

117TH CONGRESS
1ST SESSION

H. R. 3202

To amend the Small Business Act and the CARES Act to establish oversight requirements for economic injury disaster loans and advances, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2021

Mr. LUETKEMEYER (for himself, Mr. WILLIAMS of Texas, Mr. HAGEDORN, Mr. STAUBER, Mr. MEUSER, Ms. TENNEY, Mr. GARBARINO, Mrs. KIM of California, Ms. VAN DUYNE, Mr. DONALDS, Ms. SALAZAR, and Mr. FITZGERALD) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act and the CARES Act to establish oversight requirements for economic injury disaster loans and advances, 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 “EIDL Oversight Act
5 of 2021”.

1 **SEC. 2. OVERSIGHT REQUIREMENTS FOR ECONOMIC IN-**
2 **JURY DISASTER LOANS AND ADVANCES.**

3 (a) ECONOMIC INJURY DISASTER LOANS.—Section
4 7(b) of the Small Business Act (15 U.S.C. 636(b)) is
5 amended by inserting after paragraph (15) the following
6 new paragraph:

7 “(16) OVERSIGHT REQUIREMENTS FOR ECO-
8 NOMIC INJURY DISASTER LOANS.—With respect to a
9 loan made under paragraph (2), the Administrator
10 shall take such action as necessary to—

11 “(A) establish or strengthen controls to en-
12 sure that loan proceeds are deposited in a legiti-
13 mate account of a borrower;

14 “(B) ensure that any modification of a
15 loan application after lender approval of such
16 loan is reviewed by an employee of the Adminis-
17 tration;

18 “(C) establish or strengthen controls to—

19 “(i) ensure that multiple loans are
20 provided only to eligible borrowers; and

21 “(ii) prevent the erroneous duplication
22 of loans, including by establishing a system
23 to verify the identity of a borrower using
24 photo identification;

25 “(D) verify the applicant is a legitimate
26 borrower with the appropriate State or local

1 agency through tax returns, documentation re-
2 lating to incorporation or status as a nonprofit
3 organization, or another method;

4 “(E) ensure that 2 employees of the Ad-
5 ministration approve each application for a loan
6 under paragraph (2) and eliminate any proc-
7 esses of the Administration that allow for si-
8 multaneous approval of multiple loan applica-
9 tions;

10 “(F) require an individual employee of the
11 Administration to contact applicants who sub-
12 mit multiple loan applications from the same
13 Internet Protocol addresses, email addresses, or
14 physical addresses, or with the same bank ac-
15 count number, to verify eligibility of such appli-
16 cants; and

17 “(G) with respect to a borrower of a loan
18 made under paragraph (2) because of the
19 COVID–19 pandemic—

20 “(i) ensure that such borrower is not
21 included on the ‘Do Not Pay List’ of the
22 Department of the Treasury (as described
23 under section 3354 of title 31, United
24 States Code);

1 “(ii) ensure that an employer identi-
2 fication number on an application for such
3 a loan was registered before February 15,
4 2020;

5 “(iii) prevent duplicate loan applica-
6 tions with the same employer identification
7 number or social security number; and

8 “(iv) establish a system to prevent
9 disbursement of such loans to applicants
10 that submit more than 1 loan application
11 with the same employer identification num-
12 ber, social security number, email address-
13 es, physical addresses, or bank account
14 number, or from the same Internet Pro-
15 tocol address.”.

16 (b) EIDL ADVANCES.—Section 1110(e) of the
17 CARES Act (15 U.S.C. 9009(e)) is amended by adding
18 at the end the following new paragraph:

19 “(9) OVERSIGHT REQUIREMENTS.—With re-
20 spect to an advance made under this subsection, the
21 Administrator shall take such action as necessary
22 to—

23 “(A) ensure that the advance was depos-
24 ited in a legitimate account of an individual;

1 “(B) ensure that any modification of a re-
2 quest for an advance is reviewed by an em-
3 ployee of the Administration;

4 “(C) prevent the erroneous duplication of
5 advances;

6 “(D) ensure that an employer identifica-
7 tion number included in a request for an ad-
8 vance—

9 “(i) was registered before February
10 15, 2020; and

11 “(ii) is not registered to a person in-
12 cluded on the ‘Do Not Pay List’ of the De-
13 partment of the Treasury (as described
14 under section 3354 of title 31, United
15 States Code);

16 “(E) prevent duplicate requests for an ad-
17 vance with the same employer identification
18 number or social security number; and

19 “(F) prevent disbursement of advances to
20 applicants that submit more than 1 request
21 with the same employer identification number,
22 social security number, email addresses, phys-
23 ical addresses, or bank account number, or
24 from the same Internet Protocol address.”.

1 (c) TARGETED EIDL ADVANCES.—Section 331 of
2 the Economic Aid to Hard-Hit Small Businesses, Non-
3 profits, and Venues Act (Public Law 116–260) is amended
4 by adding at the end the following new subsection:

5 “(i) OVERSIGHT REQUIREMENTS.—With respect to a
6 payment made under this section, the Administrator shall
7 take such action as necessary to—

8 “(1) establish or strengthen controls to ensure
9 that the payment is deposited in a legitimate ac-
10 count of a recipient of a payment;

11 “(2) ensure that any modification of a request
12 for a payment is reviewed by an employee of the Ad-
13 ministration;

14 “(3) establish or strengthen controls to prevent
15 the erroneous duplication of payments under this
16 section, including by establishing a system to verify
17 the identity of an applicant using photo identifica-
18 tion;

19 “(4) verify the applicant is a legitimate appli-
20 cant for a payment with the appropriate State or
21 local agency through tax returns, documentation re-
22 lating to incorporation or status as a nonprofit orga-
23 nization, or another method;

24 “(5) ensure that 2 employees of the Adminis-
25 tration approve each request for a payment and

1 eliminate any processes of the Administration that
2 allow for simultaneous approval of multiple ad-
3 vances;

4 “(6) require an individual employee of the Ad-
5 ministration to contact applicants who submit mul-
6 tiple requests for a payment from the same Internet
7 Protocol addresses, email addresses, or physical ad-
8 dresses, or with the same bank account number, to
9 verify eligibility of such applicants;

10 “(7) ensure that an employer identification
11 number included in a request for a payment—

12 “(A) was registered before February 15,
13 2020; and

14 “(B) is not registered to a person included
15 on the ‘Do Not Pay List’ of the Department of
16 the Treasury (as described under section 3354
17 of title 31, United States Code);

18 “(8) prevent duplicate requests for a payment
19 with the same employer identification number or so-
20 cial security number; and

21 “(9) establish a system to prevent disbursement
22 of payments to applicants that submit more than 1
23 request with the same employer identification num-
24 ber, social security number, email addresses, phys-

- 1 ical addresses, or bank account number, or from the
- 2 same Internet Protocol address.”.

