

to support small manufacturers and ensure that the SBA programs available to them are operating as effectively and efficiently as possible.

In addition, H.R. 8199, the 504 Credit Risk Management Improvement Act of 2020, which is also under floor consideration later today, would further clarify provisions in the 504 program, enhancing its accessibility and effectiveness.

Mr. Speaker, small businesses are the heart of this economy, and with the improvements from H.R. 8211 and H.R. 8199, more small businesses will be able to grow and ultimately contribute to the economic landscape of not only their communities but this country.

I urge all of my colleagues to support these bills before us today.

Mr. CHABOT. Mr. Speaker, I have no other speakers and I am prepared to close, so I yield myself the balance of my time.

Mr. Speaker, I urge my colleagues to support this bipartisan legislation. As our Nation's small businesses continue to face numerous capital access challenges, the SBA's existing government guarantee loan programs must be prepared to provide assistance. This bill, H.R. 8211, does just that by expanding the 504/CDC Loan Program's economic development goals and enhancing the program for small manufacturers.

This program has a proven record of the success, and the improvements that this legislation delivers will continue this track record into the future. I ask for my colleagues' support, and I yield back the balance of my time.

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

The SBA's 504 program has enjoyed a track record of success in delivering affordable, long-term capital to small businesses for acquiring land, real estate, or heavy machinery.

Furthermore, the CDCs who deliver the program are actively involved in promoting local economic development, especially for underserved business communities.

As the chair of the Small Business Committee, I have seen the values CDCs have delivered in my community in New York City, across the State, and across the country. I am proud of our opportunity here today to continue supporting their work and helping entrepreneurs access affordable capital, especially as our local economies continue adjusting to the realities of conducting business in the COVID-19 era.

I want to applaud the work by Ms. CRAIG and Ranking Member CHABOT for their collaboration to improve the 504 loan program.

I encourage all my colleagues to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 8211, as amended.

The question was taken; and (two-thirds being in the affirmative) the

rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### 504 CREDIT RISK MANAGEMENT IMPROVEMENT ACT OF 2020

Ms. VELÁZQUEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8199) to amend the Small Business Act to enhance the Office of Credit Risk Management, to require the Administrator of the Small Business Administration to issue rules relating to environmental obligations of certified development companies, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 8199

*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 "504 Credit Risk Management Improvement Act of 2020".

#### SEC. 2. ENHANCEMENTS TO THE OFFICE OF CREDIT RISK MANAGEMENT.

Section 47 of the Small Business Act (15 U.S.C. 657t) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) DUTIES.—The Office—

“(1) shall be responsible for—

“(A) supervising—

“(i) any lender making loans under section 7(a) (in this section referred to as a “7(a) lender”);

“(ii) any Lending Partner or Intermediary participant of the Administration in a lending program of the Office of Capital Access of the Administration;

“(iii) any small business lending company or a non-Federally regulated lender without regard to the requirements of section 23; and

“(iv) any certified development company described under the program established under title V of the Small Business Investment Act of 1958 (referred to in this section as a “certified development company”), as provided in subsection (k); and

“(B) conducting file reviews with respect to loan closings under the program established under title V of the Small Business Investment Act of 1958, as provided in subsection (j); and

“(2) may—

“(A) take formal and informal enforcement actions against a certified development company, as provided in subsection (l); and

“(B) charge a certified development company a fee, as provided in subsection (m).”;

and

(2) by adding at the end the following new subsections:

“(j) LOAN CLOSING FILE REVIEWS.—With respect to a loan closing under the program established under title V of the Small Business Investment Act of 1958, the Office shall be responsible for the following:

“(1) Conducting a complete file review of a random selection of all loan closings, the number, frequency, and conduct of which shall be at the discretion of the Office, to ensure program integrity, including a review of the items listed on the Checklist for Complete File Review contained in the appropriate form of the Administration.

“(2) Not later than 60 days after the date on which each complete file review conducted under paragraph (1) is completed, preparing a written report documenting the results of that review, which the Office shall send to—

“(A) the applicable certified development company;

“(B) the designated attorney that closed the loan for the certified development company; and

“(C) the Commercial Loan Service Center.

“(3) If a complete file review conducted under paragraph (1) reveals a deficiency that could result in a loss to the Administration, requiring the applicable certified development company or the designated attorney to promptly correct the deficiency.

“(k) SUPERVISION OF CERTIFIED DEVELOPMENT COMPANIES.—With respect to the supervision of certified development companies—

“(1) an employee of the Office shall—

“(A) be present for, and supervise, the review of any such company that is conducted by a contractor of the Office on the premises of the company; and

“(B) supervise the review of any such company that is conducted by a contractor of the Office that is not conducted on the premises of the company; and

“(2) the Administrator shall—

“(A) develop a timeline for the review by the Office of certified development companies and the submission of reports regarding those reviews, under which the Administrator shall—

“(i) submit to a certified development company a written report of any review of the company not later than 90 days after the date on which the review is concluded; or

“(ii) if the Administrator expects to submit the report after the end of the 90-day period described in clause (i), notify the company of the expected date of submission of the report and the reason for the delay; and

“(B) if a response by a certified development company is requested in a report submitted under subparagraph (A)(i), require the company to submit responses to the Administrator not later than 45 business days after the date on which the company receives the report.

“(l) ENFORCEMENT AUTHORITY AGAINST CERTIFIED DEVELOPMENT COMPANIES.—

“(1) INFORMAL ENFORCEMENT AUTHORITY.—The Director may take an informal enforcement action against a certified development company if the Director finds that the company has violated a statutory or regulatory requirement or any requirement in a Standard Operating Procedures Manual or Policy Notice relating to a program or function of the Office of Capital Access.

“(2) FORMAL ENFORCEMENT AUTHORITY.—

“(A) IN GENERAL.—With the approval of the Lender Oversight Committee established under section 48, the Director may take a formal enforcement action against any certified development company if the Director finds that the company has violated—

“(i) a statutory or regulatory requirement, including a requirement relating to the necessary funds for making loans when those funds are not made available to the company from private sources on reasonable terms; or

“(ii) any requirement described in a Standard Operating Procedures Manual or Policy Notice relating to a program or function of the Office of Capital Access.

“(B) ENFORCEMENT ACTIONS.—The decision to take an enforcement action against a certified development company under subparagraph (A) shall be based on the severity or frequency of the violation and may include assessing a civil monetary penalty against the company in an amount that is not greater than \$250,000.

“(3) FAILURE TO SUBMIT ANNUAL REPORT.—With respect to a certified development company that, as of the date that is 30 days after the date on which the company is required to submit any report, fails to submit that report, the Director may—

“(A) suspend the company from participating in the program established under title V of the Small Business Investment Act of 1958 for a period that is not longer than 30 days; or

“(B) impose a penalty on the company in an amount to be determined by the Director, except that the amount of the penalty shall be not more than \$10,000.

“(m) FEE AUTHORITY REGARDING CERTIFIED DEVELOPMENT COMPANIES.—

“(1) IN GENERAL.—Effective one year after the date of the enactment of this subsection, the Office may collect from each certified development company a fee, the amount of which—

“(A) shall be determined on a graduated scale according to the size of the portfolio of the certified development company with respect to the program carried out under title V of the Small Business Investment Act of 1958; and

“(B) shall not exceed the amount that is 1 basis point with respect to the value of the portfolio described in subparagraph (A).

“(2) PAYMENT.—A certified development company on which a fee is imposed under paragraph (1) shall pay the fee from the servicing fees collected by the development company pursuant to regulation.”.

### SEC. 3. RULES RELATING TO OBLIGATIONS OF CERTIFIED DEVELOPMENT COMPANIES UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue rules to clarify the procedures necessary for an eligible certified development company to comply with the applicable requirements under National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to modify the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(c) ELIGIBLE CERTIFIED DEVELOPMENT COMPANY DEFINED.—In this section, the term “eligible certified development company” means a certified development company defined under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) that receives assistance pursuant to such title.

### SEC. 4. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

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

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the measure under consideration.

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

There was no objection.

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

Mr. Speaker, I rise in support of the bill before us today, H.R. 8199, which clarifies the role of SBA's Office of Credit Risk Management with respect to the 504 loan program.

In 2018, Congress passed bipartisan legislation to codify SBA's Office of Credit Risk Management, which conducts periodic reviews of SBA lenders to ensure they are complying with program requirements and, ultimately, safeguarding the integrity of SBA's loan programs.

That legislation focused on the 7(a) loan program, giving the office the regulatory and enforcement tools it needed to conduct oversight over SBA's largest lending partners and hold them accountable.

Today's legislation takes that oversight work one step further by increasing the office's responsibilities in supervising the 504 program, bringing much-needed consistency and clarity for all 504 program participants.

The bill will shift loan closing file review responsibilities for the 504 loan program to the Office of Credit Risk Management, streamlining and standardizing an important process. By increasing SBA's responsibilities in overseeing the 504 loan program, we are improving the long-term sustainability of the program, ensuring it will be available for the next generation of entrepreneurs.

I applaud Mr. BISHOP and Ms. CRAIG for all of their diligence and perseverance on this issue and, more importantly, their commitment to America's small businesses.

I urge all my colleagues to support this bill, and I reserve the balance of my time.

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

I rise in support of H.R. 8199, the 504 Credit Risk Management Improvement Act of 2020.

The SBA's 504/CDC Loan Program provides lending assistance to thousands of small businesses year in and year out. This assistance translates into supporting tens of thousands of jobs on an annual basis. This economic development program is and has been making a difference in neighborhoods and communities all across this great Nation.

With any successful government program, oversight must remain a significant factor. H.R. 8199 places an important focus on oversight and ensures the SBA has the appropriate capabilities to oversee the 504/CDC Loan Program.

Beyond oversight, H.R. 8199 also ensures that the 504/CDC Loan Program participants have the rules and guidance to comply with the National Environmental Policy Act and successfully operate within that program.

I want to thank the gentleman from North Carolina (Mr. BISHOP) and the gentlewoman from Minnesota (Ms. CRAIG) for their leadership and for

working together to craft this legislation, once again, in a bipartisan manner.

I want to thank the chair, Ms. VELÁZQUEZ also for encouraging that cooperation between both sides.

Mr. Speaker, I urge my colleagues to support this, and I reserve the balance of my time.

Ms. VELÁZQUEZ. 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 North Carolina (Mr. BISHOP) and, again, thank him for his leadership in working across party lines with the gentlewoman from Minnesota (Ms. CRAIG). I want to commend her as well.

Mr. BISHOP of North Carolina. Mr. Speaker, I thank the gentleman from Ohio for yielding.

Mr. Speaker, I rise in support of H.R. 8199, the 504 Credit Risk Management Improvement Act of 2020.

Small businesses are the core of our Nation's entrepreneurship, innovation, and creative activity. It is paramount that Congress invest its resources into empowering small businesses to fuel job growth and transform communities.

The 504 program gives small businesses necessary resources, and this legislation will bolster and improve the implementation of that program. By giving small businesses access to fixed-rate financing, through the 504 program, small businesses that have limited capital are able to afford costly down payments.

This program has made Queen City Catering a success story. When the company needed financing for a larger location, they turned to Business Expansion Funding Corporation, a certified development company in Charlotte that helped them secure a 504 loan. These funds led to a new state-of-the-art kitchen for high-quality food preparation, management offices, high-tech conference areas, and warehouse space for rental items.

Better yet, since receiving this 504 loan, Queen City Catering has grown astronomically. This small business investment allowed the business to grow, while creating jobs for North Carolinians.

Fellow Members of Congress, I implore you to imagine the impact that 504 loans have on small businesses in your communities. That is exactly what my colleague, Congresswoman CRAIG, did with me when we crafted the 504 Credit Risk Management Improvement Act.

While the existing loan program has offered financial tools to help small businesses, we must act today and improve the program so it can help businesses serve their communities for years to come.

The bill before us outlines important capabilities of the SBA's Office of Credit Risk Management pertaining to the 504/CDC Loan Program. Importantly, the changes will ensure the program's

longevity by detailing how it should supervise a file review.

Additionally, this legislation requires the SBA to provide clear direction to certified development companies as they navigate environmental rules and regulations.

Lastly, this will help ensure that the program continues to operate on the fees built into the program.

I am confident that these improvements will strengthen the program for both small businesses and the program's lending partners. This legislation is a step in the right direction to ensure that small businesses can thrive as they bring innovative goods and services to consumers around the country.

I want to, again, thank Congresswoman CRAIG, Chairwoman VELÁZQUEZ, and Ranking Member CHABOT for their work and their help on this legislation. I urge my colleagues to support it.

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Mr. CHABOT. Mr. Speaker, I have no further speakers on my side, so I am happy to close.

Mr. Speaker, Congress must continue to work together to strengthen the SBA's existing guaranteed loan programs. The SBA's programs must work for the Nation's smallest firms and the Nation's taxpayers. H.R. 8199 meets both objectives by applying appropriate oversight requirements to the SBA's 504/CDC loan program. Therefore, I urge my colleagues to support this bipartisan legislation.

Mr. Speaker, I, once again, thank Ms. CRAIG and Mr. BISHOP for their leadership, and I thank the chairwoman for her leadership on this. I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, since its inception, SBA's 504 program has enabled thousands of businesses to hire employees, grow to more locations, and expand operations. These 504 loans are some of the most affordable for commercial real estate projects, and most only require a 10 percent down payment from small business owners. In its 62-year history, it has proven to be a strong-performing SBA program that has helped entrepreneurs create jobs in every corner of our country.

Thanks to Mr. BISHOP and Ms. CRAIG's efforts, the bill before us today will make commonsense improvements to this important program. By shifting all loan closing file review responsibilities to the Office of Credit Risk Management, program integrity will be preserved, and the 504 program will be an affordable financing option for the next generation of entrepreneurs.

Mr. Speaker, I urge my colleagues to vote "yes," and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 8199, as amended.

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

A motion to reconsider was laid on the table.

#### PARITY FOR HUBZONE APPEALS ACT OF 2020

Ms. VELÁZQUEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8229) to require the Administrator of the Small Business Administration to issue a rule authorizing the Office of Hearings and Appeals to decide appeals relating to the status of HUBZone business concerns, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 8229

*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 "Parity for HUBZone Appeals Act of 2020".

#### SEC. 2. AUTHORITY FOR THE OFFICE OF HEARINGS AND APPEALS TO DECIDE APPEALS RELATING TO QUALIFIED HUBZONE SMALL BUSINESS CONCERNS.

Not later than 1 year after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue a rule authorizing the Office of Hearings and Appeals of the Administration to decide all appeals from formal protest determinations in connection with the status of a concern as qualified HUBZone small business concern (as such term is defined in section 31(b) of the Small Business Act (15 U.S.C. 657a(b))).

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

The Chair recognizes the gentlewoman from New York.

#### GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the measure under consideration.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 8229, the Parity for HUBZone Appeals Act of 2020, introduced by the gentlewoman from American Samoa (Mrs. RADEWAGEN) and the gentlewoman from Pennsylvania (Ms. HOULAHAN).

H.R. 8229 will grant SBA's Office of Hearings and Appeals jurisdiction over appeals of HUBZone eligibility determinations. The Office of Hearings and Appeals provides independent quasi-judicial review of certain SBA program decisions. Under current law, the office decides appeals of eligibility deter-

minations in the women-owned and service-disabled veteran-owned small business contracting programs, but it does not review appeals for the HUBZone program. That process is different.

When a protest challenging a HUBZone designation is filed, SBA's HUBZone director will review and make a decision. If the decision is appealed, the head of the Office of Government Contracting and Business Development will review and render a decision, which is final.

By shifting HUBZone eligibility appeals to the Office of Hearings and Appeals, H.R. 8229 achieves priority and uniformity in SBA's contracting programs. Moreover, it promotes transparency since the office's decisions are published.

Mr. Speaker, I urge Members to support this legislation, and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 8229, the Parity for HUBZone Appeals Act of 2020.

As we have heard from the chairwoman, the current appeals process for the HUBZone program raises several concerns, including questions of conflict of interest, lack of transparency, and lack of responsibility.

The AA-GCBD plays a key leadership role within the organizational structure of the SBA and is primarily responsible for the supervision of all the SBA's various Federal contracting programs, including the HUBZone program.

Unlike the AA-GCBD, the SBA's Office of Hearings and Appeals is a fully functioning independent organization unconnected to the SBA's Federal contracting programs, and OHA administrative judges are trained to hear exactly these types of matters.

By moving HUBZone appeals from the AA-GCBD's purview to OHA through the passage of this bill, the AA-GCBD will be empowered to focus on its primary supervisory responsibilities while HUBZone small businesses will be able to receive impartial, fair, and knowledgeable treatment of their cases by OHA.

H.R. 8229, this bill, makes a necessary correction in the way HUBZone appeals are conducted.

I thank the gentlewoman from American Samoa (Mrs. RADEWAGEN), our vice ranking member, as well as the gentlewoman from Pennsylvania (Ms. HOULAHAN) for their bipartisan leadership on this legislation—again, Republicans and Democrats working together on this committee.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from American Samoa (Mrs. RADEWAGEN).

Mrs. RADEWAGEN. Mr. Speaker, I thank Ranking Member CHABOT for yielding time.

Mr. Speaker, I rise in support of H.R. 8229, the Parity for HUBZone Appeals