

S 2595

504 Loan Program Modernization Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Commerce

Introduced: Apr 6, 2006

Current Status: Read twice and referred to the Committee on Small Business and Entrepreneurship.

Latest Action: Read twice and referred to the Committee on Small Business and Entrepreneurship. (Apr 6, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/2595>

Sponsor

Name: Sen. Kerry, John F. [D-MA]

Party: Democratic • State: MA • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Pryor, Mark L. [D-AR]	D · AR		Apr 6, 2006

Committee Activity

Committee	Chamber	Activity	Date
Small Business and Entrepreneurship Committee	Senate	Referred To	Apr 7, 2006

Subjects & Policy Tags

Policy Area:

Commerce

Related Bills

No related bills are listed.

504 Loan Program Modernization Act of 2006 - Amends the Small Business Act to extend through FY2009 the authorization of appropriations for the 504 Loan Program (a program initiated under title V of the Small Business Investment Act of 1958 that provides long-term financing to small businesses for expansion or modernization, delivered through nonprofit certified development companies (CDCs) established in the communities of such small businesses).

Amends the Small Business Investment Act of 1958 to outline requirements for development companies to qualify as CDCs for purposes of small business loans guaranteed by and administered through the Small Business Administration (SBA). Includes among such requirements that such companies: (1) employ fewer than 500 employees; (2) have a primary function of providing long-term financing to small businesses under the 504 Loan Program; and (3) maintain nonprofit status. Outlines additional requirements concerning board of directors, staffing, areas of operations (including multistate operation), and conflicts of interests. Includes as a goal of CDC projects the expansion of business in low-income communities.

Provides for, among other things: (1) the repeal of the sunset on reserve requirements for premier certified lenders; (2) permissible debt refinancing for state and local development companies; (3) a report from the SBA Administrator assessing the impact on fostering economic development caused by changes in fees for SBA-guaranteed small business loans; (4) additional equity for small business loans; (5) CDC contracting with a qualified third party to perform foreclosures and liquidations of defaulted small business loans; and (6) a report from the Administrator on the operation of the Premier Certified Lenders Program during the previous three-year period.

Actions Timeline

- **Apr 6, 2006:** Introduced in Senate
- **Apr 6, 2006:** Read twice and referred to the Committee on Small Business and Entrepreneurship.