

**AMENDMENT TO H.R. 5297, AS REPORTED
OFFERED BY MR. SCHRADER OF OREGON**

Add at the end the following new title:

1 **TITLE _____—SMALL BUSINESS**
2 **BORROWER ASSISTANCE PRO-**
3 **GRAM**

4 **SEC. ___ 1. SHORT TITLE.**

5 This title may be cited as the “Small Business Assist-
6 ance Fund Act of 2010”.

7 **SEC. ___ 2. SMALL BUSINESS BORROWER ASSISTANCE PRO-**
8 **GRAM.**

9 (a) **IN GENERAL.**—The Administrator shall carry out
10 a program to be called the “Small Business Borrower As-
11 sistance Program” to provide payments of principal and
12 interest on qualifying small business loans.

13 (b) **AUTOMATIC ENROLLMENT; COMMITMENT OF**
14 **FUNDS.**—

15 (1) **IN GENERAL.**—To the extent funds are
16 available under the Program, each borrower that re-
17 ceives a qualifying small business loan after the date
18 on which the Administrator issues regulations pursu-
19 ant to subsection (e) shall be automatically enrolled
20 in the Program, unless the borrower requests other-

1 wise, and the Administrator shall commit an amount
2 to each borrower equal to 6 percent of the principal
3 disbursed amount of such borrower's qualifying
4 small business loan.

5 (2) ONE YEAR WINDOW FOR PARTICIPATING IN
6 PROGRAM.—Notwithstanding paragraph (1), a bor-
7 rower may only be enrolled in the Program if the
8 borrower is approved for a qualifying small business
9 loan before the end of the 1-year period following
10 the date on which the Administrator issues final reg-
11 ulations pursuant to subsection (e).

12 (3) TERMINATION OF PARTICIPATION IN CER-
13 TAIN CIRCUMSTANCES.—In any instance in which
14 the Administrator determines that a borrower par-
15 ticipating in the Program has committed fraud or
16 made a material misrepresentation related to such
17 participation, the Administrator may terminate such
18 borrower's participation in the Program and ban
19 such borrower from any future participation in the
20 Program.

21 (c) DISBURSEMENT OF FUNDS.—

22 (1) IN GENERAL.—A borrower enrolled in the
23 Program may submit a request for the payment of
24 committed funds by a method to be developed by the
25 Administrator.

1 (2) MULTIPLE DISBURSEMENTS PERMITTED.—

2 A borrower enrolled in the Program may request
3 multiple payments under paragraph (1), as long as
4 the aggregate amount of such payments does not ex-
5 ceed the amount committed to such borrower under
6 subsection (b).

7 (d) TERMS.—

8 (1) PAYMENTS ONLY TO LENDER OR
9 SERVICER.—Payments made by the Administrator
10 under the Program shall only be made to the lender
11 or servicer of a qualifying small business loan to be
12 applied against outstanding principal or interest,
13 and may not be made to the borrower.

14 (2) PROGRAM PARTICIPATION ONLY PERMITTED
15 DURING FIRST 2 YEARS.—

16 (A) IN GENERAL.—Payments made by the
17 Administrator under the Program may only be
18 made with respect to a payment of interest or
19 principal due on a qualifying small business
20 loan within the 2-year period following the date
21 on which such loan is disbursed.

22 (B) UNEXPENDED COMMITTED FUNDS.—

23 (i) IN GENERAL.—With respect to any
24 funds committed to a borrower enrolled in
25 the Program that remain unexpended at

1 the end of the 2-year period described
2 under subparagraph (A), such funds shall
3 be paid to the lender or servicer of the bor-
4 rower's loan and applied to the principal of
5 such loan.

6 (ii) EXCEPTION.—In any case in
7 which the amount of committed funds that
8 remain unexpended is greater than the re-
9 maining principal of a borrower's loan, the
10 amount of any excess shall be returned to
11 the Treasury.

12 (e) RULEMAKING.—Not later than 180 days after the
13 date of the enactment of this section, the Administrator
14 shall issue regulations necessary to carry out this section.

15 (f) CONTRACTING WITH AGENTS.—The Adminis-
16 trator may contract with one or more entities as necessary
17 to carry out the provisions of the Program. The Secretary
18 of the Treasury is authorized to designate financial insti-
19 tutions, including any bank, savings association, or trust
20 company, as financial agents of the Federal government
21 to carry out the authorities of this section, and such insti-
22 tutions shall perform all such reasonable duties related to
23 the Program as financial agents of the Federal govern-
24 ment as the Secretary may require. In engaging any such
25 third parties to carry out the Program, the Administrator

1 or the Secretary shall seek to involve small businesses in
2 the provision of the core direct services required under the
3 engagement.

4 (g) DEFINITIONS.—For purposes of this section:

5 (1) ADMINISTRATOR.—The term “Adminis-
6 trator” means the Administrator of the Small Busi-
7 ness Administration.

8 (2) PROGRAM.—The term “Program” means
9 the Small Business Borrower Assistance Program
10 established under subsection (a).

11 (3) QUALIFYING SMALL BUSINESS LOAN.—The
12 term “qualifying small business loan” means any
13 loan, up to \$300,000, made to a small business con-
14 cern and guaranteed under section 7(a) of the Small
15 Business Act (15 U.S.C. 636(a)), other than a loan
16 made pursuant to section 7(a)(31) of such Act, a re-
17 volving credit line, or any other revolving loan.

18 (4) SMALL BUSINESS CONCERN.—The term
19 “small business concern” has the meaning given
20 such term under section 3 of the Small Business Act
21 (15 U.S.C. 632).

22 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
23 hereby authorized to be appropriated to the Administrator
24 \$300,000,000 to carry out this section.

