

#1

AMENDMENT TO H.R. 208
OFFERED BY MS. VELÁZQUEZ OF NEW YORK

Page 1, beginning on line 4, insert “and Disaster Loan Program Improvement” after “Relief”.

Page 3, strike line 1 and all that follows through page 4, line 4.

Page 2, insert after line 23 the following:

1 **SEC. 3. REVISED DISASTER DEADLINE.**

2 Section 7(d) of the Small Business Act (15 U.S.C.
3 636(d)) is amended by adding at the end the following:

4 “(8) DISASTER LOANS FOR SUPERSTORM
5 SANDY.—

6 “(A) IN GENERAL.—Notwithstanding any
7 other provision of law, and subject to the same
8 requirements and procedures that are used to
9 make loans pursuant to subsection (b), a small
10 business concern, homeowner, or renter that
11 was located within an area and during the time
12 period with respect to which a major disaster
13 was declared by the President under section
14 401 of the Robert T. Stafford Disaster Relief
15 and Emergency Assistance Act (42 U.S.C.

1 5170) by reason of Superstorm Sandy may
2 apply to the Administrator—

3 “(i) for a loan to repair, rehabilitate,
4 or replace property damaged or destroyed
5 by reason of Superstorm Sandy; or

6 “(ii) if such a small business concern
7 has suffered substantial economic injury by
8 reason of Superstorm Sandy, for a loan to
9 assist such a small business concern.

10 “(B) TIMING.—The Administrator shall
11 select loan recipients and make available loans
12 for a period of not less than 1 year after the
13 date on which the Administrator carries out
14 this authority.”.

Page 4, after line 4, insert the following:

15 **SEC. 4. USE OF PHYSICAL DAMAGE DISASTER LOANS TO**
16 **CONSTRUCT SAFE ROOMS.**

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

22 “(i) construction of retaining walls and sea
23 walls;

24 “(ii) grading and contouring land; and

1 “(iii) relocating utilities and modifying
2 structures, including construction of a safe
3 room or similar storm shelter designed to pro-
4 tect property and occupants from tornadoes or
5 other natural disasters”.

6 **SEC. 5. COLLATERAL REQUIREMENTS FOR SMALL BUSI-**
7 **NESS CONCERNS.**

8 Section 7(b) of the Small Business Act (15 U.S.C.
9 636(b)) is amended by adding at the end the following:

10 “(10) COLLATERAL REQUIREMENTS FOR SMALL
11 BUSINESSES.—In the case of a loan made pursuant
12 to this subsection in an amount not greater than
13 \$250,000, the Administrator may not require a bor-
14 rower to pledge his or her primary residence as col-
15 lateral if—

16 “(A) other collateral exists, including as-
17 sets related to the operation of a business; and

18 “(B) such an option does not delay the Ad-
19 ministrator’s processing of disaster applications
20 for a disaster.”.

21 **SEC. 6. REDUCING DELAYS ON CLOSING AND DISBURSE-**
22 **MENT OF LOANS.**

23 Section 7(b) of the Small Business Act (15 U.S.C.
24 636(b)), as amended by this Act, is further amended by
25 adding at the end the following:

1 “(11) REDUCING CLOSING AND DISBURSEMENT
2 DELAYS.—The Administrator shall provide a clear
3 and concise notification on all application materials
4 for loans made under this subsection and on relevant
5 websites notifying an applicant that the applicant
6 may submit all documentation necessary for the ap-
7 proval of the loan at the time of application and that
8 failure to submit all documentation could delay the
9 approval and disbursement of the loan.”.

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

11 Section 7(b) of the Small Business Act (15 U.S.C.
12 636(b)), as amended by this Act, is further amended by
13 adding at the end the following:

14 “(12) INCREASING TRANSPARENCY IN LOAN AP-
15 PROVALS.—The Administrator shall establish and
16 implement clear, written policies and procedures for
17 analyzing the ability of a loan applicant to repay a
18 loan made under this subsection.”.

19 **SEC. 8. SAFEGUARDING TAXPAYER’S INTERESTS.**

20 Section 7(b) of the Small Business Act (15 U.S.C.
21 636(b)), as amended by this Act, is further amended by
22 adding at the end the following:

23 “(13) ENSURING ACCOUNTABILITY IN LOAN AP-
24 PROVALS.—The Administrator shall establish re-
25 quirements for the approval of economic injury dis-

1 aster loan assistance made available pursuant to
2 paragraph (2), which shall include the review of ap-
3 plicant eligibility and shall require that all sup-
4 porting documentation is submitted prior to loan ap-
5 proval. The Administrator shall require that per-
6 sonnel involved in the approval of such loans be
7 trained on such procedures.”.

8 **SEC. 9. DISASTER PERFORMANCE MEASURES.**

9 Section 7(b) of the Small Business Act (15 U.S.C.
10 636(b)), as amended by this Act, is further amended by
11 adding at the end the following:

12 “(14) REPORTING ON DISASTER PERFORMANCE
13 MEASURES.—The Administrator shall report the av-
14 erage processing time for all other disaster loan ap-
15 plications, including disaggregated data on disaster
16 loan applications that were declined by the Adminis-
17 tration’s automated disaster processing system and
18 applications in which the Administrator performed
19 loss verification. For each disaster described in para-
20 graph (2), the Administrator shall report such aver-
21 age processing times on its website and to the Com-
22 mittee on Small Business of the House of Rep-
23 resentatives and the Committee on Small Business
24 and Entrepreneurship of the Senate.”.

1 **SEC. 10. DISASTER PLAN IMPROVEMENTS.**

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

12 **SEC. 11. REPORT TO CONGRESS ON IMPLEMENTATION OF**
13 **CERTAIN PROGRAMS.**

14 (a) INITIAL REPORT.—The Administrator of the
15 Small Business Administration shall report to Congress
16 not later than 30 days after the date of enactment of this
17 Act on the implementation and status of the private dis-
18 aster loan program established in section 7(c) of the Small
19 Business Act (15 U.S.C. 636(c)), the Immediate Disaster
20 Assistance program established in section 42 of such Act
21 (15 U.S.C. 657n), the expedited disaster assistance busi-
22 ness loan program established in section 12085 of the
23 Small Business Disaster Response and Loan Improve-
24 ments Act of 2008 (15 U.S.C. 636j).

25 (b) REQUIRED CONSULTATION WITH DEPOSITORY
26 INSTITUTIONS AND CREDIT UNIONS.—The Administrator

1 shall require the Associate Administrator for the Office
2 of Disaster Assistance to consult with depository institu-
3 tions (as defined in section 3 of the Federal Deposit Insur-
4 ance Act (12 U.S.C. 1813) and credit unions regarding
5 their potential participation in any of the programs de-
6 scribed in subsection (a).

7 (c) REPORT ON CONSULTATION.—Not later than 6
8 months after date of enactment of this Act, the Adminis-
9 trator shall report to Congress on the consultation re-
10 quired under subsection (b).

Amend the title so as to read: “A bill to improve the
disaster assistance programs of the Small Business Ad-
ministration.”.

