

118TH CONGRESS
2D SESSION

H. R. 7061

To provide loans and other financial assistance to small businesses affected by the wildfires on Maui, and for other purpose.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2024

Mr. CASE introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committees on Ways and Means, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide loans and other financial assistance to small businesses affected by the wildfires on Maui, and for other purpose.

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 “Healing and Economic
5 Advancement for Local businesses in Maui Act” or the
6 “HEAL Maui Act”.

7 **SEC. 2. EMERGENCY EIDL GRANTS.**

8 (a) DEFINITIONS.—In this section—

1 (1) the term “covered entity” means—

2 (A) a business with not more than 500 em-
3 ployees;

4 (B) any individual who operates under a
5 sole proprietorship, with or without employees,
6 or as an independent contractor;

7 (C) a cooperative with not more than 500
8 employees;

9 (D) an ESOP (as defined in section 3 of
10 the Small Business Act (15 U.S.C. 632)) with
11 not more than 500 employees; or

12 (E) a tribal small business concern, as de-
13 scribed in section 31(b)(2)(C) of the Small
14 Business Act (15 U.S.C. 657a(b)(2)(C)), with
15 not more than 500 employees;

16 (2) the term “covered period” means the period
17 beginning on August 8, 2023, and ending on May
18 10, 2024;

19 (3) the term “eligible entity” means a covered
20 entity the principal office of which is located on
21 Maui and not fewer than 35 percent of the employ-
22 ees of which reside on Maui; and

23 (4) the term “Hawai’i Wildfires” means
24 wildfires occurring in Hawai’i during the period be-

1 ginning on August 1, 2023, and ending on Sep-
2 tember 30, 2023.

3 (b) ELIGIBLE ENTITIES.—During the covered period,
4 in addition to small business concerns, private nonprofit
5 organizations, and small agricultural cooperatives, an eli-
6 gible entity shall be eligible for a loan made under section
7 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).

8 (c) TERMS; CREDIT ELSEWHERE.—With respect to
9 a loan made under section 7(b)(2) of the Small Business
10 Act (15 U.S.C. 636(b)(2)) during the covered period in
11 response to the Hawai'i Wildfires, the Administrator shall
12 waive—

13 (1) any rules related to personal guarantee on
14 advances and loans of not more than \$200,000 dur-
15 ing the covered period for all applicants;

16 (2) the requirement that an applicant needs to
17 be in business for the 1-year period before the dis-
18 aster, except that no waiver may be made for a busi-
19 ness that was not in operation on August 8, 2023;
20 and

21 (3) the requirement in the flush matter fol-
22 lowing subparagraph (E) of section 7(b)(2) of the
23 Small Business Act (15 U.S.C. 636(b)(2)) that an
24 applicant be unable to obtain credit elsewhere.

1 (d) APPROVAL AND ABILITY TO REPAY FOR SMALL
2 DOLLAR LOANS.—With respect to a loan made under sec-
3 tion 7(b)(2) of the Small Business Act (15 U.S.C.
4 636(b)(2)) during the covered period in response to the
5 Hawai‘i Wildfires, the Administrator may—

6 (1) approve an applicant based solely on the
7 credit score of the applicant and shall not require an
8 applicant to submit a tax return or a tax return
9 transcript for such approval; or

10 (2) use alternative appropriate methods to de-
11 termine an applicant’s ability to repay.

12 (e) EMERGENCY GRANT.—

13 (1) IN GENERAL.—During the covered period,
14 an entity made eligible for a loan under section
15 7(b)(2) of the Small Business Act (15 U.S.C.
16 636(b)(2)) by subsection (b) of this Act, including
17 small business concerns, private nonprofit organiza-
18 tions, and small agricultural cooperatives, that ap-
19 plies for a loan under such section 7(b)(2) in re-
20 sponse to the Hawai‘i Wildfires may request that the
21 Administrator provide to such entity an advance
22 that is, subject to paragraph (4), in the amount re-
23 quested by such entity.

24 (2) TIMING.—The Administrator shall provide
25 an advance under this subsection to the entity re-

1 requesting such advance not later than three days
2 after the Administrator receives from such entity an
3 application for a loan under section 7(b)(2) of the
4 Small Business Act (15 U.S.C. 636(b)(2)) in re-
5 sponse to the Hawai'i Wildfires, a request for such
6 advance, and the self-certification required by para-
7 graph (3).

8 (3) VERIFICATION.—

9 (A) IN GENERAL.—An entity seeking an
10 advance under this subsection shall submit to
11 the Administrator, under penalty of perjury
12 pursuant to section 1746 of title 28, United
13 States Code, a self-certification that such entity
14 is an eligible entity.

15 (B) TIMING.—The Administrator may not
16 disburse any amounts under this subsection to
17 an entity before such entity submits a self-cer-
18 tification under subparagraph (A).

19 (4) AMOUNT.—The amount of an advance pro-
20 vided under this subsection shall be not more than
21 \$15,000.

22 (5) PRIORITIZATION.—

23 (A) IN GENERAL.—The Administrator
24 shall prioritize providing advances under this

1 subsection to eligible entities that experienced
2 economic loss of not less than 30 percent.

3 (B) ECONOMIC LOSS DEFINED.—In this
4 paragraph, the term “economic loss” means,
5 with respect to an eligible entity—

6 (i) the amount by which the gross re-
7 ceipts of the eligible entity declined during
8 an 8-week period between August 8, 2023,
9 and May 10, 2024, relative to a com-
10 parable 8-week period between January 1,
11 2022, and August 7, 2023; or

12 (ii) if the eligible entity is a seasonal
13 business concern, such other amount deter-
14 mined appropriate by the Administrator.

15 (6) USE OF FUNDS.—An advance provided
16 under this subsection may be used to address any al-
17 lowable purpose for a loan made under section
18 7(b)(2) of the Small Business Act (15 U.S.C.
19 636(b)(2)), including—

20 (A) maintaining payroll to retain employ-
21 ees during business disruptions or substantial
22 slowdowns;

23 (B) paying increased costs to obtain mate-
24 rials due to disruptions to supply chains;

1 (C) making rent or mortgage payments;
2 and

3 (D) repaying obligations that cannot be
4 met due to revenue losses.

5 (7) REPAYMENT.—

6 (A) IN GENERAL.—An entity shall not be
7 required to repay any amounts of an advance
8 provided under this subsection, even if subse-
9 quently denied a loan under section 7(b)(2) of
10 the Small Business Act (15 U.S.C. 636(b)(2)).

11 (B) TAX TREATMENT.—For purposes of
12 the Internal Revenue Code of 1986—

13 (i) no amount shall be included in the
14 gross income of the eligible recipient by
15 reason of subparagraph (A),

16 (ii) no deduction shall be denied, no
17 tax attribute shall be reduced, and no basis
18 increase shall be denied, by reason of the
19 exclusion from gross income provided by
20 clause (i), and

21 (iii) in the case of an eligible recipient
22 that is a partnership or S corporation—

23 (I) any amount excluded from in-
24 come by reason of clause (i) shall be
25 treated as tax exempt income for pur-

1 poses of sections 705 and 1366 of
2 title 26, and

3 (II) except as provided by the
4 Secretary of the Treasury (or the Sec-
5 retary's delegate), any increase in the
6 adjusted basis of a partner's interest
7 in a partnership under section 705 of
8 title 26 with respect to any amount
9 described in subclause (I) shall equal
10 the partner's distributive share of de-
11 ductions resulting from costs paid in
12 accordance with paragraph (6) using
13 amounts from an advance provided
14 under this section.

15 (8) SUBSEQUENT LOAN GRANT.—If an entity
16 that receives an advance under this subsection trans-
17 fers into, or is approved for, the loan program under
18 paragraph (38) of section 7(a) of the Small Business
19 Act (15 U.S.C. 636(a)), the advance amount shall be
20 reduced from the loan forgiveness amount for a loan
21 for payroll costs made under such paragraph (38).

22 (9) AUTHORIZATION OF APPROPRIATIONS.—
23 There is authorized to be appropriated to the Ad-
24 ministration \$1,000,000,000 to carry out this sub-
25 section.

1 (10) **TERMINATION.**—The authority to make
2 advances under this subsection shall terminate on
3 May 10, 2024.

4 (f) **APPROPRIATIONS.**—There is appropriated, out of
5 amounts in the Treasury not otherwise appropriated, for
6 the fiscal year ending September 30, 2023, to remain
7 available until September 30, 2024, for additional
8 amounts \$1,000,000,000 under the heading “Small Busi-
9 ness Administration—Emergency EIDL Grants” for car-
10 rying out this section.

11 **SEC. 3. MAUI WILDFIRE PAYCHECK PROTECTION PRO-**
12 **GRAM.**

13 (a) **IN GENERAL.**—Section 7(a) of the small Business
14 Act (15 U.S.C. 636(a)) is amended—

15 (1) in paragraph (2)—

16 (A) in subparagraph (A), in the matter
17 preceding clause (i), by striking “and (F)” and
18 inserting “(F), and (G)”; and

19 (B) by adding at the end the following new
20 subparagraph:

21 “(G) **PARTICIPATION IN THE MAUI WILD-**
22 **FIRE PAYCHECK PROTECTION PROGRAM.**—In an
23 agreement to participate in a loan on a deferred
24 basis under paragraph (38), the participation

1 by the Administration shall be 100 percent.”;
2 and

3 (2) by adding at the end the following new
4 paragraph:

5 “(38) MAUI WILDFIRE PAYCHECK PROTECTION
6 PROGRAM.—

7 “(A) DEFINITIONS.—In this paragraph—

8 “(i) the terms ‘appropriate Federal
9 banking agency’, ‘insured depository insti-
10 tution’, ‘eligible self-employed individual’,
11 ‘insured credit union’, ‘nonprofit organiza-
12 tion’, ‘payroll costs’ and ‘veterans organi-
13 zation’ have the meanings given such
14 terms under paragraph (36)(A);

15 “(ii) the term ‘covered loan’ means a
16 loan made under this paragraph during the
17 covered period;

18 “(iii) the term ‘covered period’ means
19 the period beginning on August 8, 2023,
20 and ending on May 10, 2024; and

21 “(iv) the term ‘eligible recipient’
22 means an individual or entity that is eligi-
23 ble to receive a covered loan.

24 “(B) MAUI WILDFIRE PAYCHECK PROTEC-
25 TION PROGRAM.—Except as otherwise provided

1 in this paragraph, the Administrator may guar-
2 antee covered loans under the same terms, con-
3 ditions, and processes as a loan made under
4 this subsection.

5 “(C) REGISTRATION OF LOANS.—Not later
6 than 15 days after the date on which a loan is
7 made under this paragraph, the Administration
8 shall register the loan using the TIN (as de-
9 fined in section 7701 of title 26) assigned to
10 the borrower.

11 “(D) INCREASED ELIGIBILITY FOR CER-
12 TAIN SMALL BUSINESS AND ORGANIZATIONS.—

13 “(i) INCLUSION OF SOLE PROPRI-
14 ETORS, INDEPENDENT CONTRACTORS, AND
15 ELIGIBLE SELF-EMPLOYED INDIVID-
16 UALS.—

17 “(I) IN GENERAL.—During the
18 covered period, individuals who oper-
19 ate under a sole proprietorship or as
20 an independent contractor and eligible
21 self-employed individuals shall be eli-
22 gible to receive a covered loan.

23 “(II) DOCUMENTATION.—An eli-
24 gible self-employed individual, inde-
25 pendent contractor, or sole proprietor-

1 ship seeking a covered loan shall sub-
2 mit such documentation as deter-
3 mined necessary by the Administrator
4 and the Secretary, to establish the ap-
5 plicant as eligible.

6 “(ii) BUSINESS CONCERNS WITH
7 MORE THAN 1 PHYSICAL LOCATION.—Dur-
8 ing the covered period, any business con-
9 cern that employs not more than 500 em-
10 ployees per physical location of the busi-
11 ness concern and that is assigned a North
12 American Industry Classification System
13 code beginning with 72 at the time of dis-
14 bursal shall be eligible to receive a covered
15 loan.

16 “(iii) WAIVER OF AFFILIATION
17 RULES.—During the covered period, the
18 provisions applicable to affiliations under
19 section 121.103 of title 13, Code of Fed-
20 eral Regulations, or any successor regula-
21 tion, are waived with respect to eligibility
22 for a covered loan for—

23 “(I) any business concern with
24 not more than 500 employees that, as
25 of the date on which the covered loan

1 is disbursed, is assigned a North
2 American Industry Classification Sys-
3 tem code beginning with 72;

4 “(II) any business concern oper-
5 ating as a franchise that is assigned a
6 franchise identifier code by the Ad-
7 ministration; and

8 “(III) any business concern that
9 receives financial assistance from a
10 company licensed under section 301 of
11 the Small Business Investment Act of
12 1958 (15 U.S.C. 681).

13 “(iv) AFFILIATION.—The provisions
14 applicable to affiliations under section
15 121.103 of title 13, Code of Federal Regu-
16 lations, or any successor thereto, shall
17 apply with respect to a nonprofit organiza-
18 tion and a veterans organization in the
19 same manner as with respect to a small
20 business concern.

21 “(E) MAXIMUM LOAN AMOUNT.—During
22 the covered period, with respect to a covered
23 loan, the maximum loan amount shall be the
24 lesser of—

25 “(i)(I) the sum of—

1 “(aa) the product obtained by
2 multiplying—

3 “(AA) the average total
4 monthly payments by the appli-
5 cant for payroll costs incurred
6 during the 1-year period before
7 the date on which the loan is
8 made, except that, in the case of
9 an applicant that is seasonal em-
10 ployer, as determined by the Ad-
11 ministrator, the average total
12 monthly payments for payroll
13 shall be for any 12-week period
14 selected by the seasonal employer
15 that is between August 8, 2023,
16 and May 10, 2024 and ends be-
17 fore the date on which the loan is
18 made; by

19 “(BB) 2.5; and

20 “(bb) the outstanding amount of
21 a loan under subsection (b)(2) that
22 was made during the period beginning
23 on August 8, 2023, and ending on the
24 date on which covered loans are made

1 available to be refinanced under the
2 covered loan; or

3 “(II) if requested by an otherwise eli-
4 gible recipient that was not in business
5 during the period beginning on August 8,
6 2022, and ending on May 10, 2023, the
7 sum of—

8 “(aa) the product obtained by
9 multiplying—

10 “(AA) the average total
11 monthly payments by the appli-
12 cant for payroll costs incurred
13 during the period beginning on
14 May 11, 2023, and ending on
15 August 8, 2023; by

16 “(BB) 2.5; and

17 “(bb) the outstanding amount of
18 a loan under subsection (b)(2) that
19 was made during the period beginning
20 on August 8, 2023, and ending on the
21 date on which covered loans are made
22 available to be refinanced under the
23 covered loan; or

24 “(ii) the costs, expenses, and expendi-
25 tures described in subclauses (I) through

1 (XI) of subparagraph (F)(i) that were in-
2 curred by the applicant during the covered
3 period with respect to employees of the ap-
4 plicant on Maui, up to \$10,000,000.

5 “(F) ALLOWABLE USES OF COVERED
6 LOANS.—

7 “(i) IN GENERAL.—During the cov-
8 ered period, an eligible recipient may, in
9 addition to the allowable uses of a loan
10 made under this subsection, use the pro-
11 ceeds of the covered loan for any of the fol-
12 lowing costs, expenses, or expenditures in-
13 curred with respect to employees, property,
14 or operations of the eligibility recipient on
15 Maui:

16 “(I) Payroll costs.

17 “(II) Costs related to the con-
18 tinuation of group health care benefits
19 during periods of paid sick, medical,
20 or family leave, and insurance pre-
21 miums.

22 “(III) Employee salaries, com-
23 missions, or similar compensations.

24 “(IV) Payments of interest on
25 any mortgage obligation (which shall

1 not include any prepayment of or pay-
2 ment of principal on a mortgage obli-
3 gation).

4 “(V) Rent (including rent under
5 a lease agreement).

6 “(VI) Utilities.

7 “(VII) Interest on any other debt
8 obligations that were incurred before
9 the covered period.

10 “(VIII) Covered operations ex-
11 penditures, as defined in section 4(a)
12 of the Healing and Economic Ad-
13 vancement for Local businesses in
14 Maui Act.

15 “(IX) Covered property damage
16 costs, as defined in such section.

17 “(X) Covered supplier costs, as
18 defined in such section.

19 “(XI) Covered worker protection
20 expenditures, as defined in such sec-
21 tion.

22 “(ii) DELEGATED AUTHORITY.—

23 “(I) IN GENERAL.—For purposes
24 of making covered loans for the pur-
25 poses described in clause (i), a lender

1 approved to make loans under this
2 subsection shall be deemed to have
3 been delegated authority by the Ad-
4 ministrator to make and approve cov-
5 ered loans, subject to the provisions of
6 this paragraph.

7 “(II) CONSIDERATIONS.—In eval-
8 uating the eligibility of a borrower for
9 a covered loan with the terms de-
10 scribed in this paragraph, a lender
11 shall consider whether the borrower—

12 “(aa) was in operation on
13 August 8, 2023; and

14 “(bb)(AA) had employees
15 for whom the borrower paid sala-
16 ries and payroll taxes; or

17 “(BB) paid independent
18 contractors, as reported on a
19 Form 1099–MISC.

20 “(iii) ADDITIONAL LENDERS.—The
21 authority to make loans under this para-
22 graph shall be extended to additional lend-
23 ers determined by the Administrator and
24 the Secretary of the Treasury to have the
25 necessary qualifications to process, close,

1 disburse and service loans made with the
2 guarantee of the Administration.

3 “(iv) REFINANCE.—A loan made
4 under subsection (b)(2) during the period
5 beginning on August 8, 2023, and ending
6 on the date on which covered loans are
7 made available may be refinanced as part
8 of a covered loan.

9 “(v) NONRECOURSE.—Notwith-
10 standing the waiver of the personal guar-
11 antee requirement or collateral under sub-
12 paragraph (J), the Administrator shall
13 have no recourse against any individual
14 shareholder, member, or partner of an eli-
15 gible recipient of a covered loan for non-
16 payment of any covered loan, except to the
17 extent that such shareholder, member, or
18 partner uses the covered loan proceeds for
19 a purpose not authorized under clause (i)
20 or (iv).

21 “(G) CERTIFICATION.—An eligible recipi-
22 ent applying for a covered loan shall make a
23 good faith certification—

24 “(i) that the uncertainty of current
25 economic conditions makes necessary the

1 loan request to support the ongoing oper-
2 ations of the eligible recipient;

3 “(ii) acknowledging that funds will be
4 used to retain workers and maintain pay-
5 roll or make mortgage payments, lease
6 payments, and utility payments;

7 “(iii) that the eligible recipient does
8 not have an application pending for a loan
9 under this subsection for the same purpose
10 and duplicative of amounts applied for or
11 received under a covered loan; and

12 “(iv) during the covered period, that
13 the eligible recipient has not received
14 amounts under this subsection for the
15 same purpose and duplicative of amounts
16 applied for or received under a covered
17 loan.

18 “(H) FEE WAIVER.—With respect to a
19 covered loan—

20 “(i) in lieu of the fee otherwise appli-
21 cable under paragraph (23)(A), the Ad-
22 ministrator shall collect no fee; and

23 “(ii) in lieu of the fee otherwise appli-
24 cable under paragraph (18)(A), the Ad-
25 ministrator shall collect no fee.

1 “(I) CREDIT ELSEWHERE.—During the
2 covered period, the requirement that a small
3 business concern is unable to obtain credit else-
4 where, as defined in section 3(h), shall not
5 apply to a covered loan.

6 “(J) WAIVER OF PERSONAL GUARANTEE
7 REQUIREMENT.—With respect to a covered
8 loan—

9 “(i) no personal guarantee shall be re-
10 quired for the covered loan; and

11 “(ii) no collateral shall be required for
12 the covered loan.

13 “(K) MATURITY FOR LOANS WITH RE-
14 MAINING BALANCE AFTER APPLICATION OF
15 FORGIVENESS.—With respect to a covered loan
16 that has a remaining balance after reduction
17 based on the loan forgiveness amount under
18 section 4 of the Healing and Economic Ad-
19 vancement for Local businesses in Maui Act—

20 “(i) the remaining balance shall con-
21 tinue to be guaranteed by the Administra-
22 tion under this subsection; and

23 “(ii) the covered loan shall have a
24 maximum maturity of 10 years from the

1 date on which the borrower applies for
2 loan forgiveness under that section.

3 “(L) INTEREST RATE REQUIREMENTS.—A
4 covered loan shall bear an interest rate not to
5 exceed 4 percent, calculated on a non-
6 compounding, non-adjustable basis.

7 “(M) LOAN DEFERMENT.—

8 “(i) DEFINITION OF IMPACTED BOR-
9 ROWER.—

10 “(I) IN GENERAL.—In this sub-
11 paragraph, the term ‘impacted bor-
12 rower’ means an eligible recipient
13 that—

14 “(aa) was in operation on
15 August 8, 2023; and

16 “(bb) has an application for
17 a covered loan that is approved
18 or pending approval on or after
19 the date of the enactment of this
20 paragraph.

21 “(II) PRESUMPTION.—For pur-
22 poses of this subparagraph, an im-
23 pacted borrower is presumed to have
24 been adversely impacted by the Ha-
25 wai’i Wildfires.

1 “(ii) DEFERRAL.—During the covered
2 period, the Administrator shall—

3 “(I) consider each eligible recipi-
4 ent that applies for a covered loan to
5 be an impacted borrower; and

6 “(II) require lenders under this
7 subsection to provide complete pay-
8 ment deferment relief for impacted
9 borrowers with covered loans for a pe-
10 riod of not less than 6 months, includ-
11 ing payment of principal, interest, and
12 fees, and not more than 1 year.

13 “(iii) SECONDARY MARKET.—During
14 the covered period, with respect to a cov-
15 ered loan that is sold on the secondary
16 market, if an investor declines to approve
17 a deferral requested by a lender under
18 clause (ii), the Administrator shall exercise
19 the authority to purchase the loan so that
20 the impacted borrower may receive a defer-
21 ral for a period of not less than 6 months,
22 including payment of principal, interest,
23 and fees, and not more than 1 year.

24 “(iv) GUIDANCE.—Not later than 30
25 days after the date of enactment of this

1 paragraph, the Administrator shall provide
2 guidance to lenders under this paragraph
3 on the deferment process described in this
4 subparagraph.

5 “(N) SECONDARY MARKET SALES.—A cov-
6 ered loan shall be eligible to be sold in the sec-
7 ondary market consistent with this subsection.
8 The Administrator may not collect any fee for
9 any guarantee sold into the secondary market
10 under this subparagraph.

11 “(O) REGULATORY CAPITAL REQUIRE-
12 MENTS.—

13 “(i) RISK WEIGHT.—With respect to
14 the appropriate Federal banking agencies
15 or the National Credit Union Administra-
16 tion Board applying capital requirements
17 under their respective risk-based capital re-
18 quirements, a covered loan shall receive a
19 risk weight of zero percent.

20 “(ii) TEMPORARY RELIEF FROM TDR
21 DISCLOSURES.—Notwithstanding any other
22 provision of law, an insured depository in-
23 stitution or an insured credit union that
24 modifies a covered loan in relation to
25 Hawai‘i Wildfire-related difficulties in a

1 troubled debt restructuring on or after Au-
2 gust 8, 2023, shall not be required to com-
3 ply with the Financial Accounting Stand-
4 ards Board Accounting Standards Codi-
5 fication Subtopic 310–40 (‘Receivables -
6 Troubled Debt Restructurings by Credi-
7 tors’) for purposes of compliance with the
8 requirements of the Federal Deposit Insur-
9 ance Act (12 U.S.C. 1811 et seq.), until
10 such time and under such circumstances as
11 the appropriate Federal banking agency or
12 the National Credit Union Administration
13 Board, as applicable, determines appro-
14 priate.

15 “(P) REIMBURSEMENT FOR PROC-
16 ESSING.—

17 “(i) IN GENERAL.—The Administrator
18 shall reimburse a lender authorized to
19 make a covered loan at a rate, based on
20 the balance of the financing outstanding at
21 the time of disbursement of the covered
22 loan, of—

23 “(I) the lesser of 50 percent of
24 such balance or \$2,500 for a covered
25 loan of not more than \$50,000;

1 “(II) 5 percent for a covered loan
2 of more than \$50,000 and not more
3 than \$350,000;

4 “(III) 3 percent for a covered
5 loan of more than \$350,000 and less
6 than \$2,000,000; and

7 “(IV) 1 percent for a covered
8 loan of not less than \$2,000,000.

9 “(ii) FEE LIMITS.—An agent that as-
10 sists an eligible recipient to prepare an ap-
11 plication for a covered loan may not collect
12 a fee in excess of the limits established by
13 the Administrator. If an eligible recipient
14 has knowingly retained an agent, such fees
15 shall be paid by the eligible recipient and
16 may not be paid out of the proceeds of a
17 covered loan. A lender shall only be respon-
18 sible for paying fees to an agent for serv-
19 ices for which the lender directly contracts
20 with the agent.

21 “(iii) TIMING.—A reimbursement de-
22 scribed in clause (i) shall be made not later
23 than 5 days after the disbursement of the
24 covered loan.

1 “(Q) DUPLICATION.—Nothing in this
2 paragraph shall prohibit a recipient of an eco-
3 nomic injury disaster loan made under sub-
4 section (b)(2) during the period beginning on
5 August 8, 2023, and ending on the date on
6 which covered loans are made available that is
7 for a purpose other than paying payroll costs or
8 any other purpose described in subparagraph
9 (F) from receiving assistance under this para-
10 graph.

11 “(R) WAIVER OF PREPAYMENT PEN-
12 ALTY.—Notwithstanding any other provision of
13 law, there shall be no prepayment penalty for
14 any payment made on a covered loan.”.

15 (b) SET-ASIDES FOR INSURED DEPOSITORY INSTI-
16 TUTIONS, CREDIT UNIONS, AND COMMUNITY FINANCIAL
17 INSTITUTIONS.—

18 (1) INSURED DEPOSITORY INSTITUTIONS AND
19 CREDIT UNIONS.—In making loan guarantees under
20 paragraph (38) of section 7(a) of the Small Business
21 Act (15 U.S.C. 636(a)), the Administrator of the
22 Small Business Administration shall guarantee not
23 less than \$30,000,000,000 in loans made by—

24 (A) insured depository institutions with
25 consolidated assets of not less than

1 \$10,000,000,000 and less than
2 \$50,000,000,000; and

3 (B) credit unions with consolidated assets
4 of not less than \$10,000,000,000 and less than
5 \$50,000,000,000.

6 (2) COMMUNITY FINANCIAL INSTITUTIONS,
7 SMALL INSURED DEPOSITORY INSTITUTIONS, AND
8 CREDIT UNIONS.—In making loan guarantees under
9 paragraph (38) of section 7(a) of the Small Business
10 Act (15 U.S.C. 636(a)), the Administrator of the
11 Small Business Administration shall guarantee not
12 less than \$30,000,000,000 in loans made by—

13 (A) community financial institutions;

14 (B) insured depository institutions with
15 consolidated assets of less than
16 \$10,000,000,000; and

17 (C) credit unions with consolidated assets
18 of less than \$10,000,000,000.

19 (3) DEFINITIONS.—In this subsection, the
20 terms “community financial institution”, “credit
21 union”, and “insured depository institution” have
22 the meanings given such terms in section
23 7(a)(36)(A) of the Small Business Act (15 U.S.C.
24 636(a)(36)(A)).

1 (c) COMMITMENTS FOR 7(A) LOANS.—During the pe-
2 riod beginning on August 8, 2023, and ending on May
3 10, 2024—

4 (1) the amount authorized for commitments for
5 loans authorized under paragraph (38) of section
6 7(a) of the Small Business Act (15 U.S.C. 636(a)),
7 as added by subsection (a) of this section, shall be
8 \$400,000,000,000; and

9 (2) the amount authorized for commitments for
10 general business loans under the heading “Business
11 Loans Program Account” in title V of the Financial
12 Services and General Government Appropriations
13 Act, 2023 (division E of Public Law 117–328) shall
14 not apply with respect to the loans described in
15 paragraph (1).

16 (d) EXPRESS LOANS.—Section 7(a)(31)(D) of the
17 Small Business Act (15 U.S.C. 636(a)(31)(D)) is amend-
18 ed by striking “\$500,000” and inserting “\$1,000,000”.

19 **SEC. 4. LOAN FORGIVENESS.**

20 (a) DEFINITIONS.—In this section:

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

23 (2) ADMINISTRATOR.—The term “Adminis-
24 trator” means the Administrator of the Small Busi-
25 ness Administration.

1 (3) COVERED LOAN.—The term “covered loan”
2 means—

3 (A) a loan of more than \$500 made under
4 paragraph (1) or (2) of section 7(b) of the
5 Small Business Act (15 U.S.C. 636(b)) during
6 the period beginning on August 8, 2023, and
7 ending on May 10, 2024 in response to the Ha-
8 wai'i Wildfires; or

9 (B) a loan guaranteed under paragraph
10 (38) of section 7(a) of such Act (15 U.S.C.
11 636(a)), as added by section 3(a).

12 (4) COVERED MORTGAGE OBLIGATION.—The
13 term “covered mortgage obligation” means any in-
14 debtedness or debt instrument incurred in the ordi-
15 nary course of business that—

16 (A) is a liability of the borrower;

17 (B) is a mortgage on real or personal
18 property; and

19 (C) was incurred before August 8, 2023.

20 (5) COVERED OPERATIONS EXPENDITURE.—
21 The term “covered operations expenditure” has the
22 meaning given such term in section 7A(a) of the
23 Small Business Act (15 U.S.C. 636m(a)).

24 (6) COVERED PERIOD.—The term “covered pe-
25 riod” means the period—

1 (A) beginning on the date of the origina-
2 tion of a covered loan; and

3 (B) ending on a date selected by the eligi-
4 ble recipient of the covered loan that occurs
5 during the period—

6 (i) beginning on the date that is 8
7 weeks after such date of origination; and

8 (ii) ending on the date that is 24
9 weeks after such date of origination.

10 (7) COVERED PROPERTY DAMAGE COST.—The
11 term “covered property damage cost” means a cost
12 related to property damage and vandalism or looting
13 due to public disturbances that occurred during the
14 period beginning on August 8, 2023, and ending on
15 May 10, 2024 that was not covered by insurance or
16 other compensation.

17 (8) COVERED RENT OBLIGATION.—The term
18 “covered rent obligation” means rent obligated
19 under a leasing agreement in force before August 8,
20 2023.

21 (9) COVERED SUPPLIER COST.—The term “cov-
22 ered supplier cost” means an expenditure made by
23 an entity to a supplier of goods for the supply of
24 goods that—

1 (A) are essential to the operations of the
2 entity at the time at which the expenditure is
3 made; and

4 (B) is made pursuant to a contract, order,
5 or purchase order—

6 (i) in effect at any time before the
7 covered period with respect to the applica-
8 ble covered loan; or

9 (ii) with respect to perishable goods,
10 in effect before or at any time during the
11 covered period with respect to the applica-
12 ble covered loan.

13 (10) COVERED UTILITY PAYMENT.—The term
14 “covered utility payment” means payment for a
15 service for the distribution of electricity, gas, water,
16 transportation, telephone, or internet access for
17 which service began before August 8, 2023.

18 (11) ELIGIBLE RECIPIENT.—The term “eligible
19 recipient” means the recipient of a covered loan.

20 (12) EXPECTED FORGIVENESS AMOUNT.—The
21 term “expected forgiveness amount” means—

22 (A) with respect to a covered loan de-
23 scribed in paragraph (3)(A), the amount of
24 principal of such loan that a lender reasonably
25 expects a borrower to expend during the cov-

1 ered period on costs payable using such covered
2 loan under section 7(b) of the Small Business
3 Act (15 U.S.C. 636(b)); and

4 (B) with respect to a covered loan de-
5 scribed in paragraph (3)(B), the amount of
6 principal of such covered loan that a lender rea-
7 sonably expects a borrower to expend during
8 the covered period on the sum of any—

9 (i) payroll costs;

10 (ii) payments of interest on any cov-
11 ered mortgage obligation (which shall not
12 include any prepayment of or payment of
13 principal on a covered mortgage obliga-
14 tion);

15 (iii) payments on any covered rent ob-
16 ligation;

17 (iv) covered utility payments;

18 (v) covered operations expenditures;

19 (vi) covered property damage costs;

20 and

21 (vii) covered supplier costs.

22 (13) HAWAII WILDFIRES.—The term “Hawai’i
23 Wildfires” has the meanings given such term in sec-
24 tion 2(a).

25 (14) PAYROLL COSTS; SEASONAL EMPLOYER.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), the terms “payroll costs”
3 and “seasonal employer” have the meanings
4 given those terms in section 7(a)(36)(A) of the
5 Small Business Act (15 U.S.C. 636(a)(36)(A)).

6 (B) PAYROLL COSTS EXCLUSIONS.—The
7 term “payroll costs” shall not include qualified
8 wages taken into account in determining the
9 credit allowed under section 2301 of the
10 CARES Act (26 U.S.C. 3111 note), qualified
11 wages taken into account in determining the
12 credit allowed under subsection (a) or (d) of
13 section 303 of the Taxpayer Certainty and Dis-
14 aster Relief Act of 2020 (Public Law 116–260;
15 134 Stat. 3075), or premiums taken into ac-
16 count in determining the credit allowed under
17 section 6432 of the Internal Revenue Code of
18 1986.

19 (15) PRIVATE SCHOOL.—The term “private
20 school” means an institution of higher education (as
21 such term is defined in section 101(a) of the Higher
22 Education Act of 1965 (20 U.S.C. 1001(a)) that is
23 not a public institution.

24 (b) FORGIVENESS AND WAIVERS.—

1 (1) PAYROLL LOANS.—A recipient of a covered
2 loan described in subsection (a)(3)(B) shall be eligi-
3 ble for forgiveness of indebtedness on such covered
4 loan in an amount equal to the sum of the following
5 costs incurred and payments made during the cov-
6 ered period:

7 (A) Payroll costs.

8 (B) Any payment of interest on any cov-
9 ered mortgage obligation (which shall not in-
10 clude any prepayment of or payment of prin-
11 cipal on a covered mortgage obligation).

12 (C) Any payment on any covered rent obli-
13 gation.

14 (D) Any covered utility payment.

15 (E) Any covered operations expenditure.

16 (F) Any covered property damage cost.

17 (G) Any covered supplier cost.

18 (2) DISASTER LOANS.—

19 (A) IN GENERAL.—Except as provided by
20 subparagraph (B), a recipient of a covered loan
21 described in subsection (a)(3)(A) shall, at the
22 election of the recipient, be eligible for—

23 (i) forgiveness of indebtedness on such
24 covered loan in amount equal to the lesser
25 of—

1 (I) the amount by which such
2 covered loan exceeds \$500; and

3 (II) \$1800; or

4 (ii) a waiver of interest charges on
5 such covered loan, except that—

6 (I) the total amount of interest
7 waived under such waiver may not ex-
8 ceed \$1800; and

9 (II) such waiver may last not
10 more than three years.

11 (B) PRIVATE SCHOOLS.—A recipient of a
12 covered loan described in subsection (a)(3)(A)
13 that is a private school shall, at the election of
14 the recipient, be eligible for—

15 (i) forgiveness of indebtedness on such
16 covered loan as described in subparagraph
17 (A)(i); or

18 (ii) a waiver of interest and principal
19 charges on such covered.

20 (c) TREATMENT OF AMOUNTS FORGIVEN AND
21 WAIVED.—

22 (1) IN GENERAL.—Amounts which have been
23 forgiven under this section shall be considered can-
24 celed indebtedness by the lender.

1 (2) PURCHASE OF GUARANTEES.—For purposes
2 of the purchase of the guarantee for a covered loan
3 by the Administrator, amounts which are forgiven
4 under this section shall be treated in accordance
5 with the procedures that are otherwise applicable to
6 a loan guaranteed under section 7(a) of the Small
7 Business Act (15 U.S.C. 636(a)).

8 (3) REMITTANCES.—

9 (A) FORGIVEN AMOUNTS.—Not later than
10 90 days after the date on which the amount of
11 forgiveness under this section is determined
12 with respect to a covered loan described in sub-
13 section (a)(3)(B), and not later the two weeks
14 after the date on which the amount of forgive-
15 ness under this section is determined with re-
16 spect to a covered loan described in subsection
17 (a)(3)(A), the Administrator shall remit to the
18 lender an amount equal to the amount of for-
19 giveness, plus any interest accrued through the
20 date of payment.

21 (B) INTEREST WAIVED.—During the pe-
22 riod interest charges are waived under subpara-
23 graphs (A)(ii) or (B)(ii) of subsection (b)(2) on
24 a covered loan in which any individual or entity
25 other than the Administrator is participating,

1 the Administrator shall pay to each individual
2 and entity participating in the covered loan the
3 interest that, but for such subsection, would be
4 owed to such individual or entity at the time
5 such interest would be due.

6 (4) ADVANCE PURCHASE OF COVERED
7 LOANS.—

8 (A) REPORT.—A lender authorized under
9 subsections (a) or (b) of section 7 of the Small
10 Business Act (15 U.S.C. 636), or, at the discre-
11 tion of the Administrator, a third party partici-
12 pant in the secondary market, may, report to
13 the Administrator an expected forgiveness
14 amount on a covered loan or on a pool of cov-
15 ered loans of up to 100 percent of the principal
16 on the covered loan or pool of covered loans, re-
17 spectively.

18 (B) PURCHASE.—The Administrator shall
19 purchase the expected forgiveness amount de-
20 scribed in subparagraph (A) as if the amount
21 were the principal amount of a loan guaranteed
22 under section 7(a) of the Small Business Act
23 (15 U.S.C. 636(a)).

24 (C) TIMING.—Not later than 15 days after
25 the date on which the Administrator receives a

1 report under subparagraph (A), the Adminis-
2 trator shall purchase the expected forgiveness
3 amount under subparagraph (B) with respect to
4 each covered loan to which the report relates.

5 (d) APPLICATION.—

6 (1) 7(A) LOANS.—An eligible recipient seeking
7 loan forgiveness with respect to a covered loan de-
8 scribed in subsection (a)(3)(B) under this section
9 shall submit to the lender that is servicing the cov-
10 ered loan an application, which shall include—

11 (A) documentation verifying the number of
12 full-time equivalent employees on payroll and
13 pay rates to support such loan forgiveness, in-
14 cluding—

15 (i) payroll tax filings reported to the
16 Internal Revenue Service; and

17 (ii) State income, payroll, and unem-
18 ployment insurance filings;

19 (B) documentation, including cancelled
20 checks, payment receipts, transcripts of ac-
21 counts, purchase orders, orders, invoices, or
22 other documents verifying payments on covered
23 mortgage obligations, payments on covered rent
24 obligations, payments on covered operations ex-
25 penditures, payments on covered property dam-

1 age costs, payments on covered supplier costs,
2 payments on covered worker protection expendi-
3 tures, and covered utility payments;

4 (C) a certification from a representative of
5 the eligible recipient authorized to make such
6 certifications that—

7 (i) the documentation presented is
8 true and correct; and

9 (ii) the amount for which forgiveness
10 is requested was used to retain employees,
11 make interest payments on a covered mort-
12 gage obligation, make payments on a cov-
13 ered rent obligation, make payments on
14 covered operations expenditures, make pay-
15 ments on covered property damage costs,
16 make payments on covered supplier costs,
17 make payments on covered worker protec-
18 tion expenditures, or make covered utility
19 payments; and

20 (D) any other documentation the Adminis-
21 trator determines necessary.

22 (2) DISASTER LOANS.—

23 (A) IN GENERAL.—An eligible recipient
24 seeking loan forgiveness with respect to a cov-
25 ered loan described in subsection (a)(3)(A)

1 under this section shall submit to the appro-
2 priate entity an application at such time, in
3 such manner, and containing such information
4 as the Administrator determines appropriate.

5 (B) APPROPRIATE ENTITY DEFINED.—In
6 this paragraph, the term “appropriate entity”
7 means—

8 (i) with respect to a covered loan de-
9 scribed in subsection (a)(3)(A) in which
10 the Administrator is participating on a
11 guaranteed basis, the lender that is serv-
12 icing the covered loan; and

13 (ii) in all other cases, the Adminis-
14 trator.

15 (e) PROHIBITION ON FORGIVENESS WITHOUT DOCU-
16 MENTATION.—No eligible recipient shall receive forgive-
17 ness under this section without submitting the documenta-
18 tion required under subsection (d).

19 (f) DECISION.—Not later than 60 days after the date
20 on which a lender or the Administrator receives an appli-
21 cation under subsection (e) for loan forgiveness under this
22 section from an eligible recipient, the lender or the Admin-
23 istrator, as applicable, shall issue a decision on the appli-
24 cation.

25 (g) HOLD HARMLESS.—

1 (1) RELIANCE.—A lender may rely on any cer-
2 tification or documentation submitted by an appli-
3 cant for a covered loan or an eligible recipient or eli-
4 gible entity receiving a covered loan that—

5 (A) is submitted pursuant to all applicable
6 statutory requirements, regulations, and guid-
7 ance related to such covered loan, including
8 under subsections (a)(38), as added by section
9 3(a) of this Act, and (b) section 7 of the Small
10 Business Act (15 U.S.C. 636) and under this
11 section; and

12 (B) attests that the applicant, eligible re-
13 cipient, or eligible entity, as applicable, has ac-
14 curately provided the certification or docu-
15 mentation to the lender in accordance with the
16 statutory requirements, regulations, and guid-
17 ance described in subparagraph (A).

18 (2) NO ENFORCEMENT ACTION.—With respect
19 to a lender that relies on a certification or docu-
20 mentation described in paragraph (1) related to cov-
21 ered loan, an enforcement action may not be taken
22 against the lender, and the lender shall not be sub-
23 ject to any penalties relating to loan origination or
24 forgiveness of the covered loan, if—

1 (A) the lender acts in good faith relating
2 to loan origination or forgiveness of the covered
3 loan based on that reliance; and

4 (B) all other relevant Federal, State, local,
5 and other statutory and regulatory require-
6 ments applicable to the lender are satisfied with
7 respect to the covered loan.

8 (h) TAX TREATMENT.—For purposes of the Internal
9 Revenue Code of 1986—

10 (1) no amount shall be included in the gross in-
11 come of the eligible recipient by reason of forgive-
12 ness of indebtedness or waivers described in sub-
13 section (b),

14 (2) no deduction shall be denied, no tax at-
15 tribute shall be reduced, and no basis increase shall
16 be denied, by reason of the exclusion from gross in-
17 come provided by paragraph (1), and

18 (3) in the case of an eligible recipient that is a
19 partnership or S corporation—

20 (A) any amount excluded from income by
21 reason of paragraph (1) shall be treated as tax
22 exempt income for purposes of sections 705 and
23 1366 of the Internal Revenue Code of 1986,
24 and

1 (B) except as provided by the Secretary of
2 the Treasury (or the Secretary's delegate), any
3 increase in the adjusted basis of a partner's in-
4 terest in a partnership under section 705 of the
5 Internal Revenue Code of 1986 with respect to
6 any amount described in subparagraph (A)
7 shall equal the partner's distributive share of
8 deductions resulting from costs giving rise to
9 forgiveness described in subsection (b) or from
10 charges waived as described in such subsection.

11 (i) **RULE OF CONSTRUCTION.**—The cancellation of
12 indebtedness on a covered loan under this section shall not
13 otherwise modify the terms and conditions of the covered
14 loan.

15 (j) **REGULATIONS.**—Not later than 30 days after the
16 date of enactment of this Act, the Administrator shall
17 issue guidance and regulations implementing this section.

18 **SEC. 5. MAUI WILDFIRE PAYCHECK PROTECTION PROGRAM**

19 **LOAN FACILITY.**

20 The Board of Governors of the Federal Reserve Sys-
21 tem shall, under section 13(3) of the Federal Reserve Act
22 (12 U.S.C. 343(3)), establish a Maui Wildfire Paycheck
23 Protection Program Liquidity Facility to provide loans to
24 entities making loans guaranteed under the Maui Wildfire
25 Paycheck Protection Program. In establishing the require-

1 ments for the Maui Wildfire Paycheck Protection Pro-
2 gram, the Board of Governors shall make the require-
3 ments as close as practicable to the requirements applica-
4 ble to the Paycheck Protection Program Liquidity Facil-
5 ity.

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