

agency provides matching funds, which are pooled together and invested in high-growth small businesses.

To maximize the impact of the program, the most successful fund managers are permitted to hold more than one SBIC license at a time, known as a family of funds, with the benefit of drawing additional SBA leverage.

The current leverage caps, implemented in 2010, allow single licensees to draw \$175 million and family-of-fund licensees to draw \$225 million. H.R. 1023, the Small Business Investment Company Capital Act of 2015, would increase that cap by an additional 55 percent to \$350 million.

According to SBA data, only seven SBICs would be able to take advantage of the increase, limiting the actual amount of capital that will reach our small business community. The roughly 150 other SBIC families are unlikely to ever need this increase.

Similarly, concentrating additional taxpayer-backed leverage in just a few asset managers necessitates the need for more oversight. I look forward to working with the chairman to strike the right balance ensuring this capital is deployed efficiently, but with less risk.

The SBIC program has done a lot of good for the small business community over the years. In fact, since 2010, SBICs have quadrupled their output to over \$3.4 billion last year alone, but it is still coming up short in its assistance to women, minorities, and veterans.

These groups receive just 6 percent of total SBIC capital. It is my hope, as we work with the Senate on finalized language, steps can be taken to address this inequity.

Providing ways to get more capital into the hands of small business owners is a top priority for both sides of the aisle in this committee.

I want to thank Chairman CHABOT for introducing this legislation, and I am hopeful the increase in leverage will provide new capital opportunities to entrepreneurs from every walk of life.

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

Mr. CHABOT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. COLLINS).

Mr. COLLINS of New York. Mr. Speaker, I rise today in support of H.R. 1023, the Small Business Investment Company Capital Act of 2015.

Small businesses serve as America's economic engine, driving essential job creation. In my Western New York district, small businesses provide the good-paying jobs that people need to support their families. However, we need to do more to encourage small business growth.

This legislation aids the SBIC program, which utilizes private investment funds to provide long-term loans and capital to small businesses in need. Without this vital program, many of the small businesses in our country would not be able to succeed.

Since inception, the SBIC program has invested \$73 billion in more than 118,000 U.S. small businesses. In western New York, this program has supported companies like Gemcor in West Seneca and Synacor in Buffalo and is critical to the jobs they provide.

This crucial investment is why I urge my colleagues to join me in supporting H.R. 1023.

Ms. VELÁZQUEZ. Mr. Speaker, I am prepared to close, and I yield myself the balance of my time.

Since its creation in 1958, the SBIC program has injected billions of dollars into promising startups and small businesses.

With the help of the SBIC, some of these small businesses grow into Fortune 500 companies. Apple, Inc., was once an SBIC client. Today it is one of the largest companies in the world by market capitalization.

By providing businesses with capital to grow, the SBIC program has also been a driver of job creation. In 2014 alone, the program helped create or retain 113,000 jobs.

I look forward to working with the chairman and our colleagues in the Senate on this legislation. I urge a "yes" vote.

I yield back the balance of my time.

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

In closing, Mr. Speaker, let me just reiterate the impact this minor change could have on small businesses all across this country.

H.R. 1023 would increase the amount of capital available to small business and enable well-managed SBICs, at no cost to the taxpayer, to increase investment in small businesses.

This legislation is a commonsense, bipartisan reform, and I urge my colleagues to vote "yes" on H.R. 1023.

I yield back the balance of my time.

Ms. MENG. Mr. Speaker, I rise today in support of H.R. 1023, the Small Business Investment Company Capital Act. As a co-sponsor of this bi-partisan legislation and a member of the Small Business Committee, I recognize the importance of supporting small businesses and providing them with resources for success. This bill provides small businesses with such tools by raising the maximum debt that the Small Business Administration can guarantee to borrowers in the Small Business Investment Company, or SBIC program, from \$225 million to \$350 million.

Currently, 30% of SBICs in the program are hitting or approaching the \$225 million cap, thus restricting them from further investment. This bill will allow SBICs to increase its cap by \$125 million, allowing it to invest in many underserved companies, including those led by minorities, women, and veterans.

The Congressional Budget Office has stated that by adopting this bill, there is no expected additional cost to administer the program, nor will there be an additional cost to the taxpayer as businesses participating in the program pay fees that would offset such costs.

In the last five years, SBICs have invested more than \$1.6 billion in my home state of New York. Last year alone, over \$5.46 billion was invested in 1,085 companies and SBICs

supported over 113,000 jobs. As we continue to work to get our economy back on track, we must join together to support small businesses, which drive our nation's economy.

This bill previously passed in the House of Representatives as H.R. 6504 in the 112th Congress. I urge my colleagues to, once again, vote in support of this bill that supports our nation's small businesses.

The SPEAKER pro tempore (Mr. COLLINS of New York). The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 1023.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SUPERSTORM SANDY RELIEF AND DISASTER LOAN PROGRAM IMPROVEMENT ACT OF 2015

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 208) to require the Administrator of the Small Business Administration to establish a program to make loans to certain businesses, homeowners, and renters affected by Superstorm Sandy, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 208

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Superstorm Sandy Relief and Disaster Loan Program Improvement Act of 2015".

SEC. 2. FINDINGS.

Congress finds the following:

(1) In 2012, Superstorm Sandy caused substantial physical and economic damage to the United States, and New York in particular.

(2) For businesses and homeowners, the primary means of obtaining long-term Federal financial assistance in the wake of disasters such as Superstorm Sandy is through the Small Business Administration's Disaster Loan Program.

(3) With regard to the Small Business Administration's operation of the Disaster Loan Program after Superstorm Sandy, the Government Accountability Office found that the Administration did not meet its timeliness goals for processing business loan applications.

(4) According to the Government Accountability Office, the Small Business Administration stated that it was challenged by an unexpectedly high volume of loan applications that it received early in its response to Superstorm Sandy.

(5) As a result, many businesses and homeowners affected by Superstorm Sandy were unable to apply for financing from the Small Business Administration.

SEC. 3. REVISED DISASTER DEADLINE.

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

"(B) DISASTER LOANS FOR SUPERSTORM SANDY.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to the same requirements and procedures that are used to make loans pursuant to subsection (b), a small business concern, homeowner, or renter that was located within an area and during the time

period with respect to which a major disaster was declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) by reason of Superstorm Sandy may apply to the Administrator—

“(i) for a loan to repair, rehabilitate, or replace property damaged or destroyed by reason of Superstorm Sandy; or

“(ii) if such a small business concern has suffered substantial economic injury by reason of Superstorm Sandy, for a loan to assist such a small business concern.

“(B) **TIMING.**—The Administrator shall select loan recipients and make available loans for a period of not less than 1 year after the date on which the Administrator carries out this authority.”.

SEC. 4. USE OF PHYSICAL DAMAGE DISASTER LOANS TO CONSTRUCT SAFE ROOMS.

Section 7(b)(1)(A) of the Small Business Act (15 U.S.C. 636(b)(1)(A)) is amended by striking “mitigating measures” and all that follows through “modifying structures” and inserting the following: “mitigating measures, including—

“(i) construction of retaining walls and sea walls;

“(ii) grading and contouring land; and

“(iii) relocating utilities and modifying structures, including construction of a safe room or similar storm shelter designed to protect property and occupants from tornadoes or other natural disasters”.

SEC. 5. COLLATERAL REQUIREMENTS FOR SMALL BUSINESS CONCERNS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after paragraph (9) the following:

“(10) **COLLATERAL REQUIREMENTS FOR SMALL BUSINESSES.**—In the case of a loan made pursuant to this subsection in an amount not greater than \$250,000, the Administrator may not require a borrower to pledge his or her primary residence as collateral if—

“(A) other collateral exists, including assets related to the operation of a business; and

“(B) such an option does not delay the Administrator’s processing of disaster applications for a disaster.”.

SEC. 6. REDUCING DELAYS ON CLOSING AND DISBURSEMENT OF LOANS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is further amended by inserting after paragraph (10) (as added by section 5) the following:

“(11) **REDUCING CLOSING AND DISBURSEMENT DELAYS.**—The Administrator shall provide a clear and concise notification on all application materials for loans made under this subsection and on relevant websites notifying an applicant that the applicant may submit all documentation necessary for the approval of the loan at the time of application and that failure to submit all documentation could delay the approval and disbursement of the loan.”.

SEC. 7. INCREASING TRANSPARENCY IN LOAN APPROVALS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is further amended by inserting after paragraph (11) (as added by section 6) the following:

“(12) **INCREASING TRANSPARENCY IN LOAN APPROVALS.**—The Administrator shall establish and implement clear, written policies and procedures for analyzing the ability of a loan applicant to repay a loan made under this subsection.”.

SEC. 8. SAFEGUARDING TAXPAYERS’ INTERESTS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is further amended by inserting after paragraph (12) (as added by section 7) the following:

“(13) **ENSURING ACCOUNTABILITY IN LOAN APPROVALS.**—The Administrator shall establish requirements for the approval of economic injury disaster loan assistance made available pursuant to paragraph (2), which shall include the re-

view of applicant eligibility and shall require that all supporting documentation is submitted prior to loan approval. The Administrator shall require that personnel involved in the approval of such loans be trained on such procedures.”.

SEC. 9. DISASTER PERFORMANCE MEASURES.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is further amended by inserting after paragraph (13) (as added by section 8) the following:

“(14) **REPORTING ON DISASTER PERFORMANCE MEASURES.**—The Administrator shall report the average processing time for all other disaster loan applications, including disaggregated data on disaster loan applications that were declined by the Administration’s automated disaster processing system and applications in which the Administrator performed loss verification. For each disaster described in paragraph (2), the Administrator shall report such average processing times on its website and to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate.”.

SEC. 10. DISASTER PLAN IMPROVEMENTS.

The Administrator of the Small Business Administration shall revise the comprehensive written disaster response plan required in section 40 of the Small Business Act (15 U.S.C. 657l), or any successor thereto, to incorporate the Administration’s response to a situation in which an extreme volume of applications are received during the period of time immediately after a disaster, which shall include a plan to ensure that sufficient human and technological resources are made available and a plan to prevent delays in loan processing.

SEC. 11. REPORT TO CONGRESS ON IMPLEMENTATION OF CERTAIN PROGRAMS.

(a) **INITIAL REPORT.**—The Administrator of the Small Business Administration shall report to Congress not later than 30 days after the date of enactment of this Act on the implementation and status of the private disaster loan program established in section 7(c) of the Small Business Act (15 U.S.C. 636(c)), the Immediate Disaster Assistance program established in section 42 of such Act (15 U.S.C. 657n), and the expedited disaster assistance business loan program established in section 12085 of the Small Business Disaster Response and Loan Improvements Act of 2008 (15 U.S.C. 636j).

(b) **REQUIRED CONSULTATION WITH DEPOSITORY INSTITUTIONS AND CREDIT UNIONS.**—The Administrator shall require the Associate Administrator for the Office of Disaster Assistance to consult with depository institutions (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) and credit unions regarding their potential participation in any of the programs described in subsection (a).

(c) **REPORT ON CONSULTATION.**—Not later than 6 months after date of enactment of this Act, the Administrator shall report to Congress on the consultation required under subsection (b).

The **SPEAKER** pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous materials.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

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

A natural disaster exposes us to the worst of nature. Yet, in some powerful way, it brings out the best in people. Communities ban together. Neighbors help neighbors, and volunteers donate their time and energy all in an effort to rebuild.

In the last decade, America has faced some of its worst natural disasters, with Hurricane Katrina in 2005 and, more recently, Hurricane Sandy in 2012.

In the aftermath of any disaster, it is imperative that the Federal Government programs operate as efficiently and effectively as possible so that victims are able to rebuild and return to their normal lives as soon as possible.

Following Hurricane Sandy, there have been startling reports regarding the Small Business Administration’s inability to properly administer the disaster loan program. The SBA was unwilling to implement and utilize pre-existing statutory authority that would have assisted the agency in its response to Sandy.

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Mr. Speaker, despite our living in the Internet era with smartphones, email, and apps, the SBA was shocked and surprised at the volume of electronic disaster assistance applications it received, and the systems were overwhelmed and unable to process applications. In a poor pun, the SBA’s disaster loan program was a disaster itself for the victims of Hurricane Sandy.

The legislation before us, H.R. 208, is a corrective to those who suffered twice—first, by a disaster and, second, by the SBA’s inability to effectively provide disaster assistance.

As Congress did with those who suffered from Hurricanes Katrina, Rita, and Wilma, this legislation would allow those in the areas affected by Sandy to apply for disaster assistance, irrespective of the artificial and non-binding deadlines imposed by the SBA.

Further, given the struggles that the SBA had in responding to Hurricane Sandy, H.R. 208 makes practical changes to the disaster loan program to help ensure that victims of future disasters do not suffer as those who felt the brunt of Sandy did.

For example, H.R. 208 requires the SBA to update their disaster plan to account for a disaster with extreme application volumes and allows those affected by disasters to use SBA disaster loans to build safe rooms as a mitigating measure against future similar disasters.

Mr. Speaker, this legislation also makes smart changes to create parity among disaster victims by requiring the SBA to establish credit standards so that similarly situated borrowers are treated in an identical manner following a disaster.

These changes, among others, will ensure that the SBA is fully capable of responding to the next catastrophic disaster. Unfortunately, we all know there will be one or probably many.

I want to thank Ranking Member VELÁZQUEZ, once again, for her leadership on this issue and for working with me to develop a bill that strives to ensure those affected by disasters can rebuild quickly.

Mr. Speaker, this bill has broad, bipartisan support. I urge my colleagues to vote “yes” on H.R. 208, and I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, when Hurricane Sandy made landfall in 2012, New York City was one of the hardest hit areas. Thousands of homes suffered damage, infrastructure was disrupted, and our city’s small businesses were impacted physically and economically.

Mr. Speaker, 32,000 New Yorkers lost their jobs that November, losses many economists attribute to the storm’s economic impact. After disasters like these, it is not uncommon for as many as 40 percent of impacted small businesses to fail, depressing commerce and slowing the overall community’s recovery.

The Small Business Administration’s disaster lending functions are meant to provide quick credit to small firms and homeowners that have been impacted by catastrophes. With entrepreneurs’ and homeowners’ livelihoods at stake, it is vital that the SBA’s disaster programs operate effectively. That is why, in 2008, after Katrina, Congress passed reforms meant to improve SBA’s disaster response.

It became evident after Hurricane Sandy that there is still more work to be done. The Government Accountability Office, the inspector general, and reports from Small Business Committee Democrats have all documented long delays in the processing and disbursement of loans.

Our committee found, for instance, that small businesses waited 46 days to get their application processed by SBA, a threefold increase over previous Atlantic storms.

Mr. Speaker, H.R. 208 takes steps to address these shortcomings and ensure those affected by Hurricane Sandy are treated fairly. To begin, the bill would allow small businesses to apply again for loans. As SBA was so unprepared for a disaster of this scale, it is important that those impacted have another chance at securing assistance.

The bill would also correct a number of the shortcomings that have held back the SBA’s programs from functioning smoothly. Businesses will no longer be prohibited from posting their assets as collateral. This is important as, previously, many entrepreneurs have had to use personal assets for loan collateral. By reducing closing and disbursement delays, H.R. 208 would ensure funds flow more swiftly to businesses after future catastrophes.

Lastly, the measure takes steps to require SBA to implement reforms Congress passed following Katrina. The fact is the agency has been woefully slow in making these changes, and this law will help hold it accountable.

Mr. Speaker, our small businesses are counting on the SBA in times of crises

to provide badly needed help so they can recover quickly and continue supporting our local economies. This legislation, which enjoys bipartisan support, will help improve that process, and I urge my colleagues to support it.

Mr. Speaker, when disasters strike, getting small businesses back on their feet quickly can help local economies recover. For that to happen, the SBA’s disaster lending initiatives must work as intended, providing American capital to firms that have suffered physical and economic damage.

The legislation we are considering would allow businesses that encountered delays to reapply for assistance and be made whole. It will improve how the agency functions in the future, speeding help to small businesses and homeowners when they are most in need.

Mr. Speaker, this is a bipartisan bill, and it will do much good for entrepreneurs impacted by Sandy and for businesses impacted by future disasters. I thank Chairman CHABOT for his support on this legislation.

I encourage my colleagues to vote “yes,” and I yield back the balance of my time.

Mr. CHABOT. Mr. Speaker, in closing, we never know when and where the next disaster will strike, but, unfortunately, we do know that there will be more disasters. Given this, we must ensure that the SBA is truly prepared to help victims in the aftermath of those disasters.

Mr. Speaker, H.R. 208 rights the wrongs imposed by the SBA on those who suffered from the effects of Sandy, but H.R. 208 does more than just correct past mistakes; it imposes obligations on the SBA to ensure that the agency learns from history and does not repeat those mistakes so people in this country are actually helped next time and not harmed by the agency.

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

Mr. SMITH of New Jersey. Mr. Speaker, earlier today I was pleased to support the Superstorm Sandy Relief and Disaster Loan Program Improvement Act (H.R. 208). This legislation will provide assistance to both homeowners and businesses that were utterly failed by the Small Business Administration (SBA) in the aftermath of the Superstorm Sandy, opening up assistance eligibility for an additional year and making necessary changes to the Disaster Loan Program.

Last week, I had the privilege of testifying before the House Small Business Committee regarding the hardships now faced by homeowners who applied for SBA disaster assistance due to a complete lack of information and disclosure in the loan process. This bill will help those who did not even have the opportunity to obtain or file a loan application due to SBA’s serious incompetence and disorganization.

As the Government Accountability Office (GAO) reported, SBA missed its timeliness goals by a longshot and is likely still unprepared for another large-scale disaster. SBA was plagued by missed deadlines, decision backlogs, computer systems failures, and in-

sufficient personnel training—problems that should not have come as a surprise in the aftermath of SBA’s abysmal response to Hurricane Katrina. Further, GAO found SBA could once again “be unprepared for a large volume of applications to be submitted quickly following future disasters, which may result in delays in loan funds for disaster victims.”

These failures cannot continue. Here we are more than two and a half years following Sandy, still correcting failures that have slowed the recovery process. In May, the Federal Emergency Management Agency (FEMA) reopened all Sandy-related flood insurance claims due to widespread fraud and a complete lack of oversight of the National Flood Insurance Program (NFIP). These issues were completely foreseeable but were not addressed, and Sandy victims continue to suffer as a result.

In addition to reopening the loan application process, H.R. 208 will reduce delays in closing and disbursement on loans, allow the construction of safe rooms, modify collateral requirements, increase transparency, establish new performance measures, and require disaster plan improvements, among other commonsense changes. I commend Ms. VELÁZQUEZ and Chairman CHABOT for their leadership on this issue, and look forward to working with them to further address necessary reforms to the SBA Disaster Loan Program.

Mr. COLE. Mr. Speaker, I rise today in support of H.R. 208, Superstorm Sandy Relief and Disaster Loan Program Improvement Act of 2015. I appreciate the support and assistance of both Chairman CHABOT and Ranking Member VELÁZQUEZ to include my legislation, H.R. 2397, the Tornado Family Safety Act of 2015 as part of this legislation.

The Small Business Administration is currently afforded the authority to issue physical disaster loans for 120 percent of the value of property destroyed but not covered by insurance. The purpose of the additional 20 percent is so that individuals and business can modify structures to reduce damage from future disasters. In Oklahoma, the threat of tornadoes is ongoing, and we are always in between tornadoes. Planning is essential in order to militate against damage and loss of life.

It is for this reason that Section 4 is necessary. It reinforces the intent of Congress that already exists in statute—the SBA should already be including the construction of safe rooms as a use for physical disaster loans because it is mitigating measure. The SBA’s existing interpretation of existing language in the Small Business Act is incorrect.

Because of misinterpretation of this section previously, the SBA should now understand that physical disaster loans can also be used for other types of storm shelters as well, including, but not limited to structures that protect occupants from not only tornadoes, but from other natural disasters such as hurricanes, floods and wildfires.

It is important to note that loans may not be used to upgrade homes or make additions unless as required by local building codes and secondary or vacation homes are not eligible for these loans. The SBA does not duplicate insurance claim payments. Generally, loans are made over 30 years and interest rates are not more than 4 percent for those cannot obtain credit elsewhere and for those that can

obtain alternative credit, the rate does not exceed 8 percent for the loan.

While local and state governments have an obligation to meet the increase in shelter demand, the construction of the shelters is expensive. Under guidelines from the Federal Emergency Management Agency (FEMA) and the International Code Council (ICC), a safe room should withstand 250 mph winds and the impact of a 15-pound plank hitting a wall at 100 mph, according to the Insurance Institute for Business and Home Safety.

Safe rooms designed to the FEMA and ICC standards are recommended for both tornadoes and hurricanes. For individual homes, a safe room could range anywhere from \$3,000 to \$12,000.

For anyone who has experienced Mother Nature's most indiscriminate and unpredictable terrors, you can truly understand the extent to which they devastate lives and property.

Again, Mr. Speaker, I support Superstorm Sandy Relief and Disaster Loan Program Improvement Act of 2015. As I have stated before on the floor of the House, I hope every Member reflects on the situation of our fellow Americans during a time of crisis or disaster. While we may hope that our communities remain peaceful and safe from crisis; we certainly must support those that do not escape such natural and man-made calamities.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 208, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to improve the disaster assistance programs of the Small Business Administration."

A motion to reconsider was laid on the table.

MICROLOAN MODERNIZATION ACT OF 2015

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2670) to amend the Small Business Act to provide for expanded participation in the microloan program, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2670

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Microloan Modernization Act of 2015".

SEC. 2. WAIVERS OF 25/75 RULE.

(a) **WAIVER AUTHORIZED.**—Section 7(m)(4)(E)(i) of the Small Business Act (15 U.S.C. 636(m)(4)(E)(i)) is amended by adding at the end the following: "The Administrator shall by rule establish a process by which intermediaries may apply for and the Administrator may grant a waiver from the requirements of this clause."

(b) **CONTENTS OF RULE.**—In the rule required by the amendment made by subsection (a), the Administrator of the Small Business Administration shall require any applicant for a waiver to—

(1) to specify how such applicant will use the additional technical assistance; and

(2) provide assurance in a form provided for by the Administrator in the rule that the intermediary will have sufficient funds to provide technical assistance to all of the intermediary's borrowers.

(c) **RULEMAKING REQUIREMENTS.**—The rule required by subsection (a) shall be promulgated after notice and the opportunity for comment of not less than 60 days. Such regulation shall be codified in the Code of Federal Regulations and shall incorporate any delegation of the Administrator's authority to approve waivers to any appropriate subsidiary official.

SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT INCREASED.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "\$5,000,000" and inserting "\$6,000,000".

SEC. 4. EXTENDED REPAYMENT TERMS.

Section 7(m)(6) of the Small Business Act (15 U.S.C. 636(m)(6)) is amended by adding at the end the following:

"(F) **REPAYMENT TERMS FOR LOANS TO SMALL BUSINESSES.**—The Administrator may not impose limitations on the term for repayment of a loan made by an intermediary to a small business concern or entrepreneur, except that—

"(i) in the case of a loan made by an intermediary of \$10,000 or less, the repayment term shall be not more than 6 years; and

"(ii) in the case of a loan greater than \$10,000, the repayment term shall be not more than 10 years."

SEC. 5. LINES OF CREDIT AUTHORIZED.

Section 7(m)(6)(A) of the Small Business Act (15 U.S.C. 636(m)(6)(A)) is amended by inserting after "short-term" insert "(including lines of credit)".

SEC. 6. GAO STUDY OF MICROENTERPRISE PARTICIPATION.

Not later than 120 days after the date of enactment of this Act, the Comptroller General of the United States shall complete a study on and report to the Committee on Small Business of the House of Representatives on the following:

(1) The operations (including services provided, structure, size, and area of operation) of a representative sample of—

(A) intermediaries that are eligible for participation in the microloan program under section 7(m) of the Small Business Act and that do participate; and

(B) intermediaries (including those operated for profit, operated as non-profits, and those affiliated with a United States institution of higher learning) that are so eligible and that do not participate.

(2) The reasons why intermediaries described in paragraph (1)(B) choose not to participate.

(3) Recommendations on how to encourage increased participation in the microloan program by intermediaries described in paragraph (1)(B).

(4) Recommendations on how to decrease the costs associated with participation in the microloan program for eligible intermediaries.

SEC. 7. OFFICE OF ADVOCACY ECONOMIC STUDY OF MANDATORY SAVINGS REQUIREMENT.

Not later than 120 days after the date of enactment of this Act, the Chief Counsel for Advocacy of the Small Business Administration shall submit to the Committee on Small Business of the House of Representatives a report on the economic impact of a mandatory savings requirement on business concerns eligible to participate in the microloan program under section 7(m) of the Small Business Act, including on the benefits and

costs of such a requirement and recommendations on implementation of such a requirement.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

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

Mr. Speaker, the microloan program, overseen by the Small Business Administration, the SBA, is designed to provide credit for those entrepreneurs that would not otherwise have any access to credit, even basic revolving credit.

Among the SBA's capital access programs, the microloan program is unique because it also provides technical assistance to borrowers. It merges the money with the know-how.

To borrow a sports reference, microloans punch above their weight. I know the President has used that phrase on a number of occasions. These small-dollar loans are often the most difficult to receive and typically are the deciding factors in an entrepreneur's ability to start a business. This is demonstrated by the large number of first generation entrepreneurs who have received assistance under the microloan program.

Think about the number of successful individuals who recall starting a business with funds pooled from family and friends. Well, if no one in your family has started a business or has money to lend, then that entrepreneur's dream quickly fades to a distant memory. This is particularly true in traditionally underserved markets.

By making small-dollar loans less complicated and more accessible, we will empower individuals to become entrepreneurs; lift up their families; improve their communities; and, most importantly, create jobs for a whole lot of Americans.

H.R. 2670 does that. This bill enhances the microloan program by allowing microloan intermediaries greater flexibility in providing loans and technical assistance to their borrowers. The expectation is that the greater flexibility will result in greater participation by microlenders in the microloan program, thereby increasing the availability of critical small-dollar loans to these micro-entrepreneurs that punch above their size.

Despite the greater flexibility, H.R. 2670 also provides safeguards to maintain the primary feature of the program, and that is low-dollar loans offered to micro-entrepreneurs, along