

AMENDMENT TO H.R. 3174
OFFERED BY M s. [Velázquez](#)

Page 2, line 8, insert “(a) IN GENERAL.—” before
“Section 7(a)”.

Page 4, after line 3, insert the following:

1 (b) EFFECTIVE DATE.—

2 (1) IN GENERAL.—Subject to the requirements
3 of paragraph (2), the amendments made by para-
4 graph (1)(A)(iv), paragraph (1)(B)(ii), and para-
5 graph (2) of subsection (a) shall not take effect until
6 the date on which the Administrator of the Small
7 Business Administration submits to the Committee
8 on Small Business in the House of Representatives
9 and the Committee on Small Business and Entrepre-
10 neurship in the Senate a report stating that, for the
11 4 consecutive fiscal quarters preceding the date of
12 such report, the default rate for loans to small man-
13 ufacturers (as defined in section 3(gg) of the Small
14 Business Act, as added by this section) is less than
15 or equal to 3 percent.

16 (2) TERMINATION.—Effective on the date that
17 is 5 years after the date of the enactment of this

1 Act, section 7(a) of the Small Business Act (15
2 U.S.C. 636(a)) is amended

3 (A) in paragraph (3)—

4 (i) by amending subparagraph (A) to
5 read as follows:

6 “(A) if the total amount outstanding and
7 committed (by participation or otherwise) to the
8 borrower from the business loan and investment
9 fund established by this Act would exceed
10 \$3,750,000 (or if the gross loan amount would
11 exceed \$5,000,000), except as provided in sub-
12 paragraph (B);”; and

13 (ii) by amending subparagraph (B) to
14 read as follows:

15 “(B) if the total amount outstanding and
16 committed (on a deferred basis) solely for the
17 purposes provided in paragraph (16) to the bor-
18 rower from the business loan and investment
19 fund established by this Act would exceed
20 \$4,500,000 (or if the gross loan amount would
21 exceed \$5,000,000), of which not more than
22 \$4,000,000 may be used for working capital,
23 supplies, or financings under paragraph (14)
24 for export purposes; and”; and

1 (B) by amending paragraph (14)(B)(i) to
2 read as follows:

3 “(14) LOAN AMOUNT.—The Administrator may
4 not guarantee a loan under this paragraph of more
5 than \$5,000,000.”.

Page 4, after line 8, insert the following new sections:

6 **SEC. 5. MODIFICATIONS TO ANNUAL REPORT OF THE OF-**
7 **FICE OF CREDIT RISK MANAGEMENT.**

8 (a) IN GENERAL.—Section 47(h) of the Small Busi-
9 ness Act (15 U.S.C. 657t(h)) is amended by adding at
10 the end the following new paragraph:

11 “(3) REPORT ON LOANS TO SMALL MANUFAC-
12 TURERS.—

13 “(A) IN GENERAL.—Not later than 30
14 days after the date of the enactment of this
15 paragraph, and every 30 days thereafter, the
16 Director shall conduct a risk analysis of the
17 portfolio of the Administration with respect to
18 loans to small manufacturers guaranteed under
19 section 7(a) (in this paragraph referred to as
20 ‘manufacturing loans’).

21 “(B) REPORT.—On the first Monday of
22 the month following each 30-day period de-
23 scribed in subparagraph (A), the Director shall

1 submit to the Committee on Small Business in
2 the House of Representatives and the Com-
3 mittee on Small Business and Entrepreneurship
4 in the Senate a report containing the results of
5 the risk analysis of all manufacturing loans
6 conducted during such 30-day period, which
7 shall include—

8 “(i) an analysis of the overall program
9 risk of manufacturing loans;

10 “(ii) without identifying individual
11 7(a) lenders by name, a consolidated anal-
12 ysis of the risk created by the individual
13 7(a) lenders responsible for not less than 1
14 percent of the gross loan approvals for
15 manufacturing loans, set forth separately
16 for the period covered by the report, by—

17 “(I) the dollar value of the manu-
18 facturing loans made by such 7(a)
19 lenders; and

20 “(II) the number of manufac-
21 turing loans made by such 7(a) lend-
22 ers;

23 “(iii) an analysis of the program risk
24 for manufacturing loans with a dollar value
25 of—

1 “(I) less than or equal to
2 \$50,000;

3 “(II) greater than \$50,000 and
4 less than or equal to \$250,000;

5 “(III) greater than \$250,000 and
6 less than or equal to \$350,000;

7 “(IV) greater than \$350,000 and
8 less than or equal to \$500,000;

9 “(V) greater than \$500,000 and
10 less than or equal to \$1,000,000;

11 “(VI) greater than \$1,000,000
12 and less than or equal to \$5,000,000;
13 and

14 “(VII) greater than \$5,000,000
15 and less than or equal to \$10,000,000

16 “(iv) an analysis of manufacturing
17 loans based on the geographic region from
18 which such loan was originated;

19 “(v) the number and total dollar
20 amount of purchases by the Administrator
21 of the principal and interest of manufac-
22 turing loans that are in default, the total
23 dollar amount of collections recovered on
24 such purchases, and the number and total

1 dollar amount of charge-offs for such pur-
2 chases.”.

3 (b) TECHNICAL AMENDMENT.—Section 47(d) of the
4 Small Business Act (15 U.S.C. 657t(d)) is amended by
5 striking “premise” each place it appears and inserting
6 “premises”.

7 **SEC. 6. SET ASIDE OF AUTHORIZATION OF APPROPRIA-**
8 **TIONS FOR CERTAIN SMALL DOLLAR LOANS.**

9 Section 20 of the Small Business Act is amended by
10 adding at the end the following new subsection:

11 “(i) SMALL DOLLAR LOANS.—With respect to fiscal
12 year 2026 and each fiscal year thereafter, of amounts au-
13 thorized to be appropriated to the Administrator of the
14 Small Business Administration for general business loans
15 authorized under section 7(a) for such fiscal year in an
16 aggregate amount greater than \$7,500,000,000, the Ad-
17 ministrator shall set aside—

18 “(1) \$5,500,000,000 for such loans with a
19 value less than or equal to \$500,000 that are made
20 or guaranteed to persons that are not small manu-
21 facturers; and

22 “(2) \$2,000,000,000 for such loans with a
23 value less than or equal to \$1,000,000 that are
24 made or guaranteed to small manufacturers.”.

