

**The Military Reservist and Veteran Small Business
Reauthorization and Opportunity Act of 2008**
(P.L. 110-186)
Enacted February 14th, 2008

Section-by-Section

Section 1. Short Title. The “Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008.”

Section 2. Table of Contents

Section 3. Definitions

Title I. Veterans Business Development

Section 101. Increased Funding for the Office of Veterans Business Development

Increases the authorization for funding from the current level to \$2.1 million in FY 2008 and \$2.3 million for FY 2009. Funding offset comes from the reduction of funding under section 20(e)(1)(B)(iv) of the Small Business Act. Sense of the Senate language is included that states that the additional funding above the FY 2007 level should go toward Veteran Business Outreach Centers (VBOCs).

Section 102. Interagency Task Force

Creates an interagency task force made up of the Administrator of the SBA (Chair), and a senior level representative from the Department of VA, DoD, DOL, DOT, GSA, OMB, another member of the SBA, and four members of veterans service and military organizations. The Task Force must consult regularly with veteran service and military organizations. It is charged with developing proposals regarding: (a) improving capital access; (b) ensuring achievement of Federal contracting and subcontracting goals; (c) increasing the integrity of certifications of status as a small business concern, service-disabled veterans, or small businesses controlled by veterans, (d) reducing paperwork and administrative burdens on veterans in accessing business assistance; and (e) making improvements relating to supporting veterans business development.

Section 103. Permanent Extension of the SBA Advisory Committee on Veterans Business Affairs (Advisory Committee)

The Advisory Committee has served as a valuable independent source of advice and policy on veterans business issues to the SBA, the Congress, and the President. This provision would permanently extend the Committee.

Section 104. Office of Veterans Business Development

Requires that VBOCs participate in Transition Assistance Program (TAP) workshops. Centers may make grants to entities located in TAP locations to make presentations describing available opportunities through the SBA for veterans. The Associate Administration must create written materials with information on self-employment and veteran entrepreneurship for inclusion in the TAP manual, and must report progress on implementation to the Congress. This section also

provides for the Associate Administrator to compile information on existing business assistance and technical education resources currently available to women veterans, and disseminate that information through the VBOCs and Women's Business Centers.

Section 105. Increasing the Number of Veteran Business Outreach Centers (VBOC)

Requires the Administrator to add at least two VBOCs in FY 2008 and an additional two in FY 2009, followed by additional VBOCs thereafter based on need determined by the Administrator. This applies only if the amount made available for the Office of Veterans Business Development for the fiscal years is more than the amount made available in FY 2007.

Section 106. Independent Study on Gaps in Availability of Outreach Centers

The Administrator shall sponsor an independent study on gaps in the availability of VBOCs nationwide submitted to Congress no later than 6 months after enactment date.

Section 107. Veterans Assistance and Services Program

Establishes a grant program for Small Business Development Centers to carry out a veterans assistance and services program. The applicant centers must create a marketing campaign, use technology-assisted online counseling and distance learning technology, and increase coordination among organizations that assist veterans by establishing a virtual integration of service providers and acting as a one-stop point of contact for veteran entrepreneurs and small business owners. The grants will be between \$75,000 and \$250,000.

Title II-Reservist Programs

Section 201. Reservist Programs

These provisions make changes to the SBA's Military Reservist Economic Injury Disaster Loan (MREIDL) program. The MREIDL program provides funds to eligible small businesses to meet their ordinary and necessary operating expenses that they could have met, but are unable to, because an essential employee was "called-up" to active duty in their role as a military reservist. The changes are as follows:

- **Application Period** – Provides that a business has up to 1 year after the essential employee is discharged to apply for an MREIDL. Currently, they have to apply within 90 days. Also allows the Administrator to waive this deadline for an additional year;
- **Pre-consideration Process** - Requires that within 6 months of the Act's passage, the SBA must establish a pre-consideration process under which an eligible reservist can fill out the required paperwork before they are deployed;
- **Outreach and Technical Assistance Program** - Allows the SBA, in consultation with DoD and DVA, to develop an outreach and assistance program to small business concerns aimed at marketing MREIDLs;
- **Requires that the SBA submit a report every 6 months**, to include the number of loans approved and disbursed, to the House and Senate Small Business Committees.

Section 202. Reservist Loans.

Requires the SBA and DoD to develop a joint website and printed materials providing information regarding this program for Guard and reserve members.

Section 203. Noncollateralized loans

- **Allows the SBA Administrator (either directly or through banks) to offer loans up to \$50,000 without requiring collateral from a loan applicant.** Currently, the Administrator can make loans up to \$5,000 without requiring collateral.
- **Authorization for the SBA Administrator to defer payment of principal and interest during the longer of:** (a) the 1-year period beginning on the date of the initial disbursement of the loan, and (b) the period during which the relevant essential employee is on active duty.

Section 204. Loan priority

Requires MREIDLs to be processed on an expedited basis.

Section 205. Relief From Time Limitations For Veteran Owned Small Businesses

Allows small businesses owned and operated by veterans to extend their SBA program participation time limitations by the duration of their owners' deployment. This section does not apply to any programs subject to the Federal Credit Reform Act of 1990.

Section 206 Service-Disabled Veterans

Requires the Comptroller General to submit to the Senate and House SBCs a report describing the types of assistance needed by service-disabled veterans wishing to become entrepreneurs and any resources that would assist them.

Section 207. Study on Options For Promoting Positive Working Relations Between Employers and Their Reserve Component Employees.

Requires that the Comptroller General submit a report that:

- Describes the measures taken to inform reserve members of their obligations and responsibilities to employers, including assessing options for improving the time within which employers of members of the reserve are notified that the reservist will be deployed,
- Address how effective those measures have been and whether there are additional measures that could be take to promote a positive working relationship.
- Assesses whether there has been a reduction in hiring reservists as a result of their increased use after September 11, or due to any change in DoD policy after September 11.

Section 208. Increased Veteran Participation Program

Establishes a pilot program under which the SBA reduces fees by 50 percent for veteran participation loans. Also calls on a GAO report one year after enactment of the pilot program to assess its effectiveness and make recommendations for improving it.