amount of each such disbursement shall be at least $100,000.''.

SEC. 805. GRANT PROGRAM.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as amended by this Act, is further amended by inserting after paragraph (9) the following:

''(10) GRANTS TO DISASTER-AFFECTED SMALL BUSINESSES.—

''(A) IN GENERAL.—If the Administrator declares eligibility for additional disaster assistance under paragraph (9), the Administrator may make a grant, in an amount not exceeding $100,000, to a small business concern that—

''(i) is located in an area affected by the applicable major disaster;

''(ii) submits to the Administrator a certification by the owner of the concern that such owner intends to reestablish the concern in the same county in which the concern was originally located;

''(iii) has applied for, and was rejected for, a conventional disaster assistance loan under this subsection; and

''(iv) was in existence for at least 2 years before the date on which the applicable disaster declaration was made.

''(B) PRIORITY.—In making grants under this paragraph, the Administrator shall give priority to a small business concern that the Administrator determines is economically viable but unable to meet short-term financial obligations.

''(C) PROGRAM LEVEL AND AUTHORIZATION OF APPROPRIATIONS.—

''(i) PROGRAM LEVEL.—The Administrator is authorized to make $100,000,000 in grants under this paragraph for each of fiscal years 2010 and 2011.

''(ii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator such sums as may be necessary to carry out this paragraph.''.

SEC. 806. REGIONAL DISASTER WORKING GROUPS.

Section 40 of the Small Business Act (15 U.S.C. 657l) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''or'' and inserting ''and'';

(2) by redesignating subsection (d) as subsection (e); and

(3) by inserting after subsection (c) the following:

''(d) REGIONAL DISASTER WORKING GROUPS.—In carrying out subsection (a), the Administrator, acting through the regional administrators of the regional offices of the Administration, shall develop a disaster preparedness and response plan for each region of the Administration. Each such plan shall be developed in cooperation with Federal, State, and local emergency response authorities and representatives of businesses located in the region to which such plan applies. Each such plan shall identify and include a plan relating to the 3 disasters, natural or manmade, most likely to occur in the region to which such plan applies.''.

SEC. 807. OUTREACH GRANTS FOR LOAN APPLICANT ASSISTANCE.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as amended by this Act, is further amended by inserting after paragraph (10) the following:

''(11) OUTREACH GRANTS FOR LOAN APPLICANT ASSISTANCE.—

''(A) IN GENERAL.—From amounts made available for administrative expenses relating to activities under this subsection, the Administrator is authorized to make grants to the following:

''(i) A women's business center in an area affected by a disaster.

''(ii) A small business development center in an area affected by a disaster.

''(iii) A Veteran Business Outreach Center in an area affected by a disaster.

''(iv) A chamber of commerce in an area affected by a disaster.

''(B) USE OF GRANT.—An entity specified under subparagraph (A) shall use a grant received under this paragraph to provide application preparation assistance to applicants for a loan under this subsection.

''(C) PROGRAM LEVEL.—The Administrator is authorized to make $50,000,000 in grants under this paragraph for each of fiscal years 2010 and 2011.''.

SEC. 808. AUTHORIZATION OF APPROPRIATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note), as amended by this Act, is further amended—

(1) by redesignating subsection (j) as subsection (k); and

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

''(j) FISCAL YEARS 2010 AND 2011 WITH RESPECT TO SECTION 7(b).—There is authorized to be appropriated such sums as may be necessary for administrative expenses and loans under section 7(b).''.

TITLE IX—REGULATIONS

SEC. 901. REGULATIONS.

Except as otherwise provided in this Act or in amendments made by this Act, after an opportunity for notice and comment, but not later than 180 days after the date of the enactment of this Act, the Administrator shall issue regulations to carry out this Act and the amendments made by this Act.

The CHAIR. No further amendment to the bill, as amended, is in order except those printed in part B of the report. 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, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MS. VELÁZQUEZ

The CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 111–317.

Ms. VELÁZQUEZ. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 1 offered by Ms. VELÁZQUEZ:

Page 11, line 10, insert after ''that is'' the following: ''established or''.

Page 11, line 13, insert after ''satisfies'' the following: ''at least one of''.

Page 11, strike lines 17 through 22 and insert the following:

(2) The entity is primarily engaged in the business of banking, investing, or entrepreneurial development and does not engage in activities which are not incidental to the business of banking, investing, or entrepreneurial development.

Page 18, beginning line 17, strike ''meets basic'' and all that follows through ''subsection.'' and insert ''meets the eligibility and credit standards that a lender would be required to apply to approve a loan under this subsection.''.

Page 28, line 10, strike ''by striking'' and insert ''by repealing''.

Page 28, line 22, strike ''In carrying out'' and insert the following: ''The Administrator shall give priority under such program to small business concerns in a city with an unemployment rate that is at least 125 percent of the unemployment rate of the State that includes such city. In carrying out''.

Page 29, after line 19, insert the following (and redesignate succeeding sections accordingly):

SEC. 119. STUDY AND REPORT ON BUSINESS STABILIZATION LOANS.

(a) STUDY.—The Administrator of the Small Business Administration shall conduct a study on the business stabilization program established under section 506 of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5), including—

(1) how the program has been implemented;

(2) the amount of time involved in processing applications;

(3) the volume of applications received and the effect on application processing;

(4) impediments to participation in the program by small business concerns and lenders;

(5) courses of action that might expedite action by the Administrator on applications;

(6) courses of action that might expand participation by such concerns and lenders; and

(7) a cost benefit analysis with regard to changes to the program, including—

(A) increases in loan limits;

(B) expanding eligibility requirements;

(C) changes to interest rates to lenders; and

(D) any other change the Administrator determines appropriate.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report that includes—

(1) the results of the study under subsection (a); and

(2) recommendations on how to change the program—

(A) to expand participation by small business concerns and lenders; and

(B) to decrease the amount of time involved in processing applications.

(c) OUTREACH.—In conducting the study under subsection (a) and preparing the report under subsection (b), the Administrator of the Small Business Administration shall meet with and solicit the views of relevant stakeholders, including lenders.

Page 30, line 15, strike ''20 of'' and insert ''120 of''.

Page 32, after line 7, insert the following (and redesignate succeeding sections accordingly):

SEC. 124. LOANS USED TO PURCHASE UNOCCUPIED MANUFACTURING CENTERS OR EQUIPMENT.

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

''(42) LOANS USED TO PURCHASE UNOCCUPIED MANUFACTURING CENTERS OR EQUIPMENT.—The Administration may provide loans under this subsection for the purchase of what the Administrator determines to be unoccupied manufacturing centers or equipment.''.

Page 48, strike lines 14 through 18 and insert the following:

SEC. 212. CERTIFIED DEVELOPMENT COMPANY; OPERATIONAL REQUIREMENTS.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended to read as follows:

Page 94, strike line 10 and all that follows through line 5 on page 95 and insert the following:

''(A) FUNDING FROM INSTITUTIONS.—If a small business concern provides—

''(i) the minimum contribution required by subparagraph (B), not less than 50 percent of the total cost of any project financed shall come from State or local governments, banks or other financial institutions, or foundations or other not-for-profit institutions; and

''(ii) more than the minimum contribution required under subparagraph (B), any excess contribution may be used to reduce the amount required from institutions described in clause (i), except that the amount provided by such institution may not be reduced to an amount that is less than the amount of the loan made by the Administrator.

Page 122, strike line 15 and all that follows through line 8 on page 123 and insert the following:

''(c) REPORTS ON COMBINATION FINANCING.—Not later than 90 days after the date of enactment of the Small Business Financing and Investment Act of 2009, and annually thereafter, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives that—

''(1) includes the number of small business concerns that have financing under both section 7(a) of the Small Business Act (15 U.S.C. 636(a)) and title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) during the year before the year of that report; and

''(2) describes the total amount and general performance of the financing described in paragraph (1).

Page 135, line 19, strike ''new subsection''.

Page 138, line 17, strike ''debentured''.

Page 159, after line 8, insert the following (and redesignate succeeding sections accordingly):

SEC. 511. FINANCING WITH RESPECT TO VETERANS.

Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c), as amended by this Act, is further amended by adding at the end the following:

''(g) FINANCING WITH RESPECT TO VETERANS.—A New Markets Venture Capital company shall, to the extent practicable, provide financing to small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), located in low-income geographic areas.''.

Page 165, line 24, strike ''1395x(r))'' and insert ''1395x(r)))''.

Page 166, after line 14, insert the following:

''(H) A State-licensed, a State-certified, or a nationally accredited home health care provider.

Page 185, line 11, insert after ''carrying out'' the following: ''the responsibilities pertaining to loan making activities under''.

Add at the end of the bill the following:

TITLE X—TEMPORARY EMPLOYEE SERVICES FRANCHISES

SEC. 1001. TEMPORARY EMPLOYEE SERVICES FRANCHISES.

In determining whether a franchisee is affiliated with a franchiser in the temporary employee services industry for the purposes of Small Business Administration lending programs, the Administrator of the Small Business Administration shall—

(1) continue to apply its historically-considered affiliation factors in determining whether a business is affiliated with another business or the franchiser in the temporary staffing industry;

(2) promulgate such other rules and regulations as necessary to determine affiliation within the temporary employee services industry as the Administrator determines consistent with the Small Business Act; and

(3) consider the processing of payroll and billing by a franchiser as customary and common practice in the temporary employee services industry that does not provide probative weight on affiliation, to the extent

that the temporary staffing personnel are interviewed, hired, trained, assigned, and subject to discharge by the franchisee.

TITLE XI—STUDY ON PRIVATE SECTOR LENDING

SEC. 1101. STUDY ON PRIVATE SECTOR LENDING.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report that describes lending to small business concerns by the private sector, including the following:

(1) The total amount of lending to small business concerns by private sector financial institutions during each of fiscal years 2006 through 2009.

(2) The total amount of lending to small business concerns by the 10 largest private sector financial institutions (as determined by the Administrator in terms of amounts lent during fiscal year 2006) during each of fiscal years 2006 through 2009.

(b) COORDINATION.—The Administrator of the Small Business Administration shall, if necessary, coordinate with the heads of other Federal departments and agencies to complete the report under subsection (a).

(c) SMALL BUSINESS CONCERNS DEFINED.—In this section, the term ''small business concern'' has the meaning given such term under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

TITLE XII—STUDY ON INCREASES IN CERTAIN CAPS

SEC. 1201. STUDY ON INCREASES IN CERTAIN CAPS.

Not later than 90 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report that describes the anticipated effects of the following potential changes to programs, including whether such changes adequately meet the financing needs of small businesses:

(1) Increasing—

(A) the maximum amount of a loan that may be guaranteed under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) to $3,000,000; and

(B) participation by the Administrator with regard to such a loan.

(2) Increasing—

(A) the maximum amount of a debenture that may be guaranteed under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.); and

(B) the maximum amount of a loan that may be made with the proceeds of such debenture.

(3) Increasing the maximum amount of a microloan that may be made under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).

The CHAIR. Pursuant to House Resolution 875, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from New York.

Ms. VELÁZQUEZ. Mr. Chairman, the manager's amendment to H.R. 3854 makes technical changes to the bill and clarifies the legislative intent for several provisions contained in the legislation. More importantly, the manager's amendment incorporates additional changes that were suggested by Members of the House that will greatly improve the working of the bill.

The amendment will improve the delivery of investment capital for veteran-owned businesses through the New Markets Venture Capital program. This language was suggested by Mr. Jason Altmire, a member of the Small Business Committee, and I was happy to include it in the amendment.

Another member of the committee, Representative BEAN, also contributed language to the amendment which will improve access to the SBA's lending programs for franchise small businesses. This, too, greatly improves the bill.

Representative CONNOLLY contributed language to study the role that the private sector has played in providing small business access to capital over the past 4 years, and provisions that will study the effect of the increased loan size limits contained in the underlying legislation was suggested by Representative PINGREE.

Additionally, Representative BAIRD has suggested the SBA conduct a study to examine the efficacy of the ARC loan program that was established under ARRA.

Together, these provisions will significantly improve our understanding of the state of small business access to capital, and I am grateful for their contributions.

I would also extend my thanks to Representative BOSWELL for his suggestion to include language that will enhance the ability of small firms to use 7(a) loans to purchase unoccupied manufacturing centers and equipment. This will surely help revitalize communities that have suffered from the loss of their manufacturing industries, as will language contributed by Representative COSTA which will make more loans available for communities with unemployment that exceeds prevailing State levels by 25 percent.

Together, these changes made by the manager's amendment will significantly improve the ability of H.R. 3854 to deliver capital and credit to small businesses. I thank the Members that contributed to it, and I urge its adoption.

I reserve the balance of my time.

Mr. GRAVES. Mr. Chairman, I rise to claim time in opposition to the gentlelady's amendment, though I do not oppose the amendment.

The CHAIR. Without objection, the gentleman from Missouri is recognized for 10 minutes.

There was no objection.

Mr. GRAVES. Mr. Chairman, the gentlelady's amendment makes some needed technical changes to the bill. In addition, the amendment incorporates some suggestions from other House Members that will improve the utilization of the SBA's capital access programs. Finally, I would note that the amendment incorporates an important study that hopefully will resolve the question of whether the current loan limits for the 7(a) program are appropriate or whether or not they need to be raised.

I want to thank the chairwoman for her thoughtful consideration in developing this amendment.

I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. LOEBSACK).

Mr. LOEBSACK. Thank you, Madam Chairwoman. I rise in strong support of the Small Business Financing and Investment Act and the manager's amendment, and I thank Chairwoman VELÁZQUEZ and the committee for their excellent work.

Small businesses represent 97 percent of Iowa employers and over half of our private sector employment. They are vital to our economic recovery. This bill makes critical changes to increase their ability to expand and create new jobs by extending lending provisions included in the Recovery Act and ensuring applications are simpler.

Many Iowa businesses face another burden. In 2008, we experienced the worst natural disaster in our State's history, leaving 85 of 99 total counties disaster areas. Given our experience with this disaster, I am especially pleased with the improvements included to SBA's Disaster Loan program, such as raising disaster loan limits and the ceiling for collateral requirements, and improving repayment terms.

Further, the bill creates a grant program to help the most severely affected small businesses and will provide assistance to women and veteran outreach centers, small business development centers, and local chambers of commerce in reaching disaster victims for case management.

While these changes will be beneficial for future disaster victims, probes are ongoing with the over $270 million in SBA disaster loans already approved in Iowa. Many are facing a reduction in supplemental assistance grants due to what is considered a duplication of benefits with their SBA loans, even though these are loans that must be repaid, not grants. Additionally, after a reduction in loan principal due to a duplication of benefits, small loans' monthly payment structures are not changed to reflect the decreased balance. These issues have delayed and impeded the recovery efforts taking place in Iowa.

I look forward to working further to improve the SBA Disaster Loan program, and I thank the committee for their work to help small businesses.

I urge support for the manager's amendment.

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

The CHAIR. The question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. SCHOCK

The CHAIR. It is now in order to consider amendment No. 2 printed in part B of House Report 111–317.

Mr. SCHOCK. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 2 offered by Mr. SCHOCK:

Page 12, line 18, strike the closing quotation marks and period.

Page 12, after line 18, insert:

''(C) If the lender demonstrates, with respect to a claim for payment described in subparagraph (A), that it followed the applicable requirements of the National Lender Training Program as established under paragraph (37) of this section, the Administrator shall pay the claim unless the Administrator has clear and convincing evidence demonstrating that the lender failed to comply with regulatory requirements established by the Administrator.''.

The CHAIR. Pursuant to House Resolution 875, the gentleman from Illinois (Mr. SCHOCK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. SCHOCK. Thank you, Mr. Chairman.

First, I would like to thank Chairwoman VELÁZQUEZ for her work on this very important bill and the bipartisan way in which she has carried the work of this committee out. I am truly grateful for her efforts, as well as Ranking Member GRAVES for his leadership on our side of the aisle to incorporate Members' ideas into this bill.

This legislation here today is intended to increase credit options for small business owners in America. I rise today to offer a simple amendment to this important legislation which will help small businesses across the country have greater access to necessary capital. Such support is needed, not only to sustain their operations but also for these small businesses to be able to expand their production capabilities and profits, and ultimately to lead to more jobs and opportunities for our citizens.

It is no secret that small businesses are the engine that drive the American economy. Currently creating seven out of the 10 new jobs in America, increasing lending options and capital for small business is vital to leading our country out of this current economic downturn.

I am glad today that this body is taking the necessary steps to help our small businesses grow, finally recognizing the significant role that small businesses will play in any economic recovery. It is no secret that one of the greatest disappointments my colleagues on this side of the aisle had in the so-called ''stimulus'' legislation was that it did not do enough for small businesses. Here today we are trying to rectify that.

□ 1515

That said, I am offering this simple amendment, which is backed by both the American Banking Association as well as those small independent community bankers, which I believe will help incentivize increased SBA-backed lending to small businesses from more and more banks across this country.

The legislation before us sets up important guidelines to the National Lender Training Program for banks to follow if they would like to be considered preferred lenders, thus obtaining easier access to carry SBA-guaranteed loans.

While the significance of establishing such a unified training program for lenders to follow cannot be understated, it is equally important that we reward those who complete such training with the true guarantee from the SBA on the loans that they offer to businesses. As is, the SBA currently fails to pay on claims of somewhere between 5 and 10 percent of the loans they guarantee, therefore causing fear in the minds of lenders who would otherwise offer a loan.

This amendment will ensure that the SBA will pay out on a guarantee to any lender who can demonstrate that they followed the prescribed training under the National Lender Training Program. If the SBA refuses to pay on such a claim, they must present clear and convincing evidence as to how the lender failed to meet any requirements of the training program. With this type of assurance of lender compensation for SBA-guaranteed loans in default, banks across this country will be more likely to lend to small businesses, ultimately helping to loosen credit markets, get capital flowing again, and put people back to work.

While I appreciate this legislation's efforts to extend loan guarantees from the SBA, it is equally important that we ensure the SBA pays out on those guarantees should such loans go into default. Removing the ambiguity of the SBA to decide which lenders get paid on guarantees and which do not will result in more banks being willing to participate in these programs and, ultimately, more loans being made to our Nation's small businesses.

I urge adoption of this amendment.

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

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, one of the greatest challenges small firms are facing is banks' reluctance to lend. Liquidity issues are one reason for this. But equally important are the regulatory burden and capital reserves lenders are now expected to carry. As critical as it is to get capital back into the markets, we also need to be sure banks are properly regulated. At the same time, we need to increase lender confidence in SBA.

Mr. SCHOCK's amendment gets to the heart of both issues. Increasingly, we have seen incidents in which lenders believe they are following all the agency rules only to discover that SBA won't honor its guarantees. When this happens, it compounds the chilling effect already plaguing the markets.

This amendment will make it clear to lenders that if they make a good-faith effort to perform due diligence on loans and complete SBA training programs, their guarantees will be honored. In doing so, we can increase lender confidence and open the door to improved small business lending. And we can do so in a way that mitigates risk to the taxpayers.

This is a valuable amendment, and I urge Members to support it.

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

Mr. GRAVES. I thank the chairwoman for yielding.

Mr. Chairman, I rise in support of the amendment from the gentleman from Illinois.

The gentleman's amendment makes it more difficult for the SBA to use technical errors to disregard 7(a) loans because the lenders are going to be able to document that they followed all the instructions of the SBA. This is going to bring greater certainty to the payment of guarantees. It will encourage more banks to participate in this program. And I thank the gentleman for his thoughtful addition to the bill.

Ms. VELÁZQUEZ. If the gentleman is prepared to yield back, we're prepared to accept the amendment.

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

Ms. VELÁZQUEZ. Mr. Chairman, I urge adoption of the amendment, and I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. SCHOCK).

The amendment was agreed to.

PART B AMENDMENT NO. 3 OFFERED BY MR. SCHOCK

The CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 111–317.

Mr. SCHOCK. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 3 offered by Mr. SCHOCK:

Page 162, line 18, strike ''Report'' and insert ''Reports'' and strike ''Not later than one year'' and insert ''At quarterly intervals''.

Page 162, line 21, strike ''any expansion of'' and insert ''the Administrator's progress towards the expansion of''.

Page 162, line 23, strike ''of this section'' and insert ''of amendments made by this title''.

Page 162, after line 23, insert:

(c) REGULATIONS.—The Administrator of the Small Business Administration shall promulgate such regulations as are necessary to carry out the Renewable Energy Capital Investment Program established pursuant to this title within 180 days after the enactment of this Act.

The CHAIR. Pursuant to House Resolution 875, the gentleman from Illinois (Mr. SCHOCK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. SCHOCK. Mr. Chairman, I rise today to offer one more additional change to this important legislation which I believe will help obtain some of its intended goals.

While H.R. 3854 has several initiatives aimed at increasing capital access for small businesses, it additionally makes several SBA programmatic changes. One such change is intended to increase small business and small manufacturer participation in renewable fuels and green industries through an overhaul of the already established Renewable Energy Capital Investment Program.

Less than 1 month ago, the Small Business Subcommittee on Contracting and Technology held a hearing where one of my constituents from Peoria, Illinois, Dr. Peter Johnsen, testified. Dr. Johnsen shared with that committee the difficulty he was having in finding capital investments or loans for the further development of the crop known as pennycress, a winter cover crop which yields potentially as much as 115 gallons of biodiesel per acre as compared to the current 59 gallons from traditional soy-based diesel, nearly twice as much output. I'm optimistic that operating at full potential, the Renewable Energy Capital Investment Program with its matching grant contributions would be of great assistance to agricultural entrepreneurs across our country like Mr. Johnsen.

Established in 2007, the Renewable Energy Capital Investment Program, formerly known as the Renewable Fuel Capital Investment Program, has been a shadow of its promised self. In fact, to date, the SBA Administrator has failed to even issue any rules or regulations for small business participation in the program despite its establishment nearly 2 years ago. This amendment would first place specific emphasis on requiring the SBA to release regulations for program participation within 180 days of enactment of this legislation.

Additionally, the underlying legislation allows for a yearly progress report from the SBA concerning this important program. Unfortunately, this program is too important and its potential too great for Congress to simply sit by for a year and wait for the SBA to act. This amendment will require quarterly progress reports concerning the status of the Renewable Energy Capital Investment Program, what steps the SBA is taking to encourage and promote participation, and, finally, how this program is being utilized by the small business community.

No longer is the renewable fuels market dominated by those with deep research and development pockets backed by larger corporations. This important program will help ensure small businesses get equal opportunity to participate in the effort to make our country more energy efficient while also establishing new renewable fuel sources.

For these reasons, I urge adoption of this amendment.

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

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, green energy presents a world of opportunity for our economy. In terms of job creation, it has already generated millions of high-wage positions for workers in fields ranging from engineering and IT to agriculture and construction. Small firms make up the lion's share of this growing sector, and they will play a key role in our Nation's efforts to reduce carbon emissions and break free from foreign oil. But they cannot do it without the capital to continue research and production.

H.R. 3854 delivers critical capital to the small businesses driving the clean energy sector. Mr. SCHOCK's amendment enhances those efforts by adding an important element of transparency. By requiring SBA to release quarterly reports on the Renewable Energy Capital Investment Program, we can gauge the agency's progress in expanding the initiative. We can also pinpoint areas that are working and identify places in need of improvement. Meanwhile, this amendment mandates the timely establishment of program regulations. That measure should expedite the program's expansion and increase overall efficiency.

These are critical improvements, and I urge support of Mr. SCHOCK's amendment.

I will now yield to the gentleman from Missouri for any comments that he might have.

Mr. GRAVES. Mr. Chairman, I rise in support of the amendment from the gentleman from Illinois.

The amendment would require regular reports to Congress on progress in establishing renewable energy investment companies so that this body can take appropriate action if the agency continues to delay implementing the will of Congress.

I thank the gentleman for his amendment.

Ms. VELÁZQUEZ. Mr. Chairman, if the gentleman is prepared to yield back, we're prepared to accept the amendment.

Mr. SCHOCK. Once again, I thank Chairman VELÁZQUEZ for her bipartisan work on this and her leadership, and I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I urge adoption of the amendment, and I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. SCHOCK).

The amendment was agreed to.

PART B AMENDMENT NO. 4 OFFERED BY MR. BRIGHT

The CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 111–317.

Mr. BRIGHT. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 4 offered by Mr. BRIGHT:

Add at the end of the bill the following:

TITLE X—RURAL OUTREACH

SEC. 1001. RURAL OUTREACH.

The Small Business Act (15 U.S.C. 631 et seq.), as amended by this Act, is further amended—

(1) by redesignating section 46 as section 47; and

(2) by inserting after section 45 the following:

''SEC. 46. RURAL OUTREACH.

''The Administrator shall ensure that each district office of the Administration that includes a rural area—

''(1) establishes a plan to provide small business concerns in rural areas with information on the financing and investment programs of the Administration of use to such concerns;

''(2) designates an employee of the office as a rural business financing outreach specialist, who is responsible for providing advice concerning the lending and investment programs of the Administration to small business concerns; and

''(3) hosts at least one outreach seminar in a rural area each year to provide information described under paragraph (1) to small business concerns in rural areas.''.

The CHAIR. Pursuant to House Resolution 875, the gentleman from Alabama (Mr. BRIGHT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Alabama.

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

Mr. Chairman, I rise today in support of my amendment to H.R. 3854, the Small Business Financing and Investment Act.

This amendment requires SBA district offices servicing rural areas to establish a plan for marketing, financing, and investment opportunities for rural businesses. It also requires the offices to designate a rural business financing outreach specialist and host at least one annual outreach seminar in the rural areas of each of SBA's 70 district offices.

When I speak to small businesses throughout my district—that's southeast Alabama—I often hear about their problems accessing capital through SBA programs. In fact, my office recently received a call from a constituent in Equality, Alabama, who owns a garden and plant nursery. This gentleman, like many other small businesses across the country, they're struggling to make payroll. He needs access to capital in order to prevent layoffs but was given the runaround at his local SBA district office. He turned to my office because he didn't get the help he needed from the local SBA office.

Our constituents and other constituents tell me they simply don't know what opportunities are available to them, be it through the SBA or other Federal agencies. By passing this amendment that I have proposed today, I believe these situations could be avoided in the future. A designated rural business outreach specialist could have helped the small business owner which I just talked about to process his application to access the capital he needed to stay in business. An aggressive marketing campaign would have informed his business and other business owners in my district and throughout the country of the opportunities the SBA has to offer for them. I'm sure there are hundreds of similar businesses throughout our country that have the same story that my constituent posed to me.

This is why I have introduced this commonsense amendment which will require the SBA to do a better job of reaching out to rural small businesses that haven't previously participated in any of SBA's important programs.

□ 1530

My amendment will help small business owners throughout rural areas and strengthen the underlying bill. SBA district offices should always have business models, marketing plans and outreach specialists designed to specifically help rural areas of our country. This amendment will make the SBA user friendly for small business owners in rural parts of our great Nation. I urge passage of this amendment and this bill.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, traditionally, the SBA has been vitally important to rural businesses. For many years, rural lenders served as the backbone of the Small Business Administration's lending programs, delivering capital to areas of the country that don't have the same options as other parts of our Nation.

For a range of reasons, over the last 8 years, we have seen many of the SBA rural lenders disappear. This is a troubling trend. It means that businesses on Main Street cannot find the credit they need to expand a store, build a new plant, or simply upgrade their facilities. Without a strong selection of rural lenders, we are beginning to see the emergence of a credit gap. Rural areas have the same need for jobs that the rest of America does, and it is important that they have a chance to create them.

H.R. 3854 includes a provision targeted specifically at encouraging lenders to provide credit to entrepreneurs in rural America. The Rural Lender Outreach Program helps line up lenders in this part of America to expand capital access options for businesses.

Mr. BRIGHT's amendment addresses the other side of that coin, ensuring that businesses know these rural lenders are out there. By challenging the SBA to connect with rural businesses and requiring the SBA's district offices to engage in outreach, we can put these entrepreneurs in touch with local lenders.

Small firms' potential for job creation should not be limited to certain parts of the country. This amendment will ensure that we prevent this ''credit gap'' from growing, so that small businesses, no matter where they are located, find financing options that work for them. This is an important change to today's legislation, and I ask my colleagues to support it.

I yield to the gentleman from Missouri (Mr. GRAVES) for any comments he might have.

Mr. GRAVES. Mr. Chairman, I rise today in support of the amendment from the gentleman from Alabama. It is important that small businesses in rural areas can reach an employee at the SBA dedicated to understanding the operation of capital access programs. In addition, by having an outreach effort, businesses in rural areas will learn directly from the SBA and lenders about options for obtaining necessary capital to expand their businesses.

I would like to thank the gentleman for his very useful amendment on this legislation.

Ms. VELÁZQUEZ. Mr. Chairman, I now yield 1½ minutes to the gentleman from Iowa (Mr. BOSWELL).

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Chairman, I appreciate the gentlewoman yielding me this time, and I appreciate that you took into account the factories and the equipment that has become available because of closings and so on, like Maytag, for example, in my district. A lot of good things have happened with the small businesses going in there, and you have really taken measures that will benefit that and will help our country and certainly help those communities that have been hit very hard.

So we compliment you for your work, and see that is happening other places around the country as well. The need is there, and this will be a big asset. Well done. Thank you very much.

Ms. VELÁZQUEZ. Mr. Chairman, if the gentleman from Alabama is prepared to yield back, we are prepared to accept the amendment.

Mr. BRIGHT. Mr. Chairman, in closing, I would like to thank our chairwoman today for the service and the leadership she has given us on the committee, and also the staff on the Small Business Committee for their attention to this issue and for working with my staff to draft this amendment.

I would also like to thank my colleagues for their continuing support and commitment to this issue. I urge all of my colleagues to support my amendment and this bill.

I yield back the balance of my time.

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

The CHAIR. The question is on the amendment offered by the gentleman from Alabama (Mr. BRIGHT).

The amendment was agreed to.

PART B AMENDMENT NO. 5 OFFERED BY MR. FLAKE

The CHAIR. It is now in order to consider amendment No. 5 printed in part B of House Report 111–317.

Mr. FLAKE. Mr. Chairman, I have an amendment at the desk designated No. 5.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 5 offered by Mr. FLAKE:

Page 178, after line 18, insert the following:

SEC. 702. PROHIBITIONS ON EARMARKS.

None of the funds appropriated for the program established under part D of title III of the Small Business Investment Act of 1958, as added by this title, may be used for a Congressional earmark as defined in clause 9(d) of rule XXI of the Rules of the House of Representatives.

The CHAIR. Pursuant to House Resolution 875, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this amendment would simply prohibit the grant program established in the Small Business Early Investment Program from ever being used as a vehicle for earmarking.

As my colleagues are aware, I have offered this noncontroversial amendment many times to legislation in both the 110th and 111th Congresses. I would expect that this would be accepted by the majority. This is noncontroversial.

There is language in the bill that says this is a competitive grant program. Having said that, unfortunately, we have many programs that are slated to be competitive, or there is language saying these grants will be awarded on a competitive basis. And still, unless we have language like this amendment provides for, they become a vehicle for earmarking.

If we look at some of the FEMA grants in the Homeland Security bill, some of those are competitive grant programs, and 100 percent of the money in some of those accounts has been earmarked. So it behooves us to opt for language like this that prevents that from happening.

Under the Small Business Early Investment Program, this is a little different than others. Private investment companies can apply to receive a grant from the SBA. These grants are to be used by approved applicants for the purpose of making investments in new small businesses, presumably with a goal of creating or preserving jobs.

Language contained in the committee report says applicants ''should be judged by the merits of their application and should compete on equal footing with other applicants for selection to participate in the program.'' That is all we are trying to preserve, just with language to make sure that happens.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, in the 111th Congress, this body has made transparency a top priority. That is why we have adopted rule XI, which requires quarterly hearings on fraud, waste, abuse and mismanagement of Federal programs. But our commitment to good government extends beyond the committee room, which is why I am glad to accept Mr. FLAKE's amendment. That said, I want to point out that small business programs are not vehicles for waste. They are important avenues for economic growth, not earmarks.

I don't think there is a single person in this room who doesn't want to see small businesses succeed. After all, they create the lion's share of new American jobs, and we are counting on them to strengthen our economy.

It would not be in the best interest of this body or of our great Nation to compromise the integrity of SBA's programs. These initiatives deliver the best bang for the taxpayer's buck, and ultimately return more money to the economy than they take out. Mr. FLAKE's amendment is a simple affirmation of that fact, and I am willing to accept.

I now yield to the gentleman from Missouri (Mr. GRAVES) for any remarks he may have.

Mr. GRAVES. Mr. Chairman, I rise today in support of the amendment from the gentleman from Arizona. If the purpose of the early-stage seed capital program is to allow venture funds to identify the best possible small business investments, it would be counterproductive to allow Congress to override those decisions through earmarks. I thank the gentleman for his very important additional protection to the early-stage seed capital program.

Ms. VELÁZQUEZ. Mr. Chairman, I urge everyone to support the amendment. I reserve the balance of my time.

Mr. FLAKE. I thank the chairwoman and the ranking minority member on the committee for accepting the amendment.

I yield back the balance of my time.

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

The CHAIR. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Chair announced that the ayes appeared to have it.

Ms. VELÁZQUEZ. Mr. Chairman, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

PART B AMENDMENT NO. 6 OFFERED BY MS. KOSMAS

The CHAIR. It is now in order to consider amendment No. 6 printed in part B of House Report 111–317.

Ms. KOSMAS. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 6 offered by Ms. KOSMAS:

Page 178, after line 6, insert the following: ''(ix) Photonics technology.

The CHAIR. Pursuant to House Resolution 875, the gentlewoman from Florida (Ms. KOSMAS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Florida.

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

I would like to thank the chairwoman of the committee and the committee for their hard work and leadership in introducing this important bill that will give small businesses greater access to capital.

H.R. 3854, the Small Business Financing and Investment Act of 2009, establishes an early-stage investment program that will provide financing to support small businesses in targeted business sectors. By investing in fledgling companies, America's small businesses will be able to grow and create jobs.

I rise today in support of my amendment to H.R. 3854, which would add photonics technology to the list of targeted industries qualified to receive grants under the new early-stage investment program.

Photonics technology, which includes fiber optic communications and laser technology, is a key industry in central Florida and is a supporting technology for almost every industry, including energy, telecommunications, health care, robotics, astronomy, aerospace, and defense.

According to the Opto-electronics Industry Development Association, the fast-growing, global photonics market is estimated to be worth half a trillion dollars today. In Florida alone, photonics provides over 27,000 jobs and brings billions of dollars to our State each year. We must ensure that America remains competitive in this industry and that, as the market expands, American small businesses and workers benefit.

Numerous small businesses in the photonics industry are at the very early stages of development, and therefore, they need this support and access to capital in order to grow and become profitable. By including photonics in the list of targeted business sectors, we will ensure that the photonics industry will continue to play a vital role in developing new technologies for use in every area of our economy. And this bill and my amendment will give small businesses in this industry the opportunity to succeed.

Again, I commend the chairwoman and the committee for the bill. I ask my colleagues for their support of this amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, growth in our economy has long depended on the progress of new industries. When our country bounced back from the recession of the 1990s, it wasn't because we simply rebuilt jobs where they once had been; it was because we created new ones entirely. And we did so in emerging industries like information technology. Today, we have a similar opportunity with growing fields like photonics, the science that uses light energy to power and improve everything from telecommunications to electrical systems.

Photonics technology touches virtually every industry. Through the leverage of public-private partnerships like SBIR, it is already sparking breakthroughs that impact our everyday lives, for example, better bar codes for scanning groceries, or less invasive forms of laser eye surgery. With new investments in this promising field, we can build the kind of innovation America needs. That is why we will be adding photonics to the roster of business sectors that can receive early-stage investment grants.

□ 1545

Ms. KOSMAS' amendment is a valuable one, and I urge my colleagues to support it.

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

Mr. GRAVES. Mr. Chairman, I rise today in support of the amendment from the gentlelady from Florida. This is an area that I am very familiar with. Without photonics, we would not be able to enjoy the advancements in avionics, in aircraft that we have today or high-definition television. Seeking the next great advancement in this field is important, and I thank the gentlelady for her significant improvement to the early-stage seed capital program.

Ms. VELÁZQUEZ. Mr. Chairman, if the gentlelady is prepared to yield back, we are prepared to accept the amendment.

Ms. KOSMAS. Thank you. I yield back the balance of my time.

Ms. VELÁZQUEZ. I urge adoption of the amendment, and I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentlewoman from Florida (Ms. KOSMAS).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. GINGREY OF GEORGIA

The CHAIR. It is now in order to consider amendment No. 7 printed in part B of House Report 111–317.

Mr. GINGREY of Georgia. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 7 offered by Mr. GINGREY of Georgia:

Page 168, line 23, strike ''5 years'' and insert ''7 years''.

The CHAIR. Pursuant to House Resolution 875, the gentleman from Georgia (Mr. GINGREY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. GINGREY of Georgia. Thank you, Mr. Chairman.

What I have offered is an important, yet straightforward, amendment. It would simply extend the period in which a physician or a medical group could participate in the Small Business Health Information Technology Financing program from 5 years to 7 years.

Mr. Chairman, the promotion and advancement of health information technology should be one aspect of the health care debate upon which most Democrats, Republicans and Independents would agree. While a large portion of the health care debate has been focused on how to extend existing coverage and figuring out who pays for it, health information technology will actually improve the underlying quality of health care, and it also will lower the overall cost by reducing overhead and medical errors. Mr. Chairman, health information technology will not only save dollars but, more importantly, save lives.

For this reason, I have long been a proponent of health information technology. Since the 109th Congress, I have introduced the Assisting Doctors to Obtain Proficient and Transmissible Health Information Technology Act, or ADOPT HIT Act, so that we can encourage medical care providers to purchase and implement health information technology with the assistance of an up to $250,000 tax deduction under section 179 of the code.

Now the underlying bill provides for Small Business Administration loan guarantees of up to 90 percent, with overall caps of $350,000 for individual physicians or $2 million for physician groups. Even more importantly, a physician or a group of physicians could defer repayment of the loan for up to 3 years. Currently, there is a 5-year window in which a physician could participate in this program.

Very simply, as I stated at the outset, my amendment will extend this window from 5 years to 7 years in order to allow physicians more time to see the benefits of HIT and make arrangements to invest in the technology and to participate in this good program.

Mr. Chairman, I strongly encourage my colleagues to support my amendment and show their support for health information technology and the promise that it offers.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, the wide-scale adoption of medical records is one of the most sweeping and most important elements of health care reform. It will improve efficiency, reduce costs and streamline communication. But like any other ground-breaking technology, it isn't cheap. For your average small medical practice, initial costs are roughly $100,000. When coupled with today's larger legislation, Mr. GINGREY's amendment will help blunt those expenses. By some estimates, the nationwide adoption of health IT will spur annual savings of $77 billion. Already many major hospitals and medical practices are enjoying these cost-cutting benefits. Small firms, however, have been reluctant to adopt it. In fact, only 13 percent of solo practitioners use the technology. The gentleman's amendment recognizes the benefits of health IT and improves the bill, and that is the reason why we are supporting this amendment.

I would now like to yield to the gentleman from Missouri for any comments that he may have.

Mr. GRAVES. Mr. Chairman, I rise today in support of the amendment from the gentleman from Georgia. The gentleman's amendment would extend the time in which physicians and other health care providers could access the new health information technology loan program. This would give all providers sufficient time to obtain loans so that we can increase efficiencies in health care and delivery.

I thank the gentleman for his very excellent contribution to this bill.

Ms. VELÁZQUEZ. Mr. Chairman, if the gentleman is prepared to yield back, I am prepared to accept the amendment.

Mr. GINGREY of Georgia. Mr. Chairman, let me just say that I am deeply appreciative to Chairwoman VELÁZQUEZ and also to Ranking Member GRAVES for their support of this amendment, and I thank them for that support.

I yield back the balance of my time.

Ms. VELÁZQUEZ. I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Georgia (Mr. GINGREY).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. KRATOVIL

The CHAIR. It is now in order to consider amendment No. 8 printed in part B of House Report 111–317.

Mr. KRATOVIL. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 8 offered by Mr. KRATOVIL:

Page 32, after line 7, insert the following (and redesignate succeeding sections accordingly):

SEC. 124. 100 PERCENT GUARANTEE FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by this Act, is further amended—

(1) in paragraph (3)(A) by striking the semicolon at the end and inserting the following: ''or in paragraph (42);''; and

(2) by adding at the end the following:

''(42) 100 PERCENT GUARANTEE FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS.—Notwithstanding paragraph (2), in an agreement to participate in a loan on a deferred basis under this subsection with respect to a small business concern owned and controlled by veterans, participation by the Administrator may be equal to 100 percent. The total amount outstanding and committed (by participation or otherwise) with respect to a loan to such a small business concern from the business loan and investment fund established by this Act may not exceed $3,000,000.''.

The CHAIR. Pursuant to House Resolution 875, the gentleman from Maryland (Mr. KRATOVIL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland.

Mr. KRATOVIL. I yield myself as much time as I may consume.

Mr. Chairman, I rise in support of my amendment to the Small Business Financing and Investment Act of 2009 that would raise the maximum SBA 7(a) loan guarantee from 90 percent to 100 percent on qualifying loans for veteran-owned small businesses. As we approach Veterans Day, I feel we should be supporting our vets not only in words but also with our actions. This amendment is a very simple and appropriate way to do so. Raising the maximum loan guarantee will not only be a way of fulfilling our commitment to veterans, but it will also serve to stimulate lending and financing for the small businesses that are the backbone of local economies and the number one source of new job creation.

Mr. Chairman, this bill frees up the often elusive credit that serves as the lifeline of any established or startup small business; it honors the service of our Nation's veterans; and it will stimulate the small businesses at the heart of the U.S. economy. I urge my colleagues to support it.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, entrepreneurship has long been a popular option for America's veterans. After all, it requires many of the same traits

that military service does—hard work, ingenuity and dedication to something larger than yourself. So it is not surprising that veterans own roughly 15 percent of our Nation's small businesses. What is surprising, however, is the rate at which lending to these companies is declining. Between fiscal year 2007 and fiscal year 2008, the number of 7(a) loans to veteran-owned businesses dropped more than 22 percent. In other words, entrepreneurship is being pushed further and further out of reach for our veterans.

Earlier this year, the House passed legislation establishing new veteran entrepreneurial development programs at SBA. This legislation will mean a range of new services for veterans. One of the most important goals was helping meet veteran-owned businesses' capital needs. The amendment offered by Mr. KRATOVIL builds on that earlier work. His amendment will ensure that veterans not only access the capital they need but lets them do so at affordable rates. By providing higher guarantees on loans and lower costs, we can offer new opportunities for veterans who own businesses as well as those who wish to start one.

For our servicemen and -women, entrepreneurship is the tried and true path to economic empowerment. This amendment will put more veterans on that path. This is a positive change to the legislation, and I urge my colleagues to support the amendment.

I yield to the gentleman from Missouri for any comments that he may have.

Mr. GRAVES. Mr. Chairman, I rise today in support of the amendment from my football teammate, the gentleman from Maryland (Mr. KRATOVIL).

Mr. Chairman, no one can deny the valuable role that veterans have played in maintaining the economic freedoms we have in this country. They certainly deserve our thanks and support. The gentleman's amendment would provide that support though a 100 percent guarantee on loans to veteran-owned small businesses. I thank the gentleman for his vital addition to this bill.

Ms. VELÁZQUEZ. Mr. Chairman, if the gentleman is ready to yield back, we are prepared to accept the amendment.

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

Ms. VELÁZQUEZ. I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Maryland (Mr. KRATOVIL).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MR. PAULSEN

The CHAIR. It is now in order to consider amendment No. 9 printed in part B of House Report 111–317.

Mr. PAULSEN. I rise to offer an amendment, Mr. Chair.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 9 offered by Mr. PAULSEN:

Add at the end of the bill the following:

TITLE X—STUDY RELATING TO MEDICAL TECHNOLOGY

SEC. 1001. STUDY RELATING TO MEDICAL TECHNOLOGY.

Not later than one year after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report describing recommendations for and the feasibility of a program—

(1) to increase investment in the research, development, and commercialization of medical technology by small business concerns; and

(2) that is administered in a manner similar to the program under part C of title III of the Small Business Investment Act of 1958 (15 U.S.C. 690 et seq.).

The CHAIR. Pursuant to House Resolution 875, the gentleman from Minnesota (Mr. PAULSEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. PAULSEN. Thank you, Mr. Chair. I yield myself as much time as I may consume.

I rise today to offer an amendment that I am hopeful will help to strengthen and accelerate advancements in medical technology. My amendment would require the SBA to conduct a study that would determine the feasibility of a program that would help bring funding to startup medical technology firms. The amendment would also require the SBA to report its suggestions on how to best structure such a program. It is my hope with this information, Congress will be able to strategically implement a program to help fund medical technology. Programs of this nature are already in place and exist for renewable energy and for rural manufacturing. This amendment would simply look at also expanding this to medical technology. Medical device companies face startup costs that are very steep, and a program under the SBA would help bring funding to these companies and allow them to get their products to market quicker.

Mr. Chair, we know very well that the development of these new cost-saving technologies allow patients to lead longer, healthier and more productive lives. These technologies also improve the quality of health care in America while helping to fight rising health care costs. Furthermore, the medical technology industry is a proven job-creator. According to one study, the medical technology industry nationwide employs more than 350,000 people. These are good, high-paying jobs. The average salary of a med tech employee is higher than the State salary average in 49 of the 50 states; and in some States, medical technology jobs pay nearly 25 percent higher than the State average salary. Many of these jobs are also often in the area of research and development, which keeps America in the forefront of innovation. It should also be noted that these companies are truly America's small businesses and success stories. Of these companies, 71 percent have fewer than 10 employees. It fits right in with this bill, Mr. Chair.

A week ago, I held a field hearing in my district on the issue of medical technology, and we heard firsthand from small businesses in my district about the work that they are doing and the jobs they are creating. As cochair of the Medical Technology Caucus, I would ask support for this amendment so we can have Congress spur additional advancement in medical technology.

I urge adoption of my amendment and reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, small businesses are our Nation's most prolific innovators. Time and time again, they have pioneered new fields, developed new products and achieved important technological breakthroughs.

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Today, small businesses are breaking new ground in the energy sector. As our Nation undergoes a green revolution, small businesses are leading the way in developing solar power. They are blazing the trail in the development of wind power and biodiesel, and renewable fuel industries are dominated by small businesses. Just as small firms are on the leading edge of developments in the energy sector, they also play an active role in the development of new medicines and medical devices.

The gentleman from Minnesota is suggesting that the SBA look into the feasibility of an initiative to help raise capital for entrepreneurs in the medical field. Given the important role that small firms play in this arena, at least exploring the possibility of an SBA program to assist them in capital formation seems prudent.

I urge adoption of the amendment.

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

Mr. GRAVES. Mr. Chairman, I rise today in support of the amendment from the gentleman from Minnesota.

My district has a significant biotechnology industry, so I certainly understand the gentleman's interest in investigating the viability of having small business investment companies focus on medical technologies. It certainly is a laudable goal, and I understand the utility of a program before expanding it.

Mr. Chairman, I would urge the support of this.

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

Mr. PAULSEN. Mr. Chairman, I yield 2 minutes to a gentleman who has a

great understanding of the importance of medical technology and who is emerging as one of the more thoughtful members of the Financial Services Committee, the gentleman from New Jersey (Mr. LANCE).

Mr. LANCE. I rise today in support of the amendment offered by the gentleman from Minnesota.

I thank the distinguished chairwoman of the committee and the ranking member.

Mr. Chairman, throughout the United States, the medical technology sector employs more than 350,000 workers, many of them in firms with fewer than 100 employees. This includes more than 3,000 jobs in the congressional district I have the honor of representing, the Seventh Congressional District in New Jersey, which many believe to be the medicine chest of the entire Nation and of, indeed, the world.

These jobs are tied heavily to research and development, helping to keep the United States at the forefront of medical innovation. We must consider the importance of these lifesaving technologies, especially as we move forward with health care. It is vital that we do not forget the valuable impact medical technology has on lowering the costs of health care, on expanding access to lifesaving cures, and on creating jobs. That is why I believe we should be making investments in this field.

I urge my colleagues to support the amendment sponsored by my friend, the gentleman from Minnesota.

Ms. VELÁZQUEZ. Madam Chair, if the gentleman is prepared to yield back, we are prepared to accept the amendment.

Mr. PAULSEN. If I could just close by saying I appreciate the leadership of the Chair and of the gentlewoman, and I extend my appreciation for the support of this amendment.

I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, I urge adoption of the amendment.

I yield back the balance of my time.

The Acting CHAIR (Ms. EDWARDS of Maryland). The question is on the amendment offered by the gentleman from Minnesota (Mr. PAULSEN).

The amendment was agreed to.

PART B AMENDMENT NO. 10 OFFERED BY MR. MASSA

The Acting CHAIR. It is now in order to consider amendment No. 10 printed in part B of House Report 111–317.

Mr. MASSA. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 10 offered by Mr. MASSA:

Page 131, after line 4, insert the following (and redesignate succeeding sections accordingly):

SEC. 306. YOUNG ENTREPRENEURS PROGRAM.

Section 7(m)(4) of the Small Business Act (15 U.S.C. 636(m)(4)) is amended by adding at the end the following:

''(G) YOUNG ENTREPRENEURS PROGRAM.—

''(i) IN GENERAL.—An intermediary that receives a grant under paragraph (1)(B)(ii) may establish a program for the geographic area served by such intermediary that provides to young entrepreneurs technical assistance regarding the following:

''(I) Establishing or operating a small business concern in the geographic area served by the intermediary.

''(II) Acquiring or securing financing to carry out the activities described in subclause (I).

''(ii) YOUNG ENTREPRENEUR DEFINED.—For purposes of this subparagraph, a young entrepreneur is an individual who—

''(I) is 25 years of age or younger; and

''(II) has resided in the geographic area served by the intermediary for not less than 2 years.

''(iii) GOOD FAITH EFFORT REQUIREMENT.—If a young entrepreneur who receives technical assistance under this subparagraph from an intermediary establishes or operates a small business concern, the young entrepreneur shall make a good faith effort to establish or operate such concern in the geographic area served by the intermediary.

''(iv) DEFERRED REPAYMENT.—If a small business concern established or operated by a young entrepreneur receives a loan under this subsection, such concern may defer repayment on such loan for a period of not more than 6 months beginning on the date that such concern receives the final disbursement of such loan.''.

The Acting CHAIR. Pursuant to House Resolution 875, the gentleman from New York (Mr. MASSA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. MASSA. Madam Chair, let me take this opportunity to thank Ms. VELÁZQUEZ and to commend Mr. SCHRADER and his colleagues on the Small Business Committee for their efforts in crafting this landmark legislation to expand opportunities for many new entrepreneurs and for expanding business opportunities across the country.

Offering these business ventures this needed help in getting off the ground is essential, especially right now, for the creation of jobs and so as to boost economic activity in local communities, especially in local rural communities, which are so important to my district.

With my amendment, we can focus on a very pressing concern from many places across this country and on one of exceptional concern back home. This is the brain drain, the loss of talent, caused by the outmigration of so many young businesspeople.

As is a common trend for many regions in America, we have seen a great loss of young people in my district, in western rural New York. This is due to a longstanding scarcity of jobs and of many shrinking opportunities for bright, young entrepreneurs. By creating programs in the Small Business Administration which focus specifically on providing business advice, technical assistance, and lowering eligibility to younger entrepreneurs, we can give these young people who would like to stay in our districts better opportunities to do so.

Year to year, we continue to see our children leave their communities because they have limited opportunities to find good-paying jobs or to find any attractive means to make livings and to raise families. Our communities are shrinking in rural America, and the efforts of this outmigration to many places around the country and throughout the Nation are clear. With more and more young people forced to leave to find careers elsewhere, local economies are facing even higher degrees of challenges, and fewer jobs, therefore, are available. Many people back home question how long this can continue.

For those young folks who want to start businesses, who may want to earn steady paychecks, who may want to create jobs and hire others in their communities, where will they go to grow up and raise their families?

I believe we have an opportunity to help pave the way. Offering programs that will help reinvigorate communities through new business opportunities for younger entrepreneurs will both provide these jobseekers with local opportunities and will hugely benefit the local economies in the area. My amendment will do just this.

Madam Chair, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chair, young people have been acutely affected by this recession.

Americans graduating from high school or college face one of the most challenging job markets in decades. In some communities, this problem is driving recent graduates to other parts of the country as they seek economic opportunity. This means that communities which are hard hit by the downturn will have even more difficulty as they are deprived of their next generation of workers. This drain of young talent presents additional challenges for local economies that are struggling to recover.

Entrepreneurship can provide another option for young people who are living in economically hard-hit areas. However, younger individuals also face unique challenges in starting or launching their own businesses. Finding affordable loans without an established credit history can be an obstacle. Many young people may not have the large reserves of capital that older, more established entrepreneurs have. In addition, younger entrepreneurs may not have as much experience in the job market. All of these factors present difficulties to young Americans who want to go into business for themselves.

By creating an initiative through the SBA's Microloan Program, this amendment will help overcome these problems. With appropriate guidance and assistance, many young Americans can go into business for themselves. This amendment also recognizes the capital constraints that many young entrepreneurs face. It gives a younger entrepreneur who qualifies for the Microloan more time for repayment.

Madam Chair, our Nation's greatest resource has always been our young people. They will certainly play a vital role in lifting our Nation out of the current downturn. This amendment will give more young Americans the opportunity to launch their own ventures. This is a good amendment, and I support its adoption.

I now yield to the gentleman from Missouri for any comments that he may have.

Mr. GRAVES. Madam Chair, I rise today in support of the amendment from the gentleman from New York.

Providing America's youth with entrepreneurial education will show them that working for a large corporate entity is not the only way to achieve success. In addition, it will give them sufficient ability to stay in their local, often rural areas so they can use their ingenuity to create new jobs.

I thank the gentleman for his important amendment in supporting the future of America's entrepreneurs.

Mr. MASSA. I thank the gentleman from Missouri.

Madam Chairman, I ask that my colleagues support this amendment.

I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, we are prepared to accept this amendment, and I urge its adoption and support.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New York (Mr. MASSA).

The amendment was agreed to.

PART B AMENDMENT NO. 11 OFFERED BY MS. FOXX

The Acting CHAIR. It is now in order to consider amendment No. 11 printed in part B of House Report 111–317.

Ms. FOXX. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 11 offered by Ms. FOXX:

Add at the end of the bill the following:

TITLE X—TERMINATION

SEC. 1001. TERMINATION OF PROGRAMS.

(a) IN GENERAL.—Subject to subsection (b), each fiscal year the Administrator of the Small Business Administration may not carry out any program for which an authorization is established or extended under this Act.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect with respect to a program referred to in such subsection on the earlier of the following:

(1) The date that is 5 years after the date of enactment of this Act.

(2) The date on which the authorization under this Act for such program expires.

(c) EXISTING OBLIGATIONS.—Subsection (a) does not affect the ability of the Administrator to carry out responsibilities with regard to loans, grants, or other obligations made or in existence before an applicable effective date under subsection (b).

The Acting CHAIR. Pursuant to House Resolution 875, the gentlewoman from North Carolina (Ms. FOXX) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from North Carolina.

Ms. FOXX. Madam Chair, my intentions were to offer an amendment today that would provide an opportunity to do what I think all of us on both sides of the aisle want to do, which is to have effective programs which help our citizens in this country. However, we've discovered that there are problems with the amendment as it has been drafted, and so it is my intention to withdraw the amendment at the end of my comments.

Multiple reports from the Government Accountability Office found duplicative programs across the Federal Government. These programs included 342 economic development programs; 130 programs serving the disabled; 130 programs serving at-risk youth; 90 early childhood development programs; 75 programs funding international education, cultural, and training exchange activities; and 72 safe water programs.

These are noble goals with good intentions, but they are no excuse for Congress to abrogate its responsibility to reexamine programs that may have become wasteful or duplicative since their inception.

Just yesterday, there was an article in CongressDaily about a situation that should not exist:

''Influential Senators raised fresh concerns about the $7.2 billion broadband stimulus program during an oversight hearing Tuesday, complaining that it is divided between two Federal agencies when only one is necessary.''

'' 'There shouldn't be two of you here. Only in the Federal Government would we have two people doing the same thing,' said Senator CLAIRE MCCASKILL, Democrat of Missouri, in a blunt assessment of the situation, which she described as 'nonsense.' ''

[From Congress Daily, Oct. 28, 2009]

RED TAPE COULD HURT BROADBAND PROGRAM, SENATORS WARN

(By David Hatch)

Referring to Rural Utilities Service Administrator Jonathan Adelstein and NTIA Chief Larry Strickling, Senator Claire McCaskill said, ''If I could, wave a magic wand I would morph you into one person and combine your two agencies with the snap of fingers.''

''I don't know why it was divided up the way it was, but that's what happens with political power around here,'' echoed Senate Commerce Chairman John (Jay) Rockefeller. He further complained that some applicants well-positioned to aid their communities might be dissuaded by the cumbersome process for obtaining the stimulus funds.

Their comments reflect concerns raised by companies and other parties about the complexities of having requests for loans and grants reviewed by two bureaucracies—and the risks of ending up with loans even when grants are sought.

After being inundated, with close to 2,200 requests seeking nearly $28 billion, both agencies have fallen behind schedule and plan to begin issuing awards in mid-December—a month later than intended.

Rockefeller and McCaskill were among the senators who criticized criteria that could prevent some rural areas within 50 miles of urban centers from being eligible for the most generous grants.

They urged the regulators to address the matter, prompting Adelstein to assure them that ''everything is on the table'' when it comes to making adjustments. He described Rural Utilities Service as between a rock and a hard place because it has been criticized for diverting too much assistance to nonrural areas.

Senate Commerce ranking member Kay Bailey Hutchison reiterated her view that the bulk of the funding should help regions that are unserved or ''substantially'' underserved.

During his testimony, Mark Goldstein, director of physical infrastructure issues at GAO, warned that both agencies lack funding for oversight of the program beyond FY10.

Adelstein and Strickling said they're doing everything they can to maximize the impact of the grants and loans. ''I want to ensure you today that these funds will be well-spent,'' Strickling said, noting that there have been no turf battles.

That is why I am offering this amendment which would explicitly sunset all programs contained in the bill at the end of their authorizations or within 5 years, whichever is first, while granting the administrator the authority to carry out responsibilities regarding all outstanding loans, grants, and other outstanding commitments before the authorization expiration.

As a member of the Sunset Caucus and as a cosponsor of H.R. 393, I recognize the need for regular congressional review and oversight needed to restore accountability to the multitude of Federal programs that exist and that are created every day. The amendment I had planned to offer is part of a broader effort to reaffirm the continued relevance of Federal programs and to ensure they continue to operate as intended.

With the current budget challenges facing the Federal Government and a $1.4 trillion deficit, the need for provisions that would sunset program authorizations is more pronounced now than ever. Congress constantly creates new programs with little to no thought of the amount of money that will be needed to finance what usually becomes their eternal life. This is a commonsense, prudent, and simple step that can be taken regularly to help

keep us honest and to sunset authorizations which will necessitate evaluation.

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If a program is worth continuing, its purpose and effectiveness should be dependable in the future. This gives committees an opportunity to reevaluate and retool their functioning to help restore accountability. I believe committee chairmen will wholeheartedly support sunsetting provisions, as their inclusion would more regularly work toward shaping policy under their purview.

Madam Chairman, again, I have learned just prior to coming here that there is a problem with the language, but I also understand that there is a belief on the part of the chairwoman and the ranking member that this is something that should be done, and we will be able to work on that in the future.

Madam Chairman, I ask unanimous consent to withdraw my amendment.

The SPEAKER pro tempore. Without objection, the amendment is withdrawn.

There was no objection.

PART B AMENDMENT NO. 12 OFFERED BY MR. KISSELL

The Acting CHAIR. It is now in order to consider amendment No. 12 printed in part B of House Report 111–317.

Mr. KISSELL. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 12 offered by Mr. KISSELL:

Page 32, after line 7, insert the following (and redesignate succeeding sections accordingly):

SEC. 124. DEFERRED REPAYMENT FOR CERTAIN SMALL BUSINESS CONCERNS.

Section 7(a)(7) of the Small Business Act (15 U.S.C. 636(a)(7)) is amended by adding at the end the following: ''If a small business concern classified in sector 23 of the North American Industry Classification System receives a loan under this subsection after the date of the enactment of the Small Business Financing and Investment Act of 2009, such concern may defer repayment on such loan for a period of not more than 12 months beginning on the date that such concern receives the final disbursement of such loan.''.

The SPEAKER pro tempore. Pursuant to House Resolution 875, the gentleman from North Carolina (Mr. KISSELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. KISSELL. Madam Chair, I yield myself such time as I may consume.

Madam Chair, this amendment is very simple and is directed directly at the construction segment of our small business economy.

Madam Chair, the Bureau of Labor Statistics tells us that since our economy has entered this downturn, we have lost nationwide almost 1.5 million jobs. In my State of North Carolina, almost 20 percent of the jobs in construction have been lost during this time period. Clearly, the construction segment of our economy has suffered.

Madam Chair, the SBA's 7(a) loans are the loans that are most commonly used by those small businesses engaged in construction. They are being used for many things. They can be used for day-to-day capital, for purchasing new equipment that is needed to do the job, construction itself, renovation or refinancing. Many things, many aspects of maintaining a business are used in these SBA 7(a) loans.

The amendment that we offer is quite simple. Currently if a business takes out a loan, then payments are due back immediately. The amendment would offer that these payments be deferred for 1 year, that the small businesses engaged in construction have 1 year to start their payments back. This would help these businesses have just a little bit more help towards being successful.

We oftentimes, Madam Chair, have relied upon construction to lead us out of recessions. This opportunity will help small businesses that are engaged in construction help lead us out of this recession.

Madam Chair, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chair, virtually every sector of the economy has suffered at the hands of the downturn. The construction industry, however, has seen some of the most significant declines. According to a study by the Associated Equipment Distributors, two out of every 25 jobs lost in the recession were construction jobs. Nationwide, the industry has shed 37 percent of its workforce. Those losses are larger than either the automobile or financial sectors. Clearly, we need to be addressing this issue.

By providing better terms for 7(a) loans, this amendment will give small construction firms the flexibility to hire new workers. Allowing these businesses to defer repayment for up to 12 months also means they have greater capital for new investments. After all, equipment purchased, items such as cement mixers and bulldozers, are expensive. Most small firms rely on loans in order to buy these items.

With the housing market recovering and the new transportation bill working its way through Congress, we should see new opportunities for small construction firms. Mr. KISSELL's amendment gives the resources they need to take advantage of those opportunities, and I urge my colleagues to support it.

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

Mr. GRAVES. I thank the chairwoman for yielding.

Madam Chair, I rise in support of the amendment of the gentleman from North Carolina. Everyone is aware that the construction industry is facing some significant economic difficulty. The amendment takes a sensible approach to authorizing new 7(a) loans for construction and to defer repayment for up to 1 year, enabling them to better survive the current economic conditions.

I thank the gentleman for his unique solution to a very real problem.

Ms. VELÁZQUEZ. If the gentleman is prepared to yield back, we are prepared to accept the amendment.

I yield back the balance of my time.

Mr. KISSELL. Madam Chair, I would like to thank the chairman and her committee for their fine work here in helping us on this amendment, and I urge all my colleagues to support this.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from North Carolina (Mr. KISSELL).

The amendment was agreed to.

PART B AMENDMENT NO. 13 OFFERED BY MR. PETERS

The Acting CHAIR. It is now in order to consider amendment No. 13 printed in part B of House Report 111–317.

Mr. PETERS. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 13 offered by Mr. PETERS:

Page 29, line 14, strike ''$50,000'' and insert the following ''$50,000 (except as provided under subsection (l))''.

Page 29, after line 19, insert the following (and redesignate succeeding sections accordingly):

SEC. 119. DELAYED REPAYMENT FOR SMALL BUSINESS CONCERNS IN AREAS WITH HIGH UNEMPLOYMENT.

Section 506 of title V of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) is amended by adding at the end the following:

''(l) SMALL BUSINESS CONCERNS IN AREAS WITH HIGH UNEMPLOYMENT.—

''(1) INCREASE LOAN LIMITS.—Notwithstanding subsection (d), a loan made under this section to a small business concern in what the Administrator determines to be an area with high unemployment may not exceed $75,000.

''(2) DELAYED REPAYMENT.—Notwithstanding subsection (g), repayment for a loan made under this section after the date of the enactment of the Small Business Financing and Investment Act of 2009 to a small business concern described in paragraph (1) shall not begin until 18 months after the final disbursement of funds is made.''.

Page 156, line 12, insert after ''of 1986'' the following: '', except that, without regard to such meaning, such term includes an area that the Administrator determines to be an area with high unemployment''.

The Acting CHAIR. Pursuant to House Resolution 875, the gentleman from Michigan (Mr. PETERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. PETERS. I yield myself such time as I may consume.

Today we are considering important legislation that will provide borrowers, lenders and the government with a number of important tools to assist the survival and growth of small businesses. Small businesses are the prime engine of innovation, economic expansion and job creation, and supporting our small businesses should be the cornerstone of any plan for economic recovery. For areas of high unemployment, small businesses are particularly important, and the jobs they provide are particularly valuable.

While the economy is beginning to show signs of improvement, there is no doubt that in some areas unemployment remains at an extreme high level. For example, the State of Michigan has the Nation's highest unemployment rate at 15.3 percent, and in the city of Pontiac, which I represent, the unemployment rate is a staggering 35.2 percent.

My amendment would ensure that businesses that want to invest in high unemployment areas and create jobs can do so competitively at a time when innovation and investment is needed most by making high unemployment areas eligible for more expansive American Recovery Capital, ARC, loans and the New Market Venture Capital program.

In order to assist these high unemployment areas, my amendment will increase the maximum ARC loan amount from $50,000 to $75,000 and defer repayment until 18 months after final disbursement of the loan is made. This would give struggling firms room to breathe and help avoid further layoffs and closures.

My amendment would also give entrepreneurs better access to private capital by making eligibility for the New Market Venture Capital program include high unemployment areas. This would target investment and opportunity directly where it is needed most and encourage business growth in hard-hit areas like the city of Pontiac. These simple changes would ensure that hard-hit areas have the tools necessary to stop hemorrhaging jobs and to invest in new operations that will create jobs, bring new technologies to markets, and build a new foundation for Michigan's economy and the country as a whole.

I urge my colleagues to support my amendment, and I would like to thank Representative SCHRADER for bringing forth this important legislation, as well as Chairwoman VELÁZQUEZ and her staff for their help on the amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Certainly times are tough and many Americans are hurting because of the economic downturn. But, as they have done before, American entrepreneurs will lead us out of this downturn and begin rebuilding our economy. This amendment is about harnessing the job-creating potential that exists in communities that are suffering the worst of the downturn. It is about using the American entrepreneurial spirit to deliver hope to places that need it most.

As part of the Recovery Act, we aimed to help small businesses with short-term, interest-free loans. So far, this program has funneled $115 million to 3,500 businesses. With this amendment, we will make more of these loans available to businesses in economically distressed areas. By giving these businesses more time to start repayment, we will provide them a better chance to stay afloat and ultimately grow and create jobs.

This is a good amendment. I thank the gentleman from Michigan for offering it. I urge its adoption.

I now yield to the gentleman from Missouri for any comments that he may have.

Mr. GRAVES. Madam Chair, I rise today in support of the amendment offered by the gentleman from Michigan. Certainly some areas in the country are suffering more significantly in the current economic climate than others. Allowing larger-size stabilization loans may help retain an economic base in areas hard-hit by the loss of manufacturing and real estate development jobs.

I thank the gentleman for his contribution to the bill.

Ms. VELÁZQUEZ. Madam Chair, I yield 1 minute to the gentleman from Michigan (Mr. SCHAUER).

Mr. SCHAUER. Madam Chair, I rise in strong support of the Peters amendment.

The Small Business Administration has played a key role in the current economic crisis by helping businesses and manufacturers maintain access to credit, but we must do more.

Michigan's unemployment numbers are unacceptably high. Hillsdale County in my district has an unemployment rate in excess of 17 percent. Local companies tell me every day that they are ready to invest and hire more employees, but they are having trouble getting the credit they need to help put Michigan and America back to work.

Earlier this year, we passed the American Recovery and Reinvestment Act that created new programs for small businesses and manufacturers. These programs have helped. With just a $12,500 government-backed loan, Diane Brabon was able to create 10 new jobs at the Trusting Heart Home Health Services in Delta Township. Yet successful businesses are still starved for credit. With this amendment, the SBA will be able to guarantee loans that recognize the challenges small businesses are facing in high unemployment areas.

I proudly support Mr. PETERS' amendment and look forward to working to find new ways to encourage more lenders to participate in these important programs.

Ms. VELÁZQUEZ. Madam Chair, I yield 1 minute to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Madam Chair, I rise today in strong support of the Peters amendment to H.R. 3854, the Small Business Financing and Investment Act. Capital is what allows small firms to grow their businesses, hire new employees and generate the economic activity that drives recovery. But ever since the near collapse of the financial industry, small business capital markets have been nearly frozen, making it more difficult for businesses to expand and hire workers. These problems are particularly pronounced in areas of high unemployment, which face greater barriers to economic recovery.

The Peters amendment will make important changes to existing small business programs in high unemployment areas. Firms in those areas would qualify for an additional $25,000 in loans and an extra 6-month loan deferment. For areas like my hometown of Flint, Michigan, which is struggling with a nearly 30 percent unemployment rate, these changes are crucial. Small firms have long been the engine that drives economic recovery in our Nation, accounting for nearly two-thirds of all new jobs.

I urge adoption of the amendment.

□ 1630

Ms. VELÁZQUEZ. Madam Chair, if the gentleman from Michigan is prepared to yield back, we are prepared to accept the amendment.

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

Ms. VELÁZQUEZ. I urge adoption of the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. PETERS).

The amendment was agreed to.

AMENDMENT NO. 14 OFFERED BY MRS. MILLER OF MICHIGAN

The Acting CHAIR. It is now in order to consider amendment No. 14 printed in part B of House Report 111–317.

Mrs. MILLER of Michigan. Madam Chair, I rise as the designee of the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) and I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 14 offered by Mrs. MILLER of Michigan:

Page 22, line 5, add at the end the following: ''The Administrator shall ensure that each individual in such group with loan application evaluation and underwriting responsibilities has at least 2 years experience with respect to such responsibilities.''.

The Acting CHAIR. Pursuant to House Resolution 875, the gentlewoman

from Michigan (Mrs. MILLER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Michigan.

Mrs. MILLER of Michigan. Madam Chair, let me start off with a simple premise: The American economy cannot recover without small business. As such, Congress has rightly taken steps to increase the guarantee amount at the Small Business Administration. But as many business owners can tell you, this has only had a modest effect. In fact, despite these thoughtful measures, the volume of SBA loan guarantees is still only a fraction of what it was last year.

As my colleagues know, the SBA only makes loan guarantees—it does not make loans directly to small businesses. Therefore, if banks decide that even with 90 percent guaranteed, it is still not in their best interest to make a loan, then the small business is simply out of luck.

One credit union president recently pointed out that, in many cases, banks won't seriously consider a small business loan if it is less than $500,000. The interest income simply isn't worth the trouble—even with the guarantee. In these cases, the viability of the business and the value of the guarantee doesn't mean anything.

H.R. 3854 rightly introduces a new program—the Capital Backstop Program—that will authorize the SBA to make loans directly to small businesses as a last resort.

While we are deeply concerned about the Federal Government acting as a bank, the fact of the matter is that Congress has spent $700 billion to resuscitate the lending system, $800 billion trying to stimulate the economy, and yet homeowners—and small businesses especially—still can't get the loans that they need. It is very important that Congress put standards in place to ensure that SBA direct loans are only made to viable businesses.

This amendment establishes this same standard for individuals at the SBA who are directly engaged in loan application evaluation and underwriting. We can only imagine the bureaucratic nightmare that would ensue if Congress actually tried to come up with a laundry list of criteria for viable businesses. As any local banker can tell you, no two businesses are exactly the same—the people matter, the models matter, the market matters.

This amendment ensures that individuals who are evaluating businesses have both the authority and the expertise to make the best decisions for the taxpayer.

We want to thank the chairwoman and ranking member and all of their colleagues on the Small Business Committee for their efforts on this legislation. It is very important work.

Madam Chair, I urge the adoption of this amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, we are prepared to accept the amendment if the gentlelady from Michigan is prepared to yield back.

Mrs. MILLER of Michigan. Madam Chair, I yield back the balance of my time.

Ms. VELÁZQUEZ. I urge adoption of the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Michigan (Mrs. MILLER).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MRS. MILLER OF MICHIGAN

The Acting CHAIR. It is now in order to consider amendment No. 15 printed in part B of House Report 111–317.

Mrs. MILLER of Michigan. Madam Chair, I rise as the designee of the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) and I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 15 offered by Mrs. MILLER of Michigan:

Page 20, line 25, strike ''on a date if'' and insert the following: ''on each date during the period beginning on the date of enactment of this paragraph and ending on September 30, 2011, and on any other date after such period if''.

The Acting CHAIR. Pursuant to House Resolution 875, the gentlewoman from Michigan (Mrs. MILLER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Michigan.

Mrs. MILLER of Michigan. Madam Chair, this amendment makes a simple technical correction to the Capital Backstop Program, which we were just talking about.

In short, this underlying bill wisely puts restrictions on when this program can and cannot operate. The bill states two things: First of all, that the National Bureau of Economic Research, the NBER, must have declared the United States to be officially in recession. Second, the SBA loan guarantee volume must be down 30 percent from the previous year. And if these two criteria are not met, then the program is shut down.

As you know, the Federal Reserve recently stated that the recession is already likely over. The NBER is sure to follow suit soon. As well, because SBA loan volume is already down so substantially, the likelihood of another full 30 percent drop next year is very low.

This amendment simply says that the program being created in this bill is authorized to begin operation immediately upon enactment and is authorized to continue through September 2011, even if the recession has been declared technically over.

I would note personally, being from Michigan, whatever they are saying in the Nation, the recession is definitely not over in the State of Michigan.

However, our concern, Madam Chair, is that if Congress is going to take the extraordinary step of authorizing the SBA to make loans directly to small businesses, then it ought to be making these loans now, when they are needed the most.

After 2011, the restrictions that are in the underlying bill will resume. Frankly, Madam Chair, at that time we certainly hope that even stronger restrictions are in place.

Many of our colleagues are skeptical of having the SBA make loans directly to small businesses. Nevertheless, taxpayers have spent nearly $2 trillion trying to fix this situation. It hasn't worked.

If we are going to take the step of creating this program, let us at least make sure that it is helping our constituents and the taxpayers and small businesses now, when they truly need it most.

Madam Chair, I urge the adoption of this amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, if the gentlelady from Michigan is prepared to yield back, we are prepared to accept the amendment.

Mrs. MILLER of Michigan. Madam Chair, I yield back the balance of my time.

Ms. VELÁZQUEZ. I urge adoption of the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Michigan (Mrs. MILLER).

The amendment was agreed to.

AMENDMENT NO. 16 OFFERED BY MR. NYE

The Acting CHAIR. It is now in order to consider amendment No. 16 printed in part B of House Report 111–317.

Mr. NYE. Madam Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 16 offered by Mr. NYE:

Page 186, after line 24, insert the following (and redesignate succeeding sections accordingly):

SEC. 808. HOMEOWNERS IMPACTED BY TOXIC DRYWALL.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as amended by this Act, is further amended by inserting after paragraph (11) the following:

''(12) HOMEOWNERS IMPACTED BY TOXIC DRYWALL.—The Administrator may make a loan under this subsection to any homeowner if the primary residence of such homeowner has been adversely impacted by the installation of toxic drywall manufactured in China. A loan under this paragraph may be used only for the repair or replacement of such toxic drywall.''.

The Acting CHAIR. Pursuant to House Resolution 875, the gentleman from Virginia (Mr. NYE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. NYE. I yield myself such time as I may consume.

Madam Chairman, I'd like to thank Chairwoman VELÁZQUEZ, Ranking Member GRAVES, Mr. SCHRADER and all my other esteemed colleagues on the Small Business Committee for their work to bring about the Small Business Financing and Investment Act and bring it to the floor, and for including my bill, the Small Business Early Stage Investment Act, in this omnibus bill.

Small businesses are the engine of our economy and they are key to our recovery. Any effort to create jobs must start with an investment in small businesses. But the financial crisis and the economic downturn have been hard on small businesses as the credit markets have dried up.

When I meet with my Small Business Advisory Board back in Virginia's Second District, they tell me their number one concern is accessing the capital they need to support their business. It is now more important than ever to improve the flow of capital to our small businesses, particularly for the early stage research that will lead to new technologies—and the SBA programs outlined in this bill will do just that.

I am also proud to bring to the floor an amendment—a very important amendment to the underlying bill—together with my friend from Florida (Mr. BUCHANAN) which addresses a serious problem facing homeowners across the United States—imported toxic drywall.

In 30 States and the District of Columbia, thousands of homes have been reported to have been built with toxic foreign drywall, mainly from China. The drywall releases poisonous gases that can cause serious health problems and can make a home uninhabitable. The fumes even corrode metals—damaging electrical wiring, appliances, and piping systems.

In my district, I have visited these homes and spoken with the families. Many of them have been forced to move in with friends or relatives; many others are now living in rental housing—paying for both the cost of a mortgage and the cost of rent—or, even worse, living in the home, unable to afford repairs.

The CPSC and the EPA have recognized toxic drywall as a serious problem and they are conducting a detailed investigation. But many families simply cannot afford to wait for the test results and there is no guarantee anything will come of these efforts. We owe it to them to try every means possible to provide them relief.

These homeowners are the victims of a calamity beyond their control—just like any family whose home is damaged by a major disaster such as a hurricane or tornado—and they deserve the same assistance.

This amendment allows these families to access low-interest disaster loans from the Small Business Administration to repair or replace toxic drywall in their homes. While it may take more time and legislation to ultimately eradicate this problem, we can take immediate action today for these struggling families.

I urge my colleagues to join me and my colleague in passing this amendment to help these American families rebuild their homes and begin rebuilding their lives.

With that, I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. Madam Chair, I strongly support this amendment and now would like to yield 2 minutes to one of the cosponsors of this amendment, the gentleman from Florida (Mr. BUCHANAN).

Mr. BUCHANAN. Thank you, Madam Chair. Thanks for your leadership. I'd also like to thank my colleague, Mr. NYE, for working with me in a bipartisan manner to address this issue that I believe is long overdue.

Our amendment will extend SBA loans to homeowners who have residences that are suffering from toxic Chinese drywall. An estimated 36,000 residents in my home State of Florida are believed to have this hazardous material.

For most families, their house is their biggest investment. I have met with homeowners across my district who have seen their property values plummet and their health care concerns grow. The American Dream of home ownership has become a nightmare for these families.

The real life story of one of my constituents, Jim Silverblatt, comes to mind. Jim bought a house in beautiful Venice, Florida, for $680,000 in 2006. He retired from UPS as a supervisor and invested another $125,000 in his residence. He has over $800,000 in that house. However, due to the damage caused by the toxic drywall, Jim's home is now appraised at just $155,000, and is uninhabitable in the warm weather.

Jim's story is all too common in Florida in general. Many of my constituents in our area that I have talked to, they have had to move out of their homes and they're renting another place. They're paying two mortgages at the same time. While this amendment doesn't fix everything, it represents much-needed progress for all these families. I urge passage.

Mr. NYE. At this time I yield 1½ minutes to my colleague from Virginia (Mr. WITTMAN).

Mr. WITTMAN. I rise in support of this amendment and I would like to thank my colleagues from Virginia and Florida for offering it. This amendment will offer homeowners impacted by toxic drywall an option to apply for Small Business Administration loans to be used for the repair or replacement of toxic drywall manufactured in China.

Last week, I toured the homes of several constituents affected by the toxic drywall in the Hollymeade subdivision of Newport News and saw firsthand how toxic drywall has put the health and financial well-being of numerous families at risk.

I extended an invitation to President Obama to tour these impacted homes during his visit to Hampton Roads this week and I urged him to put this issue at the top of the agenda for his meetings in China next month.

Of particular concern is the significant military presence in Hampton Roads and the impact on the military families who own homes where toxic drywall is present. Many of these families are juggling the burdens of having a deployed spouse or a spouse preparing for deployment, and an additional financial burden such as a move out of an impacted home, foreclosures, or loss of insurance coverage would be devastating.

I recently sent a letter to the chairman of the U.S. Consumer Product Safety Commission to urge the expeditious resolution of the commission's investigation into the scope and impact of toxic Chinese drywall.

Homeowners across the Nation are waiting for the findings of the commission's investigation, which may determine their eligibility for State and Federal assistance, loan modification, insurance policy changes, tax deductions, and other programs.

I urge my colleagues to support this amendment, which will provide impacted homeowners with an opportunity to pursue some relief through the SBA.

Ms. VELÁZQUEZ. Madam Chair, I yield 1½ minutes to the gentleman from Louisiana (Mr. CAO).

□ 1645

Mr. CAO. Thank you very much, Madam Chair, for yielding me time.

I rise today in strong support of this amendment. Fifteen percent of all drywall contamination cases are in Louisiana. Just imagine, Madam Chair, that after Hurricane Katrina, many of these families had to spend all of their savings in order to repair their home, just to find out now that they replaced their drywall with Chinese contaminated drywall.

I myself have repaired my home twice in the last 4 years, so I know of the inconvenience and the suffering that the people of Louisiana have to undergo in order to get this job done.

With respect to myself, I was fortunate in that my damages were caused by the flooding of Katrina and Gustav. Therefore, my insurance company paid for the repairs in my home.

But for many of these homeowners in Louisiana, their policy does not cover the problems with Chinese drywall. After spending all of their money repairing their homes because of Katrina,

now they have no money whatsoever to spend in order to repair their homes due to the Chinese drywall.

Therefore, I believe that this amendment is extremely important, and I urge that all of my colleagues vote for the passage of this amendment.

Mr. NYE. Madam Chair, might I inquire as to how much time I have remaining?

The Acting CHAIR. The gentleman from Virginia has 30 seconds remaining.

Mr. NYE. I would like to ask unanimous consent to have an additional minute added to my time.

The Acting CHAIR. Without objection, the gentleman from Virginia and the gentlewoman from New York each will control 1 additional minute.

There was no objection.

Mr. NYE. Madam Chair, I yield 1 minute to my colleague from Florida (Mr. KLEIN).

Mr. KLEIN of Florida. I thank the gentleman. I also thank Chairwoman VELÁZQUEZ, Mr. NYE, and Mr. BUCHANAN.

Madam Chair, I rise in support of this amendment.

This is a very important issue for obviously Florida, Louisiana and other States—Virginia—that have been impacted. Chinese drywall has affected many homeowners.

The defective material that has been described contains a sulfur compound that causes corrosion in the walls, faults to plumbing and electrical systems and has led to severe health problems, forcing residents to spend thousands and sometimes even hundreds of thousands of dollars to move or make repairs.

These homeowners had no reason to suspect that their homes were built with defective drywall, and they need our help. Most of these problems are not covered under standard homeowners' insurance. In some cases the builders that built the buildings are insolvent or gone. Families are now struggling to fix these problems or they risk losing insurance coverage and potentially their homes.

A few days ago a number of us had a chance to meet with HUD Secretary Shaun Donovan in south Florida so that we could all tour some of these devastated homes. While it is imperative that we develop a comprehensive solution, it is also vital that homeowners have access to small business loans.

Ms. VELÁZQUEZ. Madam Chair, I yield 1 minute to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. I thank the distinguished gentlewoman and I want to thank Congressman BUCHANAN for bringing this up.

Madam Chair, as you have heard before, this is a nightmare. This Chinese drywall is a nightmare. These people can't live in their homes; they can't sell their homes; they can't rent their homes. There are potential health hazards while they are there. This amendment would really provide immediate assistance to a number of homeowners to allow them to repair their homes.

Again, Congress has to do everything we can to help these individuals who are stuck in this horrible nightmare situation. This is a very, very good, commonsense amendment. I encourage this Congress to adopt this amendment.

Ms. VELÁZQUEZ. Madam Chair, if the gentleman from Virginia is prepared to yield back, we are prepared to accept the amendment.

Mr. NYE. Madam Chair, I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Chair, I urge adoption of this very important amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Virginia (Mr. NYE).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. FLAKE

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on the amendment printed in part B of House Report 111–317 on which further proceedings were postponed.

The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona (Mr. FLAKE) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 370, noes 55, not voting 13, as follows:

[Roll No. 828]

AYES—370

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Bordallo
Boren
Boswell
Boucher
Boustany
Boyd
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Buchanan
Burgess
Burton (IN)
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Coble
Coffman (CO)
Cohen
Cole
Connolly (VA)
Cooper
Costa
Courtney
Crenshaw
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis (TN)
Deal (GA)
DeFazio
DeGette
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Dreier
Driehaus
Duncan
Edwards (TX)
Ehlers
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Faleomavaega
Fallin
Farr
Fattah
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves
Green, Al
Green, Gene
Griffith
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinojosa
Hirono
Hodes
Hoekstra
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Lamborn
Lance
Langevin
Larsen (WA)
Latham
LaTourette
Latta
Lee (NY)
Levin
Lewis (CA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Minnick
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Murphy (CT)
Murphy (NY)
Myrick
Napolitano
Neugebauer
Norton
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Pallone
Pastor (AZ)
Paulsen
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pierluisi
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
Rehberg
Reichert
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Sablan
Salazar
Sánchez, Linda T.
Sarbanes
Scalise
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Sessions
Sestak
Shadegg
Shimkus
Shuler
Shuster
Simpson
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Wu
Yarmuth
Young (FL)

NOES—55

Baldwin
Berkley
Brady (PA)
Brown, Corrine
Butterfield
Christensen
Clyburn
Conyers
Costello
Delahunt
Doyle
Edwards (MD)

Ellison	Matsui	Sanchez, Loretta
Filner	McDermott	Schakowsky
Frank (MA)	Meek (FL)	Serrano
Fudge	Meeks (NY)	Shea-Porter
Grayson	Miller, George	Sherman
Grijalva	Moore (WI)	Sires
Hastings (FL)	Moran (VA)	Stark
Hinchey	Murtha	Thompson (MS)
Holden	Nadler (NY)	Tonko
Kildee	Neal (MA)	Wasserman Schultz
Kilpatrick (MI)	Pascrell	Wexler
Kucinich	Paul	Woolsey
Larson (CT)	Rahall	Young (AK)
Lee (CA)	Rangel	
Lewis (GA)	Reyes	

NOT VOTING—13

Barrett (SC)	Buyer	Murphy, Patrick
Berman	Capuano	Murphy, Tim
Bishop (UT)	Conaway	Nunes
Brown-Waite, Ginny	Crowley	Payne
	Linder	

□ 1718

Ms. BERKLEY, Messrs. BUTTERFIELD, REYES, RANGEL, LARSON of Connecticut, NADLER of New York, SHERMAN, MORAN of Virginia, MEEKS of New York, and Ms. WASSERMAN SCHULTZ changed their vote from ''aye'' to ''no.''

Messrs. INSLEE, SCHAUER, GONZALEZ, KLEIN of Florida, WAXMAN, RODRIGUEZ, BOREN, Ms. LINDA T. SÁNCHEZ of California, Mr. COHEN, Mrs. MALONEY, Mr. CARNEY, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. ROYBAL-ALLARD, Messrs. TURNER, HALL of New York, BACA, MCDERMOTT, Mrs. EMERSON, Ms. DEGETTE, Messrs. STUPAK, BURGESS, HARE, HINOJOSA, MCINTYRE, Ms. MCCOLLUM, and Ms. CLARKE changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1715

The Acting CHAIR. There being no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. DEGETTE) having assumed the chair, Ms. EDWARDS of Maryland, Acting Chair 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. 3854) to amend the Small Business Act and the Small Business Investment Act of 1958 to improve programs providing access to capital under such Acts, and for other purposes, pursuant to House Resolution 875, she reported the bill, as amended pursuant to that resolution, back to the House with sundry further amendments adopted by the Committee of the Whole.

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

Pursuant to House Resolution 875, the question on adoption of the further amendments will be put en gros.

The question is on the amendments.

The amendments were 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

Mr. CANTOR. Madam Speaker, I have a motion to recommit at the desk.

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

Mr. CANTOR. In its current form, I am.

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

The Clerk read as follows:

Mr. Cantor moves to recommit the bill H.R. 3854 to the Committee on Small Business with instructions to report the same back to the House forthwith with the following amendment:

Add at the end of the bill the following:

TITLE X—STUDY ON ADDITIONAL CREDIT RISK FACTORS

SEC. 1001. STUDY ON ADDITIONAL CREDIT RISK FACTORS.

(a) IN GENERAL.—With respect to loans made under programs established or amended under this Act, the Administrator of the Small Business Administration shall conduct a study on whether the failure of such loans to achieve one or more of the public policy goals specified in subsection (b) negatively impacts the ability of businesses receiving such loans to make timely repayment of such loans.

(b) PUBLIC POLICY GOALS.—The public policy goals referred to in subsection (a) are the provision of adequate access to capital to assist small business concerns with one or more of the following:

(1) Offsetting the costs to such concerns resulting from the imposition of a surtax on the income of small business owners.

(2) Offsetting the costs to such concerns resulting from the enactment of a requirement that such concerns offer health care of a minimum acceptable coverage level.

(3) Offsetting the costs to such concerns resulting from an increase in the marginal tax rates of small business owners.

(4) Offsetting the reduction in capital available for such concerns resulting from an increase in the tax on capital gains.

(5) Offsetting the reduction in capital available for such concerns resulting from an increase in the taxes on carried interest.

(6) Offsetting the increased energy costs for such concerns resulting from the enactment of a cap on carbon dioxide emissions.

(7) Offsetting the increased costs to such concerns resulting from a change in Federal law that allows unions to be organized through a card check process.

(8) Offsetting the reduction in capital available for such concerns resulting from new regulations on financial products.

(9) Offsetting the increased costs to such concerns resulting from the imposition of net neutrality rules on the Internet.

(c) USE OF STUDY.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report on the results of the study conducted under subsection (a) and shall use such results to evaluate and adjust, as appropriate, the potential credit risk to the Government through the provision of loans under programs established or amended under this Act.

The SPEAKER pro tempore. The gentleman from Virginia is recognized for 5 minutes.

Mr. CANTOR. Madam Speaker, providing about 70 percent of U.S. jobs, small businesses are the lifeblood of our economy. When they struggle, when they contract, when they fail to obtain credit and put capital to work, America struggles. And right now our small businesses are struggling like never before.

With such an ominous backdrop, it is only logical that we do everything in our power to strengthen our small businesses and make it easier for them to create jobs and put people back to work. But as small business owners across this country have told us for months now, Washington is doing the opposite. The wave of newly proposed tax increases, health care mandates, and financial and energy regulations are adding fresh gasoline to the fire. They have created a pervasive state of fear about the future cost of doing business that is enveloping reluctant job creators.

Madam Speaker, if the economy is going to be resurgent, small business owners will have to provide the spark. I know many of us have met with our small business owners over the last several months. I have. I have conducted several small business forums in my district. One of those, in Richmond, I heard the message loud and clear. Small businesses want to expand. They want to hire more workers. They want to invest. But they can barely afford to keep the lights on right now.

The message to me, Madam Speaker, was very clear. Of all times, now is the wrong one for Washington to go and slap more taxes and regulations on us. These small businesses asked me: Why is there such a huge disconnect between what we in the small business community need and what our government thinks we need? Why does Washington spend so extravagantly and fund this spree by squeezing the very people who can create and provide jobs?

The point was this: It was that the misguided policies being brought forward either siphon capital away from small businesses or cause them to hoard capital out of a grave concern. Talk of card check, surtaxes, marginal tax hikes, minimum health coverage mandates, cap-and-trade, et cetera, all of this adds new and unnecessary layers of concern. This concern will harm small business employment, and has, and the number of business establishments and the types of such establishments, such as sole proprietorships, corporations, and partnerships.

Madam Speaker, we will see repercussions in the amount of capital investment small businesses attract; in the number of business formations and failures; and the amount of sales and new orders and investment in plant and equipment because of the very actions being proposed in this House and throughout Washington.

The bill before us today proposes to modify and expand a variety of SBA loan programs. The SBA plays an important part in helping America's small businesses. But let us be clear, Madam Speaker, the vast majority of small businesses do not participate in SBA programs. They rely on community banks, investment capital, and

other forms of credit to start and expand their business. In fact, the Discovery Financial Services small business survey recently found that 90 percent of small businesses report that they have never even applied for an SBA loan. Reports from banks confirm that most small business credit is supplied outside of the SBA. In 2007—the most recent data—banks reported through the CRA that they originated or purchased $329 billion in loans for small businesses. By comparison, Madam Speaker, the SBA averages between $20 billion and $30 billion in lending a year.

Small businesses, whether they use SBA or other sources of financing, will all be impacted by massive tax hikes, regulations, and mandates being proposed currently by the Democratic majority.

Madam Speaker, the bottom line is this. The resulting loans being called for under this bill by the Small Business Administration will not even come close to offsetting the cost to small businesses caused by the concerns businesses have over the majority's agenda in this House. So, Madam Speaker, I suggest this. Abandon your proposals to impose record-high taxes. Abandon the proposals for underfunded mandates on our businesses and costly regulations.

□ 1730

Provide our small business job creators with the certainty that Washington isn't going to be saddling them with new penalties, with new taxes and with new high costs. We take a first step towards that goal today, Madam Speaker, by adopting this motion, and I urge the House to do so.

I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Speaker, while not opposed to the motion, I ask unanimous consent to claim the time in opposition.

The SPEAKER pro tempore. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. While I am not opposed to the motion, I do want to make some observations. While the gentleman is interested in studying the problems, we are interested in real solutions, and the bill under consideration does that. This bill provides $44 billion in capital for our small businesses, helping address the number one issue facing small firms right now. This bill will create 1.3 million jobs. Initiatives in this legislation will be specifically targeted to veterans and businesses located in rural communities. This legislation is supported by over 50 business organizations, representing small businesses in the health care, financial services, agriculture and technology industries.

What I would like to see the gentleman add to the study is how small businesses have benefited from increased expensing limits for purchasing equipment, extended bonus depreciation, reduced capital gains rates on small business stock, and allowing businesses to carry back 5 years of losses. Let's add that to the study.

It is interesting to see how the gentleman would like to study things that haven't happened, like offsetting the reduction in capital available for such concerns resulting from an increase in tax on capital gains. Are we going to study things that haven't happened? Does the gentleman have a crystal ball? Because if he does, I would like for him to tell me who is going to win the World Series. This is a motion that does nothing to provide loans to small businesses or create jobs. But if the gentleman wants to do a study, so be it.

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.

RECORDED VOTE

Mr. CANTOR. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H.R. 3854, if ordered, and the motion to suspend the rules and agree to House Resolution 729.

The vote was taken by electronic device, and there were—ayes 272, noes 149, not voting 11, as follows:

[Roll No. 829]

AYES—272

Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Arcuri
Austria
Bachmann
Bachus
Baird
Barrow
Bartlett
Barton (TX)
Berkley
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (TX)
Bright
Broun (GA)
Brown (SC)
Buchanan
Burgess
Burton (IN)
Calvert
Camp
Campbell
Cantor
Cao
Capito
Cardoza
Carnahan
Carney
Carter
Cassidy
Castle
Chaffetz
Chandler
Childers
Cleaver
Coble
Coffman (CO)
Cole
Cooper
Costa
Crenshaw
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (KY)
Davis (TN)
Deal (GA)
DeGette
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly (IN)
Dreier
Duncan
Ehlers
Ellsworth
Emerson
Etheridge
Fallin
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Goodlatte
Gordon (TN)
Granger
Graves
Griffith
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hoekstra
Hunter
Inglis
Israel
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
Lipinski
LoBiondo
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Marshall
Massa
Matheson
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Minnick
Mitchell
Moore (KS)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Myrick
Neugebauer
Nye
Olson
Paul
Paulsen
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Royce
Ruppersberger
Rush
Ryan (WI)
Scalise
Schmidt
Schock
Schrader
Scott (VA)
Sensenbrenner
Sessions
Shadegg
Shea-Porter
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Smith (NE)
Smith (NJ)
Smith (TX)
Snyder
Souder
Space
Spratt
Stearns
Sullivan
Tanner
Taylor
Teague
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Titus
Tonko
Turner
Upton
Van Hollen
Velázquez
Walden
Wamp
Weiner
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Wu
Young (AK)
Young (FL)

NOES—149

Abercrombie
Andrews
Baca
Baldwin
Bean
Becerra
Berry
Bishop (NY)
Blumenauer
Boccieri
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Carson (IN)
Castor (FL)
Chu
Clarke
Clay
Clyburn
Cohen
Connolly (VA)
Conyers
Costello
Courtney
Davis (CA)
Davis (IL)
DeFazio
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Engel
Eshoo
Farr
Fattah
Filner
Frank (MA)
Fudge
Gonzalez
Grayson
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Loebsack
Lofgren, Zoe
Markey (MA)
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
Meek (FL)
Meeks (NY)
Miller, George
Mollohan
Moore (WI)
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Price (NC)
Quigley
Rahall
Rangel
Reyes
Roybal-Allard
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schwartz
Scott (GA)
Serrano
Sestak
Sherman
Slaughter
Smith (WA)
Speier

Stark
Stupak
Sutton
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Welch
Wexler
Woolsey
Yarmuth

NOT VOTING—11

Barrett (SC)
Berman
Brown-Waite, Ginny
Buyer
Capuano
Conaway
Crowley
Murphy, Patrick
Murphy, Tim
Nunes
Payne

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1756

Messrs. DELAHUNT, NEAL of Massachusetts, COSTELLO, Ms. HARMAN, Messrs. FARR, MOLLOHAN, BOCCIERI, REYES, SESTAK, SHERMAN, VISCLOSKY, BACA, ORTIZ, SALAZAR, Mrs. HALVORSON, Messrs. GENE GREEN of Texas, SCHAUER, Mrs. DAVIS of California, Messrs. SCOTT of Georgia, GONZALEZ, Mrs. MCCARTHY of New York, Messrs. ENGEL, EDWARDS of Texas, DICKS, MEEKS of New York, BISHOP of New York, KRATOVIL, and DRIEHAUS changed their vote from ''aye'' to ''no.''

Mr. GORDON of Tennessee changed his vote from ''no'' to ''aye.''

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Ms. VELÁZQUEZ. Madam Speaker, pursuant to the instructions of the House in the motion to recommit, I report the bill, H.R. 3854, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Ms. VELÁZQUEZ:

Add at the end of the bill the following:

TITLE X—STUDY ON ADDITIONAL CREDIT RISK FACTORS

SEC. 1001. STUDY ON ADDITIONAL CREDIT RISK FACTORS.

(a) IN GENERAL.—With respect to loans made under programs established or amended under this Act, the Administrator of the Small Business Administration shall conduct a study on whether the failure of such loans to achieve one or more of the public policy goals specified in subsection (b) negatively impacts the ability of businesses receiving such loans to make timely repayment of such loans.

(b) PUBLIC POLICY GOALS.—The public policy goals referred to in subsection (a) are the provision of adequate access to capital to assist small business concerns with one or more of the following:

(1) Offsetting the costs to such concerns resulting from the imposition of a surtax on the income of small business owners.

(2) Offsetting the costs to such concerns resulting from the enactment of a requirement that such concerns offer health care of a minimum acceptable coverage level.

(3) Offsetting the costs to such concerns resulting from an increase in the marginal tax rates of small business owners.

(4) Offsetting the reduction in capital available for such concerns resulting from an increase in the tax on capital gains.

(5) Offsetting the reduction in capital available for such concerns resulting from an increase in the taxes on carried interest.

(6) Offsetting the increased energy costs for such concerns resulting from the enactment of a cap on carbon dioxide emissions.

(7) Offsetting the increased costs to such concerns resulting from a change in Federal law that allows unions to be organized through a card check process.

(8) Offsetting the reduction in capital available for such concerns resulting from new regulations on financial products.

(9) Offsetting the increased costs to such concerns resulting from the imposition of net neutrality rules on the Internet.

(c) USE OF STUDY.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report on the results of the study conducted under subsection (a) and shall use such results to evaluate and adjust, as appropriate, the potential credit risk to the Government through the provision of loans under programs established or amended under this Act.

Ms. VELÁZQUEZ (during the reading). Madam Speaker, I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The SPEAKER pro tempore. 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.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Ms. VELÁZQUEZ. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 389, nays 32, not voting 11, as follows:

[Roll No. 830]

YEAS—389

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Brown (SC)
Brown, Corrine
Buchanan
Butterfield
Calvert
Camp
Cantor
Cao
Capito
Capps
Cardoza
Carnahan
Carney
Carson (IN)
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis (TN)
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Fleming
Forbes
Fortenberry
Foster
Frank (MA)
Frelinghuysen
Fudge
Gallegly
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Graves
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McCollum
McCotter
McDermott
McGovern
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murtha
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paulsen
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (NC)
Putnam
Quigley
Radanovich
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sessions
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Wexler
Whitfield
Wilson (OH)
Wilson (SC)
Wittman

Wolf	Wu	Young (AK)
Woolsey	Yarmuth	Young (FL)

NAYS—32

Akin	Franks (AZ)	McHenry
Bishop (UT)	Garrett (NJ)	Miller (FL)
Broun (GA)	Granger	Neugebauer
Burgess	Hensarling	Paul
Burton (IN)	Issa	Price (GA)
Campbell	Jordan (OH)	Royce
Carter	Kingston	Ryan (WI)
Culberson	Lamborn	Sensenbrenner
Duncan	Lewis (CA)	Shadegg
Flake	Lummis	Thornberry
Foxx	McClintock	

NOT VOTING—11

Barrett (SC)	Buyer	Murphy, Patrick
Berman	Capuano	Murphy, Tim
Brown-Waite, Ginny	Conaway	Nunes
	Crowley	Payne

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Two minutes remain in this vote.

□ 1804

Messrs. KINGSTON, BURGESS and CULBERSON and Ms. FOXX changed their vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE CHAIRWOMAN OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Ms. ZOE LOFGREN of California asked and was given permission to address the House for 1 minute.)

Ms. ZOE LOFGREN of California. Madam Speaker, as you know, I chair the Committee on Standards of Official Conduct, and Mr. BONNER is the ranking member.

I regret to report that there was a cyberhacking incident of a confidential document of the committee. A number of Members have been contacted by The Washington Post, which is in possession of a document. We don't know with certainty whether it is an accurate document, but we thought it important to state the relevance of the material.

As the body knows, under rule XVIII, the Chair and ranking member are permitted, indeed, obliged, to explore extraneous matters that come to our attention, anything from a stray newspaper article to a comment involving Members or staff, to make sure that there is nothing serious. In the course of doing that, no inference should be made as to any Member. We might have a newspaper article that we look at, there is nothing to it, but we have to make sure that that is the case.

I would yield to the ranking member for his further comments.

Mr. BONNER. Thank you, Madam Chairman.

The purpose of this colloquy is to notify the Members that because The Washington Post has a document that they believe originated from our committee, and because some Members of the body are receiving questions from the newspaper, we wanted to assure the body, first of all, this was an isolated incident that to our knowledge has only occurred once; secondly, that our security system for the committee has not been breached; and, third, and I think most importantly, that any name of a Member or a staff member that might appear on a document, if it in fact were a document from our committee, it should not be inferred that a Member is under an investigation of the committee, other than the fact that the committee has responsibilities.

For instance, when a colleague calls and asks about whether they can take a trip, their name would appear on this weekly report that the Chair and ranking member receive. That doesn't mean that they are doing anything other than following the rules of the House to inquire whether they should take that trip or whether it is permissible.

Ms. ZOE LOFGREN of California. I would just like to note that we understand that the computer system of the committee is secure; that at any one time, as the ranking member has said, dozens of Members' names are on our weekly report, and no inference should be made as to incorrect behavior on the part of those Members.

We wanted to make sure that the body knew and that the public knew that any other inference would be a serious mistake.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

NATIONAL FIREFIGHTERS MEMORIAL DAY

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the resolution, H. Res. 729 on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. LYNCH) that the House suspend the rules and agree to the resolution, H. Res. 729.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 390, nays 0, not voting 42, as follows:

[Roll No. 831]

YEAS—390

Abercrombie	Bachmann	Bilbray
Ackerman	Bachus	Bilirakis
Aderholt	Baird	Bishop (GA)
Adler (NJ)	Baldwin	Bishop (NY)
Akin	Barrow	Bishop (UT)
Alexander	Bartlett	Blackburn
Altmire	Bean	Blumenauer
Andrews	Becerra	Blunt
Arcuri	Berkley	Boccieri
Austria	Berry	Boehner
Baca	Biggert	Bonner
Bono Mack	Goodlatte	Matheson
Boozman	Gordon (TN)	Matsui
Boren	Granger	McCarthy (CA)
Boswell	Graves	McCarthy (NY)
Boucher	Grayson	McCaul
Boustany	Green, Al	McClintock
Boyd	Green, Gene	McCollum
Brady (PA)	Griffith	McCotter
Brady (TX)	Guthrie	McDermott
Braley (IA)	Gutierrez	McGovern
Bright	Hall (NY)	McHenry
Broun (GA)	Hall (TX)	McIntyre
Brown (SC)	Halvorson	McKeon
Brown, Corrine	Hare	McMahon
Buchanan	Harman	McMorris Rodgers
Burgess	Harper	McNerney
Burton (IN)	Hastings (FL)	Meek (FL)
Butterfield	Hastings (WA)	Meeks (NY)
Calvert	Heinrich	Melancon
Camp	Heller	Mica
Campbell	Hensarling	Michaud
Cantor	Herger	Miller (FL)
Cao	Herseth Sandlin	Miller (MI)
Capito	Higgins	Miller (NC)
Capps	Hill	Miller, Gary
Cardoza	Himes	Miller, George
Carnahan	Hinchey	Minnick
Carney	Hinojosa	Mitchell
Carson (IN)	Hirono	Mollohan
Carter	Hodes	Moore (KS)
Cassidy	Holden	Moore (WI)
Castle	Holt	Moran (KS)
Castor (FL)	Hoyer	Moran (VA)
Chaffetz	Hunter	Murphy (CT)
Chandler	Inglis	Murtha
Childers	Inslee	Myrick
Chu	Israel	Napolitano
Clay	Issa	Neal (MA)
Cleaver	Jackson (IL)	Neugebauer
Clyburn	Jackson-Lee (TX)	Nye
Coble	Jenkins	Oberstar
Coffman (CO)	Johnson (GA)	Obey
Cohen	Johnson (IL)	Olson
Cole	Johnson, E. B.	Olver
Connolly (VA)	Johnson, Sam	Ortiz
Conyers	Jones	Pallone
Cooper	Jordan (OH)	Pascrell
Costa	Kagen	Pastor (AZ)
Costello	Kanjorski	Paul
Courtney	Kaptur	Paulsen
Crenshaw	Kennedy	Pence
Cuellar	Kildee	Perlmutter
Culberson	Kilpatrick (MI)	Perriello
Cummings	Kilroy	Peters
Dahlkemper	Kind	Peterson
Davis (AL)	King (IA)	Petri
Davis (CA)	King (NY)	Pingree (ME)
Davis (KY)	Kingston	Pitts
Davis (TN)	Kirk	Platts
Deal (GA)	Kirkpatrick (AZ)	Poe (TX)
DeFazio	Kissell	Polis (CO)
DeGette	Klein (FL)	Pomeroy
Delahunt	Kline (MN)	Posey
DeLauro	Kosmas	Price (GA)
Dent	Kratovil	Price (NC)
Dicks	Kucinich	Putnam
Dingell	Lamborn	Radanovich
Doggett	Lance	Rahall
Donnelly (IN)	Langevin	Rehberg
Doyle	Larsen (WA)	Reichert
Dreier	Latham	Reyes
Driehaus	LaTourette	Richardson
Duncan	Latta	Rodriguez
Edwards (MD)	Lee (NY)	Roe (TN)
Edwards (TX)	Levin	Rogers (AL)
Ehlers	Lewis (CA)	Rogers (KY)
Ellison	Lewis (GA)	Rogers (MI)
Ellsworth	Linder	Rohrabacher
Emerson	Lipinski	Rooney
Engel	LoBiondo	Ross
Eshoo	Lofgren, Zoe	Rothman (NJ)
Etheridge	Lowey	Royce
Fallin	Lucas	Ruppersberger
Farr	Luetkemeyer	Rush
Fattah	Luján	Ryan (OH)
Filner	Lummis	Ryan (WI)
Fleming	Lungren, Daniel E.	Salazar
Forbes	Lynch	Sarbanes
Fortenberry	Mack	Scalise
Foster	Maffei	Schauer
Foxx	Maloney	Schiff
Frank (MA)	Manzullo	Schmidt
Franks (AZ)	Marchant	Schock
Frelinghuysen	Markey (CO)	Schrader
Fudge	Markey (MA)	Schwartz
Gerlach	Marshall	Scott (VA)
Giffords	Massa	Sensenbrenner
Gingrey (GA)		Serrano
Gohmert		