

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. CISNEROS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### CAPPING EXCESSIVE AWARDING OF SBLC ENTRANTS ACT OF 2025

Mr. WILLIAMS of Texas. Mr. Speaker, pursuant to House Resolution 458, I call up the bill (H.R. 2987) to amend the Small Business Act to require a limit on the number of small business lending companies, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 458, the amendment in the nature of a substitute recommended by the Committee on Small Business, printed in the bill, is adopted and the bill, as amended, is considered read.

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

H.R. 2987

*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 "Capping Excessive Awarding of SBLC Entrants Act of 2025" or the "CEASE Act of 2025".*

#### SEC. 2. LIMITATION ON NUMBER OF SMALL BUSINESS LENDING COMPANIES.

*Section 23 of the Small Business Act (15 U.S.C. 650) is amended by adding at the end the following:*

*"(k) LIMITATION ON NUMBER OF SMALL BUSINESS LENDING COMPANIES.—The Administrator shall ensure that not more than 16 small business lending companies that are not nonprofit entities are authorized to make loans under section 7 at any time."*

The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Small Business or their respective designees.

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

The Chair recognizes the gentleman from Texas (Mr. WILLIAMS).

#### GENERAL LEAVE

Mr. WILLIAMS of Texas. 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 bill under consideration.

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

There was no objection.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2987, the CEASE Act, introduced by Representative BRESNAHAN.

This bill is simply a reversal of an irresponsible change made by the Biden administration's SBA, which raised concerns on both sides of the aisle.

Unlike a traditional community bank, small business lending companies, or SBLCs, are regulated by the SBA. Historically, the SBA recognized that they had finite resources to conduct oversight of the SBLCs, reinforcing a need for a cap on the number of SBLCs.

Despite this, in 2023, the Biden administration lifted the 40-year moratorium on licensing the SBLCs to participate in its flagship 7(a) program, a government-backed lending program.

The SBA heard concerns from Members from both Chambers and both sides of the aisle. Even the ranking member, Ms. VELÁZQUEZ, said earlier this week during the Rules Committee hearing that she was one of the first to raise questions when the SBA lifted the licensing moratorium.

Biden's SBA hid behind promises of lender oversight and stronger borrower protection yet still awarded a license to an unqualified entity. This entity, which was seeking to sell its business when it was awarded a license, ultimately surrendered its license before it could even make a 7(a) loan.

This legislation puts the guardrails back and restores integrity to the 7(a) program, ensuring taxpayer dollars are safe. I am confident that the 16 SBLCs can and will be overseen effectively under Administrator Loeffler's leadership.

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

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

Mr. Speaker, I rise today in strong opposition to H.R. 2987, the so-called Capping Excessive Awarding of SBLC Entrants Act, or the CEASE Act.

This bill would impose a permanent statutory cap on the number of small business lending company, or SBLC, licenses the SBA can issue, limiting them to just 16.

While I understand and share some of the concerns raised about how the SBA has handled oversight of these licenses, I cannot support legislation that is rushed, vague, and potentially harmful to the very businesses we are supposed to be helping. Let's take a step back.

For more than 40 years, the SBA maintained a moratorium on new SBLC licenses, citing a lack of resources to properly supervise new entrants. That changed in 2023 when the agency finalized a new rule lifting the moratorium and began issuing additional licenses to expand participation in the 7(a) loan program. The goal was to help fill lending gaps, particularly in underserved communities that have historically struggled to access capital. That is a goal that I support.

I also believe it should be done carefully with the right oversight in place. I raised questions about the SBA's roll-

out of this policy when it first proposed the rule. I flagged concerns about whether the agency had the capacity to supervise these lenders effectively, and I called for transparency and clarity every step of the way.

I am not here to defend the SBA's process blindly, but H.R. 2987 doesn't actually fix the oversight issues. It just slaps an arbitrary cap on the program without addressing the real questions of how to improve accountability, how to expand access responsibly, and how to ensure these programs are helping the businesses that need it the most.

What is worse, the bill is completely silent on how this cap would apply to the Community Advantage program, a critical SBA initiative that helps make smaller-dollar loans available to startups, veterans, rural entrepreneurs, and other underserved borrowers.

Since being transitioned into the SBLC framework, Community Advantage lenders have continued to show strong results. Last year alone, the program issued over 1,100 loans worth nearly \$200 million, with an average loan size of just \$175,000.

These are the kinds of loans that traditional banks often will not make because they are not profitable, but they are exactly what many small businesses need to get off the ground. By leaving out an exception for mission-based CA lenders from the cap, this bill opens the door for a future administration to freeze new licenses or even eliminate the CA SBLCs altogether. That is a concern we have heard directly from lenders, community organizations, and small business advocates around the country.

These are the very lenders we relied on to help target PPP assistance to the smallest of small businesses during the global pandemic. They met the moment for many small employers in our communities that were locked out of the first rounds of PPP assistance.

At a time when small businesses are facing rising costs, tariff uncertainty, and tightening credit, Congress should be doing everything it can to expand access to capital, not pulling back on programs that are actually working. That is why I cannot support this bill in its current form.

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

Mr. WILLIAMS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. BRESNAHAN).

Mr. BRESNAHAN. Mr. Speaker, my bill, the Capping Excessive Awarding of SBLC Entrants Act, or the CEASE Act, restores a vital piece of integrity to the flagship SBA 7(a) loan program.

The Small Business Administration is authorized to issue government-backed 7(a) loans through certified depository institutions, like banks and credit unions, as well as certified nonbank lenders, like fintech companies.

Unlike certified depository institutions, whose primary regulator is the

Federal Reserve, the nonbank SBLCs are primarily regulated by the SBA, meaning they are not subject to the same regulations and requirements.

□ 1300

Together, the limited number of SBLCs and prudent lending standards that used to be in place at the SBA were necessary guardrails to ensure that the 7(a) program remained zero-subsidy, costing taxpayers zero dollars.

The SBA had its own concerns that it did not have the oversight capabilities to monitor and regulate an unlimited number of SBLCs. Yet the Biden-Harris administration sought to expand the number of SBLC licenses, while also lowering lending standards and loosening underwriting criteria in the 7(a) program. The previous administration did this, even though these SBLCs facilitated massive fraud of the Paycheck Protection Program.

Expanding SBLCs' licenses when the SBA itself acknowledged that it is unequipped to regulate additional for-profit, nonbank lenders is problematic. That is why my legislation is so important to ensure the SBA is not adding excessive SBLCs that it cannot properly regulate. We cannot continue giving the Federal Government ways to abuse taxpayer dollars.

I thank the Trump administration for taking swift action in returning prudent lending standards to the 7(a) program. Combined with the CEASE Act, those efforts will return the SBA to its proper oversight capabilities and ensure that federally regulated lenders, such as community banks, remain a fundamental pillar of 7(a) lending.

The bill was thoughtfully drafted to encompass the original 14 SBLCs and 2 additional SBLCs licensed in 2024 after the Biden-era rule changed. No existing SBLC licenses would be revoked as part of this bill.

Mr. Speaker, I thank the great members and staff of the Small Business Committee for working with me in bringing this bill to the House floor today.

Mr. Speaker, I ask my colleagues on both sides of the aisle to vote "yes" on this practical and sensible piece of legislation.

Ms. VELÁZQUEZ. Mr. Speaker, I yield 5 minutes to the gentlewoman from Minnesota (Ms. MORRISON).

Ms. MORRISON. Mr. Speaker, I rise today to discuss H.R. 2987, the CEASE Act, which would place a statutory moratorium on the number of Small Business Lending Company licenses that can be issued by the U.S. Small Business Administration.

What does this bill do? It will cap the number of SBA 7(a) nonbank lenders who can give loans to America's small businesses, a reasonable endeavor that could have generated bipartisan support had there been any effort by the majority to engage in a thoughtful discussion with us.

Since there was no such engagement, this bill does nothing to protect the

hugely successful Community Advantage program. Community Advantage Small Business Lending Companies provide loans to small businesses located in underserved and rural communities, to new businesses, and to veteran-owned small businesses.

For far too long, far too many people in our country have not been able to access capital and participate in the American Dream of starting a business, creating jobs, and growing our economy. The Small Business Administration plays a critical role in providing capital to our small businesses. The Community Advantage program has a demonstrated track record of helping entrepreneurs who face higher barriers to accessing capital grow and scale their businesses.

This is exactly what we should be doing: opening more doors for more Americans to start a business, create jobs in their community, and strengthen their local economy.

My question to my Republican colleagues is: Without providing protections for Community Advantage Small Business Lending Companies in the text of this bill, are you suggesting we eliminate this crucial program? Why would you threaten to remove a way for veteran-owned small businesses to access capital? What is your message to American entrepreneurs looking to access that first loan that could help turn their best ideas into a new small business?

Mr. Speaker, let's just take a step back here. Right now, small businesses across the country are ringing the alarm bells saying that the tariff wars are going to put them out of business in a matter of weeks or months.

Just this past week, we heard from Minnesota's Small Business Person of the Year, given the award by the Trump administration, who said she has 6 weeks until she goes out of business.

These are successful small businesses, small businesses that were thriving, growing, expanding until President Trump started this completely unnecessary, completely chaotic trade war by setting exorbitant tariffs as high as 145 percent, changing policies haphazardly, at times literally by the hour. No one can run a business with that level of uncertainty, and our small businesses are getting hit the hardest.

They can't plan for the future. They don't have the luxury of time. The threat is here right now. They certainly don't have the resources to personally lobby the President like the massive tech companies who got exemptions did. President Trump's so-called tariff policy is literally killing our small businesses.

Mr. Speaker, Congress has the power to stop it. Article I of the Constitution says Congress has the power to levy tariffs, but what is the Republican majority doing?

They are ceding all their power to this President and completely dis-

regarding their constitutional duty and the outcries from small business owners who are warning us they will have to close their doors in a matter of weeks if this tariff war doesn't end.

Mr. Speaker, the three bills the Republicans are choosing to bring to the floor this week have nothing to do with the existential threat that these tariffs are posing to our Nation's small businesses. The lack of courage to stand up for our Nation's small businesses, and to stand by and watch their downfall, is shameful. We should be passing legislation to end this tariff war and save our small businesses.

Ms. VELÁZQUEZ. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. CHU).

Ms. CHU. Mr. Speaker, I rise in strong opposition to H.R. 2987, the CEASE Act, because it has the potential to harm our Nation's most underserved small businesses.

This bill would cap the number of Small Business Lending Company, or SBLC, licenses that the SBA can issue at its current level of 16 licenses. These licenses enable lenders to make loans of up to \$5 million to small businesses that we know often struggle to secure financing from traditional banks.

If Republicans wanted to find a solution to bipartisan concerns about SBA's capacity to oversee an increased number of licenses, Democrats would have been happy to work together on this. Unfortunately, this bill fails to address our serious concerns about how it could devastate opportunities for capital access for the small businesses that need SBA's help the most.

Specifically, this bill is completely silent about how this cap on licenses would impact Community Advantage SBLCs. We know that one of small businesses' greatest challenges is obtaining access to financial capital. For over a decade now, the Community Advantage program has been helping close this funding gap for underserved businesses who face this challenge disproportionately like rural, veteran, and low-income small business owners.

I will never forget visiting one of these businesses in Santa Monica, California. It was a salad-based restaurant owned by two young Hispanic men who had this dream of expanding their restaurant, but they were turned away by every traditional bank due to a lack of assets and credit history. Finally, they were able to get a \$250,000 Community Advantage loan, and now they have six of these restaurants.

It was a relatively modest sum, but \$250,000 was what it took to make these small business owners successful, and that is why I have long believed in the Community Advantage program. However, it was operating only as a pilot program, and that is why I sponsored a bill to make it permanent. This bipartisan bill has passed out of the House, but the Senate did not take it up.

Great relief, however, came in 2023 when the SBA established by rule the Community Advantage SBLC program

to provide long-term assurance for the program and lenders. Since then, there has been great progress: 143 lenders have registered as Community Advantage SBLCs. In 2024 alone, these lenders have already issued 1,100 loans totaling \$196 million to the most underserved small businesses with an average loan size of \$160,000.

Congress needs to build on these efforts by providing statutory permanency for Community Advantage, but the bill before us today goes in the opposite direction, potentially threatening the future of Community Advantage SBLCs because it makes no mention of how these licenses would be impacted by the statutory cap.

Congress must ensure that our most underserved small businesses have the resources they need to not just survive but to grow. That is why I will reintroduce the Community Advantage Loan Program Act, which will give permanent authorization to this program.

Mr. Speaker, I urge my colleagues to support our Nation's veteran, rural, and low-income entrepreneurs by voting "no" on this bill.

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

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

Mr. Speaker, I am not opposed to oversight. I am not opposed to having a real conversation about the future of SBA programs. I am opposed to legislation that leaves key questions unanswered and puts proven programs in jeopardy.

The Community Advantage program and the CA SBLCs have been a lifeline for thousands of small businesses, particularly in rural areas and for unbanked businesses.

They fill the gap that traditional lenders and larger 7(a) lenders won't. Small and new businesses often require small-dollar loans, not million-dollar loans. They simply need enough capital to get their business off the ground or finance modest expansions. That is why the CA SBLC lenders are so critical to growing our small business ecosystem.

The CA lenders have had bipartisan support for years, so why are my colleagues so afraid to include a provision of congressional intent to protect them from the cap? I just don't get it.

The Small Business Committee has always worked in a bipartisan manner, and here we are with a proven program that has had bipartisan support, and the Republicans with this legislation will put an end to CA SBLC.

We should be working together to support and expand the CA SBLC program, not passing vague bills that threaten to cut it off.

At a time when small businesses need more capital, more support, and more stability, this bill moves us in the wrong direction.

In sum, I oppose H.R. 2987 because it will not protect the Community Advantage program, which has a solid track record of providing smaller dol-

lar loans to thousands of women, veterans, rural, and underserved entrepreneurs.

At the appropriate time, I will offer a motion to recommit this bill back to the committee. If the House rules permitted, I would have offered the motion with an important amendment to this bill. My amendment will ensure the requirements of the bill shall not apply to Community Advantage SBLCs, and it prohibits implementation of the bill until the Administrator certifies to Congress that 7(a) loan originations will not decrease to unbanked small business borrowers operating in rural- or low-income markets.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment into the RECORD immediately prior to the vote on the motion to recommit.

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

There was no objection.

Ms. VELÁZQUEZ. Mr. Speaker, I hope my colleagues will join me in voting for the motion to recommit and vote "no" on H.R. 2987.

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

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

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 458, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

#### MOTION TO RECOMMIT

Ms. VELÁZQUEZ. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Ms. Velázquez of New York moves to recommit the bill H.R. 2987 to the Committee on Small Business.

The material previously referred to by Ms. VELÁZQUEZ is as follows:

Ms. Velázquez of New York moves to recommit the bill H.R. 2987 to the Committee on Small Business with instructions to report the same back to the House forthwith, with the following amendment:

Add at the end the following new sections:  
**SEC. 3. APPLICABILITY TO COMMUNITY ADVANTAGE SMALL BUSINESS LENDING COMPANIES.**

The requirements of section 2 shall not apply to a small business lending company (as defined in section 3(r) of the Small Business Act (15 U.S.C. 632(r))) that is operating as a Community Advantage Small Business Lending Company.

**SEC. 4. EFFECTIVE DATE; CERTIFICATION.**

(a) IN GENERAL.—The requirements of section 2 shall take effect on the date on which the Administrator of the Small Business Administration certifies to Congress that the number of loans made under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) to

unbanked small business borrowers operating in underserved markets will not decrease.

(b) DEFINITIONS.—In this section:

(1) RURAL.—The term "rural" means any county that the Bureau of the Census has defined as mostly rural or completely rural in the most recent decennial census.

(2) UNDERSERVED MARKET.—The term "underserved market" means—

(A) a low- to moderate-income community;

(B) a HUBZone, as that term is defined in section 31(b) of the Small Business Act (15 U.S.C. 657a);

(C) a rural area;

(D) a community that has been designated as an empowerment zone or enterprise community under section 1391 of the Internal Revenue Code of 1986;

(E) a community that has been designated as a qualified opportunity zone under section 1400Z-1 of the Internal Revenue Code of 1986;

(F) a community that has been designated as a promise zone by the Secretary of Housing and Urban Development; or

(G) an area for which more than 50 percent of the employees reside in a low- or moderate-income community.

The SPEAKER pro tempore. Pursuant to clause 2(b) of rule XIX, the previous question is ordered on the motion to recommit.

The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Ms. VELÁZQUEZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 14 minutes p.m.), the House stood in recess.

□ 1615

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BICE) at 4 o'clock and 15 minutes p.m.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

The motion to recommit H.R. 2931;

Passage of H.R. 2931, if ordered;

The motion to recommit H.R. 2987; and

Passage of H.R. 2987, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Pursuant to clause 9 of rule XX, remaining electronic votes will be conducted as 5-minute votes.