

117TH CONGRESS
2D SESSION

H. R. 7874

To amend the State Small Business Credit Initiative Act of 2010 to modify allocations under the State Small Business Credit Initiative, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2022

Mr. PHILLIPS (for himself and Mr. GREEN of Texas) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the State Small Business Credit Initiative Act of 2010 to modify allocations under the State Small Business Credit Initiative, 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 “SSBCI Improvement
5 Act”.

6 **SEC. 2. TECHNICAL AMENDMENTS TO THE STATE SMALL**
7 **BUSINESS CREDIT INITIATIVE ACT OF 2010.**

8 (a) EXCEPTION FOR ALLOCATED AMOUNTS LESS
9 THAN OR EQUAL TO \$1,000,000.—

1 (1) IN GENERAL.—Section 3003(c)(1) of the
2 State Small Business Credit Initiative Act of 2010
3 (12 U.S.C. 5702(c)(1)) is amended—

4 (A) in subparagraph (A)(i), by inserting “,
5 except as provided in subparagraph (D)” before
6 the semicolon at the end; and

7 (B) by amending subparagraph (D) to
8 read as follows:

9 “(D) EXCEPTIONS.—The Secretary—

10 “(i) may, in the Secretary’s discretion,
11 transfer the full amount of the partici-
12 pating State’s allocated amount to the
13 State in a single transfer if the partici-
14 pating State applies to the Secretary for
15 approval to use the full amount of the allo-
16 cation as collateral for a qualifying loan or
17 swap funding facility; and

18 “(ii) shall transfer the full amount of
19 the participating State’s allocated amount,
20 if such amount is less than or equal to
21 \$1,000,000, to the State in a single trans-
22 fer upon approval under section 3004 and
23 subject to the requirements of paragraph
24 (7).”.

(2) USE OF TRANSFERRED FUNDS.—Section 3003(c)(3) of the State Small Business Credit Initiative Act of 2010 (12 U.S.C. 5702(c)(3)) is amended—

(A) in subparagraph (C)—

(i) by inserting “if the allocated amount under subsection (b) is greater than \$1,000,000,” before “in the case of”; and

(ii) by striking “or” at the end;

(B) in subparagraph (D)—

(i) by inserting “if the allocated amount under subsection (b) is greater than \$1,000,000,” before “in the case of”; and

(ii) by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following new subparagraph:

“(E) if the allocated amount under subsection (b) is less than or equal to \$1,000,000, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 3.6 percent of the allocated amount.”.

1 (3) RECOUPMENT.—Section 3003(c) of the
2 State Small Business Credit Initiative Act of 2010
3 (12 U.S.C. 5702(c)) is amended by adding at the
4 end the following new paragraph:

5 “(7) RECOUPMENT OF ALLOCATED AMOUNTS
6 FOR CERTAIN PARTICIPATING STATES.—

7 “(A) IN GENERAL.—With respect to a par-
8 ticipating State for which the Secretary allo-
9 cated an amount less than or equal to
10 \$1,000,000, the Secretary may recoup an
11 amount of such State’s allocated amount as fol-
12 lows:

13 “(i) If, not later than the last day of
14 the 3-year period beginning on the date of
15 approval under section 3004, an amount
16 equal to 80 percent of one-third of such al-
17 located amount has not been certified by
18 the State as expended, obligated, or trans-
19 ferred, the amount recouped shall be equal
20 to two-thirds of the such allocated amount.

21 “(ii) If, not later than the last day of
22 the 6-year period beginning on the date of
23 approval under section 3004, an amount
24 equal to 80 percent of two-thirds of such
25 allocated amount has not been certified by

1 the State as expended, obligated, or trans-
2 ferred, such amount shall be equal to one-
3 third of the such allocated amount.

4 “(B) REALLOCATION.—Any amount re-
5 couped under this paragraph may be reallocated
6 by the Secretary to a Tribal government that
7 was not a participating State subject to
8 recoupment under this paragraph. In making
9 such a reallocation, the Secretary shall not take
10 into account the specific allocation for Tribal
11 governments described under subsection
12 (b)(2)(D).”.

13 (4) APPLICABILITY.—The amendments made
14 by this subsection shall apply with respect to an allo-
15 cation made to a participating State under the State
16 Small Business Credit Initiative Act of 2010 (12
17 U.S.C. 5701 et seq.) for fiscal year 2022 and each
18 fiscal year thereafter.

19 (b) EXTENSION OF CERTAIN PERIODS.—The State
20 Small Business Credit Initiative Act of 2010 (12 U.S.C.
21 5701 et seq.) is amended—

22 (1) in section 3004(d)(2), by striking “12
23 months” and inserting “18 months”;

1 (2) in section 3007(d), by striking “the first
2 March 31” and all the follows and inserting “March
3 31, 2031.”; and

4 (3) in section 3009(c), by striking “7-year” and
5 inserting “11-year”.

6 (c) TECHNICAL AMENDMENT.—The State Small
7 Business Credit Initiative Act of 2010 (12 U.S.C. 5701
8 et seq.) is amended—

9 (1) in section 3003(b)(2)—

10 (A) by redesignating subparagraph (D) as
11 subparagraph (E); and

12 (B) by redesignating subparagraph (C)
13 (relating to “Separate allocation for Tribal gov-
14 ernments”) as subparagraph (D); and

15 (2) in section 3003(c)(4)(B), by striking “sub-
16 section (b)(2)(C)” and inserting “subsection
17 (b)(2)(D)”.

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