

## Union Calendar No.

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 208

[Report No. 114-]

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.

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### IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2015

Ms. VELÁZQUEZ (for herself, Mr. NADLER, Mr. RANGEL, Ms. MENG, and Mr. CROWLEY) introduced the following bill; which was referred to the Committee on Small Business

JUNE --, 2015

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on January 8, 2015]

# **A BILL**

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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Superstorm Sandy Re-*  
5 *lief and Disaster Loan Program Improvement Act of 2015”.*

6 **SEC. 2. FINDINGS.**

7 *Congress finds the following:*

8 *(1) In 2012, Superstorm Sandy caused substan-*  
9 *tial physical and economic damage to the United*  
10 *States, and New York in particular.*

11 *(2) For businesses and homeowners, the primary*  
12 *means of obtaining long-term Federal financial as-*  
13 *sistance in the wake of disasters such as Superstorm*  
14 *Sandy is through the Small Business Administra-*  
15 *tion’s Disaster Loan Program.*

16 *(3) With regard to the Small Business Adminis-*  
17 *tration’s operation of the Disaster Loan Program*  
18 *after Superstorm Sandy, the Government Account-*  
19 *ability Office found that the Administration did not*  
20 *meet its timeliness goals for processing business loan*  
21 *applications.*

22 *(4) According to the Government Accountability*  
23 *Office, the Small Business Administration stated that*  
24 *it was challenged by an unexpectedly high volume of*

1        *loan applications that it received early in its response*  
2        *to Superstorm Sandy.*

3            *(5) As a result, many businesses and homeowners*  
4        *affected by Superstorm Sandy were unable to apply*  
5        *for financing from the Small Business Administra-*  
6        *tion.*

7        **SEC. 3. REVISED DISASTER DEADLINE.**

8        *Section 7(d) of the Small Business Act (15 U.S.C.*  
9        *636(d)) is amended by adding at the end the following:*

10            *“(8) DISASTER LOANS FOR SUPERSTORM*  
11        *SANDY.—*

12            *“(A) IN GENERAL.—Notwithstanding any*  
13        *other provision of law, and subject to the same*  
14        *requirements and procedures that are used to*  
15        *make loans pursuant to subsection (b), a small*  
16        *business concern, homeowner, or renter that was*  
17        *located within an area and during the time pe-*  
18        *riod with respect to which a major disaster was*  
19        *declared by the President under section 401 of*  
20        *the Robert T. Stafford Disaster Relief and Emer-*  
21        *gency Assistance Act (42 U.S.C. 5170) by reason*  
22        *of Superstorm Sandy may apply to the Admin-*  
23        *istrator—*

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

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

8           “(B) *TIMING.*—The Administrator shall se-  
9           lect loan recipients and make available loans for  
10          a period of not less than 1 year after the date  
11          on which the Administrator carries out this au-  
12          thority.”.

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

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

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

22           “(ii) grading and contouring land; and

23           “(iii) relocating utilities and modifying  
24           structures, including construction of a safe room  
25           or similar storm shelter designed to protect prop-

1            *erty and occupants from tornadoes or other nat-*  
2            *ural disasters”.*

3    **SEC. 5. COLLATERAL REQUIREMENTS FOR SMALL BUSI-**  
4            **NESS CONCERNS.**

5            *Section 7(b) of the Small Business Act (15 U.S.C.*  
6    *636(b)) is amended by inserting after paragraph (9) the*  
7    *following:*

8            *“(10) COLLATERAL REQUIREMENTS FOR SMALL*  
9            *BUSINESSES.—In the case of a loan made pursuant*  
10          *to this subsection in an amount not greater than*  
11          *\$250,000, the Administrator may not require a bor-*  
12          *rower to pledge his or her primary residence as collat-*  
13          *eral if—*

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

16                  *“(B) such an option does not delay the Ad-*  
17                  *ministrator’s processing of disaster applications*  
18                  *for a disaster.”.*

19    **SEC. 6. REDUCING DELAYS ON CLOSING AND DISBURSE-**  
20            **MENT OF LOANS.**

21          *Section 7(b) of the Small Business Act (15 U.S.C.*  
22    *636(b)) is further amended by inserting after paragraph*  
23    *(10) (as added by section 5) the following:*

24                  *“(11) REDUCING CLOSING AND DISBURSEMENT*  
25                  *DELAYS.—The Administrator shall provide a clear*

1        *and concise notification on all application materials*  
2        *for loans made under this subsection and on relevant*  
3        *websites notifying an applicant that the applicant*  
4        *may submit all documentation necessary for the ap-*  
5        *proval of the loan at the time of application and that*  
6        *failure to submit all documentation could delay the*  
7        *approval and disbursement of the loan.”.*

8        **SEC. 7. INCREASING TRANSPARENCY IN LOAN APPROVALS.**

9        *Section 7(b) of the Small Business Act (15 U.S.C.*  
10       *636(b)) is further amended by inserting after paragraph*  
11       *(11) (as added by section 6) the following:*

12                *“(12) INCREASING TRANSPARENCY IN LOAN AP-*  
13                *PROVALS.—The Administrator shall establish and im-*  
14                *plement clear, written policies and procedures for*  
15                *analyzing the ability of a loan applicant to repay a*  
16                *loan made under this subsection.”.*

17        **SEC. 8. SAFEGUARDING TAXPAYERS’ INTERESTS.**

18        *Section 7(b) of the Small Business Act (15 U.S.C.*  
19        *636(b)) is further amended by inserting after paragraph*  
20        *(12) (as added by section 7) the following:*

21                *“(13) ENSURING ACCOUNTABILITY IN LOAN AP-*  
22                *PROVALS.—The Administrator shall establish require-*  
23                *ments for the approval of economic injury disaster*  
24                *loan assistance made available pursuant to para-*  
25                *graph (2), which shall include the review of applicant*

1 *eligibility and shall require that all supporting docu-*  
2 *mentation is submitted prior to loan approval. The*  
3 *Administrator shall require that personnel involved*  
4 *in the approval of such loans be trained on such pro-*  
5 *cedures.”.*

6 **SEC. 9. DISASTER PERFORMANCE MEASURES.**

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

10 *“(14) REPORTING ON DISASTER PERFORMANCE*  
11 *MEASURES.—The Administrator shall report the aver-*  
12 *age processing time for all other disaster loan appli-*  
13 *cations, including disaggregated data on disaster loan*  
14 *applications that were declined by the Administra-*  
15 *tion’s automated disaster processing system and ap-*  
16 *plications in which the Administrator performed loss*  
17 *verification. For each disaster described in paragraph*  
18 *(2), the Administrator shall report such average proc-*  
19 *essing times on its website and to the Committee on*  
20 *Small Business of the House of Representatives and*  
21 *the Committee on Small Business and Entrepreneur-*  
22 *ship of the Senate.”.*

23 **SEC. 10. DISASTER PLAN IMPROVEMENTS.**

24 *The Administrator of the Small Business Administra-*  
25 *tion shall revise the comprehensive written disaster response*



1 *plan required in section 40 of the Small Business Act (15*  
2 *U.S.C. 657l), or any successor thereto, to incorporate the*  
3 *Administration's response to a situation in which an ex-*  
4 *treme volume of applications are received during the period*  
5 *of time immediately after a disaster, which shall include*  
6 *a plan to ensure that sufficient human and technological*  
7 *resources are made available and a plan to prevent delays*  
8 *in loan processing.*

9 **SEC. 11. REPORT TO CONGRESS ON IMPLEMENTATION OF**  
10 **CERTAIN PROGRAMS.**

11 (a) *INITIAL REPORT.*—*The Administrator of the Small*  
12 *Business Administration shall report to Congress not later*  
13 *than 30 days after the date of enactment of this Act on*  
14 *the implementation and status of the private disaster loan*  
15 *program established in section 7(c) of the Small Business*  
16 *Act (15 U.S.C. 636(c)), the Immediate Disaster Assistance*  
17 *program established in section 42 of such Act (15 U.S.C.*  
18 *657n), and the expedited disaster assistance business loan*  
19 *program established in section 12085 of the Small Business*  
20 *Disaster Response and Loan Improvements Act of 2008 (15*  
21 *U.S.C. 636j).*

22 (b) *REQUIRED CONSULTATION WITH DEPOSITORY IN-*  
23 *STITUTIONS AND CREDIT UNIONS.*—*The Administrator*  
24 *shall require the Associate Administrator for the Office of*  
25 *Disaster Assistance to consult with depository institutions*

1 *(as defined in section 3 of the Federal Deposit Insurance*  
2 *Act (12 U.S.C. 1813)) and credit unions regarding their*  
3 *potential participation in any of the programs described*  
4 *in subsection (a).*

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

Amend the title so as to read: “A bill to improve the disaster assistance programs of the Small Business Administration.”.