

.....
(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Small Business Act to optimize the operations of the microloan program, lower costs for small business concerns and intermediary participants in the program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Small Business Act to optimize the operations of the microloan program, lower costs for small business concerns and intermediary participants in the program, 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 Improve-
5 ment Act of 2021”.

1 **SEC. 2. INTEREST RATE FOR CERTAIN INTERMEDIARIES.**

2 Section 7(m)(3)(F)(iii) of the Small Business Act (15
3 U.S.C. 636(m)(3)(F)(iii)) is amended by striking
4 “\$7,500” and inserting “\$10,000”.

5 **SEC. 3. LINES OF CREDIT AUTHORIZED.**

6 Section 7(m)(6)(A) of the Small Business Act (15
7 U.S.C. 636(m)(6)(A)) is amended by inserting “(including
8 lines of credit)” after “fixed rate loans”.

9 **SEC. 4. EXTENDED REPAYMENT TERMS.**

10 (a) IN GENERAL.—Section 7(m)(6) of the Small
11 Business Act (15 U.S.C. 636(m)(6)) is amended by add-
12 ing at the end the following:

13 “(F) REPAYMENT TERMS.—

14 “(i) LIMITATION ON REPAYMENTS
15 TERM.—The repayment term for a loan
16 made under this paragraph shall not be
17 more than—

18 “(I) in the case of a loan made
19 by an intermediary of \$10,000 or less,
20 7 years; and

21 “(II) in the case of a loan made
22 by an intermediary of greater than
23 \$10,000, 10 years.

24 “(ii) NO ADDITIONAL LIMITATIONS.—
25 The Administrator may not impose any ad-
26 ditional limitation on the term for repay-

1 ment of a loan made by an intermediary
2 under this paragraph.”.

3 (b) **TECHNICAL AMENDMENT.**—Section 329(c) of the
4 Economic Aid to Hard-Hit Small Businesses, Nonprofits,
5 and Venues Act (Public Law 116–260; 134 Stat. 2042
6 15 U.S.C. 636 note) is repealed.

7 **SEC. 5. PROGRAM FUNDING FOR MICROLOANS.**

8 (a) **IN GENERAL.**—Section 7(m) of the Small Busi-
9 ness Act (15 U.S.C. 636(m)) is amended—

10 (1) in paragraph (7)(B)—

11 (A) by amending clause (i) to read as fol-
12 lows:

13 “(i) **ALLOCATION.**—Subject to the
14 availability of appropriations and for the
15 first 2 quarters of a fiscal year, of the total
16 amount of new loan funds made available
17 for award under this subsection in such
18 fiscal year, the Administrator shall—

19 “(I) reserve 15 percent of such
20 funds for award to designated under-
21 utilized States; and

22 “(II) make the remaining 85 per-
23 cent of such funds available for award
24 in any State.”; and

1 (B) in clause (ii), by striking “to carry
2 out” and all that follows through the period at
3 the end and inserting the following: “under
4 clause (i)(I) remains unexpended, the Adminis-
5 trator may make that portion available for
6 award in any State or designated underutilized
7 State.”; and

8 (2) in paragraph (11)—

9 (A) in subparagraph (C)(ii), by striking
10 “and” at the end;

11 (B) in subparagraph (D), by striking the
12 period at the end and inserting “; and”; and

13 (C) by adding at the end the following new
14 subparagraph:

15 “(E) the term ‘State’ means each of the
16 several States, the District of Columbia, the
17 Commonwealth of Puerto Rico, the United
18 States Virgin Islands, Guam, the Northern
19 Mariana Islands, and American Samoa.”.

20 (b) RULEMAKING.—Not later than 180 days after the
21 date of the enactment of this Act, the Administrator of
22 the Small Business Administration shall issue regulations
23 to define the term “designated underutilized State”, as
24 used in section 7(m)(7)(B) of the Small Business Act (15
25 U.S.C. 636(m)(7)(B)), as added by this section.

1 **SEC. 6. CREDIT REPORTING INFORMATION.**

2 The Administrator of the Small Business Administra-
3 tion shall issue rules establishing a process under which
4 an intermediary that makes a loan to a borrower under
5 section 7(m) of the Small Business Act (15 U.S.C.
6 636(m)) shall be required to provide the major credit re-
7 porting agencies with information about the borrower rel-
8 evant to credit reporting, such as the borrower's payment
9 activity on the loan.

10 **SEC. 7. REPORT REGARDING EQUITABLE DISTRIBUTION.**

11 Section 7(m)(8) of the Small Business Act (15
12 U.S.C. 636(m)(8)) is amended—

13 (1) by striking “In approving” and inserting
14 the following:

15 “(A) IN GENERAL.—In approving”; and

16 (2) by adding at the end the following:

17 “(B) ANNUAL REPORT.—The Adminis-
18 trator shall include in the report submitted
19 under paragraph (10), and make publicly avail-
20 able on the website of the Administration, infor-
21 mation on how the Administration has met the
22 requirements of subparagraph (A).”.