

**Calendar No. 254**114TH CONGRESS  
1ST SESSION**S. 1811**

To require the Administrator of the Small Business Administration to establish a program to make loans to certain businesses, homeowners, and renters affected by Superstorm Sandy.

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**IN THE SENATE OF THE UNITED STATES**

JULY 21, 2015

Mr. MENENDEZ (for himself, Mr. SCHUMER, Mrs. GILLIBRAND, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

OCTOBER 8, 2015

Reported by Mr. VITTER, with amendments

[Omit the part struck through and insert the part printed in *italic*]

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**A BILL**

To require the Administrator of the Small Business Administration to establish a program to make loans to certain businesses, homeowners, and renters affected by Superstorm Sandy.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Superstorm Sandy Re-  
3 lief and Disaster Loan Program Improvement Act of  
4 2015”.

5 **SEC. 2. FINDINGS.**

6 Congress finds the following:

7 (1) In 2012, Superstorm Sandy caused sub-  
8 stantial physical and economic damage to the United  
9 States, and New York in particular.

10 (2) For businesses and homeowners, the pri-  
11 mary means of obtaining long-term Federal financial  
12 assistance in the wake of disasters such as  
13 Superstorm Sandy is through the Small Business  
14 Administration’s Disaster Loan Program.

15 (3) With regard to the Small Business Adminis-  
16 tration’s operation of the Disaster Loan Program  
17 after Superstorm Sandy, the Government Account-  
18 ability Office found that the Administration did not  
19 meet its timeliness goals for processing business loan  
20 applications.

21 (4) According to the Government Accountability  
22 Office, the Small Business Administration stated  
23 that it was challenged by an unexpectedly high vol-  
24 ume of loan applications that it received early in its  
25 response to Superstorm Sandy.

1           (5) As a result, many businesses and home-  
 2           owners affected by Superstorm Sandy were unable  
 3           to apply for financing from the Small Business Ad-  
 4           ministration.

5 **SEC. 3. REVISED DISASTER DEADLINE.**

6           Section 7(d) of the Small Business Act (15 U.S.C.  
 7 636(d)) is amended by adding at the end the following:

8           “(8) DISASTER LOANS FOR SUPERSTORM  
 9           SANDY.—

10           “(A) IN GENERAL.—Notwithstanding any  
 11           other provision of law, and subject to the same  
 12           requirements and procedures that are used to  
 13           make loans pursuant to subsection (b), a small  
 14           business concern, homeowner, *nonprofit entity*,  
 15           or renter that was located within an area and  
 16           during the time period with respect to which a  
 17           major disaster was declared by the President  
 18           under section 401 of the Robert T. Stafford  
 19           Disaster Relief and Emergency Assistance Act  
 20           (42 U.S.C. 5170) by reason of Superstorm  
 21           Sandy may apply to the Administrator—

22           “(i) for a loan to repair, rehabilitate,  
 23           or replace property damaged or destroyed  
 24           by reason of Superstorm Sandy; or

1                   “(ii) if such a small business concern  
2                   has suffered substantial economic injury by  
3                   reason of Superstorm Sandy, for a loan to  
4                   assist such a small business concern.

5                   “(B) TIMING.—The Administrator shall  
6                   select loan recipients and make available loans  
7                   for a period of not less than 1 year after the  
8                   date on which the Administrator ~~earries~~ *begins*  
9                   *carrying* out this authority.

10                   “(C) INSPECTOR GENERAL REVIEW.—*Not*  
11                   *later than 6 months after the date on which the*  
12                   *Administrator begins carrying out this author-*  
13                   *ity, the Inspector General of the Administration*  
14                   *shall initiate a review of the controls for ensur-*  
15                   *ing applicant eligibility for loans made under*  
16                   *this paragraph.”.*

17 **SEC. 4. USE OF PHYSICAL DAMAGE DISASTER LOANS TO**  
18 **CONSTRUCT SAFE ROOMS.**

19                   Section 7(b)(1)(A) of the Small Business Act (15  
20 U.S.C. 636(b)(1)(A)) is amended by striking “mitigating  
21 measures” and all that follows through “modifying struc-  
22 tures” and inserting the following: “mitigating measures,  
23 including—

24                   “(i) construction of retaining walls and sea  
25                   walls;

1           “(ii) grading and contouring land; and  
 2           “(iii) relocating utilities and modifying  
 3 structures, including construction of a safe  
 4 room or similar storm shelter designed to pro-  
 5 tect property and occupants from tornadoes or  
 6 other natural disasters, *if such safe room or*  
 7 *similar storm shelter is constructed in accord-*  
 8 *ance with applicable standards issued by the*  
 9 *Federal Emergency Management Agency”.*

10 **SEC. 5. COLLATERAL REQUIREMENTS FOR SMALL BUSI-**  
 11 **NESS CONCERNS.**

12       Section 7(b) of the Small Business Act (~~15 U.S.C.~~  
 13 ~~636(b)~~) is amended by inserting after paragraph (9) the  
 14 following:

15           ~~“(10) COLLATERAL REQUIREMENTS FOR SMALL~~  
 16 ~~BUSINESSES.—~~In the case of a loan made pursuant  
 17 to this subsection in an amount not greater than  
 18 \$250,000, the Administrator may not require a bor-  
 19 rower to pledge his or her primary residence as col-  
 20 lateral if—

21           “(A) other collateral exists, including as-  
 22 sets related to the operation of a business; and  
 23           “(B) such an option does not delay the Ad-  
 24 ministrators processing of disaster applications  
 25 for a disaster.”.

1 **SEC. 65. REDUCING DELAYS ON CLOSING AND DISBURSE-**  
 2 **MENT OF LOANS.**

3 Section 7(b) of the Small Business Act (15 U.S.C.  
 4 636(b)) is further amended by inserting after paragraph  
 5 (9) ~~(10)~~ (as added by section 5) the following:

6 “~~(11)~~(10) REDUCING CLOSING AND DISBURSE-  
 7 MENT DELAYS.—The Administrator shall provide a  
 8 clear and concise notification on all application ma-  
 9 terials for loans made under this subsection and on  
 10 relevant websites notifying an applicant that the ap-  
 11 plicant may submit all documentation necessary for  
 12 the approval of the loan at the time of application  
 13 and that failure to submit all documentation could  
 14 delay the approval and disbursement of the loan.”.

15 **SEC. 7. INCREASING TRANSPARENCY IN LOAN APPROVALS.**

16 Section 7(b) of the Small Business Act (15 U.S.C.  
 17 636(b)) is further amended by inserting after paragraph  
 18 ~~(11)~~ (as added by section 6) the following:

19 “~~(12)~~ INCREASING TRANSPARENCY IN LOAN AP-  
 20 PROVALS.—The Administrator shall establish and  
 21 implement clear, written policies and procedures for  
 22 analyzing the ability of a loan applicant to repay a  
 23 loan made under this subsection.”.

1 **SEC. 8. SAFEGUARDING TAXPAYERS' INTERESTS.**

2 Section 7(b) of the Small Business Act (15 U.S.C.  
3 636(b)) is further amended by inserting after paragraph  
4 (12) (as added by section 7) the following:

5 “(13) **ENSURING ACCOUNTABILITY IN LOAN AP-**  
6 **PROVALS.**—The Administrator shall establish re-  
7 quirements for the approval of economic injury dis-  
8 aster loan assistance made available pursuant to  
9 paragraph (2), which shall include the review of ap-  
10 plicant eligibility and shall require that all sup-  
11 porting documentation is submitted prior to loan ap-  
12 proval. The Administrator shall require that per-  
13 sonnel involved in the approval of such loans be  
14 trained on such procedures.”

15 **SEC. 9. DISASTER PERFORMANCE MEASURES.**

16 Section 7(b) of the Small Business Act (15 U.S.C.  
17 636(b)) is further amended by inserting after paragraph  
18 (13) (as added by section 8) the following:

19 “(14) **REPORTING ON DISASTER PERFORMANCE**  
20 **MEASURES.**—The Administrator shall report the av-  
21 erage processing time for all other disaster loan ap-  
22 plications, including disaggregated data on disaster  
23 loan applications that were declined by the Adminis-  
24 tration’s automated disaster processing system and  
25 applications in which the Administrator performed  
26 loss verification. For each disaster described in para-

1 graph (2), the Administrator shall report such aver-  
 2 age processing times on its website and to the Com-  
 3 mittee on Small Business of the House of Rep-  
 4 resentatives and the Committee on Small Business  
 5 and Entrepreneurship of the Senate.”.

6 **SEC. 106. DISASTER PLAN IMPROVEMENTS.**

7 The Administrator of the Small Business Administra-  
 8 tion shall revise the comprehensive written disaster re-  
 9 sponse plan required in section 40 of the Small Business  
 10 Act (15 U.S.C. 657l), or any successor thereto, to incor-  
 11 porate the Administration’s response to a situation in  
 12 which an extreme volume of applications are received dur-  
 13 ing the period of time immediately after a disaster, which  
 14 shall include a plan to ensure that sufficient human and  
 15 technological resources are made available and a plan to  
 16 prevent delays in loan processing.

17 **SEC. 11. REPORT TO CONGRESS ON IMPLEMENTATION OF**  
 18 **CERTAIN PROGRAMS.**

19 (a) **INITIAL REPORT.**—The Administrator of the  
 20 Small Business Administration shall report to Congress  
 21 not later than 30 days after the date of enactment of this  
 22 Act on the implementation and status of the private dis-  
 23 aster loan program established in section 7(e) of the Small  
 24 Business Act (15 U.S.C. 636(e)), the Immediate Disaster  
 25 Assistance program established in section 42 of such Act



1 (15 U.S.C. 657n), and the expedited disaster assistance  
2 business loan program established in section 12085 of the  
3 Small Business Disaster Response and Loan Improve-  
4 ments Act of 2008 (15 U.S.C. 636j).

5 (b) REQUIRED CONSULTATION WITH DEPOSITORY  
6 INSTITUTIONS AND CREDIT UNIONS.—The Administrator  
7 shall require the Associate Administrator for the Office  
8 of Disaster Assistance to consult with depository institu-  
9 tions (as defined in section 3 of the Federal Deposit Insur-  
10 ance Act (12 U.S.C. 1813)) and credit unions regarding  
11 their potential participation in any of the programs de-  
12 scribed in subsection (a).

13 (c) REPORT ON CONSULTATION.—Not later than 6  
14 months after the date of enactment of this Act, the Ad-  
15 ministrator shall report to Congress on the consultation  
16 required under subsection (b).

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