

PROVIDING FOR FURTHER CONSIDERATION OF THE BILL (H.R. 5297) TO CREATE THE SMALL BUSINESS LENDING FUND PROGRAM TO DIRECT THE SECRETARY OF THE TREASURY TO MAKE CAPITAL INVESTMENTS IN ELIGIBLE INSTITUTIONS IN ORDER TO INCREASE THE AVAILABILITY OF CREDIT FOR SMALL BUSINESSES, AND FOR OTHER PURPOSES

---

JUNE 16, 2010.—Referred to the House Calendar and ordered to be printed

---

Mr. PERLMUTTER, from the Committee on Rules,  
submitted the following

## R E P O R T

[To accompany H. Res. 1448]

The Committee on Rules, having had under consideration House Resolution 1448, by a non-record vote, report the same to the House with the recommendation that the resolution be adopted.

### SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for further consideration of H.R. 5297, the Small Business Lending Fund Act of 2010 under a structured rule. The resolution provides that pursuant to House Resolution 1436, it shall be in order to consider the amendments printed in this report as though they were the last two amendments printed in part C of House Report 111-506.

### SUMMARY OF AMENDMENTS MADE IN ORDER

1. Schrader (OR): Would authorize the establishment of the Small Business Borrower Assistance Program which will create a fund for 7(a) loan borrowers to use if they need help paying the principal or interest payments of their small business loans. (10 minutes)

2. Miller, Brad (NC), Baca (CA): Would expand the definition of “small business lending” used in the bill to include loans made to small business concerns for the purpose of acquiring, constructing, or improving industrial, commercial, residential, or farm buildings. (10 minutes)

## TEXT OF AMENDMENTS TO BE MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHRADER,  
OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following new title:

**TITLE —SMALL BUSINESS  
BORROWER ASSISTANCE PROGRAM**

**SEC. 1. SHORT TITLE.**

This title may be cited as the “Small Business Assistance Fund Act of 2010”.

**SEC. 2. SMALL BUSINESS BORROWER ASSISTANCE PROGRAM.**

(a) **IN GENERAL.**—The Administrator shall carry out a program to be called the “Small Business Borrower Assistance Program” to provide payments of principal and interest on qualifying small business loans.

**(b) AUTOMATIC ENROLLMENT; COMMITMENT OF FUNDS.—**

(1) **IN GENERAL.**—To the extent funds are available under the Program, each borrower that receives a qualifying small business loan after the date on which the Administrator issues regulations pursuant to subsection (e) shall be automatically enrolled in the Program, unless the borrower requests otherwise, and the Administrator shall commit an amount to each borrower equal to 6 percent of the principal disbursed amount of such borrower’s qualifying small business loan.

(2) **ONE YEAR WINDOW FOR PARTICIPATING IN PROGRAM.**—Notwithstanding paragraph (1), a borrower may only be enrolled in the Program if the borrower is approved for a qualifying small business loan before the end of the 1-year period following the date on which the Administrator issues final regulations pursuant to subsection (e).

(3) **TERMINATION OF PARTICIPATION IN CERTAIN CIRCUMSTANCES.**—In any instance in which the Administrator determines that a borrower participating in the Program has committed fraud or made a material misrepresentation related to such participation, the Administrator may terminate such borrower’s participation in the Program and ban such borrower from any future participation in the Program.

**(c) DISBURSEMENT OF FUNDS.—**

(1) **IN GENERAL.**—A borrower enrolled in the Program may submit a request for the payment of committed funds by a method to be developed by the Administrator.

(2) **MULTIPLE DISBURSEMENTS PERMITTED.**—A borrower enrolled in the Program may request multiple payments under paragraph (1), as long as the aggregate amount of such payments does not exceed the amount committed to such borrower under subsection (b).

**(d) TERMS.—**

(1) **PAYMENTS ONLY TO LENDER OR SERVICER.**—Payments made by the Administrator under the Program shall only be made to the lender or servicer of a qualifying small business

loan to be applied against outstanding principal or interest, and may not be made to the borrower.

(2) PROGRAM PARTICIPATION ONLY PERMITTED DURING FIRST 2 YEARS.—

(A) IN GENERAL.—Payments made by the Administrator under the Program may only be made with respect to a payment of interest or principal due on a qualifying small business loan within the 2-year period following the date on which such loan is disbursed.

(B) UNEXPENDED COMMITTED FUNDS.—

(i) IN GENERAL.—With respect to any funds committed to a borrower enrolled in the Program that remain unexpended at the end of the 2-year period described under subparagraph (A), such funds shall be paid to the lender or servicer of the borrower's loan and applied to the principal of such loan.

(ii) EXCEPTION.—In any case in which the amount of committed funds that remain unexpended is greater than the remaining principal of a borrower's loan, the amount of any excess shall be returned to the Treasury.

(e) RULEMAKING.—Not later than 180 days after the date of the enactment of this section, the Administrator shall issue regulations necessary to carry out this section.

(f) CONTRACTING WITH AGENTS.—The Administrator may contract with one or more entities as necessary to carry out the provisions of the Program. The Secretary of the Treasury is authorized to designate financial institutions, including any bank, savings association, or trust company, as financial agents of the Federal government to carry out the authorities of this section, and such institutions shall perform all such reasonable duties related to the Program as financial agents of the Federal government as the Secretary may require. In engaging any such third parties to carry out the Program, the Administrator or the Secretary shall seek to involve small businesses in the provision of the core direct services required under the engagement.

(g) DEFINITIONS.—For purposes of this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Small Business Administration.

(2) PROGRAM.—The term “Program” means the Small Business Borrower Assistance Program established under subsection (a).

(3) QUALIFYING SMALL BUSINESS LOAN.—The term “qualifying small business loan” means any loan, up to \$300,000, made to a small business concern and guaranteed under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), other than a loan made pursuant to section 7(a)(31) of such Act, a revolving credit line, or any other revolving loan.

(4) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning given such term under section 3 of the Small Business Act (15 U.S.C. 632).

(h) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Administrator \$300,000,000 to carry out this section.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MILLER OF NORTH CAROLINA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 6, after line 9, insert the following new clause:

(v) CONSTRUCTION, LAND DEVELOPMENT, AND OTHER LAND LOANS.—

(I) IN GENERAL.—Loans secured by real estate—

(aa) that are made to finance—

(AA) land development that is preparatory to erecting new structures, including improving land, laying sewers, and laying water pipes; or

(BB) the on-site construction of industrial, commercial, residential, or farm buildings;

(bb) that is vacant land, except land known to be used or usable for agricultural purposes, such as crop and livestock production;

(cc) the proceeds of which are to be used to acquire and improve developed or undeveloped property; or

(dd) that are made under title I or title X of the National Housing Act.

(II) CONSTRUCTION INDUSTRY REQUIREMENT.—

Subclause (I) shall only apply to loans that are extended to small business concerns in the construction industry, as such term is defined by the Secretary in consultation with the Administrator of the Small Business Administration.

(III) CONSTRUCTION DEFINED.—For purposes of this clause, the term “construction” includes the construction of new structures, additions or alterations to existing structures, and the demolition of existing structures to make way for new structures.