

110TH CONGRESS  
1ST SESSION

# H. R. 565

To amend the Small Business Act to improve the availability of disaster loans to individuals and businesses affected by catastrophic incidents.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 2007

Mr. JEFFERSON introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to improve the availability of disaster loans to individuals and businesses affected by catastrophic incidents.

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 “Small Business Dis-  
5 aster Loan Improvement Act of 2007”.

6 **SEC. 2. AVAILABILITY OF DISASTER LOANS FOR CATA-**  
7 **STROPHIC INCIDENTS.**

8 Section 7 of the Small Business Act (15 U.S.C. 636)  
9 is amended by adding at the end the following new sub-  
10 section:

1           “(o) IMPROVEMENTS TO DISASTER LOAN PROGRAM  
2 WITH RESPECT TO CATASTROPHIC INCIDENTS.—

3           “(1) DEFINITION.—In this subsection, the term  
4 ‘catastrophic incident’ means a disaster that—

5                   “(A) results in extraordinary levels of mass  
6 casualties, damage, or disruption severely af-  
7 fecting the population, infrastructure, environ-  
8 ment, economy, national morale, or government  
9 functions;

10                   “(B) has the potential to result in sus-  
11 tained national impacts over a prolonged period  
12 of time;

13                   “(C) almost immediately exceeds resources  
14 normally available to State, local, tribal, and  
15 private-sector authorities in the impacted area;  
16 and

17                   “(D) significantly interrupts governmental  
18 operations and emergency services to such an  
19 extent that national security could be threat-  
20 ened.

21           “(2) AVAILABILITY OF DISASTER LOANS.—In  
22 carrying out the disaster loan program under sub-  
23 section (b) with respect to a catastrophic incident,  
24 the Administrator shall not, in determining whether  
25 a person is eligible for such a loan or in determining

1 the amount of such a loan, consider the extent to  
2 which—

3 “(A) the loss or damage or injury of the  
4 person is compensated for by insurance or oth-  
5 erwise; or

6 “(B) the person paid, voluntarily or invol-  
7 untarily, insurance proceeds to a recorded  
8 lienholder.”.

9 **SEC. 3. RETROACTIVITY FOR VICTIMS OF HURRICANES**

10 **KATRINA, RITA, AND WILMA.**

11 (a) **RETROACTIVITY.**—Subsection (o) of the Small  
12 Business Act, as added by section 2 of this Act, applies  
13 to all catastrophic incidents occurring on or after August  
14 29, 2005.

15 (b) **HURRICANES KATRINA, RITA, AND WILMA.**—For  
16 purposes of subsection (o) of such Act, Hurricanes  
17 Katrina, Rita, and Wilma of 2005 are hereby deemed to  
18 be catastrophic incidents.

19 (c) **REVIEW AND COMPLIANCE.**—The Administrator  
20 of the Small Business Administration shall ensure that all  
21 applications, and all loans, under the disaster loan pro-  
22 gram before the date of the enactment of this Act are re-  
23 viewed and brought into compliance with this section.

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