

114TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Small Business Act to provide for expanded participation  
in the microloan program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mrs. FISCHER introduced the following bill; which was read twice and referred  
to the Committee on \_\_\_\_\_

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## A BILL

To amend the Small Business Act to provide for expanded  
participation in the microloan program, and for other  
purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Microloan Program  
5 Modernization Act of 2016”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

8 (1) the term “intermediary” has the meaning  
9 given the term in section 7(m)(11) of the Small  
10 Business Act (15 U.S.C. 636(m)(11)); and

1           (2) the term “microloan program” means the  
2           program established under section 7(m) of the Small  
3           Business Act (15 U.S.C. 636(m)).

4 **SEC. 3. MICROLOAN INTERMEDIARY LENDING LIMIT IN-**  
5 **CREASED.**

6           Section 7(m)(3)(C) of the Small Business Act (15  
7 U.S.C. 636(m)(3)(C)) is amended by striking  
8 “\$5,000,000” and inserting “\$6,000,000”.

9 **SEC. 4. ELIMINATION OF 25/75 RULE.**

10          Section 7(m)(4) of the Small Business Act (15  
11 U.S.C. 636(m)) is amended—

12           (1) by striking subparagraph (E); and

13           (2) by redesignating subparagraph (F) as sub-  
14          paragraph (E).

15 **SEC. 5. SBA STUDY OF MICROENTERPRISE PARTICIPATION.**

16          Not later than 1 year after the date of enactment  
17 of this Act, the Administrator of the Small Business Ad-  
18 ministration shall conduct a study and submit to the Com-  
19 mittee on Small Business and Entrepreneurship of the  
20 Senate and the Committee on Small Business of the  
21 House of Representatives a report on—

22           (1) the operations (including services provided,  
23          structure, size, and area of operation) of a rep-  
24          resentative sample of—

1 (A) intermediaries that are eligible to par-  
2 ticipate in the microloan program and that do  
3 participate; and

4 (B) intermediaries (including those oper-  
5 ated for profit, operated as non-profits, and  
6 those affiliated with a United States institution  
7 of higher learning) that are eligible to partici-  
8 pate in the microloan program and that do not  
9 participate;

10 (2) the reasons why intermediaries described in  
11 paragraph (1)(B) choose not to participate in the  
12 microloan program;

13 (3) recommendations on how to encourage in-  
14 creased participation in the microloan program by  
15 intermediaries described in paragraph (1)(B); and

16 (4) recommendations on how to decrease the  
17 costs associated with participation in the microloan  
18 program for eligible intermediaries.

19 **SEC. 6. GAO STUDY ON MICROLOAN INTERMEDIARY PRAC-**  
20 **TICES.**

21 Not later than 1 year after the date of enactment  
22 of this Act, the Comptroller General of the United States  
23 shall submit to the Committee on Small Business and En-  
24 trepreneurship of the Senate and the Committee on Small

1 Business of the House of Representatives a report evalu-  
2 ating—

3           (1) oversight of the microloan program by the  
4       Small Business Administration, including oversight  
5       of intermediaries participating in the microloan pro-  
6       gram; and

7           (2) the specific processes used by the Small  
8       Business Administration to ensure—

9                   (A) compliance by intermediaries partici-  
10                  pating in the microloan program; and

11                   (B) the overall performance of the  
12                  microloan program.