

COURTNEY) that the House suspend the rules and pass the bill, H.R. 6087, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mrs. GREENE of Georgia. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

PPP AND BANK FRAUD ENFORCEMENT HARMONIZATION ACT OF 2022

Ms. VELÁZQUEZ. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 7352) to amend the Small Business Act to extend the statute of limitation for fraud by borrowers under the Paycheck Protection Program, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7352

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 “PPP and Bank Fraud Enforcement Harmonization Act of 2022”.

SEC. 2. FRAUD ENFORCEMENT HARMONIZATION.

(a) PAYCHECK PROTECTION PROGRAM.—Section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) is amended by adding at the end the following new subparagraph:

“(W) FRAUD ENFORCEMENT HARMONIZATION.—Notwithstanding any other provision of law, any criminal charge or civil enforcement action alleging that a borrower engaged in fraud with respect to a covered loan guaranteed under this paragraph shall be filed not later than 10 years after the offense was committed.”.

(b) PAYCHECK PROTECTION PROGRAM SECOND DRAW LOANS.—Section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37)) is amended by adding at the end the following new subparagraph:

“(P) FRAUD ENFORCEMENT HARMONIZATION.—Notwithstanding any other provision of law, any criminal charge or civil enforcement action alleging that a borrower engaged in fraud with respect to a covered loan guaranteed under this paragraph shall be filed not later than 10 years after the offense was committed.”.

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

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

Ms. VELÁZQUEZ. Madam Speaker, I ask unanimous consent that all Members 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. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank all the members on the Small Business Committee for their work and support of the bills before us.

The legislation we are considering is, once again, a product of our committee's bipartisanship and shows that we are committed to our Nation's entrepreneurs.

The seven bipartisan bills we are considering will promote economic growth on our Main Streets in numerous ways.

The first two reaffirm our commitment to being good stewards of taxpayer dollars, and the importance of holding pandemic fraudsters accountable for their crimes.

The second pair of bills under consideration will help small firms attract and retain qualified employees by boosting apprenticeships and career and technical education programs.

Finally, we will consider three bills to improve the Federal procurement process and promote opportunities for small businesses to secure contracts from the Federal Government.

The first bill under consideration today is H.R. 7352, the PPP and Bank Fraud Enforcement Harmonization Act of 2022, introduced by myself and our ranking member from Missouri (Mr. LUETKEMEYER).

H.R. 7352 sets the statute of limitations for all cases of PPP fraud at 10 years, consistent with the statute of limitations for bank fraud.

Under current law, bank-originated PPP fraud is being prosecuted as bank fraud, which has a 10-year statute of limitations.

At the same time, PPP loans originated by nonbank lenders, including fintech companies, are often prosecuted as wire fraud, which carries a 5-year statute of limitations.

To address this difference, the bill extends the time for prosecutors to bring charges to 10 years for all cases of PPP fraud, regardless of whether the lender was a bank or fintech company.

SBA's Office of Inspector General identified over 70,000 PPP loans totaling over \$4.6 billion in potentially fraudulent PPP loans, many of which originated with fintechs.

According to researchers at the University of Texas at Austin, fintech companies handled 75 percent of PPP loans connected to fraud by the DOJ, despite originating only 15 percent of the loans overall.

As of March 10, the DOJ's efforts have resulted in criminal charges against over a thousand defendants with alleged losses exceeding \$1.1 billion and over 240 civil investigations into more than 1,800 individuals and entities for alleged misconduct in connection with pandemic relief loans totaling more than \$6 billion.

Given the extent of potential fraud, especially among the subset of PPP loans originated by nonbank lenders,

we must ensure prosecutors have enough time to fully investigate and bring fraud charges.

As of now, the statute of limitations for nonbank PPP loans secured in April 2020 will expire in 2025 in most cases, less than 3 years away. That is not enough time given the complexity of these fraud schemes.

As the chair of the Small Business Committee, I take my role over the SBA and its program very seriously. That is why I sponsored this bill to give the DOJ, FBI, and State and local law enforcement the resources and time they need to bring these bad actors to justice.

Madam Speaker, I thank Ranking Member LUETKEMEYER for joining me in leading this effort, and to the members of the Small Business Committee for their support.

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

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

Madam Speaker, I rise in support of H.R. 7352, the PPP and Bank Fraud Enforcement Harmonization Act of 2022.

Inflation and price increases continue to hinder all Americans and especially small businesses and their workers. Prices at the pump and prices on the shelves rattle the mettle of the Nation's job creators. Month after month, small businesses face price increases that not only prevent expansion and growth but also hamper recovery. These economic conditions must improve, and we must get a firm grip on reckless spending coming out of Washington. Similarly, we must take on a stronger oversight role when it comes to investigating fraudulent COVID-19 behavior.

When America's small businesses faced State and local COVID shutdown orders, Congress moved quickly and stood up the Paycheck Protection Program. To ensure small businesses and their workers received PPP relief in an efficient and speedy manner, Congress required private-sector lenders to be the drivers of the program. The result speaks volumes with nearly \$800 billion disbursed to small businesses.

As the Republican leader on the Committee on Small Business, I often hear about how important the program was for small businesses across our great Nation. It was the lifeline that many of them needed to be able to survive.

While most lenders' fraud defenses were strong due to Federal financial rules such as Know Your Customer, fraudulent behavior did take place. Investigations are underway, but more time will be needed and required to bring justice to those who defrauded the program.

Depending on the type of lender that participated in the program, the current statute of limitations ranges from 5 years for wire fraud that categorizes

many fintech lenders, who have been associated with problematic loans, to 10 years for banks and credit unions that fall under bank fraud.

H.R. 7352, the PPP and Bank Fraud Enforcement Harmonization Act of 2022, takes important steps to create an across-the-board 10-year statute of limitations on all loans handed out through the PPP program. This change will ensure all law enforcement and inspectors general have the time to track down all wrongdoing no matter the type of lender.

H.R. 7352 was created via voice vote in committee. I thank the chair for treating this issue with the priority it deserves and for working with me on the bills before us today. This bill is a step in the right direction, and I urge my colleagues to support it.

In closing, Madam Speaker, when Congress raced to save American small businesses, criminal actors lurked in the shadows. Although one of the most popular COVID-19 relief measures, the PPP program, has firmly moved into the loan forgiveness period, the investigations surrounding illicit behavior have just begun.

H.R. 7352 will wisely ensure all loans handed out through the program, no matter the type of lender, have a statute of limitations window of 10 years.

According to some of the most recent SBA inspector general reports, nearly \$4.6 billion of the \$800 billion could be potentially fraudulent. While these numbers will surely change, it is paramount that we provide law enforcement the runway to track down all fraudulent behavior. These are American taxpayer dollars on the line, and they must be protected.

Madam Speaker, I urge my colleagues to support this legislation, and I yield back the balance of my time.

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

Madam Speaker, we must continue supporting the work of our Federal, State, and local law enforcement agencies as they investigate and prosecute pandemic loan fraud. It appears the bulk of PPP loan fraud was originated by nonbank lenders and fintech companies, which may not be prosecuted as bank fraud and is therefore subject to a much shorter statute of limitations.

This presents the possibility that pandemic loan fraudsters may get off the hook because the statute of limitations expired. We simply cannot let this happen. This bill would give law enforcement agencies the time needed to hold fraudsters accountable and bring them to justice.

Once again, I thank our ranking member, Mr. LUETKEMEYER, for working with me to lead this important effort, and all the members of the Small Business Committee for their bipartisan work on this bill.

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

Ms. JACKSON LEE. Madam Speaker, I rise in support of H.R. 7352—the "PPP and Bank

Fraud Enforcement Harmonization Act of 2022" extends the statute of limitation and provides a timeframe in which criminal charges can be filed against those accused of fraud in connection with the "Paycheck Protection Program" and "Paycheck Protection Program Second Draw Loans" program.

The Paycheck Protection Program commonly known as the "PPP" loan was created as a part of the CARES Act—the Covid Aid, Relief, and Economic Security Act—of March 2020.

The PPP loan was established to help small businesses survive through the COVID-19 pandemic of 2020, so that they may be able to pay their employees and keep their businesses operating during the tumultuous challenges imposed by COVID-19.

I urge everyone to remember the times before the recent reemergence of a "business as usual" stance that many have now taken, and remember the omnipresent news reports about the horrific and ever-increasing death toll.

Any person who was willing, for their own financial gain, to take advantage of that situation and the emergency funding that was intended for those who needed it most during the gruesome pandemic deserves to be punished for their heinous actions.

H.R. 7352 would extend the statute of limitation for prosecution of loans classified within the PPP and Economic Injury Disaster Loan (EIDL) categories under the Small Business Act.

As it stands now, bank-originated PPP fraud is being prosecuted as bank fraud which carries a 10-year statute of limitations.

In contrast, loans that originated through financial technology avenues—known as Fintech—are currently subject to only a 5-year statute of limitations because they are governed by wire fraud laws.

H.R. 7352 will ensure that we are doing our duty to uphold justice and gather all necessary information and evidence, while extending the reach of the law against these violators.

PPP fraud comes at the expense of all Americans, tax-paying Americans who work hard for the money they earn.

H.R. 7352 will ensure that there's ample time allotted for special attention to the complex nature of PPP loan fraud.

Ensuring that the timeframe is fair and commensurate with the severity of the nature of loan fraud, H.R. 7352 will make sure that justice is served in every regard.

I ask that each of my colleagues joins me in support of H.R. 7352.

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. 7352.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mrs. GREENE of Georgia. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

COVID-19 EIDL FRAUD STATUTE OF LIMITATIONS ACT OF 2022

Ms. VELÁZQUEZ. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 7334) to extend the statute of limitations for fraud by borrowers under certain COVID-19 economic injury disaster loan programs of the Small Business Administration, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7334

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 "COVID-19 EIDL Fraud Statute of Limitations Act of 2022".

SEC. 2. EXTENSION OF STATUTE OF LIMITATIONS FOR CERTAIN COVID-19 ECONOMIC INJURY DISASTER LOAN PROGRAMS.

(a) CERTAIN ECONOMIC INJURY DISASTER LOANS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after paragraph (15) the following new paragraph:

"(16) STATUTE OF LIMITATIONS.—Notwithstanding any other provision of law, any criminal charge or civil enforcement action alleging that a borrower engaged in fraud with respect to a loan made under this subsection in response to COVID-19 during the covered period (as defined in section 1110(a) of the CARES Act) shall be filed not later than 10 years after the offense was committed."

(b) EIDL ADVANCES.—Section 1110(e) of the CARES Act (15 U.S.C. 9009(e)) is amended by adding at the end the following new paragraph:

"(9) STATUTE OF LIMITATIONS.—Notwithstanding any other provision of law, any criminal charge or civil enforcement action alleging that a borrower engaged in fraud with respect to the use of an advance received under this subsection shall be filed not later than 10 years after the offense was committed."

(c) TARGETED EIDL ADVANCES.—Section 331 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (15 U.S.C. 9009b) is amended by adding at the end the following new subsection:

"(i) STATUTE OF LIMITATIONS.—Notwithstanding any other provision of law, any criminal charge or civil enforcement action alleging that a borrower engaged in fraud with respect to the use of any amount received pursuant to this section shall be filed not later than 10 years after the offense was committed."

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

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

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