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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**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. PAYCHECK PROTECTION LOAN RETURN GUID-**  
4 **ANCE.**

5 (a) IN GENERAL.—Not later than 30 days after the  
6 date of the enactment of this Act, the Administrator of

1 the Small Business Administration shall issue guidance  
2 for borrowers and lenders on returning any unused  
3 amounts of PPP loans made to the borrower.

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

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

9 (2) detailed guidance for lenders regarding the  
10 responsibilities of lenders, including that a lender  
11 must—

12 (A) accept the return of any unused  
13 amounts of any PPP loan from a borrower or  
14 any other source (including law enforcement) if  
15 the lender made such PPP loan;

16 (B) document the reason for the return of  
17 such unused amounts, the identification number  
18 of the PPP loan, the name of the borrower of  
19 the PPP loan, and the name of the person re-  
20 turning such unused amounts if different than  
21 the borrower;

22 (C) remit such unused amounts to the Ad-  
23 ministration;

1 (D) make the guidance described in para-  
2 graph (1) available to borrowers described in  
3 such paragraph; and

4 (E) if the lender made a PPP loan, peri-  
5 odically certify that the lender has reported and  
6 returned to the Administration all unused  
7 amounts of PPP loans returned to the lender;

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

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

22 **SEC. 2. RETURNS HANDLING PROCESS.**

23 (a) IN GENERAL.—Not later than 30 days after the  
24 date of the enactment of this Act, the Administrator of  
25 the Small Business Administration shall issue guidance es-

1 tablishing a process for the Small Business Administration  
2 to track amounts of PPP loans returned to mitigate the  
3 risk of financial loss to the Federal Government.

4 (b) RETURNS HANDLING PROCESS REQUIRE-  
5 MENTS.—The process established under subsection (a)  
6 shall require—

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

9 (2) the Administrator to deposit in the general  
10 fund of the Treasury the unused amounts of PPP  
11 loans returned to the Administration.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

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

16 (2) ADMINISTRATOR.—The term “Adminis-  
17 trator” means the Administration of the Small Busi-  
18 ness Administration.

19 (3) PPP LOAN.—The term “PPP loan” means  
20 a loan made under paragraph (36) or (37) of section  
21 7(a) of the Small Business Act (15 U.S.C. 636(a)).

22 **SEC. 4. COMPLIANCE WITH CUTGO.**

23 No additional amounts are authorized to be appro-  
24 priated to carry out this Act. Such Act shall be carried

- 1 out using amounts otherwise appropriated to the Adminis-
- 2 trator of the Small Business Administration.