To modify the 7(a) loan guaranty program of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO (for himself, Mr. RISCH, Ms. COLLINS, and Mr. HAWLEY) introduced the following bill; which was read twice and referred to the Committee on __________

A BILL

To modify the 7(a) loan guaranty program of the Small Business Administration, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Business Access to Recovery Capital Act”.

SEC. 2. CHANGES TO THE 7(A) LOAN GUARANTY PROGRAM.

(a) Fee Waiver.—During the 1-year period fol-
lowing the date of enactment of this Act, and to the extent that the cost of such elimination or reduction of fees is offset by appropriations, with respect to each loan guaran-
teed under section 7(a) of the Small Business Act (15
U.S.C. 636(a))—

(1) in lieu of the fee otherwise applicable under
section 7(a)(23)(A) of the Small Business Act (15
U.S.C. 636(a)(23)(A)), the Administrator shall col-
lect no fee or reduce fees to the maximum extent
possible; and

(2) for which the application is approved on or
after the date of enactment of this Act, the Adminis-
trator shall, in lieu of the fee otherwise applicable
under section 7(a)(18)(A) of the Small Business Act
(15 U.S.C. 636(a)(18)(A)), collect no fee or reduce
fees to the maximum extent possible.

(b) GUARANTEE AMOUNT.—

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

(A) in the matter preceding subparagraph
(A), by striking “(E), and (F)” and inserting
“and (E)”;

(B) in subparagraph (A), by striking
“equal to”—” and all that follows through the
end of the subparagraph and inserting “equal
to 95 percent of the balance of the financing
outstanding at the time of disbursement of the
loan.”;
(C) by striking subparagraphs (D) and (E) and inserting the following:

“(D) PARTICIPATION UNDER THE EXPRESS LOAN PROGRAM.—In an agreement to participate in a loan on a deferred basis under paragraph (31), the participation by the Administration shall be equal to—

“(i) 75 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $150,000; or

“(ii) 85 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $150,000.”; and

(D) by redesignating subparagraph (F) as subparagraph (E).

(2) PROSPECTIVE REPEAL.—Effective 1 year after the date of enactment of this Act, section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(A) in the matter preceding subparagraph (A), by striking “and (E)” and inserting “(E), and (F)”;


(B) in subparagraph (A), by striking “equal to 95 percent of the balance of financing outstanding at the time of disbursement of the loan.” and inserting “equal to—

“(i) 75 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $150,000; or

“(ii) 85 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $150,000.”;

(C) by redesignating subparagraph (E) as subparagraph (F); and

(D) by striking subparagraph (D) and inserting the following:

“(D) Participation under export working capital program.—In an agreement to participate in a loan on a deferred basis under the Export Working Capital Program established pursuant to paragraph (14)(A), such participation by the Administration shall be 90 percent.

“(E) Participation in international trade loan.—In an agreement to participate
in a loan on a deferred basis under paragraph (16), the participation by the Administration may not exceed 90 percent.”.

(c) MAXIMUM LOAN AMOUNT.—

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

(A) in subparagraph (A)—

(i) by striking “$3,750,000” and inserting “$9,500,000”; and

(ii) by striking “$5,000,000” and inserting “$10,000,000”; and

(B) in subparagraph (B)—

(i) by striking “$4,500,000” and inserting “$9,500,000”; and

(ii) by striking “$5,000,000” and inserting “$10,000,000”.

(2) PROSPECTIVE REPEAL.—Effective 1 year after the date of enactment of this Act, section 7(a)(3) of the Small Business Act (15 U.S.C. 636(a)(3)) is amended—

(A) in subparagraph (A)—

(i) by striking “$9,500,000” and inserting “$3,750,000”; and

(ii) by striking “$10,000,000” and inserting “$5,000,000”; and
(B) in subparagraph (B)—

(i) by striking “$9,500,000” and inserting “$4,500,000”; and

(ii) by striking “$10,000,000” and inserting “$5,000,000”.

(d) COVID–19 GUIDANCE.—Not later than 10 days after the date of enactment of this Act, the Administrator shall issue guidance that—

(1) temporarily updates the standard operating procedures of the Administration to provide requirements for appropriate lending given the economic conditions and considerations as of the date of enactment of this Act; and

(2) shall be utilized with respect to all approval and subsequent actions taken on loans made under such section 7(a) during the 1-year period following the date of enactment of this Act.

(e) EXTENSION OF SUBSIDY ON 7(A) LOAN PAYMENTS.—Section 1112 of the CARES Act (15 U.S.C. 9011) is amended—

(1) in subsection (e)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting “or loan described
in subparagraph (D)” after “covered loan”; 

(ii) in subparagraph (B), by striking “and” at the end; 

(iii) in subparagraph (C), by striking the period at the end and inserting “; and”;

(iv) by adding at the end the following: 

“(D) with respect to a loan that is guaranteed by the Administration under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), including a loan made under the Community Advantage Pilot Program of the Administration and a loan made under paragraph (36) of such section 7(a), that was made during the period beginning on the date of enactment of this subparagraph and ending on the date that is 1 year after such date of enactment, for the 1-year period beginning with the first payment due on the loan.”;

(B) in paragraph (2), by inserting “or loan described in paragraph (1)(D), as applicable,” after “covered loan”; and
(C) in paragraph (3), by inserting “or loan described in paragraph (1)(D), as applicable,” after “covered loan”; 

(2) in subsection (d)(2)—

(A) by striking “covered loan durations” and inserting “the duration of any covered loan or loan described in subsection (c)(1)(D)”; and

(B) by inserting “or loans described in subsection (c)(1)(D), as applicable,” after “covered loans”; and

(3) in subsection (e)—

(A) by inserting “or loan described in subsection (c)(1)(D)” after “a covered loan”; and

(B) by inserting “or loan described in subsection (c)(1)(D), as applicable,” after “the covered loan”.