

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

with intermediary-provided technical assistance.

By modernizing the microloan program, as H.R. 2670 does, we are allowing the little guy a chance to get off the ropes, use their skills, and create innovative ideas to compete with the heavyweights of American industry. We all strive for a stronger, more competitive economy; and this bill aids in that mission.

Mr. Speaker, this bill has broad, bipartisan support once again.

I urge my colleagues to vote “yes” on H.R. 2670, and I reserve the balance of my time.

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

Mr. Speaker, since 1991, the SBA microloan program has provided millions of dollars in financing and technical assistance to small businesses and entrepreneurs.

By providing loans to nonprofit intermediaries, who in turn lend funds to the smallest of small businesses, the program helps borrowers streamline their operations, grow to profitability, and create new jobs.

However, the program remains substantially the same as when it was first enacted. Over the years, we have identified a number of the program elements that could be updated to better deploy capital.

With that goal in mind, I want to thank Congressman MOULTON for introducing this important legislation. The Microloan Modernization Act of 2015 will make a number of targeted improvements to assist small businesses.

For borrowers, SBA set the maximum term of a microloan at 6 years. Particularly for larger microloans, this has caused financial strain due to higher monthly payments and is impeding some businesses from growing.

Today’s bill would allow a repayment period of up to 10 years for loans greater than \$10,000, providing borrowers with the flexibility to better manage cash flow, improve operations, and create more jobs. Similarly, SBA has prohibited lines of credit; yet not all businesses need a fixed-rate term loan.

A line of credit is sometimes the better product for a microbusiness that has cyclic or uneven cash flow. Today’s bill will give borrowers and lenders the flexibility to get them in the right loan product for their needs.

For intermediary lenders, today’s bill would create a new waiver to the 25-75 rule that restricts the use of technical assistance grants. This waiver process will help intermediaries more efficiently deploy technical assistance funding.

Additionally, the legislation will raise the lending cap by 20 percent. By giving successful intermediaries access to an additional \$1 million in SBA funding, they will be able to serve more borrowers in high-demand areas.

The microloan program fills a critical gap in the capital markets, helping underserved businesses that are too

small for the banking sector yet too big to finance with a credit card or loans from friends and family.

Again, Mr. Speaker, I would like to thank Mr. MOULTON for introducing this bill. It will go a long way toward increasing access to capital for our Nation’s small businesses.

Mr. Speaker, I just would like to point out the fact that 62 percent of microborrowers are women and minorities, and so this is filling an important gap that exists for these groups to access capital.

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I thank the gentleman for introducing this important piece of legislation, and I reserve the balance of my time.

Mr. CHABOT. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. CURBELO), who is the chairman of the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business.

Mr. CURBELO of Florida. Mr. Speaker, I thank the chairman of the Committee on Small Business for yielding, and I also thank him for his leadership on all of these important issues. I also want to commend the gentleman from Massachusetts (Mr. MOULTON) for his work on this important piece of legislation.

Today, I rise in support of H.R. 2670, the Microloan Modernization Act of 2015. The microloan program is unique due to its focus on merging technical assistance with access to capital. For several micro-entrepreneurs, particularly those in underserved markets, this offers a way to get the small dollar loans, which a conventional bank would otherwise deny, while learning important skills, such as developing a business plan, that will be critical as the company finds success and grows.

Last year alone, the microloan program was responsible for providing nearly \$56 million in capital and aiding small businesses in creating or retaining 15,000 jobs.

However, after listening to several entrepreneurs and microloan intermediaries, it became clear that for the microloan program to truly tap into its potential, changes were necessary.

H.R. 2670 strives to make those changes and better support entrepreneurs. For example, currently, the statute says that microloan intermediaries may make short-term fixed-rate loans to small firms. Short term can mean different things to different people, but according to SBA regulations, short term means 6 years.

While in some instances this may make sense when the loan is a lower amount, this one-size-fits-all approach is not beneficial to small firms. This bill would remedy that by establishing maximum term limits for loans made by intermediaries to their borrowers: 6 years for loans under \$10,000, and 10 years for loans over \$10,000.

While this may seem like a minor change, we all know that allowing bor-

rowers to get the best repayment terms possible is crucial for ensuring low default rates and increasing participation in the microloan program.

Mr. Speaker, in summary, this is a commonsense, bipartisan reform that will increase access to capital for those most challenged to receive—our micro-entrepreneurs.

I am proud to be a cosponsor of this legislation, and I congratulate Mr. MOULTON for advancing this bill and Chairman CHABOT for bringing it to the House floor.

I urge my colleagues to support H.R. 2670 and remind them that the reason we in the Small Business Committee work so hard for these entrepreneurs, for these people that are making a difference, is because they hire those in our society, in our communities, that most need jobs. Think of the college graduate who is looking for a job; think of the immigrant who arrived in this country and is looking for a way forward. It is small businesses that oftentimes give these people their first shot at success.

Ms. VELÁZQUEZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MOULTON), the sponsor of the legislation.

Mr. MOULTON. Mr. Speaker, I thank Ms. VELÁZQUEZ for yielding.

Mr. Speaker, we often say that small businesses are the engine of economic growth. That is true; and if you look at the data, new businesses—those younger than 5 years old—created nearly all of our economy’s new jobs in the past two decades.

In order to create the conditions for job creation, the Federal Government must increase access to capital so new entrepreneurs with a good idea can take a risk and start a new business. The Small Business Administration’s microloan program fills a critical gap in the capital markets, helping underserved businesses that are too small for the banking sector yet too big to finance with a credit card or loans from friends and family.

The program has provided hundreds of millions of dollars in financing and technical assistance to small businesses and entrepreneurs, but the program is in need of reform. That is why I introduced H.R. 2670, the Microloan Modernization Act of 2015, which will make a number of targeted improvements to the program so more borrowers can benefit from access to capital.

First, the bill increases the loan limit cap for intermediary lenders. Many successful intermediaries have hit the current \$5 million cap and, as a result, deserving small businesses are denied capital through no fault of their own.

Second, the bill extends the loan repayment period for loans greater than \$10,000. This small change will provide borrowers with the flexibility to better manage cash flow, improve operations, and create more jobs.

Third, the bill permits lines of credit, which are currently prohibited by the SBA. Not all businesses need a fixed-rate term loan. Sometimes a more flexible line of credit is the better product for a small business that has cyclic or uneven cash flow.

Fourth, the bill creates a waiver for an overly rigid technical assistance formula known as the 25/75 rule to help intermediaries deploy technical assistance more efficiently.

Lastly, the bill commissions two studies to explore ways to incentivize intermediaries to participate in the microloan program and determine if mandatory savings accounts would benefit entrepreneurs.

The microloan program supported nearly 4,000 small businesses just last year, and two of these successful businesses are located in Lynn, Massachusetts, in my district. Prism Products, an industrial distributor, received a microloan from the SBA to purchase extra inventory. As a result of the loan, owner Lisa Fitzpatrick was able to increase revenue and hire a sales professional with 15 years of experience.

In 2013, local restaurateurs Shawn and Noyan Edmond fulfilled their lifelong dream of opening a Caribbean restaurant in downtown Lynn. The microloan enabled the Edmonds to purchase new kitchen equipment and make renovations to the storefront of Rite Spice Caribbean.

As our economy recovers from the recession, we need more people like the Edmonds and Lisa Fitzpatrick to take a risk and start a business, and we need the SBA microloan program to help them. That is why the Microloan Modernization Act of 2015 is so critical.

In closing, I would like to thank my ranking member, NYDIA VELÁZQUEZ, for her work on this bill; my chairman, STEVE CHABOT; and my colleagues, Representatives CURBELO, CHU, TAKAI, and RADEWAGEN, for cosponsoring this bill.

I urge my colleagues to support America's newest entrepreneurs and vote "yes" on this important legislation.

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

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

The microloan program provides very small loans to start-up, newly established, or growing small businesses. Many of these businessowners come from traditionally underserved markets, where personal and commercial credit is hard to come by.

As a result, the SBA's microloan program is a critical resource that not only injects much-needed capital, but provides the necessary business training that ensures borrowers are equipped with the knowledge needed to succeed.

Since the end of the recession, micro-lending is up 25 percent nationwide. By the way, for the last couple of years, the default rate on microloans is going

down. In fact, SBA requested an additional \$10 million for next year to handle demand. I can think of no better time to make long-sought changes to improve the program's efficiency and capital deployment.

I wanted to thank the gentleman from Massachusetts for introducing the Microloan Modernization Act of 2015. It will give borrowers new repayment flexibility and loan choices, provide more flexibility to intermediaries, and inject additional capital in high-demand areas.

I urge a "yes" vote, and I yield back the balance of my time.

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

Mr. Speaker, in closing, as we work to get capital into the hands of entrepreneurs, we need to keep SBA programs relevant. We also must ensure that our lending partners have the flexibility to manage their loan portfolios in a way that makes the most sense for the borrower. H.R. 2670 does that.

I want to thank Mr. MOULTON and Mr. CURBELO for their leadership on these reforms. And I once again want to recognize the ranking member, Ms. VELÁZQUEZ, for her leadership and her cooperation in getting this type of legislation to the floor today so that we can pass this.

I urge my colleagues to support H.R. 2670, and I yield back the balance of my time.

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. 2670.

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.

VETERANS ENTREPRENEURSHIP ACT OF 2015

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2499) to amend the Small Business Act to increase access to capital for veteran entrepreneurs, to help create jobs, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2499

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 "Veterans Entrepreneurship Act of 2015".

SEC. 2. PERMANENT SBA EXPRESS LOAN GUARANTEE FEE WAIVER FOR VETERANS.

Section 7(a)(31) of the Small Business Act (15 U.S.C. 636(a)(31)) is amended by adding at the end the following:

"(G) GUARANTEE FEE WAIVER FOR VETERANS.—

"(i) GUARANTEE FEE WAIVER.—The Administrator may not collect a guarantee fee described in paragraph (18) in connection with a loan made under this paragraph to a veteran or spouse of a veteran on or after October 1, 2015.

"(ii) EXCEPTION.—If the President's budget for the upcoming fiscal year, submitted to Congress pursuant to section 1105(a) of title 31, United States Code, includes a cost for the program established under this subsection that is above zero, the requirements of clause (i) shall not apply to loans made during such upcoming fiscal year.

"(iii) DEFINITION.—In this subparagraph, the term 'veteran or spouse of a veteran' means—

"(I) a veteran, as defined in section 3(q)(4);

"(II) an individual who is eligible to participate in the Transition Assistance Program established under section 1144 of title 10, United States Code;

"(III) a member of a reserve component of the Armed Forces named in section 10101 of title 10, United States Code;

"(IV) the spouse of an individual described in subclause (I), (II), or (III); or

"(V) the surviving spouse (as defined in section 101 of title 38, United States Code) of an individual described in subclause (I), (II), or (III) who died while serving on active duty or as a result of a disability that is service-connected (as defined in such section)".

SEC. 3. REPORT ON ACCESSIBILITY AND OUTREACH TO FEMALE VETERANS BY THE SMALL BUSINESS ADMINISTRATION.

Not later than 180 days after the date of enactment of this Act, the Administrator shall submit to Congress a report assessing the level of outreach to and consultation with female veterans regarding access to capital by women's business centers (as described in section 29 of the Small Business Act (15 U.S.C. 656)) and Veterans Business Outreach Centers (as referred to in section 32 of such Act (15 U.S.C. 657b)).

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 to 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.

Every day, American soldiers are risking their lives and leaving family and friends and loved ones behind to protect our freedoms and defend the United States. Currently, there are over 21 million veterans living all across the United States. When these brave men and women return home, they strive to transition seamlessly, hopefully, back into their civilian lives.

Veterans face challenges in that transition, one of those being employment. Our most recent veterans who have served in Active Duty at any time since September 2001 have a higher unemployment rate than the average civilian. In particular, our recent female veterans have an unemployment rate that is over twice the national average.

While finding employment upon transition to civilian life is a challenge,