

**AMENDMENT TO THE AMENDMENT TO H.R. 5297,
AS REPORTED
OFFERED BY MS. HALVORSON OF ILLINOIS**

Add at the end of the bill the following:

**1 TITLE IV—SMALL BUSINESS IN-
2 VESTMENT COMPANY MOD-
3 ERNIZATION**

4 SEC. 401. INCREASED INVESTMENT FROM STATES.

5 Section 103(13)(C) of the Small Business Investment
6 Act of 1958 (15 U.S.C. 662(13)(C)) is amended by strik-
7 ing “33 percent” and inserting “45 percent”.

**8 SEC. 402. REVISED LEVERAGE LIMITATIONS FOR SUCCESS-
9 FUL SBICS.**

10 (a) **MAXIMUM LEVERAGE.**—Section 303(b)(2) of the
11 Small Business Investment Act of 1958 (15 U.S.C.
12 683(b)(2)) is amended by striking so much of paragraph
13 (2) as precedes subparagraph (C) and inserting the fol-
14 lowing:

15 “(2) **MAXIMUM LEVERAGE.**—

16 “(A) **IN GENERAL.**—(i) The maximum
17 amount of outstanding leverage made available
18 to any one company licensed under section

1 301(c) of this Act may not exceed the lesser
2 of—

3 “(I) 300 percent of such company’s
4 private capital; or

5 “(II) \$150,000,000.

6 “(ii) In applying clause (i)(I) in the case of
7 a debenture licensee which is in good standing
8 without the imposition of additional regulatory
9 standards and whose financings at cost are
10 comprised of at least 50 percent of loans and
11 debt securities, such licensee may be leveraged
12 as follows:

13 “(I) The first one-third of private cap-
14 ital to 300 percent.

15 “(II) The second one-third of private
16 capital to 200 percent.

17 “(III) The last third of private capital
18 to 100 percent.

19 “(iii) Notwithstanding clause (i), in the
20 case of any company operating as a business
21 development company (as such term is defined
22 under section 2(a)(48) of the Investment Com-
23 pany Act of 1940) or a majority-owned sub-
24 sidiary of such a company that is in good
25 standing without the imposition of additional

1 regulatory requirements, the maximum amount
2 of outstanding leverage made available to such
3 company shall be \$250,000,000.

4 “(iv) Clauses (ii) and (iii) shall apply only
5 to development companies that are licensed
6 after the date of enactment of the Small Busi-
7 ness Lending Fund Act of 2010.

8 “(B) MULTIPLE LICENSEES UNDER COM-
9 MON CONTROL.—

10 “(i) Except as provided under clause
11 (ii), the maximum amount of outstanding
12 leverage made available to two or more de-
13 benture companies licensed under section
14 301(e) of this Act that are commonly con-
15 trolled (as determined by the Adminis-
16 trator) and not under capital impairment
17 may not exceed \$225,000,000.

18 “(ii) In the case of two or more de-
19 benture companies licensed under section
20 301(e) of this Act, if licensed after the
21 date of enactment of the Small Business
22 Lending Fund Act of 2010, that are com-
23 monly controlled (as determined by the Ad-
24 ministrator) and not under capital impair-
25 ment, the maximum amount of out-

1 standing leverage made available to such
2 companies may not exceed \$350,000,000.”.

3 (b) REGULATIONS.—Section 303(b)(2) of the Small
4 Business Investment Act of 1958 (15 U.S.C. 683(b)(2)),
5 as amended by this Act, is further amended by adding
6 at the end the following:

7 “(E) REGULATIONS.—The Administrator
8 shall promulgate regulations, after notice and
9 opportunity for comment, establishing quantifi-
10 able objective criteria under which a licensee’s
11 private capital in its entirety may be leveraged
12 up to 300 percent. Such regulations shall be
13 published in the Code of Federal Regulations.”.

14 (c) INVESTMENTS IN LOW-INCOME GEOGRAPHIC
15 AREAS.—Section 303(b)(2)(C) of the Small Business In-
16 vestment Act of 1958 (15 U.S.C. 683(b)(2)(C)) is amend-
17 ed—

18 (1) in clause (ii), by striking “The maximum”
19 and inserting “Except as provided in clause (iv), the
20 maximum”; and

21 (2) by adding at the end the following:

22 “(iv) In the case of 2 or more compa-
23 nies described in clause (iii) that are under
24 common control (as determined by the Ad-
25 ministrator), if such companies are li-

1 censed after the date of enactment of the
2 Small Business Lending Fund Act of
3 2010, the maximum amount of out-
4 standing leverage made available to such
5 companies may not exceed \$400,000,000.”.

6 **SEC. 403. INVESTMENT IN VETERAN-OWNED SMALL BUSI-**
7 **NESSES.**

8 Section 303(b)(2)(C) of the Small Business Invest-
9 ment Act of 1958 (15 U.S.C. 683(b)(2)(C)), as amended
10 by this Act, is further amended as follows:

11 (1) In the heading, by inserting after “AREAS”
12 the following: “AND VETERAN-OWNED SMALL BUSI-
13 NESS CONCERNS”.

14 (2) In clause (i), by inserting after “351” the
15 following: “or in a small business concern owned and
16 controlled by veterans (as such term is defined in
17 section 3(q)(3) of the Small Business Act)”.

18 (3) In clause (iii), by inserting after “351” the
19 following: “or in small business concerns owned and
20 controlled by veterans (as such term is defined in
21 section 3(q)(3) of the Small Business Act)”.

