

117TH CONGRESS
1ST SESSION

S. 3349

To require the Administrator of the Small Business Administration to provide applicants for certain loans and grants with updates with respect to those applications, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2021

Mr. RISCH (for himself, Mr. HICKENLOOPER, Ms. CORTEZ MASTO, Mr. MARSHALL, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To require the Administrator of the Small Business Administration to provide applicants for certain loans and grants with updates with respect to those applications, 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 “Streamlining EIDL
5 Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the term “Administration” means the Small
2 Business Administration;

3 (2) the term “Administrator” means the Ad-
4 ministrator of the Administration;

5 (3) the terms “compliance” and “improper pay-
6 ment” have the meanings given the terms in section
7 3351 of title 31, United States Code;

8 (4) the term “covered application”—

9 (A) means an application that is—

10 (i) for any assistance provided under
11 section 7(b)(2) of the Small Business Act
12 (15 U.S.C. 636(b)(2)), including any loan
13 or grant made under section 1110 of the
14 CARES Act (15 U.S.C. 9009); and

15 (ii) submitted to the Administrator on
16 or after the date of enactment of this Act;
17 and

18 (B) includes an application that is—

19 (i) for an increase with respect to as-
20 sistance that is—

21 (I) described in subparagraph

22 (A)(i); and

23 (II) provided to the applicant be-
24 fore the date of enactment of this Act;

25 and

1 (ii) submitted to the Administrator on
2 or after the date of enactment of this Act;
3 and

4 (5) the term “covered assistance” means a loan
5 or grant made under section 7(b)(2) of the Small
6 Business Act (15 U.S.C. 636(b)(2)), including under
7 section 1110 of the CARES Act (15 U.S.C. 9009),
8 related to COVID–19.

9 **SEC. 3. EIDL LOANS.**

10 (a) REQUIREMENTS.—The Administrator shall—

11 (1) not later than 7 days after the date on
12 which the Administrator receives a covered applica-
13 tion, provide the applicant with—

14 (A) notice that the Administrator has re-
15 ceived the application; and

16 (B) information regarding an office or offi-
17 cial of the Administration that the applicant
18 may contact in the event that the applicant has
19 questions regarding the application;

20 (2) not later than 21 days after the date on
21 which the Administrator receives a covered applica-
22 tion, provide the applicant with—

23 (A) a written report detailing the status of
24 the application and any requirements for com-

1 pletion of the application, including any exter-
2 nal or internal delays; and

3 (B) an explanation regarding the appeals
4 process with respect to a covered application
5 that the Administrator disapproves; and

6 (3) not later than 45 days after the date on
7 which the Administrator receives a completed cov-
8 ered application that is in accordance with all appli-
9 cable requirements, including such requirements as
10 the Administrator may prescribe by regulation—

11 (A) review the application in its entirety;
12 and

13 (B)(i) approve the application and make
14 the loan (or the increase in the loan amount)
15 that is the subject of the covered application if
16 all applicable requirements with respect to the
17 applicable loan are satisfied; or

18 (ii) disapprove the application and notify
19 the applicant in writing of the disapproval.

20 (b) REVIEW AND REPORTING.—Not later than 90
21 days after the date of enactment of this Act, the Adminis-
22 trator shall—

23 (1) conduct a comprehensive review of the proc-
24 ess for submitting a covered application, which shall

1 focus on ways to ensure that applicants submitting
2 covered applications—

3 (A) are not asked to submit materials with
4 respect to such an application more than once;

5 (B) receive timely responses and updates
6 from the Administrator with respect to those
7 covered applications, including the information
8 required under paragraphs (1) and (2) of sub-
9 section (a); and

10 (C) receive the loans (or loan increases)
11 sought in those covered applications in a man-
12 ner that complies with subsection (a)(3); and

13 (2) submit to Congress a report regarding the
14 review conducted under paragraph (1).

15 **SEC. 4. REPORTS.**

16 (a) REPORT ON IMPLEMENTATION OF INSPECTOR
17 GENERAL RECOMMENDATIONS.—Not later than 90 days
18 after the date of enactment of this Act, the Administrator
19 shall submit to Congress a report on the specific steps that
20 the Administration has taken to meet the recommenda-
21 tions provided by the Inspector General of the Administra-
22 tion in the report issued on May 6, 2021, entitled “SBA’s
23 Handling of Identity Theft in the COVID–19 Economic
24 Injury Disaster Loan Program”, which shall include a de-
25 scription of—

1 (1) the system that the Administration has de-
2 veloped to maintain and track all identity theft com-
3 plaints related to covered assistance;

4 (2) how the Administration is providing guid-
5 ance, assistance, and status updates to complainants
6 that allege their identity has been stolen;

7 (3) how the Administration is restoring identity
8 theft victims to their condition prior to fraud, in-
9 cluding details on how the Administration will file
10 collateral releases and specify if the Administration
11 or the complainant is paying for costs to file Uni-
12 form Commercial Code lien release documents;

13 (4) the process of the Administration for re-
14 moving fraudulent covered assistance, and related
15 Uniform Commercial Code filing fees, from the fi-
16 nancial records of the Administration, including
17 how—

18 (A) the system described in paragraph

19 (1)—

20 (i) will charge off and remove partially
21 or fully disbursed covered assistance from
22 the financial records; and

23 (ii) addresses charge off or removal of
24 related Uniform Commercial Code filing
25 fees; and

1 (B) the Administration is differentiating
2 between—

3 (i) routine defaults in covered assist-
4 ance that—

5 (I) have been or will be charged
6 off; and

7 (II) are required to be submitted
8 to the Department of the Treasury for
9 collection; and

10 (ii) identity theft-related covered as-
11 sistance that the Administration is re-
12 quired to charge off without being sent to
13 the Department of the Treasury for collec-
14 tion;

15 (5) the process of the Administration for track-
16 ing the recovery of funds from fraudsters to offset
17 the outstanding identity theft-related covered assist-
18 ance before any charge off action; and

19 (6) actions the Administration has taken to re-
20 cover improper payments related to identity theft-re-
21 lated covered assistance and how the Administration
22 is taking steps to be in compliance.

23 (b) REGULAR REPORTS.—The Administrator shall
24 submit to Congress—

1 (1) a monthly report that, in order to identify
2 individual allegations of identity theft that have not
3 been refiled, reconciles—

4 (A) applications submitted during the pe-
5 riod beginning on March 1, 2020, and ending
6 on January 31, 2021, for covered assistance
7 based on identity theft allegations; and

8 (B) applications based on refiled allega-
9 tions of identity theft relating to the covered as-
10 sistance described in subparagraph (A); and

11 (2) not later than 180 days after the date on
12 which the first report under paragraph (1) is sub-
13 mitted, a detailed plan on how the Administration
14 will attempt, or has attempted, to contact the re-
15 maining individuals whose identity theft allegations
16 have not been refiled.

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