

controlled substance registration of any registrant if the registrant dies, ceases legal existence, discontinues business or professional practice, or surrenders their registration. This bill also codifies DEA authority to ensure accuracy of registrations and limit the transfer of such registrations.

I thank the lead sponsor of this bill, Representative GRIFFITH, for his leadership on this issue.

Madam Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. BILIRAKIS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in support of this legislation, which was introduced by Representative GRIFFITH.

In order to prevent people who have not been vetted by authorities in dispensing controlled substances, this bill would clarify that the transfer of any controlled substance registration without written consent from the Drug Enforcement Administration, DEA, is prohibited.

A 2018 Energy and Commerce Committee report, which summarized the committee's bipartisan investigation into the distribution of prescription opioids by wholesale drug distributors, and the DEA's subsequent enforcement practices found that an opioid distributor and its pharmacy customer did not go through the appropriate process of transferring a registration to a new pharmacy owner.

Failing to contact the DEA appropriately and to verify whether the agency approved the transfer of a registration to dispense controlled substances creates a serious risk that could lead to drug diversion.

Madam Speaker, of course, I urge a "yes" vote on this.

Madam Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. GRIFFITH).

□ 1415

Mr. GRIFFITH. Madam Speaker, I rise today in support of H.R. 1899, the Ensuring Compliance Against Drug Diversion Act. This is a small but very important step that could play a key role in helping contain the opioid epidemic.

License to distribute opioids is not a commodity to be freely bought and sold. We must ensure that those who wish to engage in opioid distribution earn the ability to do so.

An investigation, as the Speaker has heard, published by the Energy and Commerce Oversight and Investigations Subcommittee in 2018 found that the current procedures for transferring the licenses to distribute controlled substances lacked sufficient accountability.

In one instance, a distributor and its pharmacy customer did not go through the appropriate process of transferring registration to a new pharmacy owner, but the mistake wasn't caught until long, long afterward. As a result, there

was a period of time during which the DEA was unaware that a particular pharmacy was distributing controlled substances.

Failing to properly verify whether a transfer has been approved creates a serious risk of drug diversion. This bill amends the Controlled Substances Act to prohibit the transfer of any DEA registration without consent from the agency.

By requiring written approval from the DEA before the transfer of registration, we decrease the risk of controlled substances falling into the hands of those who have not been vetted by appropriate regulatory authorities.

Mr. BILIRAKIS. Madam Speaker, I urge passage of this very good bill. I yield back the balance of my time.

Mr. PALLONE. Madam Speaker, I also urge support for the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. PALLONE) that the House suspend the rules and pass the bill, H.R. 1899.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. WEBER of Texas. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

#### MICROLOAN IMPROVEMENT ACT OF 2021

Ms. CRAIG. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1502) to amend the Small Business Act to optimize the operations of the microloan program, lower costs for small business concerns and intermediary participants in the program, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1502

*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 "Microloan Improvement Act of 2021".

#### SEC. 2. INTEREST RATE FOR CERTAIN INTERMEDIARIES.

Section 7(m)(3)(F)(iii) of the Small Business Act (15 U.S.C. 636(m)(3)(F)(iii)) is amended by striking "\$7,500" and inserting "\$10,000".

#### SEC. 3. LINES OF CREDIT AUTHORIZED.

Section 7(m)(6)(A) of the Small Business Act (15 U.S.C. 636(m)(6)(A)) is amended by inserting "(including lines of credit)" after "fixed rate loans".

#### SEC. 4. EXTENDED REPAYMENT TERMS.

(a) IN GENERAL.—Section 7(m)(6) of the Small Business Act (15 U.S.C. 636(m)(6)) is amended by adding at the end the following:

"(F) REPAYMENT TERMS.—

"(1) LIMITATION ON REPAYMENTS TERM.—The repayment term for a loan made under this paragraph shall not be more than—

"(I) in the case of a loan made by an intermediary of \$10,000 or less, 7 years; and

"(II) in the case of a loan made by an intermediary of greater than \$10,000, 10 years.

"(ii) NO ADDITIONAL LIMITATIONS.—The Administrator may not impose any additional limitation on the term for repayment of a loan made by an intermediary under this paragraph."

(b) TECHNICAL AMENDMENT.—Section 329(c) of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Public Law 116-260; 134 Stat. 2042 15 U.S.C. 636 note) is repealed.

#### SEC. 5. PROGRAM FUNDING FOR MICROLOANS.

(a) IN GENERAL.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (7)(B)—

(A) by amending clause (i) to read as follows:

"(i) ALLOCATION.—Subject to the availability of appropriations and for the first 2 quarters of a fiscal year, of the total amount of new loan funds made available for award under this subsection in such fiscal year, the Administrator shall—

"(I) reserve 15 percent of such funds for award to designated underutilized States; and

"(II) make the remaining 85 percent of such funds available for award in any State."; and

(B) in clause (ii), by striking "to carry out" and all that follows through the period at the end and inserting the following: "under clause (i)(I) remains unexpended, the Administrator may make that portion available for award in any State or designated underutilized State."; and

(2) in paragraph (11)—

(A) in subparagraph (C)(ii), by striking "and" at the end;

(B) in subparagraph (D), by striking the period at the end and inserting "; and"; and

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

"(E) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa."

(b) RULEMAKING.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall issue regulations to define the term "designated underutilized State", as used in section 7(m)(7)(B) of the Small Business Act (15 U.S.C. 636(m)(7)(B)), as added by this section.

#### SEC. 6. CREDIT REPORTING INFORMATION.

The Administrator of the Small Business Administration shall issue rules establishing a process under which an intermediary that makes a loan to a borrower under section 7(m) of the Small Business Act (15 U.S.C. 636(m)) shall be required to provide the major credit reporting agencies with information about the borrower relevant to credit reporting, such as the borrower's payment activity on the loan.

#### SEC. 7. REPORT REGARDING EQUITABLE DISTRIBUTION.

Section 7(m)(8) of the Small Business Act (15 U.S.C. 636(m)(8)) is amended—

(1) by striking "In approving" and inserting the following:

"(A) IN GENERAL.—In approving"; and

(2) by adding at the end the following:

"(B) ANNUAL REPORT.—The Administrator shall include in the report submitted under paragraph (10), and make publicly available on the website of the Administration, information on how the Administration has met the requirements of subparagraph (A)."

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from

Minnesota (Ms. CRAIG) and the gentleman from Missouri (Mr. LUETKEMEYER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Minnesota.

#### GENERAL LEAVE

Ms. CRAIG. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the measure under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Ms. CRAIG. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of the bill before us today, H.R. 1502, the Microloan Improvement Act of 2021.

Today, we are considering four bipartisan bills that were approved by the Small Business Committee and the full House of Representatives last year. I am proud of the committee's work on behalf of small businesses and pleased that we worked together to get things done. Our small businesses deserve nothing less.

I would like to thank the chairwoman, Ms. VELÁZQUEZ, for giving me the opportunity to manage time today on these four important small business bills.

I would also like to thank the ranking member, Mr. LUETKEMEYER, who will be handling the floor proceedings today with me.

Prior to the COVID-19 pandemic, the Subcommittee on Economic Growth, Tax, and Capital Access, under the leadership of Mr. KIM, held a hearing on the microloan program, where we heard from a panel of intermediaries who reported that many of the program's rules, largely unchanged since 1991, are outdated and restrict them from meeting today's demand for startup financing and providing more technical assistance.

In response, Mr. KIM crafted the Microloan Improvement Act of 2020, a series of proposals designed to update the program's rules and, ultimately, help microloan intermediaries extend more affordable capital to first-time entrepreneurs.

I was proud to support the Microloan Improvement Act last Congress and was pleased to see some of its provisions become law as part of the Economic Aid Act last December.

Today's bill, the Microloan Improvement Act of 2021, is virtually the same as last Congress' version without the policies we have already enacted into law.

Madam Speaker, we have heard time and again many entrepreneurs lack the experience needed to demonstrate their creditworthiness to conventional lenders. The COVID-19 pandemic has highlighted these gaps in financing, showing the smallest of small businesses, especially those owned by women and minorities, struggle the most to afford access to capital.

The microloan program is uniquely suited to address this problem, and today's bill strengthens the program and is long overdue.

I encourage my colleagues to support the bill.

Madam Speaker, I reserve the balance of my time.

Mr. LUETKEMEYER. Madam Speaker, I yield myself such time as I may consume, and I rise in support of H.R. 1502, the Microloan Improvement Act of 2021.

Before I begin, I would like to thank the chairwoman for working in a bipartisan manner on behalf of our Nation's small businesses.

The bills before us today were developed in the 116th Congress and have been updated and reintroduced in this Congress. They focus on the Small Business Administration's existing government guaranteed loan programs. These programs are important resources and tools for the Nation's smallest businesses as they seek out financing.

Now, more than ever, these programs need to be ready for small businesses as they begin and continue to recover from the COVID-19 pandemic. As ranking member of the Committee on Small Business, I want to make sure we focus, or continue to focus on these programs that assist the Nation's small businesses, entrepreneurs, and start-ups.

The first bill is the Microloan Improvement Act. This legislation enhances and expands SBA's microloan program which provides loans of \$50,000 or less. This program, which is delivered to small businesses through a partnership with microloan intermediaries, concentrates on low-dollar loans and technical assistance.

When a small business is starting out, counseling and capital assistance are true drivers of continued and prolonged success. H.R. 1502 further enhances the program for micro-borrowers by expanding the repayment terms of the program and providing additional tools in their toolbox.

Additionally, the bill removes the burdensome 1/55th rule that delays dollars from flowing to microloan intermediaries within the first two fiscal quarters of the year and replaces it with an allocation mechanism that will provide more equitable access to all States across the Nation.

I would like to thank Mr. KIM, Mr. GARBARINO, Ms. NEWMAN, and Mr. BURCHETT for concentrating their efforts on this legislation.

Madam Speaker, I urge my colleagues to support H.R. 1502, and I reserve the balance of my time.

Ms. CRAIG. Madam Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Ms. NEWMAN).

Ms. NEWMAN. Madam Speaker, I rise today, excitedly, on behalf of the millions of small businesses across our Nation that are truly suffering from the pandemic and struggling to keep

their doors open because support is simply not reaching them.

As a former small business owner, I know firsthand how loans can make an absolutely life-changing difference for an entrepreneur.

However, the reality is that too many small businesses, especially those led by women, or minorities, or those in rural communities, don't have access to the primary lending programs offered by the Small Business Administration or private sector.

Microloans are designed to help start-ups and new small businesses that don't have banking relationships with access to larger capital. But for too many businesses, these microloans have been unreachable.

That is why I am proud to co-lead the Microloan Improvement Act to ensure that, regardless of background or location, every business has equitable access to capital.

With this legislation, we are expanding the number of community-based lenders eligible for the lowest interest rates on loans. That means these lenders can offer lines of credit to more small businesses.

Now more than ever, we have an obligation to remove barriers that prevent small businesses from receiving microloans. With this legislation, we are cutting bureaucratic red tape that has restricted growth and job creation.

From mom-and-pop shops, to family-owned stores, to every small business, they will all benefit. That is why this legislation is supported by Democrats and Republicans, and I am so glad to partner today with my Republican colleagues. I am happy to work in a bipartisan fashion to help our intermediaries provide assistance to our local entrepreneurs.

Let's pass this legislation so we can support the smallest of the small businesses in all of our communities.

Mr. LUETKEMEYER. Madam Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. BURCHETT), who has been a leader in small business issues.

Mr. BURCHETT. Madam Speaker, I thank the ranking member for yielding.

I rise in support of Representative KIM's Microloan Improvement Act. I am proud to be an original cosponsor of this important legislation.

Access to financial capital is essential to the success of America's small businesses and their entrepreneurs. This bipartisan bill is straightforward and effective. It increases the number of nonprofit community-based lenders that can offer loans through the SBA's microloan program.

Representative KIM's bill works in tandem with the Microloan Transparency and Accountability Act, my small business legislation that we will debate shortly, to expand access to financial resources that will help our aspiring small business owners and entrepreneurs chase down the American Dream.

I encourage my colleagues to support this important bipartisan legislation.

Ms. CRAIG. Madam Speaker, I have no further speakers and I am prepared to close. I reserve the balance of my time.

Mr. LUETKEMEYER. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, 2020 was a difficult year for small businesses. The COVID-19 pandemic hit small businesses hard. This is especially true for small businesses that were just starting out.

As our country continues to recover, the SBA's programs and resources must be ready to assist the Nation's job creators along the way.

The microloan program is a key tool for many small business owners. The reforms in H.R. 1502 are commonsense improvements that will continue to provide assistance and resources to America's Main Street businesses.

Madam Speaker, I urge and recommend my colleagues to support H.R. 1502, and I yield back the balance of my time.

□ 1430

Ms. CRAIG. Madam Speaker, I yield myself the balance of my time.

As the small business economy starts to recover from the COVID-19 pandemic, entrepreneurs will need as many affordable capital options as possible. That is why the Economic Aid Act included PPP updates, grants for hard-hit venues, and other enhancements to SBA's business loan programs, including the microloan program.

Today's bill takes the next step after that relief effort toward fully modernizing and optimizing SBA's microloan program. For nearly 30 years, this program has had a strong track record of success and has helped to launch many successful small businesses, especially those owned by women and minority entrepreneurs. The record is full of success stories as the program has grown from a simple pilot program to a vital lending tool with strong stakeholder and congressional support.

The legislation before us today renews our commitment to startups by easing access to the program for even more aspiring entrepreneurs and making the program nimbler for intermediaries and borrowers alike.

Passing this bill will be another step to help lead our Nation out of this pandemic and build back the economy by embracing America's entrepreneurial spirit.

I applaud the work by Mr. KIM and Mr. GARBARINO for their bipartisan work on the microloan program. I encourage all of my colleagues to vote "yes," and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Minnesota (Ms. CRAIG) that the House suspend the rules and pass the bill, H.R. 1502.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. WEBER of Texas. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

## MICROLOAN TRANSPARENCY AND ACCOUNTABILITY ACT OF 2021

Ms. CRAIG. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1487) to amend the Small Business Act to increase transparency, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1487

*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 "Microloan Transparency and Accountability Act of 2021".

### SEC. 2. PORTFOLIO RISK ANALYSIS OF MICROLOANS.

Section 7(m)(10) of the Small Business Act (15 U.S.C. 636(m)(10)) is amended—

(1) by redesignating subparagraphs (A) through (F) as clauses (i) through (vi), respectively, and adjusting the margins accordingly;

(2) by amending clause (iv), as so redesignated, to read as follows:

"(vi) the number, amount, and percentage of microloans made by intermediaries to small business concerns—

"(I) that went into default in the previous year; and

"(II) that were charged off in the previous year by such intermediaries;"

(3) in clause (vi), as so redesignated, by striking "and" at the end;

(4) by redesignating subparagraph (G) as clause (viii), and adjusting the margin accordingly;

(5) by striking "On November 1, 1995," and all that follows through "the following:" and inserting the following:

"(A) IN GENERAL.—Beginning on February 1, 2022, and annually thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, and make available to the public on the website of the Administration, a report on the effectiveness of the microloan program during the fiscal year preceding the date of the report. Such report shall include—"

(6) in subparagraph (A), as so designated, by inserting after clause (vi) the following new clauses:

"(vii) the number and type of enforcement actions taken by the Administrator against noncompliant intermediaries;

"(viii) an analysis of compliance by intermediaries with the credit availability requirements of paragraph (3)(E) for loans in an amount greater than \$20,000;

"(ix) the extent to which microloans are provided to small business concerns in rural areas;

"(x) the number of underserved borrowers, as defined by the Administration, participating in the microloan program;

"(xi) the average rate of interest for each microloan;

"(xii) the average amount of fees charged for each microloan;

"(xiii) the average size of each microloan, including—

"(I) the number of loans made in an amount greater than \$20,000; and

"(II) the average size and charge-off rate of such loans;

"(xiv) the subsidy cost to the Administration;

"(xv) the number and percentage of microloans that were made to refinance other loans;

"(xvi) the number and percentage of microloans made to new program participants and the number and percentage of microloans made to previous program participants;

"(xvii) the average amount of technical assistance grant monies spent on each loan; and"; and

(7) by adding at the end the following:

"(B) PRIVACY.—Each report submitted under subparagraph (A) shall not contain any personally identifiable information of any borrower."

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Minnesota (Ms. CRAIG) and the gentleman from Missouri (Mr. LUETKEMEYER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Minnesota.

GENERAL LEAVE

Ms. CRAIG. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the measure under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Ms. CRAIG. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of the bill before us today, H.R. 1487, the Microloan Transparency and Accountability Act, which will improve SBA's data reporting with respect to the microloan program.

Specifically, the bill would have SBA and microlenders report on the number, amount, and percentage of microloans that went into default in the previous year; the extent to which microloans are provided to small businesses in rural areas; and the average size, interest rate, and amount of fees charged for each microloan.

These metrics will help Congress and the public better evaluate the program and its impact on underserved communities and make improvements as needed.

This program is vital in helping women and minorities obtain much-needed capital. In fiscal year 2020, 47 percent of microloans were made to women-owned small businesses, and more than 51 percent of microloans were made to minority-owned small businesses.

This language was approved unanimously last Congress by both the Small Business Committee and the full House, and I look forward to a similar vote here today.

The version of the bill from last Congress also included a provision that would increase the amount of technical assistance grant funding a rural-serving microlender would receive. I am