

Suspend the Rules and Pass the Bill, H.R. 4667, With an Amendment

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

118TH CONGRESS
1ST SESSION

H. R. 4667

To require the Administrator of the Small Business Administration to issue guidance and rules for lenders and the Small Business Administration on handling amounts of Paycheck Protection Loans returned by borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2023

Ms. SALAZAR (for herself and Mr. MCGARVEY) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To require the Administrator of the Small Business Administration to issue guidance and rules for lenders and the Small Business Administration on handling amounts of Paycheck Protection Loans returned by borrowers, 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 “Returning Erroneous
5 COVID Loans Addressing Illegal and Misappropriated

1 Taxpayer Funds Act” or the “RECLAIM Taxpayer
2 Funds Act”.

3 **SEC. 2. PAYCHECK PROTECTION LOAN RETURN GUIDANCE.**

4 (a) IN GENERAL.—Not later than 30 days after the
5 date of the enactment of this Act, the Administrator of
6 the Small Business Administration shall issue guidance
7 for borrowers and lenders on returning any unused
8 amounts of PPP loans made to the borrower.

9 (b) GUIDANCE REQUIREMENTS.—The guidance re-
10 quired by subsection (a) shall include—

11 (1) detailed guidance for borrowers on how to
12 return to the lender that made a PPP loan to the
13 borrower the unused amounts of such PPP loan;

14 (2) detailed guidance for lenders regarding the
15 responsibilities of lenders, including that a lender
16 must—

17 (A) accept the return of any unused
18 amounts of any PPP loan from a borrower or
19 any other source (including law enforcement) if
20 the lender made such PPP loan;

21 (B) document the reason for the return of
22 such unused amounts, the identification number
23 of the PPP loan, the name of the borrower of
24 the PPP loan, and the name of the person re-

1 turning such unused amounts if different than
2 the borrower;

3 (C) remit such unused amounts to the Ad-
4 ministration;

5 (D) make the guidance described in para-
6 graph (1) available to borrowers described in
7 such paragraph; and

8 (E) if the lender made a PPP loan, peri-
9 odically certify that the lender has reported and
10 returned to the Administration all unused
11 amounts of PPP loans returned to the lender;

12 (3) detailed guidance for financial institutions
13 holding funds from a PPP loan on the procedure for
14 returning such funds to the Administration if the fi-
15 nancial institution suspects the borrower may be
16 committing fraud with respect to the PPP loan or
17 any other issue for which the financial institution
18 should return the funds the Administration; and

19 (4) detailed guidance for borrowers and lenders
20 of PPP loans, financial institutions described in
21 paragraph (3), and other relevant individuals and
22 entities on complying with the requirement to report
23 to the Office of the Inspector General for the Small
24 Business Administration any information indicating
25 the occurrence of fraud with respect to a PPP loan.

1 **SEC. 3. RETURNS HANDLING PROCESS.**

2 (a) IN GENERAL.—Not later than 30 days after the
3 date of the enactment of this Act, the Administrator of
4 the Small Business Administration shall issue guidance es-
5 tablishing a process for the Small Business Administration
6 to track amounts of PPP loans returned to mitigate the
7 risk of financial loss to the Federal Government.

8 (b) RETURNS HANDLING PROCESS REQUIRE-
9 MENTS.—The process established under subsection (a)
10 shall require—

11 (1) the Administration to accept returns of un-
12 used amounts of PPP loans; and

13 (2) the Administrator to deposit in the general
14 fund of the Treasury the unused amounts of PPP
15 loans returned to the Administration.

16 **SEC. 4. DEFINITIONS.**

17 In this Act:

18 (1) ADMINISTRATION.—The term “Administra-
19 tion” means the Small Business Administration.

20 (2) ADMINISTRATOR.—The term “Adminis-
21 trator” means the Administration of the Small Busi-
22 ness Administration.

23 (3) PPP LOAN.—The term “PPP loan” means
24 a loan made under paragraph (36) or (37) of section
25 7(a) of the Small Business Act (15 U.S.C. 636(a)).

1 **SEC. 5. COMPLIANCE WITH CUTGO.**

2 No additional amounts are authorized to be appro-
3 priated to carry out this Act.