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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To amend the Small Business Act to increase transparency and to enhance the use of microloans in rural areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BURCHETT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Small Business Act to increase transparency and to enhance the use of microloans in rural areas, 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 “Microloan Trans-
5 parency and Accountability Act of 2020”.

1 **SEC. 2. ASSISTANCE FOR INTERMEDIARIES SERVING**
2 **RURAL AREAS.**

3 Section 7(m)(4)(C)(i) of the Small Business Act (15
4 U.S.C. 636(m)(4)(C)(i)) is amended—

5 (1) by inserting “either” after “that has”; and

6 (2) by inserting after “the program” the fol-
7 lowing: “or that has a portfolio of loans made under
8 this subsection of which not less than 25 percent is
9 serving rural areas during the period of the
10 intermediary’s participation in the program”.

11 **SEC. 3. PORTFOLIO RISK ANALYSIS OF MICROLOANS.**

12 Section 7(m)(10) of the Small Business Act (15
13 U.S.C. 636(m)(10)) is amended—

14 (1) by redesignating subparagraphs (A) through
15 (F) as clauses (i) through (vi), respectively, and ad-
16 justing the margins accordingly;

17 (2) by amending clause (iv), as so redesignated,
18 to read as follows:

19 “(vi) the number, amount, and per-
20 centage of microloans made by inter-
21 mediaries to small business concerns—

22 “(I) that went into default in the
23 previous year; and

24 “(II) that were charged off in the
25 previous year by such inter-
26 mediaries;”;

1 (3) in clause (vi), as so redesignated, by strik-
2 ing “and” at the end;

3 (4) by redesignating subparagraph (G) as
4 clause (xviii), and adjusting the margin accordingly;

5 (5) by striking “On November 1, 1995,” and all
6 that follows through “the following:” and inserting
7 the following:

8 “(A) IN GENERAL.—Beginning on Feb-
9 ruary 1, 2021, and annually thereafter, the Ad-
10 ministrator shall submit to the Committee on
11 Small Business and Entrepreneurship of the
12 Senate and the Committee on Small Business
13 of the House of Representatives, and make
14 available to the public on the website of the Ad-
15 ministration, a report on the effectiveness of
16 the microloan program during the fiscal year
17 preceding the date of the report. Such report
18 shall include—”;

19 (6) in subparagraph (A), as so designated, by
20 inserting after clause (vi) the following new clauses:

21 “(vii) the number and type of enforce-
22 ment actions taken by the Administrator
23 against noncompliant intermediaries;

24 “(viii) an analysis of compliance by
25 intermediaries with the credit availability

1 requirements of paragraph (3)(E) for loans
2 in an amount greater than \$20,000;

3 “(ix) the extent to which microloans
4 are provided to small business concerns in
5 rural areas;

6 “(x) the number of underserved bor-
7 rowers, as defined by the Administration,
8 participating in the microloan program;

9 “(xi) the average rate of interest for
10 each microloan;

11 “(xii) the average amount of fees
12 charged for each microloan;

13 “(xiii) the average size of each
14 microloan, including—

15 “(I) the number of loans made in
16 an amount greater than \$20,000; and

17 “(II) the average size and
18 charge-off rate of such loans;

19 “(xiv) the subsidy cost to the Admin-
20 istration;

21 “(xv) the number and percentage of
22 microloans that were made to refinance
23 other loans;

24 “(xvi) the number and percentage of
25 microloans made to new program partici-

1 pants and the number and percentage of
2 microloans made to previous program par-
3 ticipants;

4 “(xvii) the average amount of tech-
5 nical assistance grant monies spent on
6 each loan; and”; and

7 (7) by adding at the end the following:

8 “(B) PRIVACY.—Each report submitted
9 under subparagraph (A) shall not contain any
10 personally identifiable information of any bor-
11 rower.”.