To amend the Small Business Act to provide for expanded participation in the microloan program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. FISCHER introduced the following bill; which was read twice and referred to the Committee on ___________________

A BILL

To amend the Small Business Act to provide for expanded participation in the microloan program, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Microloan Modernization Act of 2017”.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term “intermediary” has the meaning given the term in section 7(m)(11) of the Small Business Act (15 U.S.C. 636(m)(11)); and
(2) the term “microloan program” means the program established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).

SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT INCREASED.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking “$5,000,000” and inserting “$6,000,000”.

SEC. 4. ELIMINATION OF 25/75 RULE.

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

(1) by striking subparagraph (E); and

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

SEC. 5. SBA STUDY OF MICROENTERPRISE PARTICIPATION.

Not later than 1 year after the date of enactment of this Act, the Administrator of the Small Business Administration shall conduct a study and submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on—

(1) the operations (including services provided, structure, size, and area of operation) of a representative sample of—
(A) intermediaries that are eligible to participate in the microloan program and that do participate; and

(B) intermediaries (including those operated for profit, operated not for profit, and those affiliated with a United States institution of higher learning) that are eligible to participate in the microloan program and that do not participate;

(2) the reasons why intermediaries described in paragraph (1)(B) choose not to participate in the microloan program;

(3) recommendations on how to encourage increased participation in the microloan program by intermediaries described in paragraph (1)(B); and

(4) recommendations on how to decrease the costs associated with participation in the microloan program for eligible intermediaries.

SEC. 6. GAO STUDY ON MICROLOAN INTERMEDIARY PRACTICES.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small
Business of the House of Representatives a report evaluating—

(1) oversight of the microloan program by the Small Business Administration, including oversight of intermediaries participating in the microloan program; and

(2) the specific processes used by the Small Business Administration to ensure—

(A) compliance by intermediaries participating in the microloan program; and

(B) the overall performance of the microloan program.