Suspending the Rules and Pass the Bill, H.R. 6078, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

116TH CONGRESS
2D SESSION

H. R. 6078

To amend the Small Business Act to increase transparency and to enhance the use of microloans in rural areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES
MARCH 4, 2020

Mr. Burchett (for himself and Mr. Kim) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to increase transparency and to enhance the use of microloans in rural areas, and for other purposes.

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 “Microloan Trans-
5 parency and Accountability Act of 2020”.

July 9, 2020 (9:55 a.m.)
SEC. 2. ASSISTANCE FOR INTERMEDIARIES SERVING RURAL AREAS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) by amending paragraph (4)(C)(i) to read as follows:

“(i) Each intermediate shall be eligible to receive a grant equal to 5 percent of the total outstanding balance of loans made to the intermediary under this subsection, in addition to grants made under subparagraph (A), if the intermediary has either—

“(I) a portfolio of loans made under this subsection that averages not more than $10,000 during the period of the intermediary’s participation in the program;

“(II) a portfolio of loans made under this subsection of which not less than 25 percent are made to small business concerns located in or owned by one or more residents of an economically distressed area; or

“(III) a portfolio of loans made under this subsection of which not
less than 25 percent is serving rural areas during the period of the intermediary’s participation in the program.”; and

(2) in paragraph (11)—

(A) in subparagraph (C)(ii), by striking all after the semicolon and inserting “and”; and

(B) by striking all after subparagraph (C), and inserting the following:

“(D) the term ‘economically distressed area’, as used in paragraph (4), means a county or equivalent division of local government of a State in which the small business concern is located, in which, according to the most recent data available from the Bureau of the Census, Department of Commerce, not less than 40 percent of residents have an annual income that is at or below the poverty level.”.

SEC. 3. PORTFOLIO RISK ANALYSIS OF MICROLOANS.

Section 7(m)(10) of the Small Business Act (15 U.S.C. 636(m)(10)) is amended—

(1) by redesignating subparagraphs (A) through (F) as clauses (i) through (vi), respectively, and adjusting the margins accordingly;
(2) by amending clause (iv), as so redesignated, to read as follows:

“(vi) the number, amount, and percentage of microloans made by intermediaries to small business concerns—

“(I) that went into default in the previous year; and

“(II) that were charged off in the previous year by such intermediaries;”;

(3) in clause (vi), as so redesignated, by striking “and” at the end;

(4) by redesignating subparagraph (G) as clause (xviii), and adjusting the margin accordingly;

(5) by striking “On November 1, 1995,” and all that follows through “the following:” and inserting the following:

“(A) IN GENERAL.—Beginning on February 1, 2021, and annually thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, and make available to the public on the website of the Administration, a report on the effectiveness of
the microloan program during the fiscal year preceding the date of the report. Such report shall include—”;

(6) in subparagraph (A), as so designated, by inserting after clause (vi) the following new clauses:

“(vii) the number and type of enforcement actions taken by the Administrator against noncompliant intermediaries;

“(viii) an analysis of compliance by intermediaries with the credit availability requirements of paragraph (3)(E) for loans in an amount greater than $20,000;

“(ix) the extent to which microloans are provided to small business concerns in rural areas;

“(x) the number of underserved borrowers, as defined by the Administration, participating in the microloan program;

“(xi) the average rate of interest for each microloan;

“(xii) the average amount of fees charged for each microloan;

“(xiii) the average size of each microloan, including—
“(I) the number of loans made in an amount greater than $20,000; and
“(II) the average size and charge-off rate of such loans;
“(xiv) the subsidy cost to the Administration;
“(xv) the number and percentage of microloans that were made to refinance other loans;
“(xvi) the number and percentage of microloans made to new program participants and the number and percentage of microloans made to previous program participants;
“(xvii) the average amount of technical assistance grant monies spent on each loan; and”;

(7) by adding at the end the following:

“(B) PRIVACY.—Each report submitted under subparagraph (A) shall not contain any personally identifiable information of any borrower.”.