

110TH CONGRESS  
1ST SESSION

# H. R. 1849

To amend the Federal Credit Union Act and the Small Business Act to improve small business lending, improve cooperation between the National Credit Union Administration and the Small Business Administration, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Federal Credit Union Act and the Small Business Act to improve small business lending, improve cooperation between the National Credit Union Administration and the Small Business Administration, 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. SHORT TITLE.**

4 This Act may be cited as the “Credit Union Small  
5 Business Lending Act”.

1 **SEC. 2. REVISION OF REGULATORY TREATMENT FOR SBA**  
2 **LOANS BY CREDIT UNIONS.**

3 Section 107A(c)(1)(B) of the Federal Credit Union  
4 Act (12 U.S.C. 1757a(c)(1)(B)) is amended—

5 (1) at the end of clause (iv), by striking “or”;

6 (2) at the end of clause (v), by striking the pe-  
7 riod and inserting “; or”; and

8 (3) by adding at the end the following new  
9 clause:

10 “(vi) any loan made in cooperation  
11 with the Small Business Administration  
12 under section 7(a) of the Small Business  
13 Act, without regard to whether any portion  
14 of such loan is guaranteed or not by the  
15 Administrator of such Administration.”.

16 **SEC. 3. CREDIT UNION OUTREACH PROGRAM.**

17 Section 7(a) of the Small Business Act (15 U.S.C.  
18 636(a)) is amended by adding at the end the following:

19 “(32) CREDIT UNION OUTREACH PROGRAM.—

20 “(A) IN GENERAL.—The Administrator  
21 shall carry out a program to provide outreach  
22 and assistance to credit unions for the purpose  
23 of increasing the participation of credit unions  
24 in the 7(a) program.

25 “(B) SIMPLIFIED APPLICATION PROC-  
26 ESS.—In carrying out a program under this

1 paragraph, the Administrator shall take such  
2 actions, as appropriate, to simplify the applica-  
3 tion process for credit union participation in the  
4 7(a) program

5 “(C) ANNUAL REPORT.—The Adminis-  
6 trator shall submit to Congress an annual re-  
7 port on the efforts made by the Administration  
8 to increase the participation of credit unions in  
9 the 7(a) program.”.

10 **SEC. 4. CREDIT UNION LOAN GUARANTEE PROGRAM.**

11 Section 7(a) of the Small Business Act, as amended  
12 by section 3, is further amended by adding at the end the  
13 following:

14 “(33) CREDIT UNION LOAN GUARANTEE PRO-  
15 GRAM.—

16 “(A) IN GENERAL.—The Administrator  
17 shall carry out a program to provide a guaranty  
18 of up to 85 percent for loans made by credit  
19 unions to members of those credit unions. To  
20 be eligible for the program—

21 “(i) the amount of the loan may not  
22 exceed \$250,000; and

23 “(ii) the member must reside in an  
24 underserved area, or the business assisted  
25 by a loan made under this subsection to a

1 member must be located in an underserved  
2 area.

3 “(B) DEFINITION.—In this paragraph, the  
4 term ‘underserved area’ means a geographic  
5 area consisting of one or more population cen-  
6 sus tracts, that encompass or are located with-  
7 in—

8 “(i) an investment area designated  
9 under section 103(16) of the Community  
10 Development Banking and Financial Insti-  
11 tutions Act of 1994; or

12 “(ii) a low income community, as de-  
13 fined in section 45D(e) of the Internal  
14 Revenue Code of 1986.”.

15 **SEC. 5. CREDIT UNION PARTICIPATION IN THE SECTION 504**  
16 **PROGRAM.**

17 Section 107(5)(A)(iii) of the Federal Credit Union  
18 Act (12 U.S.C. 1757(5)(A)(iii)) is amended by inserting  
19 “, and applicable regulations,” after “specified in the  
20 law”.

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