

112TH CONGRESS  
2D SESSION

# S. 3672

To clarify the collateral requirement for certain loans under section 7(d) of the Small Business Act, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 2012

Ms. LANDRIEU introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To clarify the collateral requirement for certain loans under section 7(d) of the Small Business Act, 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. CLARIFICATION OF COLLATERAL REQUIRE-**  
4 **MENTS.**

5 Section 7(d)(6) of the Small Business Act (15 U.S.C.  
6 636(d)(6)) is amended by inserting after “which are made  
7 under paragraph (1) of subsection (b)” the following: “:  
8 *Provided further,* That the Administrator, in obtaining the  
9 best available collateral for a loan of not more than  
10 \$200,000 under paragraph (1) or (2) of subsection (b) re-

1 lating to damage to or destruction of the property of, or  
2 economic injury to, a small business concern, shall not re-  
3 quire the owner of the small business concern to use the  
4 primary residence of the owner as collateral if the Admin-  
5 istrator determines that the owner has other assets with  
6 a value equal to or greater than the amount of the loan  
7 that could be used as collateral for the loan: *Provided fur-*  
8 *ther*, That nothing in the preceding proviso may be con-  
9 strued to reduce the amount of collateral required by the  
10 Administrator in connection with a loan described in the  
11 preceding proviso or to modify the standards used to  
12 evaluate the quality (rather than the type) of such collat-  
13 eral”.

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