

116TH CONGRESS  
2D SESSION

# H. R. 6291

To amend the microloan program of the Small Business Administration in response to COVID-19, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2020

Mr. KIM introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To amend the microloan program of the Small Business Administration in response to COVID-19, 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 Emergency  
5 Assistance Act of 2020”.

6 **SEC. 2. RECOVERY ASSISTANCE FOR MICROBUSINESSES.**

7 (a) PURPOSE.—The purpose of this section is to allow  
8 lenders to deploy more capital, give borrowers more time  
9 to repay, increase rural lending, and cut technical assist-  
10 ance red tape.

1 (b) LOANS TO INTERMEDIARIES.—

2 (1) IN GENERAL.—Section 7(m) of the Small  
3 Business Act (15 U.S.C. 636(m)) is amended—

4 (A) in paragraph (3)(C)—

5 (i) by striking “and \$6,000,000” and  
6 inserting “\$10,000,000, in the aggre-  
7 gate,”; and

8 (ii) by inserting before the period at  
9 the end the following: “, and \$4,500,000 in  
10 any of those remaining years”;

11 (B) in paragraph (4)—

12 (i) in subparagraph (A), by striking  
13 “subparagraph (C)” each place that term  
14 appears and inserting “subparagraphs (C)  
15 and (G)”;

16 (ii) in subparagraph (C), by amending  
17 clause (i) to read as follows:

18 “(i) IN GENERAL.—In addition to  
19 grants made under subparagraph (A) or  
20 (G), each intermediary shall be eligible to  
21 receive a grant equal to 5 percent of the  
22 total outstanding balance of loans made to  
23 the intermediary under this subsection if—

24 “(I) the intermediary provides  
25 not less than 25 percent of its loans

1 to small business concerns located in  
2 or owned by one or more residents of  
3 an economically distressed area; or

4 “(II) the intermediary has a  
5 portfolio of loans made under this  
6 subsection—

7 “(aa) that averages not  
8 more than \$10,000 during the  
9 period of the intermediary’s par-  
10 ticipation in the program; or

11 “(bb) of which not less than  
12 25 percent is serving rural areas  
13 during the period of the  
14 intermediary’s participation in  
15 the program.”; and

16 (iii) by adding at the end the fol-  
17 lowing:

18 “(G) GRANT AMOUNTS BASED ON APPRO-  
19 PRIATIONS.—In any fiscal year in which the  
20 amount appropriated to make grants under  
21 subparagraph (A) is sufficient to provide to  
22 each intermediary that receives a loan under  
23 paragraph (1)(B)(i) a grant of not less than 25  
24 percent of the total outstanding balance of  
25 loans made to the intermediary under this sub-

1 section, the Administration shall make a grant  
2 under subparagraph (A) to each intermediary  
3 of not less than 25 percent and not more than  
4 30 percent of that total outstanding balance for  
5 the intermediary.”; and

6 (C) by striking paragraph (7) and insert-  
7 ing the following:

8 “(7) PROGRAM FUNDING FOR MICROLOANS.—  
9 Under the program authorized by this subsection,  
10 the Administration may fund, on a competitive basis,  
11 not more than 300 intermediaries.”.

12 (2) AMENDMENT IN 2021.—Effective on October  
13 1, 2021, section 7(m)(3)(C) of the Small Business  
14 Act (15 U.S.C. 636(m)(3)(C)) is amended—

15 (A) by striking “\$10,000,000” and by in-  
16 sserting “\$7,000,000”; and

17 (B) by striking “\$4,500,000” and insert-  
18 ing “\$3,000,000”.

19 (c) TEMPORARY WAIVER OF TECHNICAL ASSISTANCE  
20 GRANTS MATCHING REQUIREMENTS AND FLEXIBILITY  
21 ON PRE- AND POST-LOAN ASSISTANCE.—During the pe-  
22 riod beginning on the date of enactment of this Act and  
23 ending on September 30, 2021, the Administration shall  
24 waive—

1 (1) the requirement to contribute non-Federal  
2 funds under section 7(m)(4)(B) of the Small Busi-  
3 ness Act (15 U.S.C. 636(m)(4)(B)); and

4 (2) the limitation on amounts allowed to be ex-  
5 pended to provide information and technical assist-  
6 ance under clause (i) of section 7(m)(4)(E) of the  
7 Small Business Act (15 U.S.C. 636(m)(4)(E)) and  
8 enter into third-party contracts to provide technical  
9 assistance under clause (ii) of such section  
10 7(m)(4)(E).

11 (d) TEMPORARY DURATION OF LOANS TO BOR-  
12 ROWERS.—

13 (1) IN GENERAL.—During the period beginning  
14 on the date of enactment of this Act and ending on  
15 September 30, 2021, the duration of a loan made by  
16 an eligible intermediary under section 7(m) of the  
17 Small Business Act (15 U.S.C. 636(m))—

18 (A) to an existing borrower may be ex-  
19 tended to not more than 8 years; and

20 (B) to a new borrower may be not more  
21 than 8 years.

22 (2) REVERSION.—On and after October 1,  
23 2021, the duration of a loan made by an eligible  
24 intermediary to a borrower under section 7(m) of  
25 the Small Business Act (15 U.S.C. 636(m)) shall be

1       7 years or such other amount established by the Ad-  
2       ministrator.

3       (e) PROGRAM LEVELS.—Section 20 of the Small  
4 Business Act (15 U.S.C. 631 note) is amended by adding  
5 at the end the following:

6       “(h) MICROLOAN PROGRAM.—For each of fiscal  
7 years 2021 through 2025, the Administration is author-  
8 ized to make—

9               “(1) \$80,000,000 in technical assistance grants,  
10       as provided in section 7(m); and

11               “(2) \$110,000,000 in direct loans, as provided  
12       in section 7(m).”.

13       (f) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
14 tion to amounts provided under the Consolidated Appro-  
15 priations Act, 2020 (Public Law 116–93) for the program  
16 established under section 7(m) of the Small Business Act  
17 (15 U.S.C. 636(m)), there is authorized to be appro-  
18 priated for fiscal year 2020, to remain available until ex-  
19 pended—

20               (1) \$50,000,000 to provide technical assistance  
21       grants under such section 7(m); and

22               (2) \$7,000,000 to provide direct loans under  
23       such section 7(m).

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