

## HR 3854

### Small Business Financing and Investment Act of 2009

**Congress:** 111 (2009–2011, Ended)

**Chamber:** House

**Policy Area:** Commerce

**Introduced:** Oct 20, 2009

**Current Status:** Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneur

**Latest Action:** Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship. (Nov 2, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/house-bill/3854>

## Sponsor

**Name:** Rep. Schrader, Kurt [D-OR-5]

**Party:** Democratic • **State:** OR • **Chamber:** House

## Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Halvorson, Deborah L. [D-IL-11]	D · IL		Oct 20, 2009
Rep. Kirkpatrick, Ann [D-AZ-1]	D · AZ		Oct 20, 2009
Rep. Velazquez, Nydia M. [D-NY-12]	D · NY		Oct 20, 2009
Rep. Clarke, Yvette D. [D-NY-11]	D · NY		Oct 22, 2009
Rep. Skelton, Ike [D-MO-4]	D · MO		Oct 22, 2009

## Committee Activity

Committee	Chamber	Activity	Date
Small Business and Entrepreneurship Committee	Senate	Referred To	Nov 2, 2009
Small Business Committee	House	Reported By	Oct 26, 2009

## Subjects & Policy Tags

### Policy Area:

Commerce

## Related Bills

Bill	Relationship	Last Action
111 HR 5554	Related bill	<b>Jun 17, 2010:</b> Referred to House Financial Services
111 HR 3014	Text similarities	<b>Nov 19, 2009:</b> Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.
111 HR 3738	Text similarities	<b>Nov 19, 2009:</b> Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.
111 S 2765	Related bill	<b>Nov 10, 2009:</b> Read twice and referred to the Committee on Small Business and Entrepreneurship.
111 HR 3737	Text similarities	<b>Nov 9, 2009:</b> Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.
111 HR 3743	Text similarities	<b>Nov 9, 2009:</b> Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.
111 HRES 875	Procedurally related	<b>Oct 29, 2009:</b> Motion to reconsider laid on the table Agreed to without objection.
111 HR 3722	Text similarities	<b>Oct 21, 2009:</b> Provisions of Measure Incorporated into H.R. 3854.
111 HR 3723	Text similarities	<b>Oct 21, 2009:</b> Provisions of Measure Incorporated into H.R. 3854.
111 HR 3739	Text similarities	<b>Oct 21, 2009:</b> Provisions of Measure Incorporated into H.R. 3854.
111 HR 3740	Text similarities	<b>Oct 21, 2009:</b> Provisions of Measure Incorporated into H.R. 3854.

Small Business Financing and Investment Act of 2009 - **Title I: Small Business Lending Enhancements** - (Sec. 101) Amends the Small Business Act to direct the Administrator of the Small Business Administration (SBA) to establish and carry out a program to provide support to SBA regional, district, and branch offices in assisting small lenders who do not participate in the SBA's Preferred Lenders Program to make SBA section 7(a) (general small business) loans.

(Sec. 102) Directs the Administrator to carry out a rural lending outreach program to provide loans of up to \$250,000 to rural lenders providing section 7(a) loan assistance to small businesses in rural areas. Requires, with respect to such loans: (1) abbreviated application and documentation requirements; and (2) the Administrator to approve or disapprove such a loan within 36 hours.

(Sec. 103) Authorizes the Administrator to carry out a Community Express Program of loans of up to \$250,000 to small businesses the majority ownership of which is held by women, members of qualified Indian tribes, socially or economically disadvantaged individuals, veterans, or members of reserve components of the Armed Forces (reserves). Requires the Administrator to approve or disapprove such a loan within 36 hours.

(Sec. 104) Makes permanent the current increased veteran participation pilot program of reducing loan fees for small businesses owned and controlled by veterans or members of the reserves. Repeals a program report requirement.

(Sec. 105) Allows a 7(a) loan to be used to acquire or construct a facility, so long as the small business receiving the loan permanently occupies at least 50% of the project property. Allows the small business to temporarily lease up to 50% of such property.

(Sec. 106) Directs the Administrator to establish and carry out a lender training program for new and existing lenders participating in SBA loan programs. Prohibits entities from participating in any program under the Small Business Act or the Small Business Investment Act of 1958 (SBIA) unless the entity either: (1) has as its primary mission the financing or development of small businesses; or (2) is primarily engaged in banking, investing, or entrepreneurial development and does not engage in activities incidental to such activities.

(Sec. 107) Requires the SBA to make prompt payment on repurchase applications, and to make a final determination on the approval or denial of such an application within 45 days. Considers as approved an application not decided upon within such period.

(Sec. 108) Directs the Administrator to establish and permit a lender making a 7(a) loan to use an alternative business size standard based on factors including maximum tangible net worth and average net income.

(Sec. 109) Prohibits more than 10% of the total number of 7(a) loans from being awarded as part of a pilot program. Provides dollar limits for pilot program loans. Prohibits pilot programs from exceeding three years. Requires new SBA pilot programs to be subject to federal notice and comment requirements.

(Sec. 110) Authorizes the Administrator to provide 7(a) loans to any cooperative that: (1) is not organized as a tax-exempt entity; (2) is engaged in a legal business activity; (3) obtains financial benefits for itself and its members; and (4) is eligible under applicable SBA size standards.

(Sec. 111) Requires the Administrator to establish a process under which a small business may apply to the SBA to secure a loan (the Capital Backstop Program). Directs the Administrator, under the Program, to collect all necessary

information to determine such business's creditworthiness and repayment ability, and to make such information available to participating lenders within 100 miles of the small business borrower. Directs the Administrator to offer to sell such loans through semiannual public solicitations. Authorizes appropriations.

(Sec. 112) Prohibits the Administrator from applying a 7(a) loan application, processing, or approval standard for financing goodwill, unless such standard applies to all such loans.

(Sec. 113) Directs the Administrator to establish within the SBA an independent appellate process to review determinations that affect a lender or investment company that participates or is applying to participate in an SBA program. Requires the Administrator to appoint an SBA ombudsman to act as a liaison between the SBA and any such lender or investment company. Outlines related ombudsman authority. Requires an annual report from the Administrator to the congressional small business committees describing and providing the status of appeals made and pursued under this section.

(Sec. 114) Amends the American Recovery and Reinvestment Act of 2009 to extend through FY2011 the authority to extend increased loan guarantees to small business lenders and to eliminate certain loan fees.

(Sec. 115) Provides for reduced documentation requirements for business stabilization loans under the above Act through the utilization of a one-page application process. Requires the Administrator to give priority under such program to small businesses in a city with an unemployment rate of at least 125% of the rate of that state. Permits the use of such a loan's proceeds to make payments of principal and interest on government-guaranteed loans. Increases from \$35,000 to \$50,000 the maximum amount of business stabilization loans. Extends such loan program authority through FY2011.

(Sec. 119) Directs the Administrator to: (1) conduct a study of the business loan stabilization program; and (2) report study results, along with recommendations, to Congress.

(Sec. 120) Prohibits: (1) business stabilization loans from exceeding \$75,000 with respect to small businesses in an area of high unemployment; and (2) repayment on such loans from commencing prior to 18 months after final loan disbursement.

(Sec. 121) Makes permanent the secondary market lending authority under the American Recovery and Reinvestment Act of 2009 (SBA authority to make liquidity available to brokers and dealers who purchase and sell 7(a) loans). Permits lenders under such authority to apply for and receive such funds. Allows the SBA to use appropriated funds to reduce the cost of loans made under the secondary market lending authority.

(Sec. 123) Increases from \$2 million to \$3 million the aggregate 7(a) loan limit. Requires an appraisal for any 7(a) financing secured by commercial property with an estimated value in excess of \$400,000. (Current law requires an appraisal for property valued in excess of \$250,000).

(Sec. 125) Permits the SBA to retain a 25 basis point fee currently charged and retained by lenders under the SBA express loan program.

(Sec. 126) Authorizes the Administrator to provide loans to purchase unoccupied manufacturing centers or equipment.

(Sec. 127) Authorizes the Administrator to guarantee up to 100% of 7(a) loans made to small businesses owned and controlled by veterans.

(Sec. 128) Allows a small business classified in sector 23 of the North American Industry Classification System to defer

loan payment for up to 12 months after final loan disbursement.

(Sec. 129) Authorizes appropriations for the 7(a) program for FY2010-FY2011.

**Title II: CDC Economic Development Loan Program - Subtitle A: General Provisions** - (Sec. 201) Provides SBA section 504 (certified development company) (CDC) program levels for FY2010-FY2011 under the Small Business Act and the SBIA.

**Subtitle B: Certified Development Companies** - (Sec. 211) Allows only development companies certified by the Administrator to issue debentures under the Small Business Act. Requires a development company, in order to achieve certification, to: (1) have no more than 200 employees; (2) not be under the control of any other entity; and (3) be organized as a not-for-profit corporation. Provides exceptions. Requires the development company to be in good standing with all applicable laws, have at least 25 members, and to have a board of directors and professional management and staff. Outlines certification requirements for development companies which issued debentures before September 30, 2009, requiring a short-form application for certification and an expedited certification decision by the Administrator. Provides an application process for new development companies, requiring Administrator certification or denial within 60 days.

(Sec. 212) Provides operational requirements for CDCs. Requires CDC officers, employees, and contractors to act ethically and avoid conflicts of interest. Prohibits an associate from being an officer, director, or manager of more than one CDC, and prohibits an entity from having managerial control of more than one CDC. Prohibits CDC conflicts in project loans, as well as CDC affiliation with lenders participating in 7(a) loans, but allows CDCs to package and service such loans. Outlines requirements for CDC use of excess funds generated from the issuance of debentures. Provides CDC limitations with respect to investments in capital-impaired small business investment companies (SBICs). Requires CDCs to engage mainly in long-term financing to small businesses and other programs to assist small businesses or communities that promote local economic development and job creation or preservation. Provides conditions under which the Administrator may revoke or suspend CDC status.

(Sec. 213) Recodifies under federal law the accredited lenders program, under which CDCs that meet accreditation criteria may make loans with accelerated processing, approval, and closing procedures. Provides a grandfather period of 24 months after the enactment of this Act for the re-accreditation of previously accredited CDCs.

(Sec. 214) Recodifies the premier certified development program, under which accredited lenders may delegate loan decisions. Provides new requirements on premier certified development companies with respect to reimbursement to the SBA of specified percentages of losses sustained as a result of company default in the payment of principal or interest on a debenture issued by the company and guaranteed by the SBA.

(Sec. 215) Directs the Administrator to permit accredited or premier CDCs to engage in multistate loan or debenture issue operations, as long as the CDC: (1) has members from each of the states in which it operates, with at least 25 members who reside in such states; (2) has a board of directors that contains at least two members from each of the states in which the CDC makes loans and issues debentures; and (3) maintains a separate loan committee to process loans in each state, and the members of the loan committee are residents of that state. Outlines a process for Administrator review and determination of CDC expansion applications, including resubmission and appeals of rejected applications. Allows CDCs operating in a local economic development area that crosses borders of other states to operate without following such multistate operation requirements.

(Sec. 216) Recodifies SBA authority to guarantee the full amount of CDC debentures issued under the 504 loan program

and to assess and collect a loan fee to offset the cost of the guarantee program.

(Sec. 217) Prohibits CDCs from issuing debentures unless the project funded creates or preserves jobs, improves the economy of the locality, or meets one or more specified economic development public policy goals. Provides specific job creation and retention requirements, including creating or retaining one job for every \$65,000 guaranteed by the Administrator, except that the amount shall be \$100,000 in the case of a project of a small manufacturer.

(Sec. 218) Establishes CDC project financing requirements, ranging from projects up to \$3 million for any project of a small business concern to up to \$10 million for projects that constitute a major source of employment in the area. Requires at least 50% of project funding to be from sources other than the debentures issued by the CDC. Outlines provisions concerning: (1) small business collateral on property being financed under a project; (2) a limitation on leasing of a facility acquired or constructed under a project; and (3) rules for debentures funding projects in low-income areas.

(Sec. 219) Recodifies authority by which the SBA pools and sells to investors the debentures issued by CDCs and provides full guarantees on trust certificates issued representing the guaranteed debentures. Directs the Administrator to provide a central registration of all trust certificates sold.

(Sec. 220) Authorizes the Administrator to delegate to any CDC meeting specified eligibility requirements the authority to foreclose and liquidate defaulted CDC loans funded with the proceeds of debentures guaranteed by the SBA. Requires Administrator approval of a CDC's proposed liquidation plan. Provides for suspension or revocation of CDC foreclosure and liquidation authority in appropriate circumstances. Allows a CDC, in lieu of conducting foreclosure and liquidation procedures, to contract with a qualified third party to do so. Requires the SBA to reimburse a CDC for all foreclosure and liquidation expenses incurred if such expenses were: (1) approved in advance by the Administrator; (2) incurred by the CDC on an emergency basis, if determined by the Administrator to be reasonable and appropriate; and (3) submitted for reimbursement within three years after the expenses were incurred. Directs the Administrator to develop a schedule of compensation that provides monetary incentives to CDCs to increase recoveries on defaulted loans.

(Sec. 221) Requires an annual report from the Administrator to the small business committees on: (1) implementation of the 504 program; (2) CDC loan foreclosures and liquidations; (3) combination small business loan financing under provisions of the Small Business Act and the SBIA; and (4) economic and community development activities, other than loan-making, of CDCs.

(Sec. 222) Names the program created by SBIA title V (Loans to State and Local Development Companies) the CDC Economic Development Loan Program.

**Subtitle C: Miscellaneous** - (Sec. 231) Directs the Administrator to report to the small business committees identifying each Standard Operating Procedure issued after January 1, 1996, relating to the operation of a development company under SBIA Title V that is still in effect and the Code of Federal Regulations (CFR) regulation that authorizes the issuance of the Standard Operating Procedure.

(Sec. 232) Requires the Secretary to review, study, and report to the small business committees on the optional size standard set forth in the CFR for eligibility of a small business for financing under SBIA Title V. Establishes an interim alternative size standard of not more than \$15 million maximum tangible net worth and an average net income after payment of federal taxes for the preceding two fiscal years of not more than \$5 million.

**Title III: Microlending Expansion** - (Sec. 301) Amends the Microloan program (small-scale loans to start-up, newly established, or growing small businesses for working capital or the acquisition of materials, supplies, or equipment) to

direct the Administrator to establish a process under which an intermediary making a Microloan loan provides relevant borrower information to the major credit reporting agencies.

(Sec. 302) Removes the requirement that such loans be short-term only.

(Sec. 303) Expands eligibility for Microloan program participation to include intermediaries with at least one full-time employee with not less than: (1) three years of experience making microloans to startup, newly established, or growing small businesses; or (2) one year of experience providing intensive marketing, management, and technical assistance to borrowers.

(Sec. 304) Increases from: (1) \$750,000 to \$1 million the loan limit to an intermediary in the first year of participation; and (2) \$3.5 million to \$7 million the loan limit for the remaining years.

(Sec. 305) Increases from 25% to 35% of grant funds received the maximum amount that may be used by an intermediary to provide information and technical assistance to small business borrowers.

(Sec. 306) Allows a grant intermediary to establish a program to provide young entrepreneurs (age 25 or younger) with technical assistance in establishing or operating a small business, or in acquiring or securing financing for such business. Allows such small business to defer loan repayment until six months after final loan disbursement.

(Sec. 307) Increases from \$7,500 to \$10,000 the maximum loan amount to a small business borrower that will qualify for a reduced interest rate from the intermediary.

(Sec. 308) Directs the Administrator to submit annually to the small business committees specified information with respect to the Microloan program, including participating intermediaries and borrowers, and the marketing, management, and technical assistance provided.

(Sec. 309) Authorizes the Administrator to make grants to intermediaries to reduce interest rates charged to borrowers that receive a microloan.

(Sec. 310) Authorizes the Administrator to make Microloan technical assistance grants and direct loans for FY2010-FY2011, and authorizes appropriations for such loans and grants.

**Title IV: Small Business Investment Company Modernization** - (Sec. 401) Revises provisions concerning the SBIC program to increase the amount that a state or local governmental entity may invest in a SBIC applicant or licensee from 33% to 45% of the private capital of such applicant or licensee.

(Sec. 402) Requires the Administrator to: (1) approve within 60 days after receipt an application for licensing as an SBIC, as long as the applicant meets specified experiential and operational requirements; and (2) notify an applicant of, and provide an opportunity to cure, any nonconformance with such requirements. Provides conditions under which an applicant will be considered in good standing for purposes of such licensing. Authorizes the Administrator to remove an application from the approval process upon determining that license approval would present an unacceptable risk to the government.

(Sec. 403) Revises the maximum amount of outstanding leverage of SBICs, including for multiple licensees under common control and for two or more SBICs making investments in low-income areas.

(Sec. 404) Provides the rate of interest authorized to be charged to SBICs for their share of long-term small business

loans, allowing the SBICs to charge an additional 7% in the event of a default. Outlines conditions under which such a loan may be considered to be in default for such purposes.

(Sec. 405) Directs the Administrator to exclude the cost basis of any equity investment made by an SBIC in small businesses owned and controlled by veterans when calculating outstanding SBIC leverage limits.

(Sec. 406) Defines "tangible net worth" for small businesses and smaller enterprises, for purposes of the SBIC program.

(Sec. 407) Requires the SBA Associate Administrator for Investment to establish an agency record of evidence referring or relating to each application for an SBIC license. Directs the Administrator to provide a written explanation of any denial of a license application based upon evidence in such record.

(Sec. 408) Provides FY2010-FY2011 levels for the SBA guarantee of debentures under the SBIC program.

**Title V: Investment in Small Manufacturers and Renewable Energy Small Businesses - Subtitle A: Enhanced New Markets Venture Capital Program** - (Sec. 501) Requires (current law authorizes) the Administrator to participate in the new markets venture capital program (program) (a program under which investment companies provide capital financing to small businesses). Requires a report from the Administrator to Congress describing any expansion of such program as a result of this section.

(Sec. 502) Requires the Administrator, in selecting companies for program participation, to approve at least one company from each SBA geographic region.

(Sec. 503) Provides for new market capital venture investment in, as well as operational assistance to, small businesses located in low-income geographic areas and engaged primarily in manufacturing. Reduces to \$3 million the minimum capital requirements for final approval of conditionally-approved companies engaged primarily in development of and investment in small businesses located in areas of high unemployment.

(Sec. 504) Allows operational assistance funds for the above-described small businesses to be used for retooling, updating, or replacing machinery or equipment.

(Sec. 505) Makes the SBA definition of "low-income geographic area" the same as the definition of "low-income community" under the Internal Revenue Code. Requires an area of high unemployment, as determined by the Administrator, to be included within such definition.

(Sec. 506) Expands SBA operational assistance to conditionally-approved companies. Requires repayment of assistance amounts if such companies do not receive final approval. Limits grant amounts to \$50,000 per company.

(Sec. 507) Directs the Administrator to allow conditionally-approved companies two years to satisfy capital and other requirements for such assistance.

(Sec. 508) Requires the Administrator to prescribe standard documents for new market venture capital companies applying for approval and to ensure that the standard documents are designed to substantially reduce the cost of the application process for companies.

(Sec. 509) Eliminates a conditionally-approved company capital commitment requirement.

(Sec. 510) Revises the formula for determining the amount of operational assistance grants new market venture capital companies may receive.

(Sec. 511) Requires a new markets venture capital company, to the extent practicable, to provide financing to small businesses owned and controlled by veterans and located in low-income geographic areas.

(Sec. 512) Authorizes of appropriations for FY2010-FY2011 of \$100 million for debenture guarantees and \$20 million for operational assistance grants. Requires that at least 50% of such amounts be used by companies engaged primarily in the development of, and investment in, small businesses located in low-income geographic areas and engaged primarily in manufacturing.

**Subtitle B: Expanded Investment in Small Business Renewable Energy** - (Sec. 521) Redesignates (thereby expanding) the SBA's renewable fuel capital investment program as the renewable energy capital investment program.

(Sec. 522) Makes the renewable energy capital investment program permanent. (Current law provides for a pilot program).

(Sec. 523) Makes eligible under such program all small businesses. (Current law applies only to smaller enterprises).

(Sec. 524) Allows operational assistance available for such program to be used to: (1) reduce energy consumption; or (2) assist small businesses engaged primarily in manufacturing with retooling, updating, or replacing machinery or equipment.

(Sec. 525) Requires (current law authorizes) the Administrator to participate in such program. Directs the Administrator to report quarterly to Congress describing any progress toward expansion of the program as a result of this section.

(Sec. 526) Terminates SBA authority to charge fees for grants made under the program (thereby allowing such fees only to offset cost of SBA guarantees under the program).

(Sec. 527) Extends through FY2010-FY2011 (with an increased amount) the authorization of appropriations for operational assistance grants for renewable energy capital investment purposes.

(Sec. 528) Authorizes a program level of \$1 billion in debenture guarantees for each of FY2010-FY2011.

**Title VI: Small Business Health Information Technology Financing Program** - (Sec. 601) Authorizes the Administrator to guarantee up to 90% of the amount of a loan, up to specified loan amounts, to a small business health professional to be used for the acquisition and installation of health information technology for the professional's medical practice. Defines the term "health information technology" to mean computer hardware, software, and related technology that supports the meaningful electronic health record use requirements of title XVIII (Medicare) of the Social Security Act and purchased by an eligible professional to aid in the provision of health care, including electronic medical records, but excluding information technology whose sole use is financial management, maintenance of inventory of basic supplies, or appointment scheduling. Sets loan limits at \$350,000 for an individual professional and \$2 million for a group of affiliated professionals. Authorizes the Administrator to impose a guarantee fee on such borrowers, but prohibits any service, processing, or other fees. Allows such loans for a period of not less than one year or more than three years. Authorizes appropriations.

**Title VII: Small Business Early-Stage Investment Program** - (Sec. 701) Directs the Administrator to establish and carry out a program to provide equity investment financing to support early-stage small businesses in the following targeted industries: (1) agricultural technology; (2) energy technology; (3) environmental technology; (4) life science; (5) information technology; (6) digital media; (7) clean technology; (8) defense technology; and (9) photonics technology. Directs the Administrator to make grants to participating investment companies under the program and limits to \$100

million the aggregate amount of all grants made to a participating investment company under the program. Requires, as a condition of receiving a program grant, all of the investments of participating investment companies to be in small businesses, and at least 50% to be in early-stage small businesses in the targeted industries. Directs the Administrator to monitor participant compliance with such requirements. Establishes a separate Treasury fund for such grants. Authorizes appropriations.

(Sec. 702) Prohibits any funds appropriated for the early-stage investment program from being used for a congressional earmark.

**Title VIII: SBA Disaster Program Reform** - (Sec. 801) Prohibits the Administrator, in making a small business disaster loan of \$250,000 or less, from requiring a borrower to use the borrower's home as collateral.

(Sec. 802) Increases SBA disaster loan limits from: (1) \$1.5 million to \$3 million for loans made to a small business that has suffered or is likely to suffer substantial economic injury due to an essential employee being ordered to active military duty; and (2) \$2 million to \$3 million the maximum aggregate amount for disaster loans.

(Sec. 803) Prohibits the Administrator from requiring repayment on disaster loans until 12 months after final disbursement of the approved loan amount. Requires the repayment amount to be based solely on amounts disbursed.

(Sec. 804) Provides specific disbursement directions for each of the following categories of disaster loans: (1) \$150,000 or less; (2) more than \$150,000 up to \$500,000; and (3) more than \$500,000.

(Sec. 805) Authorizes the Administrator to make a disaster assistance grant of up to \$100,000 to a small business that: (1) is located in an area affected by a major disaster; (2) certifies its intention to reestablish the business in the same county as originally located; (3) has applied and was rejected for a conventional disaster assistance loan; and (4) was in existence for at least two years before the disaster declaration. Provides a grant priority for small businesses determined to be economically viable but unable to meet short-term financial obligations. Authorizes grants of \$100 million for each of FY2010-FY2011, and authorizes appropriations for such grants.

(Sec. 806) Directs the Administrator to develop a disaster preparedness and response plan for each SBA region. Requires each plan to identify the three disasters, natural or manmade, most likely to occur in such region.

(Sec. 807) Authorizes the Administrator to make outreach grants for loan application assistance to the following in areas affected by a disaster: (1) a women's business center; (2) a small business development center; (3) a veterans business outreach center; and (4) a chamber of commerce. Authorizes grants for each of FY2010-FY2011.

(Sec. 808) Authorizes the Administrator to make loans to any homeowner whose primary residence has been adversely impacted by the installation of toxic drywall manufactured in China.

(Sec. 809) Authorizes appropriations for FY2010-FY2011 for administrative expenses and small business disaster assistance loans.

**Title IX: Regulations** - (Sec. 901) Directs the Administrator, after an opportunity for notice and comment, to issue regulations to carry out this Act and its amendments within 180 days after enactment.

**Title X: Temporary Employee Services Franchises** - (Sec. 1001) Directs the Administrator, in determining whether a franchisee is affiliated with a franchiser in the temporary employee services industry for purposes of SBA lending programs, to: (1) continue to apply historically-considered affiliation factors; (2) promulgate such other rules and

regulations as necessary to determine such affiliation; and (3) consider the process of payroll and billing by a franchiser as customary and common practice in such industry that does not provide probative weight on affiliation, to the extent that temporary staffing personnel are interviewed, hired, trained, assigned, and subject to discharge by the franchisee.

**Title XI: Study on Private Sector Lending** - (Sec. 1101) Requires a report from the Administrator to the small business committees describing total lending to small businesses by the private sector during FY2006-FY2009.

**Title XII: Study on Increases in Certain Caps** - (Sec. 1201) Directs the Administrator to report to Congress the anticipated effects (including meeting the financial needs of small businesses) of increases in the maximum amounts of loans under the 7(a), CDC, and Microloan programs.

**Title XIII: Rural Outreach** - (Sec. 1301) Requires the Administrator to ensure that each SBA district office that includes a rural area: (1) establishes a plan to provide small businesses in such area with information on SBA financing and investment programs; (2) designates an employee as a rural business financing outreach specialist, to advise such businesses; and (3) hosts at least one outreach seminar in a rural area each year.

**Title XIV: Study Relating to Medical Technology** - (Sec. 1401) Directs the Administrator to report to Congress on recommendations for, and the feasibility of, a program to increase investment in the research, development, and commercialization of medical technology by small businesses.

**Title XV: Study on Additional Credit Risk Factors** - (Sec. 1501) Requires the Administrator, with respect to loans made under programs established or amended under this Act, to: (1) study whether the failure of such loans to achieve one or more specified public policy goals negatively impacts the ability of the borrowers to make timely loan repayments; and (2) report study results to Congress.

## Actions Timeline

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- **Nov 2, 2009:** Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.
- **Oct 29, 2009:** Rule H. Res. 875 passed House.
- **Oct 29, 2009:** Considered under the provisions of rule H. Res. 875. (consideration: CR H12074-12117)
- **Oct 29, 2009:** Rule provides for consideration of H.R. 3854 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. A specified amendment is in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment printed in part A of the report of the Committee on Rules shall be considered as the original bill for the purpose of further amendment.
- **Oct 29, 2009:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 875 and Rule XVIII.
- **Oct 29, 2009:** The Speaker designated the Honorable Jose E. Serrano to act as Chairman of the Committee.
- **Oct 29, 2009:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 3854.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 20 minutes of debate on the Velazquez amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Schock amendment #2.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Schock amendment #3.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Bright amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Flake amendment.
- **Oct 29, 2009:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Flake amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Ms. Velazquez demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Kosmas amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Gingrey amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Kratovil amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Paulsen amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Massa amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Foxx amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Kissell amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Peters amendment.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Miller (MI) amendment No. 14.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Miller (MI) amendment No 15.
- **Oct 29, 2009:** DEBATE - Pursuant to the provisions of H.Res. 875, the Committee of the Whole proceeded with 10 minutes of debate on the Nye amendment.
- **Oct 29, 2009:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was the question of adoption of a amendment which had been debated earlier and on which further proceedings had been postponed.

**Oct 29, 2009:** The House adopted the amendment as agreed to by the Committee of the Whole House on the state of the Union. (text: CR H12079-12099)

- **Oct 29, 2009:** Mr. Cantor moved to recommit with instructions to Small Business. (consideration: CR H12114-12116; text: CR H12114)
- **Oct 29, 2009:** DEBATE - The House proceeded with 10 minutes of debate on the Cantor motion to recommit with instructions. The instructions contained in the motion seek to report the same back to the House with an amendment to conduct a study on additional credit risk factors.
- **Oct 29, 2009:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H12115)
- **Oct 29, 2009:** On motion to recommit with instructions Agreed to by recorded vote: 272 - 149 (Roll no. 829).
- **Oct 29, 2009:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 389 - 32 (Roll no. 830).
- **Oct 29, 2009:** On passage Passed by the Yeas and Nays: 389 - 32 (Roll no. 830).
- **Oct 29, 2009:** Motion to reconsider laid on the table Agreed to without objection.
- **Oct 28, 2009:** Rules Committee Resolution H. Res. 875 Reported to House. Rule provides for consideration of H.R. 3854 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. A specified amendment is in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment printed in part A of the report of the Committee on Rules shall be considered as the original bill for the purpose of further amendment.
- **Oct 26, 2009:** Reported by the Committee on Small Business. H. Rept. 111-315.
- **Oct 26, 2009:** Placed on the Union Calendar, Calendar No. 181.
- **Oct 21, 2009:** Committee Consideration and Mark-up Session Held.
- **Oct 21, 2009:** Ordered to be Reported by Voice Vote.
- **Oct 20, 2009:** Introduced in House
- **Oct 20, 2009:** Referred to the House Committee on Small Business.