

117TH CONGRESS
1ST SESSION

H. R. 6317

To amend the Small Business Act to address the participation of cooperatives in the program carried out under section 7(a) of that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2021

Mr. NEGUSE introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Agriculture, 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

A BILL

To amend the Small Business Act to address the participation of cooperatives in the program carried out under section 7(a) of that Act, 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 “Capital for Coopera-
5 tives Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Cooperative businesses operate on the basis
2 of 1 member, 1 vote.

3 (2) Cooperatives have helped to improve the
4 economic conditions of the people of the United
5 States for more than a century by increasing com-
6 petition and helping small players gain parity in the
7 market.

8 (3) Research has shown that cooperatives are
9 more resilient to economic business cycles than other
10 business models because cooperatives require mem-
11 ber-owners of the cooperative to work together and
12 prepare for the future.

13 (4) The mission of the Small Business Adminis-
14 tration (referred to in this Act as the “Administra-
15 tion”) is to help the people of the United States
16 start, build, and grow businesses.

17 (5) The requirement of the Administration that
18 some borrowers provide a personal guarantee with
19 respect to certain Administration loans has pre-
20 vented cooperatives from accessing the safe and af-
21 fordable financing available from the Administration.

22 **SEC. 3. COOPERATIVES.**

23 (a) IN GENERAL.—Section 7(a)(15)(B)(iv) of the
24 Small Business Act (15 U.S.C. 636(a)(15)(B)(iv)) is
25 amended—

(1) in the matter preceding subclause (I), by striking “, or to a cooperative in accordance with paragraph (35)”;

(2) in subclause (I), by striking “or cooperative”.

(b) SBA RESPONSIBILITIES.—

(1) DEFINITIONS.—In this subsection:

(A) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Administration.

(B) COOPERATIVE.—The term “cooperative” has the meaning given the term in section 7(a)(35) of the Small Business Act (15 U.S.C. 636(a)(35)).

(C) PROGRAM.—The term “Program” means the program carried out under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(D) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning given the term in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(E) WORKING GROUP.—The term “Working Group” means the interagency working group coordinated and chaired by the Secretary

1 of Agriculture pursuant to section 310B(e)(12)
2 of the Consolidated Farm and Rural Develop-
3 ment Act (7 U.S.C. 1932(e)(12)), as amended
4 by subsection (c).

5 (2) COORDINATION; AMENDMENTS TO RULES;
6 REPORT.—The Administrator shall—

7 (A) beginning not later than 60 days after
8 the date of enactment of this Act, coordinate
9 and participate with the Working Group to—

10 (i) develop recommendations regard-
11 ing how the Administrator can coordinate
12 with the heads of other Federal agencies to
13 promote, support, and increase the number
14 of cooperatives; and

15 (ii) ensure coordination between the
16 Administrator and—

17 (I) other Federal agencies; and

18 (II) national and local organiza-
19 tions representing cooperatives and
20 small business concerns;

21 (B) not later than 180 days after the date
22 of enactment of this Act—

23 (i) amend the rules of the Administra-
24 tion with respect to guarantees for loans

made to cooperatives under the Program,
which may include—

(I) requiring the Administrator
to guarantee a loan made to a cooperative under the Program if the lender with respect to the loan can demonstrate that the cooperative is able to repay the loan; and

(II) establishing lending criteria
for cooperatives under the Program that are not based on personal or entity guarantees provided by the member-owners of the cooperative; and

(ii) submit to Congress a report documenting the amendments made under clause (i); and

(C) not later than 1 year after the date of enactment of this Act, submit to Congress a report regarding—

(i) education regarding cooperatives
that the Administrator has provided to—

(I) officials of the Administration;

(II) lenders participating in the
Program; and

1 (III) small business development
 2 centers described in section 21 of the
 3 Small Business Act (15 U.S.C. 648);
 4 and

5 (ii) during the period beginning on the
 6 date of enactment of this Act and ending
 7 on the date on which the report is sub-
 8 mitted—

9 (I) the number of applications
 10 submitted by cooperatives for loans
 11 under the Program; and

12 (II) the number of applications
 13 received under subclause (I) that were
 14 approved by the Administrator.

15 (c) INTERAGENCY WORKING GROUP ON COOPERA-
 16 TIVE DEVELOPMENT.—Section 310B(e)(12) of the Con-
 17 solidated Farm and Rural Development Act (7 U.S.C.
 18 1932(e)(12)) is amended—

19 (1) by striking “Not later” and inserting the
 20 following:

21 “(A) IN GENERAL.—Not later”; and

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

23 “(B) MEETINGS.—The interagency work-
 24 ing group described in subparagraph (A)—

25 “(i) shall meet—

1 “(I) at such times determined
2 necessary by the Secretary; and

3 “(II) not less frequently than bi-
4 annually; and

5 “(ii) may conduct meetings in person
6 or through the use of electronic re-
7 sources.”.

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