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119TH CONGRESS
1ST SESSION

H. R. 886

To prohibit the Administrator of the Small Business Administration from garnishing social security benefits with respect to certain named individuals of covered loans who are victims of identity theft, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2025

Mr. RULLI (for himself, Mr. GRAVES, and Mr. WEBSTER of Florida) introduced the following bill; which was referred to the Committee on the Judiciary

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A BILL

To prohibit the Administrator of the Small Business Administration from garnishing social security benefits with respect to certain named individuals of covered loans who are victims of identity theft, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Beat Bad Bureaucrats Act’’.

SEC. 2. PROTECTION OF SOCIAL SECURITY BENEFITS FROM GARNISHMENT IN CERTAIN CASES OF IDENTITY THEFT.

(a) IN GENERAL.—Notwithstanding section 3716(c)(3)(A)(i) of title 31, United States Code, the Administrator may not, with respect to a covered loan, garnish payments made to the named individual of such covered loan under section 202 of the Social Security Act (42 U.S.C. 402 et seq.) for the purposes of repayment of such covered loan.

(b) EXCEPTION.—Subsection (a) does not apply if the Administrator determines that the named individual is not a victim of identity theft.

(c) REVISION OF RULE.—Not later than 30 days after the date of the enactment of this Act, the Administrator shall revise section 140.11(e)(1) of title 13, Code of Federal Regulations, to add to the list of notice requirements in such section information about how to report identity theft to the Administrator.

(d) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ‘‘Administrator’’ means the Administrator of the Small Business Administration.

(2) COVERED LOAN.—The term ‘‘covered loan’’ means—

(A) a loan made under paragraph (36) or (37) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)); or

(B) a loan made under section 7(b) of such Act (15 U.S.C. 636(b)) in response to COVID–19 during the covered period (as defined in section 1110(a) of the CARES Act (15 U.S.C. 9009).

(3) NAMED INDIVIDUAL.—The term ''named individual'' means an individual—

(A) under whose name a covered loan was fraudulently made; and

(B) that has notified the Administrator, using the procedure posted on a public website of the Small Business Administration, that such individual is a victim of identity theft with respect to such covered loan.

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