

112TH CONGRESS
2D SESSION

S. 3681

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

IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 2012

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

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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