

117TH CONGRESS
2D SESSION

S. _____

To authorize the Community Advantage Loan Program of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To authorize the Community Advantage Loan Program of the Small Business Administration, 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 “Community Advantage
5 Loan Program Permanency Act of 2022”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) capital access remains one of the largest
9 barriers to overcome for socially and economically

1 disadvantaged business owners as well as for the
2 smallest small businesses;

3 (2) according to the Double Jeopardy: COVID–
4 19’s Concentrated Health and Wealth Effects in
5 Black Communities study conducted by the Federal
6 Reserve banks, in 2020—

7 (A) firms owned by people of color are
8 more likely to have weak capitalizations, limited
9 bank relationships, and little in cash reserves;
10 and

11 (B) 51 percent of Black-owned businesses
12 have less than 3 months of cash reserves in
13 case of an emergency, which is nearly 7 per-
14 centage points higher than their peers;

15 (3) according to the Small Business Credit Sur-
16 vey conducted by the Federal Reserve banks, in
17 2021—

18 (A) 31 percent of firms that sought financ-
19 ing received the full financing sought by the
20 firm;

21 (B) firms owned by people of color were
22 least likely to receive the full amount of financ-
23 ing sought by the firm, with 15 percent of
24 Asian-owned businesses, 16 percent of Black-
25 owned businesses, and 19 percent of Hispanic-

1 owned businesses receiving full financing, as op-
2 posed to 35 percent of non-Hispanic White-
3 owned businesses receiving full financing; and

4 (C) firms with fewer employees were also
5 least likely to receive the full financing sought
6 by the firm, with 23 percent of businesses with
7 1 to 4 employees and 37 percent of businesses
8 with 5 to 49 employees receiving full financing,
9 as opposed to 55 percent of businesses with 50
10 to 499 employees receiving full financing;

11 (4) the Community Advantage Pilot Program of
12 the Small Business Administration has helped in-
13 crease lending backed by the Administration to firms
14 owned by people of color, women, and veterans and
15 firms classified as start ups; and

16 (5) from fiscal year 2018 to fiscal year 2022—

17 (A) 13 percent of loans under the Commu-
18 nity Advantage Pilot Program went to Black
19 business owners, while 4 percent of loans under
20 the loan program under section 7(a) of the
21 Small Business Act (15 U.S.C. 636(a)) (in this
22 section referred to as the “7(a) loan program”)
23 went to Black business owners;

24 (B) 15 percent of loans under the Commu-
25 nity Advantage Pilot Program went to Hispanic

1 business owners, while 8 percent of loans under
2 the 7(a) loan program went to Hispanic busi-
3 ness owners;

4 (C) 20 percent of loans under the Commu-
5 nity Advantage Pilot Program went to women
6 business owners, while 17 percent of loans
7 under the 7(a) loan program went to women
8 business owners; and

9 (D) 9 percent of loans under the Commu-
10 nity Advantage Pilot Program went to veteran
11 business owners, while 5 percent of loans under
12 the 7(a) loan program went to veteran business
13 owners; and

14 (6) from fiscal year 2020 to fiscal year 2021,
15 14 percent of loans under the Community Advantage
16 Pilot Program went to startup business owners,
17 while 7 percent of loans under the 7(a) loan pro-
18 gram went to startup business owners.

19 **SEC. 3. COMMUNITY ADVANTAGE LOAN PROGRAM.**

20 (a) IN GENERAL.—Section 7(a) of the Small Busi-
21 ness Act (15 U.S.C. 636(a)) is amended by adding at the
22 end the following:

23 “(38) COMMUNITY ADVANTAGE LOAN PRO-
24 GRAM.—

1 “(A) PURPOSES.—The purposes of the
2 Community Advantage Loan Program are—

3 “(i) to create a mission-oriented loan
4 guarantee program that builds on the dem-
5 onstrated success of the Community Ad-
6 vantage Pilot Program of the Administra-
7 tion, as established in 2011, to reach more
8 underserved small business concerns;

9 “(ii) to increase lending to small busi-
10 ness concerns in underserved and rural
11 markets, including veterans and members
12 of the military community, socially and
13 economically disadvantaged individuals, as
14 described in paragraphs (5) and (6)(A) of
15 section 8(a), respectively, women, and new
16 businesses;

17 “(iii) to ensure that the program
18 under this subsection expands inclusion
19 and more broadly meets congressional in-
20 tent to reach borrowers who are unable to
21 get credit elsewhere on reasonable terms
22 and conditions;

23 “(iv) to help underserved small busi-
24 ness concerns become bankable by utilizing
25 the small dollar financing and business

1 support experience of mission-oriented
2 lenders;

3 “(v) to allow certain mission-oriented
4 lenders, primarily financial intermediaries
5 focused on economic development in under-
6 served markets, access to guarantees for
7 loans under this subsection (in this para-
8 graph referred to as ‘7(a) loans’) of not
9 more than \$350,000 and provide manage-
10 ment and technical assistance to small
11 business concerns as needed;

12 “(vi) to provide certainty for the lend-
13 ing partners that make loans under this
14 subsection and to attract new lenders;

15 “(vii) to encourage collaboration be-
16 tween mission-oriented and conventional
17 lenders under this subsection in order to
18 support underserved small business con-
19 cerns; and

20 “(viii) to assist covered institutions
21 with providing business support services
22 and technical assistance to small business
23 concerns, when needed.

24 “(B) DEFINITIONS.—In this paragraph—

1 “(i) the term ‘Community Advantage
2 Network Partner’—

3 “(I) means a nonprofit, mission-
4 oriented organization that acts as a
5 Referral Agent to covered institutions
6 in order to expand the reach of the
7 program to small businesses in under-
8 served markets; and

9 “(II) does not include a covered
10 institution making loans under the
11 program;

12 “(ii) the term ‘covered institution’
13 means an entity that—

14 “(I) is—

15 “(aa) a development com-
16 pany, as defined in section 103 of
17 the Small Business Investment
18 Act of 1958 (15 U.S.C. 662),
19 participating in the 504 Loan
20 Guaranty program established
21 under title V of that Act (15
22 U.S.C. 695 et seq.);

23 “(bb) a nonprofit inter-
24 mediary, as defined in subsection
25 (m)(11), participating in the

1 microloan program under sub-
2 section (m);

3 “(cc) a non-Federally regu-
4 lated entity or a lending institu-
5 tion certified as a community de-
6 velopment financial institution by
7 the Community Development Fi-
8 nancial Institutions Fund estab-
9 lished under section 104(a) of
10 the Riegle Community Develop-
11 ment and Regulatory Improve-
12 ment Act of 1994 (12 U.S.C.
13 4703(a)); or

14 “(dd) an eligible inter-
15 mediary, as defined in subsection
16 (l)(1), participating in the Inter-
17 mediary Lending Program estab-
18 lished under subsection (l)(2);
19 and

20 “(II) has approved and disbursed
21 10 similarly sized loans in the pre-
22 ceding 24-month period and is serv-
23 icing not less than 10 similarly sized
24 loans to small business concerns in
25 the portfolio of the entity;

1 “(iii) the term ‘existing business’
2 means a small business concern that has
3 been in existence for not less than 2 years
4 on the date on which a loan is made to the
5 small business concern under the program;

6 “(iv) the term ‘new business’ means a
7 small business concern that has been in ex-
8 istence for not more than 2 years on the
9 date on which a loan is made to the small
10 business concern under the program;

11 “(v) the term ‘program’ means the
12 Community Advantage Loan Program es-
13 tablished under subparagraph (C);

14 “(vi) the term ‘Referral Agent’ has
15 the meaning given the term in section
16 103.1(f) of title 13, Code of Federal Regu-
17 lations, or any successor regulation;

18 “(vii) the term ‘rural area’ means any
19 county that the Bureau of the Census has
20 defined as mostly rural or completely rural
21 in the most recent decennial census; and

22 “(viii) the term ‘small business con-
23 cern in an underserved market’ means a
24 small business concern—

25 “(I) that is located in—

1 “(aa) a low- to moderate-in-
2 come community;

3 “(bb) a HUBZone, as that
4 term is defined in section 31(b);

5 “(cc) a rural area; or

6 “(dd) any area for which a
7 disaster declaration or determina-
8 tion described in subparagraph
9 (A), (B), (C), or (E) of sub-
10 section (b)(2) has been made
11 that has not terminated more
12 than 2 years before the date (or
13 later, as determined by the Ad-
14 ministrator) on which a loan is
15 made to the small business con-
16 cern under the program, except
17 that, in the case of a major dis-
18 aster described in subsection
19 (b)(2)(A), that period shall be 5
20 years;

21 “(II) for which more than 50
22 percent of the employees reside in a
23 low- or moderate-income community;

24 “(III) that is a new business;

1 “(IV) owned and controlled by
2 socially and economically disadvan-
3 taged individuals, as described in
4 paragraphs (5) and (6)(A) of section
5 8(a), respectively, which the Adminis-
6 trator, in carrying out the program,
7 shall presume includes Black Ameri-
8 cans, Hispanic Americans, Native
9 Americans, Asian Pacific Americans,
10 and other minorities;

11 “(V) owned and controlled by
12 women;

13 “(VI) owned and controlled by
14 veterans or spouses of veterans;

15 “(VII) owned and controlled by a
16 member of an Indian Tribe individ-
17 ually identified (including parentheti-
18 cally) in the most recent list published
19 pursuant to section 104 of the Feder-
20 ally Recognized Indian Tribe List Act
21 of 1994 (25 U.S.C. 5131);

22 “(VIII) owned and controlled by
23 an individual who has completed a
24 term of imprisonment in a Federal,
25 State, or local jail or prison;

1 “(IX) owned and controlled by an
2 individual with a disability, as that
3 term is defined in section 3 of the
4 Americans with Disabilities Act of
5 1990 (42 U.S.C. 12102); or

6 “(X) as otherwise determined by
7 the Administrator.

8 “(C) ESTABLISHMENT.—There is estab-
9 lished a Community Advantage Loan Program
10 under which the Administration may guarantee
11 loans made by covered institutions under this
12 subsection, with an emphasis on loans made to
13 small business concerns in underserved mar-
14 kets.

15 “(D) PROGRAM LEVELS.—In fiscal year
16 2023 and each fiscal year thereafter, not more
17 than 10 percent of the number of loans guaran-
18 teed under this subsection may be guaranteed
19 under the program.

20 “(E) GRANDFATHERING OF EXISTING
21 LENDERS.—Any covered institution that ac-
22 tively participated in the Community Advantage
23 Pilot Program of the Administration and is in
24 good standing, as determined by the Adminis-

1 tration, on the day before the date of enactment
2 of this paragraph—

3 “(i) shall retain designation in the
4 program;

5 “(ii) shall not be required to submit
6 an application to participate in the pro-
7 gram; and

8 “(iii) for the purpose of determining
9 the loan loss reserve amount of the covered
10 institution, shall have participation in the
11 Community Advantage Pilot Program in-
12 cluded in the calculation under subpara-
13 graph (J).

14 “(F) REQUIREMENT TO MAKE LOANS TO
15 UNDERSERVED MARKETS.—Not less than 70
16 percent of loans made by a covered institution
17 under the program shall consist of loans made
18 to small business concerns in underserved mar-
19 kets.

20 “(G) MAXIMUM LOAN AMOUNT.—The max-
21 imum loan amount for a loan guaranteed under
22 the program is \$350,000.

23 “(H) INTEREST RATES.—The maximum
24 allowable interest rate prescribed by the Admin-
25 istration on any financing made on a deferred

1 basis pursuant to the program shall not exceed
2 the maximum allowable interest rate under sec-
3 tions 120.213 and 120.214 of title 13, Code of
4 Federal Regulations, or any successor regula-
5 tions.

6 “(I) REFINANCING OF COMMUNITY ADVAN-
7 TAGE PROGRAM LOANS.—A loan guaranteed
8 under the program or guaranteed under the
9 Community Advantage Pilot Program of the
10 Administration may be refinanced into another
11 7(a) loan made by lender that does not partici-
12 pate in the program.

13 “(J) LOAN LOSS RESERVE REQUIRE-
14 MENTS.—

15 “(i) LOAN LOSS RESERVE ACCOUNT
16 FOR COVERED INSTITUTIONS.—A covered
17 institution—

18 “(I) with not more than 5 years
19 of participation in the program shall
20 maintain a loan loss reserve account
21 with an amount equal to 5 percent of
22 the outstanding amount of the
23 unguaranteed portion of the loan
24 portfolio of the covered institution
25 under the program; and

1 “(II) with more than 5 years of
2 participation in the program shall
3 maintain a loan loss reserve account
4 with an amount equal to the average
5 repurchase rate of the covered institu-
6 tion over the preceding 36-month pe-
7 riod.

8 “(ii) ADDITIONAL LOAN LOSS RE-
9 SERVE AMOUNT FOR SELLING LOANS ON
10 THE SECONDARY MARKET.—In addition to
11 the amount required in the loan loss re-
12 serve account under clause (i), a covered
13 institution that sells a program loan on the
14 secondary market shall be required to
15 maintain the following additional amounts
16 in the loan loss reserve account:

17 “(I) An amount equal to 2 per-
18 cent of the guaranteed portion of each
19 program loan sold on the secondary
20 market for lenders with less than 5
21 years experience selling program loans
22 on the secondary market.

23 “(II) An amount equal to the av-
24 erage repurchase rate for loans sold
25 by the lender on the secondary market

1 over the preceding 36 months for
2 lenders with more than 5 years experi-
3 ence selling program loans on the sec-
4 ondary market.

5 “(iii) RECALCULATION.—The loan
6 loss reserve required under clauses (i) and
7 (ii) shall be recalculated on October 1 of
8 each year.

9 “(K) TRAINING.—The Administration—
10 “(i) shall provide accessible upfront
11 and ongoing training for covered institu-
12 tions making loans under the program to
13 support program compliance and improve
14 the interface between the covered institu-
15 tions and the Administration, which shall
16 include—

17 “(I) guidance for following the
18 regulations of the Administration; and

19 “(II) guidance specific to mis-
20 sion-oriented lending that is intended
21 to help lenders effectively reach and
22 support underserved small business
23 concerns, including management and
24 technical assistance delivery;

1 “(ii) shall ensure that the training de-
2 scribed in clause (i) is provided for free or
3 at a low-cost;

4 “(iii) may enter into a contract to
5 provide the training described in clause (i)
6 with an organization with expertise in
7 lending under this subsection and pri-
8 marily specializing in mission-oriented
9 lending, and lending to underserved mar-
10 kets; and

11 “(iv) shall provide training for the
12 employees and contractors of the Adminis-
13 tration that regularly engage with covered
14 institutions or borrowers in the program.

15 “(L) COMMUNITY ADVANTAGE OUTREACH
16 AND EDUCATION.—The Administrator—

17 “(i) shall develop and implement a
18 program to promote to, conduct outreach
19 to, and educate prospective covered institu-
20 tions about the program, with a focus on
21 women- and minority-owned covered insti-
22 tutions.

23 “(ii) may enter into a contract with 1
24 or more nonprofit organizations experi-
25 enced in working with and training mission

1 driven lenders to provide the outreach and
2 education described in clause (i).

3 “(M) COMMUNITY ADVANTAGE NETWORK
4 PARTNER PARTICIPATION.—

5 “(i) IN GENERAL.—A covered institu-
6 tion that uses a Community Advantage
7 Network Partner shall abide by policies
8 and procedures of the Administration con-
9 cerning the use of Referral Agent fees per-
10 mitted by the Administration and disclo-
11 sure of those fees.

12 “(ii) PAYMENT OF FEES.—Notwith-
13 standing any other provision of law, all
14 fees described in clause (i) shall be paid by
15 the covered institution to the Community
16 Advantage Network Partner upon dis-
17 bursement of the applicable program loan.

18 “(N) DELEGATED AUTHORITY.—A covered
19 institution is not eligible to receive delegated
20 authority from the Administration under the
21 program until the covered institution has ap-
22 proved and fully disbursed not less than 10
23 loans under the program and the Administra-
24 tion had evaluated the ability of the covered in-
25 stitution to fulfill program requirements.

1 “(O) REPORTING.—

2 “(i) WEEKLY REPORTS.—

3 “(I) IN GENERAL.—The Admin-
4 istration shall report on the website of
5 the Administration, as part of the
6 weekly reports on lending approvals
7 under this subsection—

8 “(aa) on and after the date
9 of enactment of this paragraph,
10 the number and dollar amount of
11 loans guaranteed under the Com-
12 munity Advantage Pilot Program
13 of the Administration; and

14 “(bb) on and after the date
15 on which the Administration be-
16 gins to approve loans under the
17 program, the number and dollar
18 amount of loans guaranteed
19 under the program.

20 “(II) SEPARATE ACCOUNTING.—

21 The number and dollar amount of
22 loans reported in a weekly report
23 under subclause (I) for loans guaran-
24 teed under the Community Advantage
25 Pilot Program of the Administration

1 and under the program shall include a
2 breakdown by the categories of race,
3 ethnicity, and gender of the owners of
4 the small business concerns, by wheth-
5 er the small business concern is a new
6 or existing small business concern,
7 and by whether the small business
8 concern is located in an urban or
9 rural area, and broken down by—

10 “(aa) loans of not more than
11 \$50,000;

12 “(bb) loans of more than
13 \$50,000 and not more than
14 \$150,000;

15 “(cc) loans of more than
16 \$150,000 and not more than
17 \$250,000; and

18 “(dd) loans of more than
19 \$250,000 and not more than
20 \$350,000.

21 “(ii) ANNUAL REPORTS.—

22 “(I) IN GENERAL.—For each fis-
23 cal year in which the program is in ef-
24 fect, the Administration shall submit
25 to the Committee on Small Business

1 and Entrepreneurship of the Senate
2 and the Committee on Small Business
3 of the House of Representatives, and
4 make publicly available on the inter-
5 net, information about loans provided
6 under the program and under the
7 Community Advantage Pilot Program
8 of the Administration.

9 “(II) CONTENTS.—Each report
10 submitted and made publicly available
11 under subclause (I) shall include—

12 “(aa) the number and dollar
13 amounts of loans provided to
14 small business concerns under
15 the program, including a break-
16 down by—

17 “(AA) the gender of the
18 owners of the small business
19 concern;

20 “(BB) the race and
21 ethnicity of the owners of
22 the small business concern,
23 disaggregated in a manner
24 that captures all the racial
25 groups specified in the

1 American Community Sur-
2vey conducted by the Bu-
3reau of the Census;

4 “(CC) whether the
5small business concern is lo-
6cated in an urban or rural
7area; and

8 “(DD) whether the
9small business concern is an
10existing business or a new
11business, as provided in the
12weekly reports on lending
13approvals under this sub-
14section;

15 “(bb) the proportion of loans
16described in item (aa) compared
17to—

18 “(AA) other 7(a) loans
19of any amount;

20 “(BB) other 7(a) loans
21of similar amounts;

22 “(CC) express loans
23provided under paragraph
24(31) of similar amounts; and

1 “(DD) other 7(a) loans
2 of similar amounts provided
3 to small business concerns
4 in underserved markets;

5 “(cc) a comparison of the
6 number and dollar amounts of
7 loans provided to small business
8 concerns under the program and
9 under each category of loans de-
10 scribed in item (aa), broken down
11 by—

12 “(AA) loans of not
13 more than \$50,000;

14 “(BB) loans of more
15 than \$50,000 and not more
16 than \$150,000;

17 “(CC) loans of more
18 than \$150,000 and not more
19 than \$250,000; and

20 “(DD) loans of more
21 than \$250,000 and not more
22 than \$350,000;

23 “(dd) the number and dollar
24 amounts of loans provided to
25 small business concerns under

1 the program by State, and the
2 jobs created or retained within
3 each State;

4 “(ee) a list of covered insti-
5 tutions participating in the pro-
6 gram and the Community Advan-
7 tage Pilot Program of the Ad-
8 ministration, including—

9 “(ff) the name, location, and
10 contact information, such as the
11 website and telephone number, of
12 each covered institution; and

13 “(gg) a breakdown by the
14 number and dollar amount of the
15 loans approved for small business
16 concerns; and

17 “(hh) the benchmarks estab-
18 lished by the Community Advan-
19 tage Working Group under sub-
20 paragraph (O)(i).

21 “(III) TIMING.—An annual re-
22 port required under this clause
23 shall—

24 “(aa) be submitted and
25 made publicly available not later

1 than December 1 of each year;
2 and

3 “(bb) cover the lending ac-
4 tivity for the fiscal year that
5 ended on September 30 of that
6 same year.

7 “(P) GAO REPORT.—Not later than 5
8 years after the date of enactment of this para-
9 graph, the Comptroller General of the United
10 States shall submit to the Administrator, the
11 Committee on Small Business and Entrepre-
12 neurship of the Senate, and the Committee on
13 Small Business of the House of Representatives
14 a report—

15 “(i) assessing—

16 “(I) the extent to which the pro-
17 gram fulfills the requirements of this
18 paragraph; and

19 “(II) the performance of covered
20 institutions participating in the pro-
21 gram; and

22 “(ii) providing recommendations on
23 the administration of the program and the
24 findings under subclauses (I) and (II) of
25 clause (i).

1 “(Q) COMMUNITY ADVANTAGE WORKING
2 GROUP.—

3 “(i) IN GENERAL.—Not later than 90
4 days after the date of enactment of this
5 paragraph, the Administrator shall estab-
6 lish a Community Advantage Working
7 Group, which shall—

8 “(I) include—

9 “(aa) a geographically di-
10 verse representation of members
11 from among covered institutions
12 participating in the program; and

13 “(bb) representatives from
14 the Office of Capital Access of
15 the Administration, including the
16 Office of Credit Risk Manage-
17 ment, the Office of Financial As-
18 sistance, and the Office of Eco-
19 nomic Opportunity;

20 “(II) develop recommendations
21 on how the Administration can effec-
22 tively manage, support, and promote
23 the program and the mission of the
24 program;

1 “(III) establish metrics of suc-
2 cess and benchmarks that reflect the
3 mission and population served by cov-
4 ered institutions under the program,
5 which the Administration shall use to
6 evaluate the performance of those cov-
7 ered institutions;

8 “(IV) establish criteria assessing
9 the business support services and
10 technical assistance needs of bor-
11 rowers and methods to assess lender
12 expertise to provide necessary services
13 and assistance; and

14 “(V) institute regular and sus-
15 tainable systems of communication be-
16 tween the Administration and covered
17 institutions participating in the pro-
18 gram.

19 “(ii) REPORT.—Not later than 1 year
20 after the date of enactment of this para-
21 graph, the Administrator shall submit to
22 the Committee on Small Business and En-
23 trepreneurship of the Senate and the Com-
24 mittee on Small Business of the House of
25 Representatives a report that includes—

1 “(I) the recommendations of the
2 Community Advantage Working
3 Group established under clause (i);
4 and

5 “(II) a recommended plan and
6 timeline for implementation of those
7 recommendations.

8 “(R) REGULATIONS.—

9 “(i) IN GENERAL.—Not later than
10 180 days after the date of enactment of
11 this paragraph, the Administrator shall
12 promulgate regulations governing the pro-
13 gram, including metrics for lender per-
14 formance, metrics of success and bench-
15 marks of the program, and criteria for ap-
16 propriate management and technical as-
17 sistance.

18 “(ii) UPDATES.—The Administrator
19 shall consult the report issued under sub-
20 paragraph (P)(ii) and, not later than 180
21 days after submission of the report, pro-
22 mulgate any necessary changes to existing
23 regulations of the Administration based on
24 the recommendations contained in the re-
25 port.

1 “(S) AUTHORIZATION OF APPROPRIA-
2 TIONS.—There is authorized to be appropriated
3 such sums as may be necessary to conduct out-
4 reach and education described in subparagraph
5 (L).”.

6 (b) PARTICIPATION.—Section 7(a)(2) of the Small
7 Business Act (15 U.S.C. 636(a)(2)) is amended—

8 (1) in subparagraph (A), in the matter pre-
9 ceding clause (i), by striking “and (F)” and insert-
10 ing “(F), and (G)”; and

11 (2) by adding at the end the following:

12 “(G) PARTICIPATION IN THE COMMUNITY
13 ADVANTAGE LOAN PROGRAM.—In an agreement
14 to participate in a loan on a deferred basis
15 under paragraph (38), the participation by the
16 Administration shall be—

17 “(i) 80 percent of the balance of the
18 financing outstanding at the time of the
19 disbursement of the loan, if that balance is
20 more than \$150,000 and not more than
21 \$350,000; or

22 “(ii) 90 percent of the balance of the
23 financing outstanding at the time of the
24 disbursement of the loan, if that balance is
25 not more than \$150,000.”.