



[Search Results](#) > H.R.1868 (Introduced in House)

[New Search](#)

[Help](#) | [Contact Us](#)

This Bill: [Bill Summary & Status](#)

Printer Friendly: [HTML](#) | [PDF](#)

## H.R.1868

### Small Business Access to Capital Act of 2005 (Introduced in House)

HR 1868 IH

109th CONGRESS

1st Session

**H. R. 1868**

To amend the Small Business Act to provide for increased access to capital for small businesses under the section 7(a) loan program, and for other purposes.

**IN THE HOUSE OF REPRESENTATIVES**

**April 27, 2005**

Ms. VELAZQUEZ (for herself, Ms. BEAN, Mr. GRIJALVA, Mr. CASE, Mrs. CHRISTENSEN, and Mr. COOPER) introduced the following bill; which was referred to the Committee on Small Business

---

### A BILL

To amend the Small Business Act to provide for increased access to capital for small businesses under the section 7(a) loan program, 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 'Small Business Access to Capital Act of 2005'.

## **SEC. 2. REDUCTION OF GUARANTEE FEES FOR SMALL BUSINESS BORROWERS.**

Section 7(a)(18)(A) of the Small Business Act (15 U.S.C. 636(a)(18)(A)) is amended--

- (1) in clause (i), by striking '2 percent' and inserting '1 percent';
- (2) in clause (ii), by striking '3 percent' and inserting '2.5 percent'; and
- (3) by striking clause (iv).

## **SEC. 3. REDUCTION OF GUARANTEE FEES FOR SMALL BUSINESS LENDERS.**

(a) Reduction of Lender Guarantee Fees- Section 7(a)(23)(A) of the Small Business Act (15 U.S.C. 636(a)(23)(A)) is amended to read as follows:

'(A) IN GENERAL- With respect to each loan guaranteed under this subsection, the Administrator shall assess, collect, and retain a fee, not to exceed 0.36 percent per year of the outstanding balance of the deferred participation share of the loan.'

(b) Elimination of Fee Adjustment by Administration- Section 7(a)(23) of such Act (15 U.S.C. 636(a)(23)) is amended by striking subparagraph (C).

## **SEC. 4. COMBINATION FINANCING.**

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

'(32) COMBINATION FINANCING-

'(A) IN GENERAL- A loan guaranteed under this subsection may be combined with a non-guaranteed loan.

'(B) DEFERRED PARTICIPATION LOAN SECURITY- A loan guaranteed

under this subsection that is part of combination financing may be secured by a subordinated lien.

`(C) NON-GUARANTEED LOAN AMOUNT- In the case of any combination financing, the amount of the non-guaranteed loan shall not exceed the gross amount of the guaranteed loan.

`(D) NON-GUARANTEED LOAN PROVISIONS- A non-guaranteed loan that is part of a combination financing--

`(i) may be made by the participating lender that provides the guaranteed loan or may be made by a different lender;

`(ii) may be secured by a senior lien; and

`(iii) may be made by a lender in the Preferred Lenders Program, as defined in paragraph (2)(C)(ii), if applicable.

`(E) BUSINESS LOAN ELIGIBILITY- The Administrator shall not prescribe any standard relating to the eligibility of small business concerns to obtain combination financing under this paragraph that unreasonably restricts the availability of combination financing to small business concerns.

`(F) DEFINITIONS- In this paragraph--

`(i) the term `combination financing' means financing comprised of a loan guaranteed under this subsection and a non-guaranteed loan; and

`(ii) the term `non-guaranteed loan' means a loan, no portion of which is guaranteed by the Federal Government.'

## **SEC. 5. INCREASE IN MAXIMUM GUARANTEED AMOUNT AND GROSS LOAN AMOUNT UNDER SECTION 7(a) OF SMALL BUSINESS ACT.**

Section 7(a)(3)(A) of the Small Business Act (15 U.S.C. 636(a)(3)(A)) is amended--

(1) by striking `1,500,000' and inserting `2,000,000'; and

(2) by striking `2,000,000' and inserting `\$3,000,000'.

## **SEC. 6. EFFECTIVE DATE.**

The amendments made by this Act shall take effect on October 1, 2005.

This Bill: [Bill Summary & Status](#)

Printer Friendly: [HTML](#) | [PDF](#)

[Search Results](#) > H.R.1868 (Introduced in House)

[New Search](#)

[Help](#) | [Contact Us](#)

**1 of 1**