HR 838

Security in Bonding Act of 2015

Congress: 114 (2015–2017, Ended)
Chamber: House
Policy Area: Finance and Financial Sector
Introduced: Feb 10, 2015
Current Status: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.
Latest Action: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law. (Mar 16, 2015)
Official Text: https://www.congress.gov/bill/114th-congress/house-bill/838

Sponsor

Name: Rep. Hanna, Richard L. [R-NY-22]
Party: Republican • **State:** NY • **Chamber:** House

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Chabot, Steve [R-OH-1]	R · OH		Feb 10, 2015
Rep. Meng, Grace [D-NY-6]	D · NY		Feb 10, 2015
Rep. Allen, Rick W. [R-GA-12]	R · GA		May 19, 2015
Rep. Knight, Stephen [R-CA-25]	R · CA		Jun 3, 2015
Rep. Rice, Kathleen M. [D-NY-4]	D · NY		Sep 8, 2015

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	House	Referred to	Mar 16, 2015
Small Business Committee	House	Referred To	Feb 10, 2015

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 S 1526	Related bill	**Oct 27, 2016:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 656.
114 HR 1735	Related bill	**Oct 22, 2015:** Vetoed by President.

Summary (as of Feb 10, 2015)

Security in Bonding Act of 2015

Revises requirements related to assets pledged by a surety and to surety bond guarantees subject to the Small Business Investment Act of 1958. (A surety bond is a three-party instrument between a surety who agrees to be responsible for the debt or obligation of another, a contractor, and a project owner.)

Declares that if another applicable law or regulation permits the acceptance of a bond from a surety that is not subject to specified federal law, and is based on a pledge of assets by the surety, the assets pledged by such surety shall: (1) consist of eligible obligations given as security instead of surety bonds; and (2) be submitted to the government official required to approve or accept the bond, who shall deposit the assets with a depository (the Secretary of the Treasury, a federal reserve bank, or a depository designated by the Secretary).

Amends the Small Business Investment Act of 1958 to increase from 70% to 90% of the loss incurred and paid by a surety authorized to issue bonds (subject to Small Business Administration [SBA] guarantee) the SBA's guarantee of surety bonds. The SBA is required, under the guarantee, to indemnify a surety, under the Small Business Investment Program, against loss from a breach of the terms of a bid bond, payment bond, performance bond, or ancillary bonds, by a principal on any total work order or contract amount at the time of bond execution that does not exceed $6.5 million, as adjusted for inflation.

Requires the Comptroller General (GAO) to study:

- all instances during the 10-year period before enactment of the Act in which a surety bond proposed or issued by a surety in connection with a federal project was: (1) rejected by a federal contracting officer; or (2) accepted by one, but was later found to have been backed by insufficient collateral or to be otherwise deficient or with respect to which the surety did not perform;
- the consequences to the federal government, subcontractors, and suppliers of the instances; and
- the percentages of all federal contracts that were awarded to new startup businesses (including new startups that are small disadvantaged businesses or disadvantaged business enterprises), small disadvantaged businesses, and disadvantaged business enterprises as prime contractors in the two-year period before and the two-year period after enactment of this Act, together with an assessment of the impact of this Act and its amendments upon such percentages.

Actions Timeline

- **Mar 16, 2015:** Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.
- **Feb 10, 2015:** Introduced in House
- **Feb 10, 2015:** Referred to the Committee on the Judiciary, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

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