

AMENDMENT TO H.R. 1
OFFERED BY MR. BUYER OF INDIANA

At the end of title I of division A, insert the following new section:

1 **SEC. 1115. VETERANS' SMALL BUSINESS LOAN PROGRAM.**

2 (a) **APPROPRIATION.**—Of the amounts appropriated
3 under this Act, \$1,000,000,000 shall be made available
4 to the Secretary of Veterans Affairs to guarantee loans
5 under the veterans small business loan program under
6 subchapter IV of chapter 37 of title 38, United States
7 Code.

8 (b) **REAUTHORIZATION AND IMPROVEMENT OF DE-**
9 **PARTMENT OF VETERANS AFFAIRS SMALL BUSINESS**
10 **LOAN PROGRAM.**—

11 (1) **REAUTHORIZATION.**—

12 (A) **IN GENERAL.**—Chapter 37 of title 38,
13 United States Code, is amended by striking sec-
14 tion 3751.

15 (B) **CLERICAL AMENDMENT.**—The table of
16 sections at the beginning of such chapter is
17 amended by striking the item relating to section
18 3751.

1 (C) CONFORMING AMENDMENT.—Section
2 3749 of such title is amended by striking sub-
3 section (e).

4 (2) EXPANSION OF ELIGIBILITY FOR SMALL
5 BUSINESS LOANS.—Chapter 37 of such title is fur-
6 ther amended—

7 (A) in section 3741—

8 (i) by striking paragraph (2);

9 (ii) by striking “this subchapter—”
10 and all that follows through “‘disabled vet-
11 eran’” and inserting “this subchapter, the
12 term ‘disabled veteran’”; and

13 (iii) by striking “30 percent” and in-
14 serting “10 percent”; and

15 (B) in section 3742(a)(3)(A), by striking
16 “of the Vietnam era or disabled veterans”.

17 (3) REPEAL OF AUTHORITY TO MAKE DIRECT
18 LOANS.—Chapter 37 of such title, as amended by
19 subsections (a) and (b), is further amended—

20 (A) in section 3742—

21 (i) in subsection (a)—

22 (I) in paragraph (2), by striking
23 “(A) loan guaranties, or (B) direct
24 loans” and inserting “loan guaran-
25 tees”; and

1 (II) in paragraph (3)(A), by
2 striking “ and that at least 51 percent
3 of a business concern must be owned
4 by disabled veterans in order for such
5 concern to qualify for a direct loan”;
6 (ii) in subsection (b)—

7 (I) by striking paragraph (1) and
8 redesignating paragraphs (2) through
9 (4) as paragraphs (1) through (3), re-
10 spectively; and

11 (II) in paragraph (2), as so re-
12 designated, by striking “make or”;

13 (iii) in subsection (c), by striking
14 “made or”;

15 (iv) in subsection (d)—

16 (I) by striking paragraph (2);

17 (II) by striking “(1) Except as
18 provided in paragraph (2) of this sub-
19 section, the” and inserting “The”;
20 and

21 (III) by striking “make or”; and
22 (v) in subsection (e)—

23 (I) in paragraph (1)—

24 (aa) in the first sentence, by
25 striking “ or, if the loan was a

1 direct loan made by the Sec-
2 retary, may suspend such obliga-
3 tion”; and

4 (bb) in the second sentence,
5 by striking “or while such obliga-
6 tion is suspended”;

7 (II) by striking “or suspend”
8 each place it appears;

9 (III) by striking “or suspension”
10 each place it appears

11 (IV) by striking “or suspends”
12 each place it appears; and

13 (V) in paragraph (4)(B), by
14 striking “or suspended”;

15 (B) in section 3743—

16 (i) by striking “that is provided a di-
17 rect loan under this subchapter, or”;

18 (ii) by striking the comma between
19 “subchapter” and “shall”;

20 (iii) by striking “direct or”; and

21 (iv) by striking “for the amount of
22 such direct loan or, in the case of a guar-
23 anteed loan,”;

24 (C) in section 3746, by striking “made or”
25 both places it appears;

1 (D) in section 3749(b), by striking “and
2 direct loan”; and

3 (E) in section 3750, by striking “made
4 or”.

5 (4) INCREASE OF MAXIMUM GUARANTY
6 AMOUNT.—Section 3742(b)(2), as redesignated by
7 subsection (c)(1)(B)(I), is amended by striking
8 “\$200,000” and inserting “\$500,000”.

9 (5) AUTHORITY TO ENTER INTO A CON-
10 TRACT.—Section 3742 of such title, as amended by
11 subsection (c), is further amended by adding at the
12 end the following new subsection:

13 “(f) The Secretary shall enter into a contract with
14 an appropriate entity for the purpose of carrying out the
15 program under this subchapter.”.

16 (6) AUTHORITY OF SECRETARY TO SUBSIDIZE
17 INTEREST RATES OF GUARANTEED LOAN.—Section
18 3745 of such title is amended by striking subsection
19 (b) and inserting the following new subsection (b):

20 “(b) For any loan guaranteed under this subchapter,
21 the Secretary may pay to the lender such amounts as may
22 be required to reduce the rate of interest payable by the
23 veterans’ small business concern by up to one-half of one
24 percent, except that the rate of interest payable by such
25 concern shall not be less than one-half of one percent.”.

1 (7) PREFERENCE FOR MEMBERS OF NATIONAL
2 GUARD AND RESERVES ACTIVATED IN SUPPORT OF
3 GLOBAL WAR ON TERRORISM.—Section 3748 of such
4 title is amended—

5 (A) by striking “and, second” and insert-
6 ing “second”; and

7 (B) by inserting before the period at the
8 end “, and, third, to veterans’ small business
9 concern in which veterans who, as members of
10 a reserve component, are activated in support of
11 the Global War on Terrorism have a significant
12 ownership interest”.

13 (8) AUTHORIZATION OF APPROPRIATIONS.—
14 Section 3749(c)(1) of such title is amended by strik-
15 ing “a total of \$25,000,000” and inserting
16 “\$1,000,000,000 for each fiscal year”.

17 (c) LIMITATION ON REQUIREMENT OF SMALL BUSI-
18 NESS CONCERNS OWNED AND CONTROLLED BY VET-
19 ERANS TO FURNISH CERTAIN BONDS.—

20 (1) LIMITATION.—Subchapter II of chapter 81
21 of title 38, United States Code, is amended by add-
22 ing at the end the following new section:

1 **“§ 8129. Small business concerns owned and con-**
2 **trolled by veterans: contractor bonds**

3 “(a) BONDS REQUIRED.—Notwithstanding sub-
4 chapter II of chapter 31 of title 40, in entering into a
5 contract with a small business concern owned and con-
6 trolled by veterans for the construction, alteration, or re-
7 pair of any public building or public work of the Depart-
8 ment the Secretary—

9 “(1) may not require the concern to furnish a
10 performance or payment bond in an amount that ex-
11 ceeds 50 percent of the amount of the contract; and

12 “(2) shall ensure that the concern does not re-
13 quire any subcontractor that is a small business con-
14 cern owned and controlled by veterans to furnish a
15 performance or payment bond in an amount that ex-
16 ceeds 50 percent of the amount of the subcontract.

17 “(b) PAYMENT OF SUBCONTRACTOR BONDS.—In en-
18 tering into a contract described in subsection (a) with the
19 Secretary, a prime contractor may furnish a performance
20 or payment bond on behalf of a subcontractor that is a
21 small business concern owned and controlled by veterans.

22 “(c) DEFINITION.—For purposes of this section, the
23 term ‘small business concern owned and controlled by vet-
24 erans’ means a small business concern that is included in
25 the small business database maintained by the Secretary
26 under section 8127(f) of this title.”

1 (2) CLERICAL AMENDMENT.—The table of sec-
2 tions at the beginning of such chapter is amended
3 by adding at the end of the items relating to such
4 subchapter the following new item:

 “8129. Small business concerns owned and controlled by veterans: contractor
 bonds.”.

5 (3) TREATMENT OF SMALL BUSINESS CON-
6 CERNS OWNED AND CONTROLLED BY VETERANS A
7 SOCIALY AND ECONOMICALLY DISADVANTAGED.—
8 Section 8128 of such title is amended—

9 (A) by redesignating subsection (b) as sub-
10 section (c); and

11 (B) by inserting after subsection (a) the
12 following new subsection:

13 “(b) TREATMENT AS SOCIALY AND ECONOMICALLY
14 DISADVANTAGED.—The Secretary may evaluate a bid sub-
15 mitted by a small business concern owned and controlled
16 by veterans and award a contract to such a concern on
17 the same basis as the Administrator of the Small Business
18 Administration may evaluate a bid submitted by a socially
19 and economically disadvantaged small business concern
20 and award a contract to such a concern under section 8(a)
21 of the Small Business Act (15 U.S.C. 637(a)).”.

