

116TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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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 \_\_\_\_\_

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**A BILL**

To modify the 7(a) loan guaranty program of the Small Business Administration, 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 “Small Business Access  
5 to Recovery Capital Act”.

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

7 (a) FEE WAIVER.—During the 1-year period fol-  
8 lowing the date of enactment of this Act, and to the extent  
9 that the cost of such elimination or reduction of fees is  
10 offset by appropriations, with respect to each loan guaran-

1 teed under section 7(a) of the Small Business Act (15  
2 U.S.C. 636(a))—

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

8 (2) for which the application is approved on or  
9 after the date of enactment of this Act, the Adminis-  
10 trator shall, in lieu of the fee otherwise applicable  
11 under section 7(a)(18)(A) of the Small Business Act  
12 (15 U.S.C. 636(a)(18)(A)), collect no fee or reduce  
13 fees to the maximum extent possible.

14 (b) GUARANTEE AMOUNT.—

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

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

20 (B) in subparagraph (A), by striking  
21 “equal to—” and all that follows through the  
22 end of the subparagraph and inserting “equal  
23 to 95 percent of the balance of the financing  
24 outstanding at the time of disbursement of the  
25 loan.”;

1 (C) by striking subparagraphs (D) and (E)  
2 and inserting the following:

3 “(D) PARTICIPATION UNDER THE EX-  
4 PRESS LOAN PROGRAM.—In an agreement to  
5 participate in a loan on a deferred basis under  
6 paragraph (31), the participation by the Admin-  
7 istration shall be equal to—

8 “(i) 75 percent of the balance of the  
9 financing outstanding at the time of dis-  
10 bursement of the loan, if such balance ex-  
11 ceeds \$150,000; or

12 “(ii) 85 percent of the balance of the  
13 financing outstanding at the time of dis-  
14 bursement of the loan, if such balance is  
15 less than or equal to \$150,000.”; and

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

18 (2) PROSPECTIVE REPEAL.—Effective 1 year  
19 after the date of enactment of this Act, section  
20 7(a)(2) of the Small Business Act (15 U.S.C.  
21 636(a)(2)) is amended—

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

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

5 “(i) 75 percent of the balance of the  
6 financing outstanding at the time of dis-  
7 bursement of the loan, if such balance ex-  
8 ceeds \$150,000; or

9 “(ii) 85 percent of the balance of the  
10 financing outstanding at the time of dis-  
11 bursement of the loan, if such balance is  
12 less than or equal to \$150,000.”;

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

15 (D) by striking subparagraph (D) and in-  
16 serting the following:

17 “(D) PARTICIPATION UNDER EXPORT  
18 WORKING CAPITAL PROGRAM.—In an agreement  
19 to participate in a loan on a deferred basis  
20 under the Export Working Capital Program es-  
21 tablished pursuant to paragraph (14)(A), such  
22 participation by the Administration shall be 90  
23 percent.

24 “(E) PARTICIPATION IN INTERNATIONAL  
25 TRADE LOAN.—In an agreement to participate

1           in a loan on a deferred basis under paragraph  
2           (16), the participation by the Administration  
3           may not exceed 90 percent.”.

4           (c) MAXIMUM LOAN AMOUNT.—

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

7           (A) in subparagraph (A)—

8           (i) by striking “\$3,750,000” and in-  
9           serting “\$9,500,000”; and

10           (ii) by striking “\$5,000,000” and in-  
11           serting “\$10,000,000”; and

12           (B) in subparagraph (B)—

13           (i) by striking “\$4,500,000” and in-  
14           serting “\$9,500,000”; and

15           (ii) by striking “\$5,000,000” and in-  
16           serting “\$10,000,000”.

17           (2) PROSPECTIVE REPEAL.—Effective 1 year  
18           after the date of enactment of this Act, section  
19           7(a)(3) of the Small Business Act (15 U.S.C.  
20           636(a)(3)) is amended—

21           (A) in subparagraph (A)—

22           (i) by striking “\$9,500,000” and in-  
23           serting “\$3,750,000”; and

24           (ii) by striking “\$10,000,000” and in-  
25           serting “\$5,000,000”; and

1 (B) in subparagraph (B)—

2 (i) by striking “\$9,500,000” and in-  
3 sserting “\$4,500,000”; and

4 (ii) by striking “\$10,000,000” and in-  
5 sserting “\$5,000,000”.

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

9 (1) temporarily updates the standard operating  
10 procedures of the Administration to provide require-  
11 ments for appropriate lending given the economic  
12 conditions and considerations as of the date of en-  
13 actment of this Act; and

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

18 (e) EXTENSION OF SUBSIDY ON 7(A) LOAN PAY-  
19 MENTS.—Section 1112 of the CARES Act (15 U.S.C.  
20 9011) is amended—

21 (1) in subsection (c)—

22 (A) in paragraph (1)—

23 (i) in the matter preceding subpara-  
24 graph (A), by inserting “or loan described

1 in subparagraph (D)” after “covered  
2 loan”;

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

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

8 (iv) by adding at the end the fol-  
9 lowing:

10 “(D) with respect to a loan that is guaran-  
11 teed by the Administration under section 7(a)  
12 of the Small Business Act (15 U.S.C. 636(a)),  
13 including a loan made under the Community  
14 Advantage Pilot Program of the Administration  
15 and a loan made under paragraph (36) of such  
16 section 7(a), that was made during the period  
17 beginning on the date of enactment of this sub-  
18 paragraph and ending on the date that is 1  
19 year after such date of enactment, for the 1-  
20 year period beginning with the first payment  
21 due on the loan.”;

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

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

4 (2) in subsection (d)(2)—

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

8 (B) by inserting “or loans described in  
9 subsection (c)(1)(D), as applicable,” after “cov-  
10 ered loans”; and

11 (3) in subsection (e)—

12 (A) by inserting “or loan described in sub-  
13 section (c)(1)(D)” after “a covered loan”; and

14 (B) by inserting “or loan described in sub-  
15 section (c)(1)(D), as applicable,” after “the cov-  
16 ered loan”.