

108TH CONGRESS
1ST SESSION

H. R. 3483

To amend the Small Business Act to establish a temporary loan program and a temporary vocational development program for small business concerns owned and controlled by veterans.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 7, 2003

Mr. UDALL of New Mexico (for himself and Mrs. KELLY) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to establish a temporary loan program and a temporary vocational development program for small business concerns owned and controlled by veterans.

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. SHORT TITLE.**

4 This Act may be cited as the “Seeds for Soldiers
5 Act”.

1 **SEC. 2. TEMPORARY LOAN PROGRAM FOR SMALL BUSI-**
2 **NESS CONCERNS OWNED AND CONTROLLED**
3 **BY VETERANS.**

4 (a) IN GENERAL.—The Administrator of the Small
5 Business Administration may make loans under section
6 7(a) of the Small Business Act (15 U.S.C. 636(a)) to
7 small business concerns owned and controlled by veterans.

8 (b) SPECIAL RULES.—Notwithstanding the require-
9 ments of section 7 of the Small Business Act (15 U.S.C.
10 636), the following special rules apply to loans described
11 in subsection (a):

12 (1) PURPOSE OF LOANS.—The Administrator
13 may make such loans for any business purpose, in-
14 cluding the refinancing of any outstanding business
15 debt.

16 (2) DEFERRAL OF PAYMENTS WITHOUT INTER-
17 EST.—No payment of principal on any such loan
18 shall be due or payable during the 1-year period be-
19 ginning on the date that such loan is issued. Any in-
20 terest payable with respect to such loan for such pe-
21 riod shall be paid by the Administration.

22 (3) AMOUNT OF LOANS.—Any such loan may be
23 made if the total amount outstanding and committed
24 to the borrower under section 7(a) of the Small
25 Business Act (15 U.S.C. 636(a)) would not exceed
26 \$3,000,000.

1 (4) GUARANTEED LOANS.—In the case of an
2 agreement to participate on a deferred basis in any
3 such loan—

4 (A) PARTICIPATION.—Such participation
5 by the Administration shall be equal to 90 per-
6 cent of the balance of the financing outstanding
7 at the time of disbursement of the loan.

8 (B) GUARANTEE FEES.—The Adminis-
9 trator shall collect (except in the case of a loan
10 that is repayable in 1 year or less) a guarantee
11 fee, which shall be payable by the participating
12 lender, and may be charged to the borrower as
13 follows:

14 (i) A guarantee fee equal to 0.5 per-
15 cent of the deferred participation share of
16 a total loan amount that is not more than
17 \$150,000.

18 (ii) A guarantee fee equal to 1.5 per-
19 cent of the deferred participation share of
20 a total loan amount that is more than
21 \$150,000, but not more than \$700,000.

22 (iii) A guarantee fee equal to 2 per-
23 cent of the deferred participation share of
24 a total loan amount that is more than
25 \$700,000.

1 (C) ANNUAL FEES.—The annual fee as-
2 sessed and collected on any such loan shall not
3 exceed an amount equal to 0.15 percent of the
4 outstanding balance of the deferred participa-
5 tion share of the loan.

6 (5) CREDIT ELSEWHERE.—The Administrator
7 may make such loans without regard to the ability
8 of a small business concern to obtain credit else-
9 where.

10 (6) COLLATERAL.—The Administrator shall
11 make such loans without regard to the availability of
12 collateral to secure such loans.

13 (c) TERMINATION.—The Administrator shall not
14 make any loan under this section after December 31,
15 2005.

16 (d) DEFINITIONS.—For purpose of this section, the
17 terms “Administrator”, “Administration”, “credit else-
18 where”, and “small business concern owned and controlled
19 by veterans” have the respective meanings given such
20 terms in section 3 of the Small Business Act (15 U.S.C.
21 632), except as provided in subsection (b)(8).

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated to carry out this section
24 \$25,000,000 for fiscal year 2004. Such sum shall remain
25 available until expended.

1 **SEC. 3. TEMPORARY VOCATIONAL DEVELOPMENT PRO-**
2 **GRAM FOR VETERANS.**

3 (a) ESTABLISHMENT.—In accordance with this sec-
4 tion, the Administrator of the Small Business Administra-
5 tion shall make grants to small business development cen-
6 ters to enable such centers to provide to veterans a pro-
7 gram of assistance that includes training in a vocational
8 or technical trade and entrepreneurial assistance in estab-
9 lishing and operating a small business concern that pro-
10 vides services in such trade.

11 (b) MINIMUM GRANT.—The Administrator shall not
12 make a grant under this section for an amount less than
13 \$500,000.

14 (c) APPLICATION AND AWARD.—Each small business
15 development center seeking a grant under this section
16 shall submit to the Administrator an application in such
17 form as the Administrator may require. The application
18 shall include information regarding the applicant's goals
19 and objectives for the program of assistance described in
20 subsection (a). In awarding the grants, the Administrator
21 shall consider the needs of the area served by the small
22 business development center, including whether the small
23 business development center is located in the proximity of
24 a United States military installation.

1 (d) TERMINATION.—The Administrator shall not
2 make any grant under this section after December 31,
3 2005.

4 (e) COORDINATION WITH SMALL BUSINESS ACT.—
5 Grants made under this section shall not be taken into
6 account for purposes of section 21 of the Small Business
7 Act (15 U.S.C. 648).

8 (f) DEFINITIONS.—For purposes of this section:

9 (1) ADMINISTRATOR.—The term “Adminis-
10 trator” means the Administrator of the Small Busi-
11 ness Administration.

12 (2) SMALL BUSINESS DEVELOPMENT CEN-
13 TER.—The term “small business development cen-
14 ter” means a small business development center de-
15 scribed in section 21 of the Small Business Act (15
16 U.S.C. 648).

17 (3) VETERAN.—The term “veteran” has the
18 meaning given such term in section 3(q)(4) of the
19 Small Business Act (15 U.S.C. 632(q)(4)).

20 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated to carry out this section
22 \$25,000,000 for fiscal year 2004. Such sum shall remain
23 available until expended.

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