

112TH CONGRESS  
1ST SESSION

# S. 1828

To increase small business lending, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 8, 2011

Mr. KERRY introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To increase small business lending, 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 “Increasing Small Busi-  
5 ness Lending Act of 2011”.

6 **SEC. 2. SMALL BUSINESS LENDING MARKET STABILIZA-**  
7 **TION.**

8 (a) FEE REDUCTIONS AND LOAN GUARANTEES.—

9 (1) FEE REDUCTIONS.—Section 501 of the  
10 American Recovery and Reinvestment Act of 2009  
11 (Public Law 111–5; 123 Stat. 151) is amended by  
12 striking “March 4, 2011” each place it appears and

1 inserting “the date that is 1 year after the date of  
2 enactment of the Increasing Small Business Lending  
3 Act of 2011”.

4 (2) LOAN GUARANTEES.—Section 502(f) of di-  
5 vision A of the American Recovery and Reinvest-  
6 ment Act of 2009 (Public Law 111–5; 123 Stat.  
7 153) is amended by striking “March 4, 2011” and  
8 inserting “the date that is 1 year after the date of  
9 enactment of the Increasing Small Business Lending  
10 Act of 2011”.

11 (3) AUTHORIZATION OF APPROPRIATIONS.—  
12 There are authorized to be appropriated to the Ad-  
13 ministrator of the Small Business Administration  
14 such sums as may be necessary to carry out sections  
15 501 and 502 of the American Recovery and Reinvest-  
16 ment Act of 2009 (Public Law 111–5; 123 Stat.  
17 151), as amended by this subsection.

18 (b) MAIN STREET INCENTIVES.—

19 (1) IN GENERAL.—Section 502 of the Small  
20 Business Investment Act of 1958 (15 U.S.C. 696) is  
21 amended—

22 (A) by striking paragraphs (4) and (5) and  
23 inserting the following:

24 “(4) LIMITATION ON LEASING.—If the use of a  
25 loan under this section includes the acquisition of a

1 facility or the construction of a new facility, the  
2 small business concern assisted—

3 “(A) shall permanently occupy and use not  
4 less than a total of 50 percent of the space in  
5 the facility; and

6 “(B) may, on a temporary or permanent  
7 basis, lease to others not more than 50 percent  
8 of the space in the facility.”; and

9 (B) by redesignating paragraphs (6) and  
10 (7) as paragraphs (5) and (6), respectively.

11 (2) POLICY FOR 7(a) LOANS.—Section 7(a)(28)  
12 of the Small Business Act (15 U.S.C. 636(a)(28)) is  
13 amended to read as follows:

14 “(28) LIMITATION ON LEASING.—If the use of  
15 a loan under this subsection includes the acquisition  
16 of a facility or the construction of a new facility, the  
17 small business concern assisted—

18 “(A) shall permanently occupy and use not  
19 less than a total of 50 percent of the space in  
20 the facility; and

21 “(B) may, on a temporary or permanent  
22 basis, lease to others not more than 50 percent  
23 of the space in the facility.”.

24 (c) LOAN POOLING.—Section 5(g)(1) of the Small  
25 Business Act (15 U.S.C. 634(g)(1)) is amended—

1           (1) by inserting “(A)” before “The Administra-  
2           tion”;

3           (2) by striking the colon and all that follows  
4           and inserting a period; and

5           (3) by adding at the end the following:

6           “(B) A trust certificate issued under subparagraph  
7 (A) shall be based on, and backed by, a trust or pool ap-  
8 proved by the Administrator and composed solely of the  
9 guaranteed portion of such loans.

10          “(C) The interest rate on a trust certificate issued  
11 under subparagraph (A) shall be either—

12           “(i) the lowest interest rate on any individual  
13           loan in the pool; or

14           “(ii) the weighted average interest rate of all  
15           loans in the pool, subject to such limited variations  
16           in loan characteristics as the Administrator deter-  
17           mines appropriate to enhance marketability of the  
18           pool certificates.”.

19          (d) ALTERNATIVE VARIABLE INTEREST RATE.—

20           (1) IN GENERAL.—Section 7(a)(4)(A) of the  
21           Small Business Act (15 U.S.C. 636(a)(4)(A)) is  
22           amended by striking “prescribed by the Administra-  
23           tion,” and inserting: “prescribed by the Administra-  
24           tion, including, on variable rate loans, a nationally  
25           recognized prime rate of interest and at least 1

1 other index as an alternative thereto at the option  
2 of the participating lender,”.

3 (2) APPLICABILITY.—Not later than 180 days  
4 after the date of enactment of this Act, the Adminis-  
5 trator of the Small Business Administration shall se-  
6 lect not less than 1 alternative index under section  
7 7(a)(4)(A) of the Small Business Act, as amended  
8 by paragraph (1) of this subsection, and make such  
9 index available for use by participating lenders.

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