

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3172

To improve the calculation of the Federal subsidy rate with respect to certain small business loans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 15, 2002

Mr. BOND (for himself, Mr. KERRY, Mr. DOMENICI, Mr. CONRAD, Mr. BURNS, Ms. LANDRIEU, Ms. SNOWE, and Mr. HARKIN) introduced the following bill; which was read twice, considered, read the third time, and passed

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## A BILL

To improve the calculation of the Federal subsidy rate with respect to certain small business loans, 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. SUBSIDY RATE FOR SMALL BUSINESS LOANS.**

4 Notwithstanding section 502(5)(F) of the Federal  
5 Credit Reform Act of 1990 and section 254(j) of the Bal-  
6 anced Budget and Emergency Deficit Control Act of 1985,  
7 the Director of the Office of Management and Budget, in  
8 calculating the Federal cost for guaranteeing loans during  
9 fiscal year 2003 under section 7(a) of the Small Business

1 Act (15 U.S.C. 636(a)) may use the most recently ap-  
2 proved subsidy cost model and methodology in conjunction  
3 with the program and economic assumptions, and histor-  
4 ical data which were included in the fiscal year 2003 budg-  
5 et. After written notification to Congress, the Small Busi-  
6 ness Administration shall implement the validated, OMB-  
7 approved subsidy rate for fiscal year 2003, using this  
8 model and methodology. Such rate shall be deemed to have  
9 been effective on October 1, 2002.

10 **SEC. 2. USE OF EMERGENCY FUNDS FOR SMALL BUSINESS**

11 **LOANS.**

12 Chapter 2 of division B of the Department of Defense  
13 and Emergency Supplemental Appropriations for Recov-  
14 ery from and Response to Terrorist Attacks on the United  
15 States Act, 2002 is amended by striking “For emergency  
16 expenses” after “BUSINESS LOANS PROGRAM ACCOUNT”  
17 and inserting the following: “For loan guarantee subsidies  
18 under section 7(a) of the Small Business Act (15 U.S.C.  
19 636(a)) or for emergency expenses”.

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