

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2390

Entitled the “Mentorship for American Indian Small Enterprise Act”.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 15 (legislative day, AUGUST 11), 1994

Mr. PRESSLER introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

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## A BILL

Entitled the “Mentorship for American Indian Small Enterprise Act”.

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. MICROLOAN DEMONSTRATION PROGRAM**  
4        **AMENDMENTS.**

5        (a) PURPOSES.—Section 7(m)(1)(A)(iii) of the Small  
6        Business Act (15 U.S.C. 636(m)(1)(A)(iii)) is amended—

7                (1) in subclause (I), by inserting “commercial  
8        real estate,” after “acquisition of”; and

9                (2) in subclause (III), by striking “and” at the  
10        end;

1           (3) by redesignating subclause (IV) as  
2 subclause (VI); and

3           (4) by inserting after subclause (III) the follow-  
4 ing new subclauses:

5                   “(IV) to make grants to eligible  
6 intermediaries that, together with non-Fed-  
7 eral matching funds, will enable such  
8 intermediaries to provide marketing, man-  
9 agement, and technical assistance to  
10 microloan borrowers that are members of  
11 qualified Indian tribes;

12                   “(V) to make grants to institutions of  
13 higher education serving Indian lands that,  
14 together with non-Federal matching funds,  
15 will enable such institutions to provide in-  
16 struction on marketing, management, and  
17 technical assistance to eligible  
18 intermediaries and to mentors, in order to  
19 enable such intermediaries and mentors to  
20 assist members of qualified Indian tribes  
21 to obtain private sector financing for their  
22 businesses, with or without loan guaran-  
23 tees; and”.

1 (b) ESTABLISHMENT.—Section 7(m)(1)(B) of the  
2 Small Business Act (15 U.S.C. 636(m)(1)(B)) is amend-  
3 ed—

4 (1) in clause (ii), by striking “and” at the end;

5 (2) in clause (iii), by striking the period at the  
6 end and inserting a semicolon; and

7 (3) by adding at the end the following new  
8 clauses:

9 “(iv) in conjunction with loans made under  
10 clause (i) and subject to the requirements of  
11 paragraph (4), make grants to eligible  
12 intermediaries for the purpose of providing  
13 marketing, management, and technical assist-  
14 ance to members of qualified Indian tribes that  
15 are seeking to start or enlarge their small busi-  
16 ness concerns and that are borrowers under this  
17 subsection; and

18 “(v) subject to the requirements of para-  
19 graph (7), make grants to institutions of higher  
20 education serving Indian lands for the purpose  
21 of providing instruction on marketing, manage-  
22 ment, and technical assistance to eligible  
23 intermediaries and to mentors, in order to en-  
24 able such intermediaries and mentors to assist  
25 members of qualified Indian tribes to obtain

1 private sector financing for their businesses,  
2 with or without loan guarantees.”.

3 (c) INTERMEDIARY APPLICATIONS.—Section  
4 7(m)(3)(A)(i) of the Small Business Act (15 U.S.C.  
5 636(m)(3)(A)(i)) is amended—

6 (1) in subclause (VII), by striking “and” at the  
7 end;

8 (2) in subclause (VIII), by striking the period  
9 at the end and inserting “; and”; and

10 (3) by adding at the end the following new  
11 subclause:

12 “(IX) with respect to eligible  
13 intermediaries serving Indian lands, any  
14 plan to work with—

15 “(aa) an institution of higher  
16 education that has received a grant  
17 under paragraph (1)(B)(v); or

18 “(bb) a mentor that has received  
19 training from any such institution of  
20 higher education pursuant to such a  
21 grant.”.

22 (d) ADDITIONAL TECHNICAL ASSISTANCE GRANTS  
23 FOR MAKING CERTAIN LOANS.—Section 7(m)(4) of the  
24 Small Business Act (15 U.S.C. 636(m)(4)) is amended in  
25 the matter preceding subparagraph (A), by striking “sub-

1 paragraph (B)(ii) of paragraph (1)” and inserting “clause  
2 (ii) or (iv) of paragraph (1)(B)”.

3 (e) LOANS FROM ELIGIBLE INTERMEDIARIES.—Sec-  
4 tion 7(m)(6)(A) of the Small Business Act (15 U.S.C.  
5 636(m)(6)(A)) is amended by inserting “commercial real  
6 estate,” after “acquisition of”.

7 (f) GRANTS TO INSTITUTIONS OF HIGHER EDU-  
8 CATION.—Section 7(m) of the Small Business Act (15  
9 U.S.C. 636(m)) is amended—

10 (1) by redesignating paragraphs (7) through  
11 (11) as paragraphs (9) through (13), respectively;  
12 and

13 (2) by inserting after paragraph (6) the follow-  
14 ing new subparagraph:

15 “(7) GRANTS TO INSTITUTIONS OF HIGHER  
16 EDUCATION.—Grants made in accordance with para-  
17 graph (1)(B)(v) shall be subject to the following re-  
18 quirements:

19 “(A) GRANT AMOUNTS.—For each eligible  
20 intermediary receiving a grant under paragraph  
21 (1)(B)(iv), 1 grant shall be made to a qualified  
22 institution of higher education serving the same  
23 tribal lands as the eligible intermediary. The  
24 amount of the grant to the institution of higher  
25 education shall not exceed the grant amount re-

1           ceived by the eligible intermediary pursuant to  
2           paragraph (1)(B)(iv).

3           “(B) CONTRIBUTION.—As a condition of  
4           any grant made under subparagraph (A), the  
5           Administration shall require the institution of  
6           higher education to contribute an amount equal  
7           to 25 percent of the amount of the grant, ob-  
8           tained solely from non-Federal sources. In addi-  
9           tion to cash or other direct funding, the con-  
10          tribution may include indirect costs or in-kind  
11          contributions paid for under non-Federal pro-  
12          grams.

13          “(C) INDIAN MENTOR EDUCATION  
14          GRANTS.—Institutions of higher education re-  
15          ceiving grants under paragraph (1)(B)(v) shall  
16          be eligible to receive grants to educate owners,  
17          managers, or employees of established small  
18          business concerns for purposes of providing ad-  
19          ditional technical assistance to small business  
20          concerns located on or near Indian lands that  
21          are borrowers under this subsection, as well as  
22          to other small business concerns seeking private  
23          sector financing.”.

24          (g) INDIAN ASSISTANCE.—Section 7(m) of the Small  
25          Business Act (15 U.S.C. 636(m)) is amended by inserting

1 after paragraph (7), as added by subsection (f), the follow-  
2 ing new paragraph:

3           “(8) INDIAN ASSISTANCE.—In funding  
4 microloan programs, the Administration shall ensure  
5 that not less than 10 percent of the programs fund-  
6 ed under this subsection will provide microloans to  
7 small business concerns located on or near Indian  
8 lands.”.

9           (h) REPORT TO CONGRESS.—Section 7(m)(12)(F) of  
10 the Small Business Act (15 U.S.C. 636(m)(12)(F)), as re-  
11 designated by subsection (f), is amended by inserting “and  
12 to small business concerns located on or near Indian  
13 lands” immediately before the semicolon.

14           (i) DEFINITIONS.—Section 7(m)(13) of the Small  
15 Business Act (15 U.S.C. 636(m)(13)), as redesignated by  
16 subsection (f), is amended—

17               (1) in subparagraph (C), by striking the period  
18 at the end and inserting a semicolon; and

19               (2) by adding at the end the following new sub-  
20 paragraphs:

21                       “(D) the term ‘Indian lands’ has the same  
22 meaning as in section 4(4) of the Indian Gam-  
23 ing Regulatory Act;

1           “(E) the term ‘Indian tribe’ has the same  
2 meaning as in section 4(e) of the Indian Self-  
3 Determination and Education Assistance Act;

4           “(F) the term ‘institution of higher edu-  
5 cation’ has the same meaning as in section  
6 1201(a) of the Higher Education Act of 1965;

7           “(G) the term ‘mentor’ means a business  
8 concern that demonstrates, to the satisfaction  
9 of the Administration, the capability to assist  
10 members of qualified Indian tribes to obtain  
11 private sector financing for their businesses,  
12 with or without loan guarantees; and

13           “(H) the term ‘qualified Indian tribe’  
14 means an Indian tribe with—

15                   “(i) an employable adult population of  
16 not less than 400 persons; and

17                   “(ii) an unemployment rate of not less  
18 than 40 percent;

19 based on the statistics of the Bureau of Indian  
20 Affairs, Department of the Interior.”.

21 **SEC. 2. IMPLEMENTATION.**

22 Not later than 270 days after the date of enactment  
23 of this Act, the Small Business Administration shall pro-  
24 mulgate final regulations implementing the amendments  
25 made by section 1.

1 **SEC. 3. REPORT TO CONGRESS.**

2 Not later than 180 days after the effective date of  
3 the regulations promulgated in accordance with section 2,  
4 the Small Business Administration shall report to the  
5 Congress regarding the effectiveness of the amendments  
6 made by section 1 in improving the small business climate  
7 and promoting business development on or near Indian  
8 lands, as such term is defined in section 7(m)(13) of the  
9 Small Business Act.

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