



**REP. TOM PRICE, M.D. (R-GA), CHAIRMAN**  
**PAUL TELLER, EXECUTIVE DIRECTOR**  
 424 CANNON HOUSE OFFICE BUILDING  
 WASHINGTON, DC 20515

**Legislative Bulletin.....October 29, 2009**

**Contents:**

**Amendments to H.R. 3854**—Small Business Financing and Investment Act of 2009

The Small Business Financing and Investment Act of 2009 sponsored by *Rep. Schrader (D-OR)* is scheduled to be considered on Thursday, October 29, 2009, under a structured rule ([H.Res.875](#)) providing for one hour of general debate, making in order one amendment that self executes under passage of the rule and sixteen additional amendments under regular order. The rule waives all points of order against consideration of the bill, except earmark and “pay-go” violations. The rule allows one motion to recommit with or without instructions. The RSC will summarize each amendment made in order in a separate document.

**AMENDMENTS MADE IN ORDER UNDER THE RULE-PART A**

- 1. **Velazquez (D-NY)/Graves (R-MO).** The amendment would strike or revise four provisions of the legislation where the Congressional Budget Office has determined would carry a direct cost.

**AMENDMENTS MADE IN ORDER UNDER THE RULE-PART B**

- 1. **Velazquez (D-NY).** The manager’s amendment would make several substantive and technical changes to the bill. The amendment reduces restrictions on participation as a lending or investment entity or as an agent of the Small Business Administration by only requiring them to satisfy one of the following requirements of being “primarily engaged in the business of banking, investing, or entrepreneurial development and does not engage in activities which are not incidental to the business of banking, investing, or entrepreneurial development. The amendment also instructs the SBA to give priority to small business concerns in a city with an unemployment rate that is at least 125 percent of the unemployment rate of the State. The amendment also requires the SBA to provide Congress a report within 90 days of enactment a detailed report on the business stabilization program expanded under Title I of the bill. Additionally, Title I is amended to all the SBA to issue loans to what the Administrator determines to be unoccupied manufacturing centers or equipment. The Managers amendment also provides preferable financing to Veterans and allows nationally accredited home health care providers to participate in the Health IT program. Finally, the amendment would add two additional titles to the bill to determine employee franchises services and provide a study on private sector lending.

2. **Schock (R-IL).** Amends the bill to require that if a lender followed the requirements set forth in the National Lender Training Program, the SBA pay the claim unless it can provide convincing evidence demonstrating the lender failed to comply with the regulatory requirements.
3. **Schock (R-IL).** Within 180 days of enactment, the amendment requires quarterly reports on the SBA Administrator's progress towards the expansion of the Renewable Energy Capital Investment Program.
4. **Bright (D-AL).** Creates an additional title to the underlying bill to increase rural outreach efforts by requiring each of the SBA district offices to establish a plan to provide rural businesses with information on financing and investment alternatives, designate an employer as a Rural Business Outreach Specialist, and host at least one out-reach seminar per year.
5. **Flake (R-AZ).** Prohibits the earmarking of grants made available through the Small Business Early-Stage Investment program.
6. **Kosmas (D-FL).** Adds photonics as a targeted business sector to be eligible to receive grants under the Small Business Early-Stage Investment Program
7. **Gingrey (R-GA).** Increases the length of eligibility to participate in the Small Business Health Information Technology Financing Program from five to seven years.
8. **Kratovil (D-MD).** Permits the SBA to guarantee up to 100% of a loan granted to a veteran under the 7(a) program of up to \$3 million dollars. The current guarantee is 85% to all participants in the program.
9. **Paulsen (R-MN).** Requires that, within one year of enactment, the Administrator of the SBA provide a report to Congress on the feasibility of creating a new program to increase investment and commercialization of medical technology.
10. **Massa (D-NY).** Creates a young entrepreneurs program (25 years or younger and reside in same area for two years) to secure financing to receive technical assistance and allows loan repayment to be deferred for 6 months.
11. **Foxx (R-NC).** Sunsets all authorizations in the bill, after five years of enactment, or at the end of the specific authorizations listed in the legislation, whichever is earlier. The Administrator would continue to have the authority to carry out outstanding obligations such as loans or grants.
12. **Kissell (D-NC).** Allows 7(a) loan repayments to be deferred for up to 12 months if the small business concern is determined to involve construction projects.
13. **Peters (D-MI).** Increases the maximum businesses stabilization loan amount to \$75,000 in areas deemed to have high unemployment by the Administrator (current level \$35,000, base bill raises to \$50,000). Additionally, it delays the repayment of business stabilization loans in these designated unemployment areas for 18 months.
14. **Brown-Waite (R-FL).** Requires each individual directly with loan application evaluation and underwriting responsibilities to have at least 2 years experience.

**15. Brown-Waite (R-FL).** Changes the legislation to clarify the Capitol Backstop Program is to start upon enactment of the Act and through September 30, 2011 regardless of economic conditions outlined in the underlying bill.

**16. Nye (D-VA)/Buchanan (R-FL).** Allows the Administrator to make loans to homeowners that have been affected by toxic drywall.

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