

Calendar No. 139110TH CONGRESS
1ST SESSION**S. 163****[Report No. 110-64]**

To improve the disaster loan program of the Small Business Administration,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 2007

Mr. KERRY (for himself, Ms. SNOWE, Ms. LANDRIEU, and Mr. VITTER) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

MAY 7, 2007

Reported by Mr. KERRY, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]**A BILL**

To improve the disaster loan program of 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Small Business Disaster Response and Loan Improve-
 4 ments Act of 2007”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—PRIVATE DISASTER LOANS

Sec. 101. Private disaster loans.

Sec. 102. Technical and conforming amendments.

TITLE II—DISASTER RELIEF AND RECONSTRUCTION

Sec. 201. Definition of disaster area.

Sec. 202. Disaster loans to nonprofits.

Sec. 203. Disaster loan amounts.

Sec. 204. Small business development center portability grants.

Sec. 205. Assistance to out-of-State businesses.

Sec. 206. Outreach programs.

Sec. 207. Small business bonding threshold.

Sec. 208. Contracting priority for local small businesses.

Sec. 209. Termination of program.

Sec. 210. Increasing collateral requirements.

TITLE III—DISASTER RESPONSE

Sec. 301. Definitions.

Sec. 302. Business expedited disaster assistance loan program.

Sec. 303. Catastrophic national disasters.

Sec. 304. Public awareness of disaster declaration and application periods.

Sec. 305. Consistency between Administration regulations and standard oper-
 ating procedures.

Sec. 306. Processing disaster loans.

Sec. 307. Development and implementation of major disaster response plan.

Sec. 308. Congressional oversight.

TITLE IV—ENERGY EMERGENCIES

Sec. 401. Findings.

Sec. 402. Small business energy emergency disaster loan program.

Sec. 403. Agricultural producer emergency loans.

Sec. 404. Guidelines and rulemaking.

Sec. 405. Reports.

7 **SEC. 2. DEFINITIONS.**

8 In this Act—

1 (1) the terms “Administration” and “Adminis-
 2 trator” mean the Small Business Administration
 3 and the Administrator thereof, respectively;

4 (2) the term “small business concern” has the
 5 same meaning as in section 3 of the Small Business
 6 Act (15 U.S.C. 632); and

7 (3) the term “small business concern owned
 8 and controlled by socially and economically disadvan-
 9 taged individuals” has the same meaning as in sec-
 10 tion 8 of the Small Business Act (15 U.S.C. 637).

11 **TITLE I—PRIVATE DISASTER** 12 **LOANS**

13 **SEC. 101. PRIVATE DISASTER LOANS.**

14 (a) IN GENERAL.—Section 7 of the Small Business
 15 Act (15 U.S.C. 636) is amended—

16 (1) by redesignating subsections (c) and (d) as
 17 subsections (d) and (e), respectively; and

18 (2) by inserting after subsection (b) the fol-
 19 lowing:

20 “(c) PRIVATE DISASTER LOANS.—

21 “(1) DEFINITIONS.—In this subsection—

22 “(A) the term ‘disaster area’ means a
 23 county, parish, or similar unit of general local
 24 government in which a disaster was declared
 25 under subsection (b);

1 “(B) the term ‘eligible small business con-
2 cern’ means a business concern that is—

3 “(i) a small business concern, as de-
4 fined in this Act; or

5 “(ii) a small business concern, as de-
6 fined in section 103 of the Small Business
7 Investment Act of 1958; and

8 “(C) the term ‘qualified private lender’
9 means any privately-owned bank or other lend-
10 ing institution that the Administrator deter-
11 mines meets the criteria established under para-
12 graph (9).

13 “(2) AUTHORIZATION.—The Administrator may
14 guarantee timely payment of principal and interest,
15 as scheduled on any loan issued by a qualified pri-
16 vate lender to an eligible small business concern lo-
17 cated in a disaster area.

18 “(3) USE OF LOANS.—A loan guaranteed by
19 the Administrator under this subsection may be used
20 for any purpose authorized under subsection (a) or
21 (b).

22 “(4) ONLINE APPLICATIONS.—

23 “(A) ESTABLISHMENT.—The Adminis-
24 trator may establish, directly or through an
25 agreement with another entity, an online appli-

1 eation process for loans guaranteed under this
2 subsection.

3 “(B) OTHER FEDERAL ASSISTANCE.—The
4 Administrator may coordinate with the head of
5 any other appropriate Federal agency so that
6 any application submitted through an online ap-
7 plication process established under this para-
8 graph may be considered for any other Federal
9 assistance program for disaster relief.

10 “(C) CONSULTATION.—In establishing an
11 online application process under this paragraph,
12 the Administrator shall consult with appro-
13 priate persons from the public and private sec-
14 tors, including private lenders.

15 “(5) MAXIMUM AMOUNTS.—

16 “(A) GUARANTEE PERCENTAGE.—The Ad-
17 ministrator may guarantee not more than 85
18 percent of a loan under this subsection.

19 “(B) LOAN AMOUNTS.—The maximum
20 amount of a loan guaranteed under this sub-
21 section shall be \$3,000,000.

22 “(6) LOAN TERM.—The longest term of a loan
23 for a loan guaranteed under this subsection shall
24 be—

1 “(A) 15 years for any loan that is issued
2 without collateral; and

3 “(B) 25 years for any loan that is issued
4 with collateral.

5 “(7) FEES.—

6 “(A) IN GENERAL.—The Administrator
7 may not collect a guarantee fee under this sub-
8 section.

9 “(B) ORIGINATION FEE.—The Adminis-
10 trator may pay a qualified private lender an
11 origination fee for a loan guaranteed under this
12 subsection in an amount agreed upon in ad-
13 vance between the qualified private lender and
14 the Administrator.

15 “(8) DOCUMENTATION.—A qualified private
16 lender may use its own loan documentation for a
17 loan guaranteed by the Administrator, to the extent
18 authorized by the Administrator. The ability of a
19 lender to use its own loan documentation for a loan
20 offered under this subsection shall not be considered
21 part of the criteria for becoming a qualified private
22 lender under the regulations promulgated under
23 paragraph (9).

24 “(9) IMPLEMENTATION REGULATIONS.—

1 “(A) IN GENERAL.—Not later than 1 year
2 after the date of enactment of the Small Busi-
3 ness Disaster Response and Loan Improve-
4 ments Act of 2007, the Administrator shall
5 issue final regulations establishing permanent
6 criteria for qualified private lenders.

7 “(B) REPORT TO CONGRESS.—Not later
8 than 6 months after the date of enactment of
9 the Small Business Disaster Response and
10 Loan Improvements Act of 2007, the Adminis-
11 trator shall submit a report on the progress of
12 the regulations required by subparagraph (A) to
13 the Committee on Small Business and Entre-
14 preneurship of the Senate and the Committee
15 on Small Business of the House of Representa-
16 tives.

17 “(10) AUTHORIZATION OF APPROPRIATIONS.—

18 “(A) IN GENERAL.—Amounts necessary to
19 carry out this subsection shall be made avail-
20 able from amounts appropriated to the Admin-
21 istration under subsection (b).

22 “(B) AUTHORITY TO REDUCE INTEREST
23 RATES.—Funds appropriated to the Adminis-
24 tration to carry out this subsection, may be
25 used by the Administrator, to the extent avail-

1 able, to reduce the applicable rate of interest
 2 for a loan guaranteed under this subsection by
 3 not more than 3 percentage points.”.

4 (b) **EFFECTIVE DATE.**—The amendments made by
 5 this section shall apply to disasters declared under section
 6 7(b)(2) of the Small Business Act (631 U.S.C. 636(b)(2))
 7 before, on, or after the date of enactment of this Act.

8 **SEC. 102. TECHNICAL AND CONFORMING AMENDMENTS.**

9 The Small Business Act (15 U.S.C. 631 et seq.) is
 10 amended—

11 (1) in section 4(e)—

12 (A) in paragraph (1), by striking “7(e)(2)”
 13 and inserting “7(d)(2)”; and

14 (B) in paragraph (2)—

15 (i) by striking “7(e)(2)” and inserting
 16 “7(d)(2)”; and

17 (ii) by striking “7(e),”; and

18 (2) in section 7(b), in the undesignated matter
 19 following paragraph (3)—

20 (A) by striking “That the provisions of
 21 paragraph (1) of subsection (e)” and inserting
 22 “That the provisions of paragraph (1) of sub-
 23 section (d)”; and

24 (B) by striking “Notwithstanding the pro-
 25 visions of any other law the interest rate on the

1 Administration's share of any loan made under
 2 subsection (b) except as provided in subsection
 3 (c)," and inserting "Notwithstanding any other
 4 provision of law, and except as provided in sub-
 5 section (d), the interest rate on the Administra-
 6 tion's share of any loan made under subsection
 7 (b)".

8 **TITLE II—DISASTER RELIEF AND** 9 **RECONSTRUCTION**

10 **SEC. 201. DEFINITION OF DISASTER AREA.**

11 In this title, the term "disaster area" means an area
 12 affected by a natural or other disaster, as determined for
 13 purposes of paragraph (1) or (2) of section 7(b) of the
 14 Small Business Act (15 U.S.C. 636(b)), during the period
 15 of such declaration.

16 **SEC. 202. DISASTER LOANS TO NONPROFITS.**

17 Section 7(b) of the Small Business Act (15 U.S.C.
 18 636(b)) is amended by inserting immediately after para-
 19 graph (3) the following:

20 " (4) **LOANS TO NONPROFITS.**—In addition to
 21 any other loan authorized by this subsection, the Ad-
 22 ministrator may make such loans (either directly or
 23 in cooperation with banks or other lending institu-
 24 tions through agreements to participate on an imme-
 25 diate or deferred basis) as the Administrator deter-

1 mines appropriate to a nonprofit organization lo-
 2 cated or operating in an area affected by a natural
 3 or other disaster, as determined under paragraph
 4 (1) or (2), or providing services to persons who have
 5 evacuated from any such area.”.

6 **SEC. 203. DISASTER LOAN AMOUNTS.**

7 (a) **INCREASED LOAN CAPS.**—Section 7(b) of the
 8 Small Business Act (15 U.S.C. 636(b)) is amended by in-
 9 serting immediately after paragraph (4), as added by this
 10 title, the following:

11 “(5) **INCREASED LOAN CAPS.**—

12 “(A) **AGGREGATE LOAN AMOUNTS.**—Ex-
 13 cept as provided in clause (ii), and notwith-
 14 standing any other provision of law, the aggre-
 15 gate loan amount outstanding and committed to
 16 a borrower under this subsection may not ex-
 17 ceed \$5,000,000.

18 “(B) **WAIVER AUTHORITY.**—The Adminis-
 19 trator may, at the discretion of the Adminis-
 20 trator, waive the aggregate loan amount estab-
 21 lished under clause (i).”.

22 (b) **DISASTER MITIGATION.**—

23 (1) **IN GENERAL.**—Section 7(b)(1)(A) of the
 24 Small Business Act (15 U.S.C. 636(b)(1)(A)) is
 25 amended by inserting “of the aggregate costs of

1 such damage or destruction (whether or not com-
 2 pensated for by insurance or otherwise)” after “20
 3 per centum”.

4 (2) EFFECTIVE DATE.—The amendment made
 5 by paragraph (1) shall apply with respect to a loan
 6 or guarantee made after the date of enactment of
 7 this Act.

8 (c) TECHNICAL AMENDMENTS.—Section 7(b) of the
 9 Small Business Act (15 U.S.C. 636(b)) is amended—

10 (1) in the matter preceding paragraph (1), by
 11 striking “the, Administration” and inserting “the
 12 Administration”;

13 (2) in paragraph (2)(A), by striking “Disaster
 14 Relief and Emergency Assistance Act” and inserting
 15 “Robert T. Stafford Disaster Relief and Emergency
 16 Assistance Act (42 U.S.C. 5121 et seq.)”; and

17 (3) in the undesignated matter at the end—

18 (A) by striking “, (2), and (4)” and insert-
 19 ing “and (2)”; and

20 (B) by striking “, (2), or (4)” and insert-
 21 ing “(2)”.

22 **SEC. 204. SMALL BUSINESS DEVELOPMENT CENTER PORT-**
 23 **ABILITY GRANTS.**

24 Section 21(a)(4)(C)(viii) of the Small Business Act
 25 (15 U.S.C. 648(a)(4)(C)(viii)) is amended—

1 (1) in the first sentence, by striking “as a re-
 2 sult of a business or government facility down sizing
 3 or closing, which has resulted in the loss of jobs or
 4 small business instability” and inserting “due to
 5 events that have resulted or will result in, business
 6 or government facility downsizing or closing”; and

7 (2) by adding at the end “At the discretion of
 8 the Administrator, the Administrator may make an
 9 award greater than \$100,000 to a recipient to ac-
 10 commodate extraordinary occurrences having a cata-
 11 strophic impact on the small business concerns in a
 12 community.”.

13 **SEC. 205. ASSISTANCE TO OUT-OF-STATE BUSINESSES.**

14 Section 21(b)(3) of the Small Business Act (15
 15 U.S.C. 648(b)(3)) is amended—

16 (1) by striking “At the discretion” and insert-
 17 ing the following: “SMALL BUSINESS DEVELOPMENT
 18 CENTERS.—

19 “(A) IN GENERAL.—At the discretion”;

20 and

21 (2) by adding at the end the following:

22 “(B) DURING DISASTERS.—

23 “(i) IN GENERAL.—At the discretion
 24 of the Administrator, the Administrator
 25 may authorize a small business develop-

1 ment center to provide such assistance to
2 small business concerns located outside of
3 the State, without regard to geographic
4 proximity, if the small business concerns
5 are located in a disaster area declared
6 under section 7(b)(2)(A).

7 “(ii) CONTINUITY OF SERVICES.—A
8 small business development center that
9 provides counselors to an area described in
10 clause (i) shall, to the maximum extent
11 practicable, ensure continuity of services in
12 any State in which such small business de-
13 velopment center otherwise provides serv-
14 ices.

15 “(iii) ACCESS TO DISASTER RECOVERY
16 FACILITIES.—For purposes of providing
17 disaster recovery assistance under this sub-
18 paragraph, the Administrator shall, to the
19 maximum extent practicable, permit small
20 business development center personnel to
21 use any site or facility designated by the
22 Administrator for use to provide disaster
23 recovery assistance.”.

1 **SEC. 206. OUTREACH PROGRAMS.**

2 (a) **IN GENERAL.**—Not later than 30 days after the
3 date of the declaration of a disaster area, the Adminis-
4 trator may establish a contracting outreach and technical
5 assistance program for small business concerns which have
6 had a primary place of business in, or other significant
7 presence in, such disaster area.

8 (b) **ADMINISTRATOR ACTION.**—The Administrator
9 may fulfill the requirement of subsection (a) by acting
10 through—

11 (1) the Administration;

12 (2) the Federal agency small business officials
13 designated under section 15(k)(1) of the Small Busi-
14 ness Act (15 U.S.C. 644(k)(1)); or

15 (3) any Federal, State, or local government en-
16 tity, higher education institution, procurement tech-
17 nical assistance center, or private nonprofit organi-
18 zation that the Administrator may determine appro-
19 priate, upon conclusion of a memorandum of under-
20 standing or assistance agreement, as appropriate,
21 with the Administrator.

22 **SEC. 207. SMALL BUSINESS BONDING THRESHOLD.**

23 (a) **IN GENERAL.**—Except as provided in subsection
24 (b), and notwithstanding any other provision of law, for
25 any procurement related to a major disaster (as that term
26 is defined in section 102 of the Robert T. Stafford Dis-

1 aster Relief and Emergency Assistance Act (42 U.S.C.
 2 5122)), the Administrator may, upon such terms and con-
 3 ditions as the Administrator may prescribe, guarantee and
 4 enter into commitments to guarantee any surety against
 5 loss resulting from a breach of the terms of a bid bond,
 6 payment bond, performance bond, or bonds ancillary
 7 thereto, by a principal on any total work order or contract
 8 amount at the time of bond execution that does not exceed
 9 \$5,000,000.

10 (b) INCREASE OF AMOUNT.—Upon request of the
 11 head of any Federal agency other than the Administration
 12 involved in reconstruction efforts in response to a major
 13 disaster, the Administrator may guarantee and enter into
 14 a commitment to guarantee any security against loss
 15 under subsection (a) on any total work order or contract
 16 amount at the time of bond execution that does not exceed
 17 \$10,000,000.

18 **SEC. 208. CONTRACTING PRIORITY FOR LOCAL SMALL**
 19 **BUSINESSES.**

20 Section 15(d) of the Small Business Act (15 U.S.C.
 21 644(d)) is amended—

22 (1) by striking “(d) For purposes” and insert-
 23 ing the following:

24 “(d) CONTRACTING PRIORITIES.—

25 “(1) IN GENERAL.—For purposes”; and

1 (2) by adding at the end the following:

2 ~~“(2) DISASTER CONTRACTING PRIORITY IN~~
 3 ~~GENERAL.—The Administrator shall designate any~~
 4 ~~disaster area as an area of concentrated unemploy-~~
 5 ~~ment or underemployment, or a labor surplus area~~
 6 ~~for purposes of paragraph (1).~~

7 ~~“(3) LOCAL SMALL BUSINESSES.—~~

8 ~~“(A) IN GENERAL.—The head of each ex-~~
 9 ~~ecutive agency shall give priority in the award-~~
 10 ~~ing of contracts and the placement of sub-~~
 11 ~~contracts for disaster relief to local small busi-~~
 12 ~~ness concerns by using, as appropriate—~~

13 ~~“(i) preferential factors in evaluations~~
 14 ~~of contract bids and proposals;~~

15 ~~“(ii) competitions restricted to local~~
 16 ~~small business concerns, where there is a~~
 17 ~~reasonable expectation of receiving com-~~
 18 ~~petitive, reasonably priced bids or pro-~~
 19 ~~posals from not fewer than 2 local small~~
 20 ~~business concerns;~~

21 ~~“(iii) requirements of preference for~~
 22 ~~local small business concerns in subcon-~~
 23 ~~tracting plans; and~~

1 “(iv) assessments of liquidated dam-
2 ages and other contractual penalties, in-
3 cluding contract termination.

4 “(B) OTHER DISASTER ASSISTANCE.—Pri-
5 ority shall be given to local small business con-
6 cerns in the awarding of contracts and the
7 placement of subcontracts for disaster relief in
8 any Federal procurement and any procurement
9 by a State or local government made with Fed-
10 eral disaster assistance funds.

11 “(4) DEFINITIONS.—In this subsection—

12 “(A) the term ‘declared disaster’ means a
13 disaster, as designated by the Administrator;

14 “(B) the term ‘disaster area’ means any
15 State or area affected by a declared disaster, as
16 determined by the Administrator;

17 “(C) the term ‘executive agency’ has the
18 same meaning as in section 105 of title 5,
19 United States Code; and

20 “(D) the term ‘local small business con-
21 cern’ means a small business concern that—

22 “(i) on the date immediately pre-
23 ceding the date on which a declared dis-
24 aster occurred—

1 “(I) had a principal office in the
2 disaster area for such declared dis-
3 aster; and

4 “(II) employed a majority of the
5 workforce of such small business con-
6 cern in the disaster area for such de-
7 clared disaster; and

8 “(ii) is capable of performing a sub-
9 stantial proportion of any contract or sub-
10 contract for disaster relief within the dis-
11 aster area for such declared disaster, as
12 determined by the Administrator.”.

13 **SEC. 209. TERMINATION OF PROGRAM.**

14 Section 711(e) of the Small Business Competitive
15 Demonstration Program Act of 1988 (15 U.S.C. 644 note)
16 is amended by inserting after “January 1, 1989” the fol-
17 lowing: “, and shall terminate on the date of enactment
18 of the Small Business Disaster Response and Loan Im-
19 provements Act of 2007”.

20 **SEC. 210. INCREASING COLLATERAL REQUIREMENTS.**

21 Section 7(d)(6) of the Small Business Act (15 U.S.C.
22 636), as so designated by section 101, is amended by
23 striking “\$10,000 or less” and inserting “\$14,000 or less
24 (or such higher amount as the Administrator determines

1 appropriate in the event of a catastrophic national disaster
 2 declared under subsection (b)(6))”.

3 **TITLE III—DISASTER RESPONSE**

4 **SEC. 301. DEFINITIONS.**

5 In this title—

6 (1) the term “catastrophic national disaster”
 7 has the meaning given the term in section 7(b)(6)
 8 of the Small Business Act (15 U.S.C. 636(b)), as
 9 added by this Act;

10 (2) the term “declared disaster” means a major
 11 disaster or a catastrophic national disaster;

12 (3) the term “disaster loan program of the Ad-
 13 ministration” means assistance under section 7(b) of
 14 the Small Business Act (15 U.S.C. 636(b));

15 (4) the term “disaster update period” means
 16 the period beginning on the date on which the Presi-
 17 dent declares a major disaster or a catastrophic na-
 18 tional disaster and ending on the date on which such
 19 declaration terminates;

20 (5) the term “major disaster” has the meaning
 21 given the term in section 102 of the Robert T. Staf-
 22 ford Disaster Relief and Emergency Assistance Act
 23 (42 U.S.C. 5122); and

24 (6) the term “State” means any State of the
 25 United States, the District of Columbia, the Com-

1 monwealth of Puerto Rico, the Northern Mariana Is-
2 lands, the Virgin Islands, Guam, American Samoa,
3 and any territory or possession of the United States.

4 **SEC. 302. BUSINESS EXPEDITED DISASTER ASSISTANCE**
5 **LOAN PROGRAM.**

6 (a) **DEFINITIONS.**—In this section—

7 (1) the term “immediate disaster assistance”
8 means assistance provided during the period begin-
9 ning on the date on which a disaster declaration is
10 made and ending on the date that an impacted small
11 business concern is able to secure funding through
12 insurance claims, Federal assistance programs, or
13 other sources; and

14 (2) the term “program” means the expedited
15 disaster assistance business loan program estab-
16 lished under subsection (b); and

17 (b) **CREATION OF PROGRAM.**—The Administrator
18 shall take such administrative action as is necessary to
19 establish and implement an expedited disaster assistance
20 business loan program to provide small business concerns
21 with immediate disaster assistance under section 7(b) of
22 the Small Business Act (15 U.S.C. 636(b)).

23 (c) **CONSULTATION REQUIRED.**—In establishing the
24 program, the Administrator shall consult with—

1 (1) appropriate personnel of the Administration
2 (including District Office personnel of the Adminis-
3 tration);

4 (2) appropriate technical assistance providers
5 (including small business development centers);

6 (3) appropriate lenders and credit unions;

7 (4) the Committee on Small Business and En-
8 trepreneurship of the Senate; and

9 (5) the Committee on Small Business of the
10 House of Representatives.

11 (d) RULES.—

12 (1) IN GENERAL.—Not later than 1 year after
13 the date of enactment of this Act, the Administrator
14 shall promulgate rules establishing and imple-
15 menting the program in accordance with this sec-
16 tion. Such rules shall apply as provided for in this
17 section, beginning 90 days after their issuance in
18 final form.

19 (2) CONTENTS.—The rules promulgated under
20 paragraph (1) shall—

21 (A) identify whether appropriate uses of
22 funds under the program may include—

23 (i) paying employees;

24 (ii) paying bills and other financial
25 obligations;

1 (iii) making repairs;
 2 (iv) purchasing inventory;
 3 (v) restarting or operating a small
 4 business concern in the community in
 5 which it was conducting operations prior to
 6 the declared disaster, or to a neighboring
 7 area, county, or parish in the disaster
 8 area; or

9 (vi) covering additional costs until the
 10 small business concern is able to obtain
 11 funding through insurance claims, Federal
 12 assistance programs, or other sources; and

13 (B) set the terms and conditions of any
 14 loan made under the program, subject to para-
 15 graph (3).

16 (3) TERMS AND CONDITIONS.—A loan made by
 17 the Administration under this section—

18 (A) shall be a short-term loan, not to ex-
 19 ceed 180 days, except that the Administrator
 20 may extend such term as the Administrator de-
 21 termines necessary or appropriate on a case-by-
 22 case basis;

23 (B) shall have an interest rate not to ex-
 24 ceed 1 percentage point above the prime rate of
 25 interest that a private lender may charge;

1 (C) shall have no prepayment penalty;

2 (D) may be refinanced as part of any sub-
3 sequent disaster assistance provided under sec-
4 tion 7(b) of the Small Business Act; and

5 (E) shall be subject to such additional
6 terms as the Administrator determines nec-
7 essary or appropriate.

8 (e) REPORT TO CONGRESS.—Not later than 5
9 months after the date of enactment of this Act, the Ad-
10 ministrator shall report to the Committee on Small Busi-
11 ness and Entrepreneurship of the Senate and the Com-
12 mittee on Small Business of the House of Representatives
13 on the progress of the Administrator in establishing the
14 program.

15 (f) AUTHORIZATION.—There are authorized to be ap-
16 propriated to the Administrator such sums as are nec-
17 essary to carry out this section.

18 **SEC. 303. CATASTROPHIC NATIONAL DISASTERS.**

19 Section 7(b) of the Small Business Act (15 U.S.C.
20 636(b)) is amended by inserting immediately after para-
21 graph (5), as added by this Act, the following:

22 “(6) CATASTROPHIC NATIONAL DISASTERS.—

23 “(A) DEFINITION.—In this paragraph the
24 term ‘catastrophic national disaster’ means a
25 disaster, natural or other, that the President

1 determines has caused significant adverse eco-
 2 nomic conditions outside of the geographic
 3 reach of the disaster.

4 “(B) AUTHORIZATION.—The Adminis-
 5 trator may make such loans under this para-
 6 graph (either directly or in cooperation with
 7 banks or other lending institutions through
 8 agreements to participate on an immediate or
 9 deferred basis) as the Administrator determines
 10 appropriate to small business concerns located
 11 anywhere in the United States that are eco-
 12 nomically adversely impacted as a result of a
 13 catastrophic national disaster.

14 “(C) LOAN TERMS.—A loan under this
 15 paragraph shall be made on the same terms as
 16 a loan under paragraph (2).”.

17 **SEC. 304. PUBLIC AWARENESS OF DISASTER DECLARATION**
 18 **AND APPLICATION PERIODS.**

19 (a) IN GENERAL.—Section 7(b) of the Small Busi-
 20 ness Act (15 U.S.C. 636(b)) is amended by inserting im-
 21 mediately after paragraph (6), as added by this Act, the
 22 following:

23 “(7) COORDINATION WITH FEMA.—

24 “(A) IN GENERAL.—Notwithstanding any
 25 other provision of law, for any disaster (includ-

1 ing a catastrophic national disaster) declared
2 under this subsection or major disaster (as that
3 term is defined in section 102 of the Robert T.
4 Stafford Disaster Relief and Emergency Assist-
5 ance Act (42 U.S.C. 5122)), the Administrator,
6 in consultation with the Director of the Federal
7 Emergency Management Agency, shall ensure,
8 to the maximum extent practicable, that all ap-
9 plication periods for disaster relief under this
10 Act and the Robert T. Stafford Disaster Relief
11 and Emergency Assistance Act (42 U.S.C. 5121
12 et seq.) begin on the same date and end on the
13 same date.

14 “(B) DEADLINE EXTENSIONS.—Notwith-
15 standing any other provision of law—

16 “(i) not later than 10 days before the
17 closing date of an application period for
18 disaster relief under this Act for any dis-
19 aster (including a catastrophic national
20 disaster) declared under this subsection,
21 the Administrator, in consultation with the
22 Director of the Federal Emergency Man-
23 agement Agency, shall notify the Com-
24 mittee on Small Business and Entrepre-
25 neurship of the Senate and the Committee

1 on Small Business of the House of Rep-
2 resentatives as to whether the Adminis-
3 trator intends to extend such application
4 period; and

5 “(ii) not later than 10 days before the
6 closing date of an application period for
7 disaster relief under the Robert T. Staf-
8 ford Disaster Relief and Emergency Assist-
9 ance Act for any major disaster (as that
10 term is defined in section 102 of the Rob-
11 ert T. Stafford Disaster Relief and Emer-
12 gency Assistance Act (42 U.S.C. 5122))
13 for which the President has declared a cat-
14 astrophie national disaster under para-
15 graph (6); the Director of the Federal
16 Emergency Management Agency, in con-
17 sultation with the Administrator, shall no-
18 tify the Committee on Small Business and
19 Entrepreneurship of the Senate and the
20 Committee on Small Business of the
21 House of Representatives as to whether
22 the Director intends to extend such appli-
23 cation period.

24 “(8) PUBLIC AWARENESS OF DISASTERS.—If a
25 disaster (including a catastrophic national disaster)

1 is declared under this subsection, the Administrator
2 shall make every effort to communicate through
3 radio, television, print, and web-based outlets, all
4 relevant information needed by disaster loan appli-
5 cants, including—

6 “(A) the date of such declaration;

7 “(B) cities and towns within the area of
8 such declaration;

9 “(C) loan application deadlines related to
10 such disaster;

11 “(D) all relevant contact information for
12 victim services available through the Adminis-
13 tration (including links to small business devel-
14 opment center websites);

15 “(E) links to relevant Federal and State
16 disaster assistance websites;

17 “(F) information on eligibility criteria for
18 Federal Emergency Management Agency dis-
19 aster assistance applications, as well as for Ad-
20 ministration loan programs, including where
21 such applications can be found; and

22 “(G) application materials that clearly
23 state the function of the Administration as the
24 Federal source of disaster loans for homeowners
25 and renters.”.

1 (b) COORDINATION OF AGENCIES AND OUTREACH.—
2 Not later than 90 days after the date of enactment of this
3 Act, the Administrator and the Director of the Federal
4 Emergency Management Agency shall enter into a memo-
5 randum of understanding that ensures, to the maximum
6 extent practicable, adequate lodging and transportation
7 for employees of the Administration, contract employees,
8 and volunteers during a major disaster, if such staff are
9 needed to assist businesses, homeowners, or renters in re-
10 covery.

11 (c) MARKETING AND OUTREACH.—Not later than 90
12 days after the date of enactment of this Act, the Adminis-
13 trator shall create a marketing and outreach plan that—

14 (1) encourages a proactive approach to the dis-
15 aster relief efforts of the Administration;

16 (2) distinguishes between disaster services pro-
17 vided by the Administration and disaster services
18 provided by the Federal Emergency Management
19 Agency, including contact information, application
20 information, and timelines for submitting applica-
21 tions, the review of applications, and the disburse-
22 ment of funds;

23 (3) describes the different disaster loan pro-
24 grams of the Administration, including how they are

1 made available and what eligibility requirements
2 exist for each loan program;

3 (4) provides for regional marketing, focusing on
4 disasters occurring in each region before the date of
5 enactment of this Act, and likely scenarios for disas-
6 ters in each such region; and

7 (5) ensures that the marketing plan is made
8 available at small business development centers and
9 on the website of the Administration.

10 **SEC. 305. CONSISTENCY BETWEEN ADMINISTRATION REGU-**
11 **LATIONS AND STANDARD OPERATING PROCE-**
12 **DURES.**

13 (a) IN GENERAL.—The Administrator shall, prompt-
14 ly following the date of enactment of this Act, conduct
15 a study of whether the standard operating procedures of
16 the Administration for loans offered under section 7(b) of
17 the Small Business Act (15 U.S.C. 636(b)) are consistent
18 with the regulations of the Administration for admin-
19 istering the disaster loan program.

20 (b) REPORT.—Not later than 180 days after the date
21 of enactment of this Act, the Administration shall submit
22 to Congress a report containing all findings and rec-
23 ommendations of the study conducted under subsection
24 (a).

1 **SEC. 306. PROCESSING DISASTER LOANS.**

2 (a) **AUTHORITY FOR QUALIFIED PRIVATE CONTRAC-**
3 **TORS TO PROCESS DISASTER LOANS.**—Section 7(b) of the
4 Small Business Act (15 U.S.C. 636(b)) is amended by in-
5 serting immediately after paragraph (8), as added by this
6 Act, the following:

7 “(9) **AUTHORITY FOR QUALIFIED PRIVATE CON-**
8 **TRACTORS.**—

9 “(A) **DISASTER LOAN PROCESSING.**—The
10 Administrator may enter into an agreement
11 with a qualified private contractor, as deter-
12 mined by the Administrator, to process loans
13 under this subsection in the event of a major
14 disaster (as defined in section 102 of the Rob-
15 ert T. Stafford Disaster Relief and Emergency
16 Assistance Act (42 U.S.C. 5122)) or a cata-
17 strophic national disaster declared under para-
18 graph (6), under which the Administrator shall
19 pay the contractor a fee for each loan proe-
20 cessed.

21 “(B) **LOAN LOSS VERIFICATION SERV-**
22 **ICES.**—The Administrator may enter into an
23 agreement with a qualified lender or loss
24 verification professional, as determined by the
25 Administrator, to verify losses for loans under
26 this subsection in the event of a major disaster

1 (as defined in section 102 of the Robert T.
2 Stafford Disaster Relief and Emergency Assist-
3 ance Act (42 U.S.C. 5122)) or a catastrophic
4 national disaster declared under paragraph (6);
5 under which the Administrator shall pay the
6 lender or verification professional a fee for each
7 loan for which such lender or verification pro-
8 fessional verifies losses.”.

9 (b) COORDINATION OF EFFORTS BETWEEN THE AD-
10 MINISTRATOR AND THE INTERNAL REVENUE SERVICE TO
11 EXPEDITE LOAN PROCESSING.—The Administrator and
12 the Commissioner of Internal Revenue shall, to the max-
13 imum extent practicable, ensure that all relevant and al-
14 lowable tax records for loan approval are shared with loan
15 processors in an expedited manner, upon request by the
16 Administrator.

17 (c) REPORT ON LOAN APPROVAL RATE.—

18 (1) IN GENERAL.—Not later than 6 months
19 after the date of enactment of this Act, the Adminis-
20 trator shall submit a report to the Committee on
21 Small Business and Entrepreneurship of the Senate
22 and the Committee on Small Business of the House
23 of Representatives detailing how the Administration
24 can improve the processing of applications under the
25 disaster loan program of the Administration.

1 (2) CONTENTS.—The report submitted under
2 paragraph (1) shall include—

3 (A) recommendations, if any, regarding—

4 (i) staffing levels during a major dis-
5 aster;

6 (ii) how to improve the process for
7 processing, approving, and disbursing
8 loans under the disaster loan program of
9 the Administration, to ensure that the
10 maximum assistance is provided to victims
11 in a timely manner;

12 (iii) the viability of using alternative
13 methods for assessing the ability of an ap-
14 plicant to repay a loan, including the credit
15 score of the applicant on the day before
16 the date on which the disaster for which
17 the applicant is seeking assistance was de-
18 clared;

19 (iv) methods, if any, for the Adminis-
20 tration to expedite loss verification and
21 loan processing of disaster loans during a
22 major disaster for businesses affected by,
23 and located in the area for which the
24 President declared, the major disaster that
25 are a major source of employment in the

1 area or are vital to recovery efforts in the
 2 region (including providing debris removal
 3 services, manufactured housing, or building
 4 materials);

5 (v) legislative changes, if any, needed
 6 to implement findings from the Adminis-
 7 tration's Accelerated Disaster Response
 8 Initiative; and

9 (vi) a description of how the Adminis-
 10 tration plans to integrate and coordinate
 11 the response to a major disaster with the
 12 technical assistance programs of the Ad-
 13 ministration; and

14 (B) the plans of the Administrator for im-
 15 plementing any recommendation made under
 16 subparagraph (A).

17 **SEC. 307. DEVELOPMENT AND IMPLEMENTATION OF**
 18 **MAJOR DISASTER RESPONSE PLAN.**

19 (a) IN GENERAL.—Not later than March 15, 2007,
 20 the Administrator shall—

21 (1) by rule, amend the 2006 Atlantic hurricane
 22 season disaster response plan of the Administration
 23 (in this section referred to as the “disaster response
 24 plan”) to apply to major disasters and catastrophic

1 national disasters, consistent with this Act and the
2 amendments made by this Act; and

3 ~~(2)~~ submit a report to the Committee on Small
4 Business and Entrepreneurship of the Senate and
5 the Committee on Small Business of the House of
6 Representatives detailing the amendments to the dis-
7 aster response plan.

8 (b) CONTENTS.—The amended report required under
9 subsection ~~(a)(2)~~ shall include—

10 ~~(1)~~ any updates or modifications made to the
11 disaster response plan since the report regarding the
12 disaster response plan submitted on July 14, 2006;

13 ~~(2)~~ a description of how the Administrator
14 plans to utilize and integrate District Office per-
15 sonnel of the Administration in the response to a
16 major disaster, including information on the utiliza-
17 tion of personnel for loan processing and loan dis-
18 bursement;

19 ~~(3)~~ a description of the disaster scalability
20 model of the Administration and on what basis or
21 function the plan is scaled;

22 ~~(4)~~ a description of how the agency-wide Dis-
23 aster Oversight Council is structured, which offices
24 comprise its membership, and whether the Associate

1 Deputy Administrator for Entrepreneurial Develop-
2 ment of the Administration is a member;

3 (5) a description of how the Administrator
4 plans to coordinate the disaster efforts of the Ad-
5 ministration with State and local government offi-
6 cials, including recommendations on how to better
7 incorporate State initiatives or programs, such as
8 State-administered bridge loan programs, into the
9 disaster response of the Administration;

10 (6) recommendations, if any, on how the Ad-
11 ministrator can better coordinate its disaster re-
12 sponse operations with the operations of other Fed-
13 eral, State, and local entities;

14 (7) any surge plan for the system in effect on
15 or after August 29, 2005 (including surge plans for
16 loss verification, loan processing, mailroom, cus-
17 tomer service or call center operations, and a con-
18 tinuity of operations plan);

19 (8) the number of full-time equivalent employ-
20 ees and job descriptions for the planning and dis-
21 aster response staff of the Administration;

22 (9) the in-service and preservice training proce-
23 dures for disaster response staff of the Administra-
24 tion;

1 (10) information on the logistical support plans
2 of the Administration (including equipment and
3 staffing needs, and detailed information on how such
4 plans will be scalable depending on the size and
5 scope of the major disaster;

6 (11) a description of the findings and rec-
7 ommendations of the Administrator, if any, based on
8 a review of the response of the Administration to
9 Hurricane Katrina of 2005, Hurricane Rita of 2005,
10 and Hurricane Wilma of 2005; and

11 (12) a plan for how the Administrator, in co-
12 operation with the Director of the Federal Emer-
13 gency Management Agency, will coordinate the pro-
14 vision of accommodations and necessary resources
15 for disaster assistance personnel to effectively per-
16 form their responsibilities in the aftermath of a
17 major disaster.

18 (c) EXERCISES.—Not later than May 31, 2007, the
19 Administrator shall develop and execute simulation exer-
20 cises to demonstrate the effectiveness of the amended dis-
21 aster response plan required under this section.

22 **SEC. 308. CONGRESSIONAL OVERSIGHT.**

23 (a) MONTHLY ACCOUNTING REPORT TO CON-
24 GRESS.—

1 (1) DEFINITION.—In this subsection the term
2 “applicable period” means the period beginning on
3 the date on which the President declares a major
4 disaster and ending on the date that is 30 days after
5 the later of the closing date for applications for
6 physical disaster loans for such disaster and the
7 closing date for applications for economic injury dis-
8 aster loans for such disaster.

9 (2) REPORTING REQUIREMENTS.—Not later
10 than the fifth business day of each month during the
11 applicable period for a major disaster, the Adminis-
12 trator shall provide to the Committee on Small Busi-
13 ness and Entrepreneurship and the Committee on
14 Appropriations of the Senate and to the Committee
15 on Small Business and the Committee on Appropria-
16 tions of the House of Representatives a report on
17 the operation of the disaster loan program author-
18 ized under section 7 of the Small Business Act (15
19 U.S.C. 636) for such disaster during the preceding
20 month.

21 (3) CONTENTS.—Each report under paragraph
22 (2) shall include—

23 (A) the daily average lending volume, in
24 number of loans and dollars, and the percent by

1 which each category has increased or decreased
2 since the previous report under paragraph (2);

3 (B) the weekly average lending volume, in
4 number of loans and dollars, and the percent by
5 which each category has increased or decreased
6 since the previous report under paragraph (2);

7 (C) the amount of funding spent over the
8 month for loans, both in appropriations and
9 program level, and the percent by which each
10 category has increased or decreased since the
11 previous report under paragraph (2);

12 (D) the amount of funding available for
13 loans, both in appropriations and program level,
14 and the percent by which each category has in-
15 creased or decreased, noting the source of any
16 additional funding;

17 (E) an estimate of how long the available
18 funding for such loans will last, based on the
19 spending rate;

20 (F) the amount of funding spent over the
21 month for staff, along with the number of staff,
22 and the percent by which each category has in-
23 creased or decreased since the previous report
24 under paragraph (2);

1 (G) the amount of funding spent over the
2 month for administrative costs; and the percent
3 by which such spending has increased or de-
4 creased since the previous report under para-
5 graph (2);

6 (H) the amount of funding available for
7 salaries and expenses combined; and the per-
8 cent by which such funding has increased or de-
9 creased, noting the source of any additional
10 funding; and

11 (I) an estimate of how long the available
12 funding for salaries and expenses will last,
13 based on the spending rate.

14 (b) DAILY DISASTER UPDATES TO CONGRESS FOR
15 PRESIDENTIALLY DECLARED DISASTERS.—

16 (1) IN GENERAL.—Each day during a disaster
17 update period, excluding Federal holidays and week-
18 ends, the Administration shall provide to the Com-
19 mittee on Small Business and Entrepreneurship of
20 the Senate and to the Committee on Small Business
21 of the House of Representatives a report on the op-
22 eration of the disaster loan program of the Adminis-
23 tration for the area in which the President declared
24 a major disaster or a catastrophic national disaster,
25 as the case may be.

1 (2) CONTENTS.—Each report under paragraph
2 (1) shall include—

3 (A) the number of Administration staff
4 performing loan processing, field inspection,
5 and other duties for the declared disaster, and
6 the allocations of such staff in the disaster field
7 offices, disaster recovery centers, workshops,
8 and other Administration offices nationwide;

9 (B) the daily number of applications re-
10 ceived from applicants in the relevant area, as
11 well as a breakdown of such figures by State;

12 (C) the daily number of applications pend-
13 ing application entry from applicants in the rel-
14 evant area, as well as a breakdown of such fig-
15 ures by State;

16 (D) the daily number of applications with-
17 drawn by applicants in the relevant area, as
18 well as a breakdown of such figures by State;

19 (E) the daily number of applications sum-
20 marily declined by the Administration from ap-
21 plicants in the relevant area, as well as a break-
22 down of such figures by State;

23 (F) the daily number of applications de-
24 clined by the Administration from applicants in

1 the relevant area, as well as a breakdown of
2 such figures by State;

3 (G) the daily number of applications in
4 process from applicants in the relevant area, as
5 well as a breakdown of such figures by State;

6 (H) the daily number of applications ap-
7 proved by the Administration from applicants in
8 the relevant area, as well as a breakdown of
9 such figures by State;

10 (I) the daily dollar amount of applications
11 approved by the Administration from applicants
12 in the relevant area, as well as a breakdown of
13 such figures by State;

14 (J) the daily amount of loans dispersed,
15 both partially and fully, by the Administration
16 to applicants in the relevant area, as well as a
17 breakdown of such figures by State;

18 (K) the daily dollar amount of loans dis-
19 persed, both partially and fully, from the rel-
20 evant area, as well as a breakdown of such fig-
21 ures by State;

22 (L) the number of applications approved,
23 including dollar amount approved, as well as
24 applications partially and fully dispersed, in-

1 including dollar amounts, since the last report
2 under paragraph (1); and

3 ~~(M)~~ the declaration date, physical damage
4 closing date, economic injury closing date, and
5 number of counties included in the declaration
6 of a major disaster.

7 ~~(e)~~ NOTICE OF THE NEED FOR SUPPLEMENTAL
8 FUNDS.—On the same date that the Administrator noti-
9 fies any committee of the Senate or the House of Rep-
10 resentatives that supplemental funding is necessary for
11 the disaster loan program of the Administration in any
12 fiscal year, the Administrator shall notify in writing the
13 Committee on Small Business and Entrepreneurship of
14 the Senate and to the Committee on Small Business of
15 the House of Representatives regarding the need for sup-
16 plemental funds for such loan program.

17 ~~(d)~~ REPORT ON CONTRACTING.—

18 ~~(1)~~ IN GENERAL.—Not later than 6 months
19 after the date on which the President declares a de-
20 clared disaster, and every 6 months thereafter until
21 the date that is 18 months after the date on which
22 the declared disaster was declared, the Adminis-
23 trator shall submit a report to the Committee on
24 Small Business and Entrepreneurship of the Senate
25 and to the Committee on Small Business of the

1 House of Representatives regarding Federal con-
 2 tracts awarded as a result of the declared disaster.

3 ~~(2) CONTENTS.—~~Each report submitted under
 4 paragraph ~~(1)~~ shall include—

5 (A) the total number of contracts awarded
 6 as a result of the declared disaster;

7 (B) the total number of contracts awarded
 8 to small business concerns as a result of the de-
 9 clared disaster;

10 (C) the total number of contracts awarded
 11 to women and minority-owned businesses as a
 12 result of the declared disaster; and

13 (D) the total number of contracts awarded
 14 to local businesses as a result of the declared
 15 disaster.

16 **TITLE IV—ENERGY** 17 **EMERGENCIES**

18 **SEC. 401. FINDINGS.**

19 Congress finds that—

20 (1) a significant number of small business con-
 21 cerns in the United States, nonfarm as well as agri-
 22 cultural producers, use heating oil, natural gas, pro-
 23 pane, or kerosene to heat their facilities and for
 24 other purposes;

1 (2) a significant number of small business con-
2 cerns in the United States sell, distribute, market,
3 or otherwise engage in commerce directly related to
4 heating oil, natural gas, propane, and kerosene; and

5 (3) significant increases in the price of heating
6 oil, natural gas, propane, or kerosene—

7 (A) disproportionately harm small business
8 concerns dependent on those fuels or that use,
9 sell, or distribute those fuels in the ordinary
10 course of their business, and can cause them
11 substantial economic injury;

12 (B) can negatively affect the national econ-
13 omy and regional economies;

14 (C) have occurred in the winters of 1983
15 to 1984, 1988 to 1989, 1996 to 1997, 1999 to
16 2000, 2000 to 2001, and 2004 to 2005; and

17 (D) can be caused by a host of factors, in-
18 cluding international conflicts, global or re-
19 gional supply difficulties, weather conditions,
20 insufficient inventories, refinery capacity, trans-
21 portation, and competitive structures in the
22 markets, causes that are often unforeseeable to,
23 and beyond the control of, those who own and
24 operate small business concerns.

1 **SEC. 402. SMALL BUSINESS ENERGY EMERGENCY DISASTER**
2 **LOAN PROGRAM.**

3 (a) **IN GENERAL.**—Section 7(b) of the Small Busi-
4 ness Act (15 U.S.C. 636(b)) is amended by inserting after
5 paragraph (9), as added by this Act, the following:

6 “(10) **ENERGY EMERGENCIES.**—

7 “(A) **DEFINITIONS.**—In this paragraph—

8 “(i) the term ‘base price index’ means
9 the moving average of the closing unit
10 price on the New York Mercantile Ex-
11 change for heating oil, natural gas, or pro-
12 pane for the 10 days, in each of the most
13 recent 2 preceding years, which correspond
14 to the trading days described in clause (ii);

15 “(ii) the term ‘current price index’
16 means the moving average of the closing
17 unit price on the New York Mercantile Ex-
18 change, for the 10 most recent trading
19 days, for contracts to purchase heating oil,
20 natural gas, or propane during the subse-
21 quent calendar month, commonly known as
22 the ‘front month’;

23 “(iii) the term ‘heating fuel’ means
24 heating oil, natural gas, propane, or ker-
25 osene; and

1 “(iv) the term ‘significant increase’
2 means—

3 “(I) with respect to the price of
4 heating oil, natural gas, or propane,
5 any time the current price index ex-
6 ceeds the base price index by not less
7 than 40 percent; and

8 “(II) with respect to the price of
9 kerosene, any increase which the Ad-
10 ministrator, in consultation with the
11 Secretary of Energy, determines to be
12 significant.

13 “(B) AUTHORIZATION.—The Administra-
14 tion may make such loans, either directly or in
15 cooperation with banks or other lending institu-
16 tions through agreements to participate on an
17 immediate or deferred basis, to assist a small
18 business concern that has suffered or that is
19 likely to suffer substantial economic injury as
20 the result of a significant increase in the price
21 of heating fuel occurring on or after October 1,
22 2004.

23 “(C) INTEREST RATE.—Any loan or guar-
24 antee extended under this paragraph shall be

1 made at the same interest rate as economic in-
2 jury loans under paragraph (2).

3 “(D) MAXIMUM AMOUNT.—No loan may
4 be made under this paragraph, either directly
5 or in cooperation with banks or other lending
6 institutions through agreements to participate
7 on an immediate or deferred basis, if the total
8 amount outstanding and committed to the bor-
9 rower under this subsection would exceed
10 \$1,500,000, unless such borrower constitutes a
11 major source of employment in its surrounding
12 area, as determined by the Administrator, in
13 which case the Administrator, in the discretion
14 of the Administrator, may waive the \$1,500,000
15 limitation.

16 “(E) DECLARATIONS.—For purposes of
17 assistance under this paragraph—

18 “(i) a declaration of a disaster area
19 based on conditions specified in this para-
20 graph shall be required, and shall be made
21 by the President or the Administrator, or

22 “(ii) if no declaration has been made
23 under clause (i), the Governor of a State
24 in which a significant increase in the price
25 of heating fuel has occurred may certify to

1 the Administration that small business
2 concerns have suffered economic injury as
3 a result of such increase and are in need
4 of financial assistance which is not other-
5 wise available on reasonable terms in that
6 State, and upon receipt of such certifi-
7 cation, the Administration may make such
8 loans as would have been available under
9 this paragraph if a disaster declaration
10 had been issued.

11 “(F) USE OF FUNDS.—Notwithstanding
12 any other provision of law, loans made under
13 this paragraph may be used by a small business
14 concern described in subparagraph (B) to con-
15 vert from the use of heating fuel to a renewable
16 or alternative energy source, including agri-
17 culture and urban waste, geothermal energy, co-
18 generation, solar energy, wind energy, or fuel
19 cells.”.

20 (b) CONFORMING AMENDMENTS RELATING TO
21 HEATING FUEL.—Section 3(k) of the Small Business Act
22 (15 U.S.C. 632(k)) is amended—

23 (1) by inserting “, significant increase in the
24 price of heating fuel” after “civil disorders”; and

25 (2) by inserting “other” before “economic”.

1 (c) **EFFECTIVE PERIOD.**—The amendments made by
2 this section shall apply during the 4-year period beginning
3 on the date on which guidelines are published by the Ad-
4 ministrator under section 404.

5 **SEC. 403. AGRICULTURAL PRODUCER EMERGENCY LOANS.**

6 (a) **IN GENERAL.**—Section 321(a) of the Consoli-
7 dated Farm and Rural Development Act (7 U.S.C.
8 1961(a)) is amended—

9 (1) in the first sentence—

10 (A) by striking “operations have” and in-
11 serting “operations (i) have”; and

12 (B) by inserting before “: *Provided,*” the
13 following: “, or (ii)(I) are owned or operated by
14 such an applicant that is also a small business
15 concern (as defined in section 3 of the Small
16 Business Act (15 U.S.C. 632)), and (II) have
17 suffered or are likely to suffer substantial eco-
18 nomic injury on or after October 1, 2004, as
19 the result of a significant increase in energy
20 costs or input costs from energy sources occur-
21 ring on or after October 1, 2004, in connection
22 with an energy emergency declared by the
23 President or the Secretary”;

24 (2) in the third sentence, by inserting before
25 the period at the end the following: “or by an energy

1 emergency declared by the President or the Sec-
2 retary"; and

3 (~~3~~) in the fourth sentence—

4 (A) by inserting "or energy emergency"
5 after "natural disaster" each place that term
6 appears; and

7 (B) by inserting "or declaration" after
8 "emergency designation".

9 (b) FUNDING.—Funds available on the date of enact-
10 ment of this Act for emergency loans under subtitle C of
11 the Consolidated Farm and Rural Development Act (7
12 U.S.C. 1961 et seq.) shall be available to carry out the
13 amendments made by subsection (a) to meet the needs re-
14 sulting from energy emergencies.

15 (c) EFFECTIVE PERIOD.—The amendments made by
16 this section shall apply during the 4-year period beginning
17 on the date on which guidelines are published by the Sec-
18 retary of Agriculture under section 404.

19 **SEC. 404. GUIDELINES AND RULEMAKING.**

20 (a) GUIDELINES.—Not later than 30 days after the
21 date of enactment of this Act, the Administrator and the
22 Secretary of Agriculture shall each issue such guidelines
23 as the Administrator or the Secretary, as applicable, de-
24 termines to be necessary to carry out this title and the
25 amendments made by this title.

1 (b) **RULEMAKING.**—Not later than 30 days after the
2 date of enactment of this Act, the Administrator, after
3 consultation with the Secretary of Energy, shall promul-
4 gate regulations specifying the method for determining a
5 significant increase in the price of kerosene under section
6 7(b)(10)(A)(iv)(II) of the Small Business Act, as added
7 by this Act.

8 **SEC. 405. REPORTS.**

9 (a) **SMALL BUSINESS ADMINISTRATION.**—Not later
10 than 12 months after the date on which the Administrator
11 issues guidelines under section 404, and annually there-
12 after until the date that is 12 months after the end of
13 the effective period of section 7(b)(10) of the Small Busi-
14 ness Act, as added by this Act, the Administrator shall
15 submit to the Committee on Small Business and Entrepre-
16 neurship of the Senate and the Committee on Small Busi-
17 ness of the House of Representatives, a report on the ef-
18 fectiveness of the assistance made available under section
19 7(b)(10) of the Small Business Act, as added by this Act,
20 including—

21 (1) the number of small business concerns that
22 applied for a loan under such section and the num-
23 ber of those that received such loans;

24 (2) the dollar value of those loans;

1 (3) the States in which the small business con-
2 cerns that received such loans are located;

3 (4) the type of heating fuel or energy that
4 caused the significant increase in the cost for the
5 participating small business concerns; and

6 (5) recommendations for ways to improve the
7 assistance provided under such section 7(b)(10), if
8 any.

9 (b) DEPARTMENT OF AGRICULTURE.—Not later than
10 12 months after the date on which the Secretary of Agri-
11 culture issues guidelines under section 404, and annually
12 thereafter until the date that is 12 months after the end
13 of the effective period of the amendments made to section
14 321(a) of the Consolidated Farm and Rural Development
15 Act (7 U.S.C. 1961(a)) by this title, the Secretary shall
16 submit to the Committee on Small Business and Entrepre-
17 neurship and the Committee on Agriculture, Nutrition,
18 and Forestry of the Senate and the Committee on Small
19 Business and the Committee on Agriculture of the House
20 of Representatives, a report that—

21 (1) describes the effectiveness of the assistance
22 made available under section 321(a) of the Consoli-
23 dated Farm and Rural Development Act (7 U.S.C.
24 1961(a)); and

1 (2) contains recommendations for ways to im-
 2 prove the assistance provided under such section
 3 321(a), if any.

4 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

5 (a) *SHORT TITLE.*—*This Act may be cited as the*
 6 *“Small Business Disaster Response and Loan Improve-*
 7 *ments Act of 2007”.*

8 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 9 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—DISASTER PLANNING AND RESPONSE

Sec. 101. Disaster loans to nonprofits.

Sec. 102. Disaster loan amounts.

Sec. 103. Small business development center portability grants.

Sec. 104. Assistance to out-of-State businesses.

Sec. 105. Outreach programs.

Sec. 106. Small business bonding threshold.

Sec. 107. Termination of program.

Sec. 108. Increasing collateral requirements.

Sec. 109. Public awareness of disaster declaration and application periods.

*Sec. 110. Consistency between Administration regulations and standard oper-
 ating procedures.*

Sec. 111. Processing disaster loans.

Sec. 112. Development and implementation of major disaster response plan.

Sec. 113. Full-time disaster planning staff.

Sec. 114. Additional authority for district offices of the Administration.

*Sec. 115. Assignment of employees of the Office of Disaster Assistance and Dis-
 aster Cadre.*

Sec. 116. Report regarding lack of snow fall.

TITLE II—DISASTER LENDING

Sec. 201. Catastrophic national disaster declaration.

Sec. 202. Private disaster loans.

Sec. 203. Technical and conforming amendments.

Sec. 204. Business expedited disaster assistance loan program.

TITLE III—DISASTER ASSISTANCE OVERSIGHT

Sec. 301. Congressional oversight.

TITLE IV—ENERGY EMERGENCIES

Sec. 401. Findings.

Sec. 402. Small business energy emergency disaster loan program.

Sec. 403. Agricultural producer emergency loans.

Sec. 404. Guidelines and rulemaking.

Sec. 405. Reports.

1 **SEC. 2. DEFINITIONS.**

2 *In this Act—*

3 (1) *the terms “Administration” and “Adminis-*
4 *trator” mean the Small Business Administration and*
5 *the Administrator thereof, respectively;*

6 (2) *the term “catastrophic national disaster”*
7 *means a catastrophic national disaster declared under*
8 *section 7(b)(11) of the Small Business Act (15 U.S.C.*
9 *636(b)), as added by this Act;*

10 (3) *the term “declared disaster” means a major*
11 *disaster or a catastrophic national disaster;*

12 (4) *the term “disaster area” means an area af-*
13 *ected by a natural or other disaster, as determined*
14 *for purposes of paragraph (1) or (2) of section 7(b)*
15 *of the Small Business Act (15 U.S.C. 636(b)), during*
16 *the period of such declaration;*

17 (5) *the term “disaster loan program of the Ad-*
18 *ministration” means assistance under section 7(b) of*
19 *the Small Business Act (15 U.S.C. 636(b));*

20 (6) *the term “disaster update period” means the*
21 *period beginning on the date on which the President*
22 *declares a major disaster or a catastrophic national*

1 *disaster and ending on the date on which such dec-*
 2 *laration terminates;*

3 *(7) the term “major disaster” has the meaning*
 4 *given that term in section 102 of the Robert T. Staf-*
 5 *ford Disaster Relief and Emergency Assistance Act*
 6 *(42 U.S.C. 5122);*

7 *(8) the term “small business concern” has the*
 8 *same meaning as in section 3 of the Small Business*
 9 *Act (15 U.S.C. 632); and*

10 *(9) the term “State” means any State of the*
 11 *United States, the District of Columbia, the Common-*
 12 *wealth of Puerto Rico, the Northern Mariana Islands,*
 13 *the Virgin Islands, Guam, American Samoa, and any*
 14 *territory or possession of the United States.*

15 ***TITLE I—DISASTER PLANNING***
 16 ***AND RESPONSE***

17 ***SEC. 101. DISASTER LOANS TO NONPROFITS.***

18 *Section 7(b) of the Small Business Act (15 U.S.C.*
 19 *636(b)) is amended by inserting immediately after para-*
 20 *graph (3) the following:*

21 *“(4) LOANS TO NONPROFITS.—In addition to*
 22 *any other loan authorized by this subsection, the Ad-*
 23 *ministrator may make such loans (either directly or*
 24 *in cooperation with banks or other lending institu-*
 25 *tions through agreements to participate on an imme-*

1 *diate or deferred basis) as the Administrator deter-*
 2 *mines appropriate to a nonprofit organization located*
 3 *or operating in an area affected by a natural or other*
 4 *disaster, as determined under paragraph (1) or (2),*
 5 *or providing services to persons who have evacuated*
 6 *from any such area.”.*

7 **SEC. 102. DISASTER LOAN AMOUNTS.**

8 *(a) INCREASED LOAN CAPS.—Section 7(b) of the*
 9 *Small Business Act (15 U.S.C. 636(b)) is amended by in-*
 10 *serting immediately after paragraph (4), as added by this*
 11 *title, the following:*

12 *“(5) INCREASED LOAN CAPS.—*

13 *“(A) AGGREGATE LOAN AMOUNTS.—Except*
 14 *as provided in clause (ii), and notwithstanding*
 15 *any other provision of law, the aggregate loan*
 16 *amount outstanding and committed to a bor-*
 17 *rower under this subsection may not exceed*
 18 *\$2,000,000.*

19 *“(B) WAIVER AUTHORITY.—The Adminis-*
 20 *trator may, at the discretion of the Adminis-*
 21 *trator, increase the aggregate loan amount under*
 22 *subparagraph (A) for loans relating to a disaster*
 23 *to a level established by the Administrator, based*
 24 *on appropriate economic indicators for the re-*
 25 *gion in which that disaster occurred.”.*

1 **(b) DISASTER MITIGATION.**—

2 **(1) IN GENERAL.**—Section 7(b)(1)(A) of the
3 *Small Business Act* (15 U.S.C. 636(b)(1)(A)) is
4 amended by inserting “of the aggregate costs of such
5 damage or destruction (whether or not compensated
6 for by insurance or otherwise)” after “20 per cen-
7 tum”.

8 **(2) EFFECTIVE DATE.**—The amendment made by
9 paragraph (1) shall apply with respect to a loan or
10 guarantee made after the date of enactment of this
11 Act.

12 **(c) TECHNICAL AMENDMENTS.**—Section 7(b) of the
13 *Small Business Act* (15 U.S.C. 636(b)) is amended—

14 (1) in the matter preceding paragraph (1), by
15 striking “the, Administration” and inserting “the Ad-
16 ministration”;

17 (2) in paragraph (2)(A), by striking “Disaster
18 Relief and Emergency Assistance Act” and inserting
19 “Robert T. Stafford Disaster Relief and Emergency
20 Assistance Act (42 U.S.C. 5121 et seq.) (in this sub-
21 section referred to as a ‘major disaster’”); and

22 (3) in the undesignated matter at the end—

23 (A) by striking “, (2), and (4)” and insert-
24 ing “and (2)”; and

1 (B) by striking “, (2), or (4)” and inserting
2 “(2)”.

3 **SEC. 103. SMALL BUSINESS DEVELOPMENT CENTER PORT-**
4 **ABILITY GRANTS.**

5 Section 21(a)(4)(C)(viii) of the Small Business Act (15
6 U.S.C. 648(a)(4)(C)(viii)) is amended—

7 (1) in the first sentence, by striking “as a result
8 of a business or government facility down sizing or
9 closing, which has resulted in the loss of jobs or small
10 business instability” and inserting “due to events that
11 have resulted or will result in, business or government
12 facility downsizing or closing”; and

13 (2) by adding at the end “At the discretion of the
14 Administrator, the Administrator may make an
15 award greater than \$100,000 to a recipient to accom-
16 modate extraordinary occurrences having a cata-
17 strophic impact on the small business concerns in a
18 community.”.

19 **SEC. 104. ASSISTANCE TO OUT-OF-STATE BUSINESSES.**

20 Section 21(b)(3) of the Small Business Act (15 U.S.C.
21 648(b)(3)) is amended—

22 (1) by striking “At the discretion” and inserting
23 the following: “SMALL BUSINESS DEVELOPMENT CEN-
24 TERS.—

25 “(A) IN GENERAL.—At the discretion”; and

1 (2) *by adding at the end the following:*

2 “(B) *DURING DISASTERS.*—

3 “(i) *IN GENERAL.*—*At the discretion of*
4 *the Administrator, the Administrator may*
5 *authorize a small business development cen-*
6 *ter to provide such assistance to small busi-*
7 *ness concerns located outside of the State,*
8 *without regard to geographic proximity, if*
9 *the small business concerns are located in a*
10 *disaster area declared under section*
11 *7(b)(2)(A).*

12 “(ii) *CONTINUITY OF SERVICES.*—*A*
13 *small business development center that pro-*
14 *vides counselors to an area described in*
15 *clause (i) shall, to the maximum extent*
16 *practicable, ensure continuity of services in*
17 *any State in which such small business de-*
18 *velopment center otherwise provides services.*

19 “(iii) *ACCESS TO DISASTER RECOVERY*
20 *FACILITIES.*—*For purposes of providing dis-*
21 *aster recovery assistance under this sub-*
22 *paragraph, the Administrator shall, to the*
23 *maximum extent practicable, permit small*
24 *business development center personnel to use*
25 *any site or facility designated by the Ad-*

1 *ministrator for use to provide disaster re-*
2 *covery assistance.”.*

3 **SEC. 105. OUTREACH PROGRAMS.**

4 *(a) IN GENERAL.—Not later than 30 days after the*
5 *date of the declaration of a disaster area, the Administrator*
6 *may establish a contracting outreach and technical assist-*
7 *ance program for small business concerns which have had*
8 *a primary place of business in, or other significant presence*
9 *in, such disaster area.*

10 *(b) ADMINISTRATOR ACTION.—The Administrator*
11 *may carry out subsection (a) by acting through—*

12 *(1) the Administration;*

13 *(2) the Federal agency small business officials*
14 *designated under section 15(k)(1) of the Small Busi-*
15 *ness Act (15 U.S.C. 644(k)(1)); or*

16 *(3) any Federal, State, or local government enti-*
17 *ty, higher education institution, procurement tech-*
18 *nical assistance center, or private nonprofit organiza-*
19 *tion that the Administrator may determine appro-*
20 *priate, upon conclusion of a memorandum of under-*
21 *standing or assistance agreement, as appropriate,*
22 *with the Administrator.*

23 **SEC. 106. SMALL BUSINESS BONDING THRESHOLD.**

24 *(a) IN GENERAL.—Except as provided in subsection*

25 *(b), and notwithstanding any other provision of law, for*

1 *any procurement related to a major disaster, the Adminis-*
2 *trator may, upon such terms and conditions as the Admin-*
3 *istrator may prescribe, guarantee and enter into commit-*
4 *ments to guarantee any surety against loss resulting from*
5 *a breach of the terms of a bid bond, payment bond, perform-*
6 *ance bond, or bonds ancillary thereto, by a principal on*
7 *any total work order or contract amount at the time of bond*
8 *execution that does not exceed \$5,000,000.*

9 **(b) INCREASE OF AMOUNT.**—*Upon request of the head*
10 *of any Federal agency other than the Administration in-*
11 *volved in reconstruction efforts in response to a major dis-*
12 *aster, the Administrator may guarantee and enter into a*
13 *commitment to guarantee any security against loss under*
14 *subsection (a) on any total work order or contract amount*
15 *at the time of bond execution that does not exceed*
16 *\$10,000,000.*

17 **SEC. 107. TERMINATION OF PROGRAM.**

18 *Section 711(c) of the Small Business Competitive*
19 *Demonstration Program Act of 1988 (15 U.S.C. 644 note)*
20 *is amended by inserting after “January 1, 1989” the fol-*
21 *lowing: “, and shall terminate on the date of enactment of*
22 *the Small Business Disaster Response and Loan Improve-*
23 *ments Act of 2007”.*

1 **SEC. 108. INCREASING COLLATERAL REQUIREMENTS.**

2 Section 7(c)(6) of the Small Business Act (15 U.S.C.
3 636(c)(6)) is amended by striking “\$10,000 or less” and
4 inserting “\$14,000 or less (or such higher amount as the
5 Administrator determines appropriate in the event of a cat-
6 astrophic national disaster declared under subsection
7 (b)(11))”.

8 **SEC. 109. PUBLIC AWARENESS OF DISASTER DECLARATION**
9 **AND APPLICATION PERIODS.**

10 (a) *IN GENERAL.*—Section 7(b) of the Small Business
11 Act (15 U.S.C. 636(b)) is amended by inserting imme-
12 diately after paragraph (5), as added by this Act, the fol-
13 lowing:

14 “(6) *COORDINATION WITH FEMA.*—

15 “(A) *IN GENERAL.*—Notwithstanding any
16 other provision of law, for any disaster (includ-
17 ing a catastrophic national disaster) declared
18 under this subsection or major disaster, the Ad-
19 ministrator, in consultation with the Adminis-
20 trator of the Federal Emergency Management
21 Agency, shall ensure, to the maximum extent
22 practicable, that all application periods for dis-
23 aster relief under this Act correspond with appli-
24 cation deadlines established under the Robert T.
25 Stafford Disaster Relief and Emergency Assist-
26 ance Act (42 U.S.C. 5121 et seq.).

1 “(B) *DEADLINES.*—*Notwithstanding any*
2 *other provision of law, not later than 10 days be-*
3 *fore the closing date of an application period for*
4 *a major disaster (including a catastrophic na-*
5 *tional disaster), the Administrator, in consulta-*
6 *tion with the Administrator of the Federal*
7 *Emergency Management Agency, shall submit to*
8 *the Committee on Small Business and Entrepre-*
9 *neurship of the Senate and the Committee on*
10 *Small Business of the House of Representatives*
11 *a report that includes—*

12 “(i) *the deadline for submitting appli-*
13 *cations for assistance relating to that major*
14 *disaster;*

15 “(ii) *information regarding the num-*
16 *ber of loan applications and disbursements*
17 *processed by the Administrator relating to*
18 *that major disaster for each day during the*
19 *period beginning on the date on which that*
20 *major disaster was declared and ending on*
21 *the date of that report; and*

22 “(iii) *an estimate of the number of po-*
23 *tential applicants that have not submitted*
24 *an application relating to that major dis-*
25 *aster.*

1 “(7) *PUBLIC AWARENESS OF DISASTERS.*—If a
2 *disaster (including a catastrophic national disaster)*
3 *is declared under this subsection, the Administrator*
4 *shall make every effort to communicate through radio,*
5 *television, print, and web-based outlets, all relevant*
6 *information needed by disaster loan applicants, in-*
7 *cluding—*

8 “(A) *the date of such declaration;*

9 “(B) *cities and towns within the area of*
10 *such declaration;*

11 “(C) *loan application deadlines related to*
12 *such disaster;*

13 “(D) *all relevant contact information for*
14 *victim services available through the Administra-*
15 *tion (including links to small business develop-*
16 *ment center websites);*

17 “(E) *links to relevant Federal and State*
18 *disaster assistance websites, including links to*
19 *websites providing information regarding assist-*
20 *ance available from the Federal Emergency Man-*
21 *agement Agency;*

22 “(F) *information on eligibility criteria for*
23 *Administration loan programs, including where*
24 *such applications can be found; and*

1 “(G) application materials that clearly
2 state the function of the Administration as the
3 Federal source of disaster loans for homeowners
4 and renters.”.

5 (b) *COORDINATION OF AGENCIES AND OUTREACH.*—
6 Not later than 90 days after the date of enactment of this
7 Act, the Administrator and the Administrator of the Fed-
8 eral Emergency Management Agency shall enter into a
9 memorandum of understanding that ensures, to the max-
10 imum extent practicable, adequate lodging and transpor-
11 tation for employees of the Administration and contract em-
12 ployees during a major disaster, if such staff are needed
13 to assist businesses, homeowners, or renters in recovery.

14 (c) *MARKETING AND OUTREACH.*—Not later than 90
15 days after the date of enactment of this Act, the Adminis-
16 trator shall create a marketing and outreach plan that—

17 (1) encourages a proactive approach to the dis-
18 aster relief efforts of the Administration;

19 (2) makes clear the services provided by the Ad-
20 ministration, including contact information, applica-
21 tion information, and timelines for submitting appli-
22 cations, the review of applications, and the disburse-
23 ment of funds;

24 (3) describes the different disaster loan programs
25 of the Administration, including how they are made

1 *available and the eligibility requirements for each*
2 *loan program;*

3 (4) *provides for regional marketing, focusing on*
4 *disasters occurring in each region before the date of*
5 *enactment of this Act, and likely scenarios for disas-*
6 *ters in each such region; and*

7 (5) *ensures that the marketing plan is made*
8 *available at small business development centers and*
9 *on the website of the Administration.*

10 **SEC. 110. CONSISTENCY BETWEEN ADMINISTRATION REGU-**
11 **LATIONS AND STANDARD OPERATING PROCE-**
12 **DURES.**

13 (a) *IN GENERAL.*—*The Administrator shall, promptly*
14 *following the date of enactment of this Act, conduct a study*
15 *of whether the standard operating procedures of the Admin-*
16 *istration for loans offered under section 7(b) of the Small*
17 *Business Act (15 U.S.C. 636(b)) are consistent with the reg-*
18 *ulations of the Administration for administering the dis-*
19 *aster loan program.*

20 (b) *REPORT.*—*Not later than 180 days after the date*
21 *of enactment of this Act, the Administration shall submit*
22 *to Congress a report containing all findings and rec-*
23 *ommendations of the study conducted under subsection (a).*

1 **SEC. 111. PROCESSING DISASTER LOANS.**

2 (a) *AUTHORITY FOR QUALIFIED PRIVATE CONTRAC-*
3 *TORS TO PROCESS DISASTER LOANS.*—Section 7(b) of the
4 *Small Business Act (15 U.S.C. 636(b))* is amended by in-
5 *serting immediately after paragraph (7), as added by this*
6 *Act, the following:*

7 “(8) *AUTHORITY FOR QUALIFIED PRIVATE CON-*
8 *TRACTORS.*—

9 “(A) *DISASTER LOAN PROCESSING.*—*The*
10 *Administrator may enter into an agreement with*
11 *a qualified private contractor, as determined by*
12 *the Administrator, to process loans under this*
13 *subsection in the event of a major disaster or a*
14 *catastrophic national disaster declared under*
15 *paragraph (11), under which the Administrator*
16 *shall pay the contractor a fee for each loan proc-*
17 *essed.*

18 “(B) *LOAN LOSS VERIFICATION SERVICES.*—
19 *The Administrator may enter into an agreement*
20 *with a qualified lender or loss verification pro-*
21 *fessional, as determined by the Administrator, to*
22 *verify losses for loans under this subsection in*
23 *the event of a major disaster or a catastrophic*
24 *national disaster declared under paragraph (11),*
25 *under which the Administrator shall pay the*
26 *lender or verification professional a fee for each*

1 (1) any updates or modifications made to the
2 disaster response plan since the report regarding the
3 disaster response plan submitted to Congress on July
4 14, 2006;

5 (2) a description of how the Administrator plans
6 to utilize and integrate District Office personnel of
7 the Administration in the response to a major dis-
8 aster, including information on the utilization of per-
9 sonnel for loan processing and loan disbursement;

10 (3) a description of the disaster scalability model
11 of the Administration and on what basis or function
12 the plan is scaled;

13 (4) a description of how the agency-wide Dis-
14 aster Oversight Council is structured, which offices
15 comprise its membership, and whether the Associate
16 Deputy Administrator for Entrepreneurial Develop-
17 ment of the Administration is a member;

18 (5) a description of how the Administrator plans
19 to coordinate the disaster efforts of the Administration
20 with State and local government officials, including
21 recommendations on how to better incorporate State
22 initiatives or programs, such as State-administered
23 bridge loan programs, into the disaster response of the
24 Administration;

1 (6) *recommendations, if any, on how the Admin-*
2 *istration can better coordinate its disaster response*
3 *operations with the operations of other Federal, State,*
4 *and local entities;*

5 (7) *any surge plan for the disaster loan program*
6 *of the Administration in effect on or after August 29,*
7 *2005 (including surge plans for loss verification, loan*
8 *processing, mailroom, customer service or call center*
9 *operations, and a continuity of operations plan);*

10 (8) *the number of full-time equivalent employees*
11 *and job descriptions for the planning and disaster re-*
12 *sponse staff of the Administration;*

13 (9) *the in-service and preservice training proce-*
14 *dures for disaster response staff of the Administra-*
15 *tion;*

16 (10) *information on the logistical support plans*
17 *of the Administration (including equipment and*
18 *staffing needs, and detailed information on how such*
19 *plans will be scalable depending on the size and scope*
20 *of the major disaster);*

21 (11) *a description of the findings and rec-*
22 *ommendations of the Administrator, if any, based on*
23 *a review of the response of the Administration to*
24 *Hurricane Katrina of 2005, Hurricane Rita of 2005,*
25 *and Hurricane Wilma of 2005; and*

1 (12) a plan for how the Administrator, in co-
2 operation with the Administrator of the Federal
3 Emergency Management Agency, will coordinate the
4 provision of accommodations and necessary resources
5 for disaster assistance personnel to effectively perform
6 their responsibilities in the aftermath of a major dis-
7 aster.

8 (c) *EXERCISES*.—Not later than 6 months after the
9 date of the submission of the report under subsection (a)(2),
10 the Administrator shall develop and execute simulation ex-
11 ercises to demonstrate the effectiveness of the amended dis-
12 aster response plan required under this section.

13 **SEC. 113. FULL-TIME DISASTER PLANNING STAFF.**

14 (a) *INCREASE IN SMALL BUSINESS ADMINISTRATION*
15 *FULL-TIME DISASTER PLANNING STAFF*.—The Adminis-
16 trator shall hire a full-time disaster planning specialist in
17 the Office of Disaster Assistance of the Administration.

18 (b) *RESPONSIBILITIES*.—The disaster planning spe-
19 cialist hired under subsection (a) shall be responsible for—

20 (1) creating and maintaining the comprehensive
21 disaster response plan of the Administration;

22 (2) ensuring in-service and pre-service training
23 procedures for the disaster response staff of the Ad-
24 ministration;

1 (3) *coordinating and directing Administration*
 2 *training exercises, including mock disaster responses,*
 3 *with other Federal agencies; and*

4 (4) *other responsibilities, as determined by the*
 5 *Administrator.*

6 (c) *AUTHORIZATION OF APPROPRIATIONS.—*

7 (1) *IN GENERAL.—There are authorized to be ap-*
 8 *propriated to the Administration such sums as are*
 9 *necessary to carry out this section.*

10 (2) *AVAILABILITY OF FUNDS.—Amounts made*
 11 *available under this section shall remain available*
 12 *until expended.*

13 **SEC. 114. ADDITIONAL AUTHORITY FOR DISTRICT OFFICES**
 14 **OF THE ADMINISTRATION.**

15 (a) *IN GENERAL.—Section 7(b) of the Small Business*
 16 *Act (15 U.S.C. 636(b)) is amended by inserting imme-*
 17 *diately after paragraph (8), as added by this Act, the fol-*
 18 *lowing:*

19 “(9) *USE OF DISTRICT OFFICES.—In the event of*
 20 *a major disaster, the Administrator may authorize a*
 21 *district office of the Administration to process loans*
 22 *under paragraph (1) or (2).”.*

23 (b) *DESIGNATION.—*

24 (1) *IN GENERAL.—The Administrator shall des-*
 25 *ignate an employee in each district office of the Ad-*

1 *ministration to act as a disaster loan liaison between*
2 *the disaster processing center and applicants under*
3 *the disaster loan program of the Administration.*

4 (2) *RESPONSIBILITIES.—Each employee des-*
5 *ignated under paragraph (1) shall—*

6 (A) *respond to inquiries from applicants*
7 *under the disaster loan program of the Adminis-*
8 *tration regarding paperwork requirements and*
9 *assist disaster loan processing staff in coordi-*
10 *nating and communicating with applicants re-*
11 *garding the documents that are required to com-*
12 *plete an application; and*

13 (B) *provide information to applicants*
14 *under the disaster loan program of the Adminis-*
15 *tration regarding additional services and bene-*
16 *fits that may be available to such applicants to*
17 *assist with recovery.*

18 (3) *OUTREACH.—In providing outreach to dis-*
19 *aster victims following a declared disaster, the Ad-*
20 *ministrator shall make disaster victims aware of—*

21 (A) *any relevant employee designated under*
22 *paragraph (1); and*

23 (B) *how to contact that employee.*

1 **SEC. 115. ASSIGNMENT OF EMPLOYEES OF THE OFFICE OF**
2 **DISASTER ASSISTANCE AND DISASTER**
3 **CADRE.**

4 (a) *IN GENERAL.*—Section 7(b) of the Small Business
5 Act (15 U.S.C. 636(b)) is amended by inserting imme-
6 diately after paragraph (9), as added by this Act, the fol-
7 lowing:

8 “(10) *DISASTER ASSISTANCE EMPLOYEES.*—

9 “(A) *IN GENERAL.*—In carrying out this
10 section, the Administrator shall, where prac-
11 ticable, ensure that the number of full-time
12 equivalent employees—

13 “(i) *in the Office of the Disaster Assist-*
14 *ance is not fewer than 800; and*

15 “(ii) *in the Disaster Cadre of the Ad-*
16 *ministration is not fewer than 750.*

17 “(B) *REPORT.*—In carrying out this sub-
18 section, if the number of full-time employees for
19 either the Office of Disaster Assistance or the
20 Disaster Cadre of the Administration is below
21 the level described in subparagraph (A) for that
22 office, the Administrator shall, not later than 14
23 days after the date on which that staffing level
24 decreased below the level described in subpara-
25 graph (A), submit a report to the Committee on
26 Small Business and Entrepreneurship and the

1 *Committee on Appropriations of the Senate and*
2 *the Committee on Small Business and the Com-*
3 *mittee on Appropriations of the House of Rep-*
4 *resentatives—*

5 “(i) *detailing the staffing levels on that*
6 *date; and*

7 “(ii) *if determined appropriate by the*
8 *Administrator, including a request for addi-*
9 *tional funds for additional employees.”.*

10 **SEC. 116. REPORT REGARDING LACK OF SNOW FALL.**

11 *Not later than 6 months after the date of enactment*
12 *of this Act, the Administrator shall conduct a study of, and*
13 *submit a report to the Committee on Small Business of the*
14 *House of Representatives and the Committee on Small*
15 *Business and Entrepreneurship of the Senate that de-*
16 *scribes—*

17 (1) *the ability of the Administrator to provide*
18 *loans under section 7(b)(2) of the Small Business Act*
19 *(15 U.S.C. 636(b)(2)) to small business concerns that*
20 *depend on high snow fall amounts, and sustain eco-*
21 *nomical injury (as described under that section) due to*
22 *a lack of snow fall;*

23 (2) *the criteria that the Administrator would use*
24 *to determine whether to provide a loan under section*
25 *7(b)(2) of the Small Business Act (15 U.S.C.*

1 636(b)(2)) to a small business concern that has been
2 adversely affected by a lack of snow fall;

3 (3) other Federal assistance (including loans)
4 available to small business concerns that are adversely
5 affected by a lack of snow fall; and

6 (4) the history relating to providing loans under
7 section 7(b)(2) of the Small Business Act (15 U.S.C.
8 636(b)(2)) to small business concerns that have been
9 adversely affected by a lack of snow fall.

10 **TITLE II—DISASTER LENDING**

11 **SEC. 201. CATASTROPHIC NATIONAL DISASTER DECLARA-** 12 **TION.**

13 Section 7(b) of the Small Business Act (15 U.S.C.
14 636(b)) is amended by inserting immediately after para-
15 graph (10), as added by this Act, the following:

16 “(11) CATASTROPHIC NATIONAL DISASTERS.—

17 “(A) PROMULGATION OF RULES.—Not later
18 than 6 months after the date of enactment of this
19 paragraph, the Administrator, in consultation
20 with the Secretary of Homeland Security and
21 the Administrator of the Federal Emergency
22 Management Agency, shall promulgate regula-
23 tions establishing a threshold for a catastrophic
24 national disaster declaration, which shall con-
25 sider—

1 “(i) the dollar amount per capita of
2 damage to the State, its political subdivi-
3 sions, or a region;

4 “(ii) the number of small business con-
5 cerns damaged, physically or economically,
6 as a direct result of the event;

7 “(iii) the number of individuals and
8 households displaced from their predisaster
9 residences by the event;

10 “(iv) the severity of the impact on em-
11 ployment rates in the State, its political
12 subdivisions, or a region;

13 “(v) the anticipated length and dif-
14 ficulty of the recovery process; and

15 “(vi) other factors determined relevant
16 by the Administrator.

17 “(B) AUTHORIZATION.—Following a dec-
18 laration of a major disaster, if a damage assess-
19 ment performed by the Administrator indicates
20 that the damage caused by the event qualify as
21 a catastrophic national disaster under subsection
22 (a), the Administrator may make such loans
23 under this paragraph (either directly or in co-
24 operation with banks or other lending institu-
25 tions through agreements to participate on an

1 *immediate or deferred basis) as the Adminis-*
 2 *trator determines appropriate to small business*
 3 *concerns located anywhere in the United States*
 4 *that are economically adversely impacted as a*
 5 *result of that catastrophic national disaster.*

6 “(C) *LOAN TERMS.*—*A loan under this*
 7 *paragraph shall be made on the same terms as*
 8 *a loan under paragraph (2).”.*

9 **SEC. 202. PRIVATE DISASTER LOANS.**

10 *(a) IN GENERAL.*—*Section 7 of the Small Business Act*
 11 *(15 U.S.C. 636) is amended—*

12 *(1) by redesignating subsections (c) and (d) as*
 13 *subsections (d) and (e), respectively; and*

14 *(2) by inserting after subsection (b) the fol-*
 15 *lowing:*

16 “(c) *PRIVATE DISASTER LOANS.*—

17 “(1) *DEFINITIONS.*—*In this subsection—*

18 “(A) *the term ‘disaster area’ means a coun-*
 19 *ty, parish, or similar unit of general local gov-*
 20 *ernment in which a disaster was declared under*
 21 *subsection (b);*

22 “(B) *the term ‘eligible small business con-*
 23 *cern’ means a business concern that is—*

24 “(i) *a small business concern, as de-*
 25 *finied in this Act; or*

1 “(ii) a small business concern, as de-
2 fined in section 103 of the Small Business
3 Investment Act of 1958; and

4 “(C) the term ‘qualified private lender’
5 means any privately-owned bank or other lend-
6 ing institution that the Administrator deter-
7 mines meets the criteria established under para-
8 graph (9).

9 “(2) AUTHORIZATION.—The Administrator may
10 guarantee timely payment of principal and interest,
11 as scheduled on any loan issued by a qualified pri-
12 vate lender to an eligible small business concern lo-
13 cated in a disaster area.

14 “(3) USE OF LOANS.—A loan guaranteed by the
15 Administrator under this subsection may be used for
16 any purpose authorized under subsection (b).

17 “(4) ONLINE APPLICATIONS.—

18 “(A) ESTABLISHMENT.—The Administrator
19 may establish, directly or through an agreement
20 with another entity, an online application proc-
21 ess for loans guaranteed under this subsection.

22 “(B) OTHER FEDERAL ASSISTANCE.—The
23 Administrator may coordinate with the head of
24 any other appropriate Federal agency so that
25 any application submitted through an online ap-

1 *plication process established under this para-*
2 *graph may be considered for any other Federal*
3 *assistance program for disaster relief.*

4 “(C) *CONSULTATION.*—*In establishing an*
5 *online application process under this paragraph,*
6 *the Administrator shall consult with appropriate*
7 *persons from the public and private sectors, in-*
8 *cluding private lenders.*

9 “(5) *MAXIMUM AMOUNTS.*—

10 “(A) *GUARANTEE PERCENTAGE.*—*The Ad-*
11 *ministrator may guarantee not more than 85*
12 *percent of a loan under this subsection.*

13 “(B) *LOAN AMOUNTS.*—*The maximum*
14 *amount of a loan guaranteed under this sub-*
15 *section shall be \$2,000,000.*

16 “(6) *LOAN TERM.*—*The longest term of a loan for*
17 *a loan guaranteed under this subsection shall be—*

18 “(A) *15 years for any loan that is issued*
19 *without collateral; and*

20 “(B) *25 years for any loan that is issued*
21 *with collateral.*

22 “(7) *FEEES.*—

23 “(A) *IN GENERAL.*—*The Administrator*
24 *may not collect a guarantee fee under this sub-*
25 *section.*

1 “(B) *ORIGINATION FEE.*—*The Adminis-*
2 *trator may pay a qualified private lender an*
3 *origination fee for a loan guaranteed under this*
4 *subsection in an amount agreed upon in advance*
5 *between the qualified private lender and the Ad-*
6 *ministrator.*

7 “(8) *DOCUMENTATION.*—*A qualified private*
8 *lender may use its own loan documentation for a loan*
9 *guaranteed by the Administrator, to the extent au-*
10 *thorized by the Administrator. The ability of a lender*
11 *to use its own loan documentation for a loan guaran-*
12 *teed under this subsection shall not be considered part*
13 *of the criteria for becoming a qualified private lender*
14 *under the regulations promulgated under paragraph*
15 *(9).*

16 “(9) *IMPLEMENTATION REGULATIONS.*—

17 “(A) *IN GENERAL.*—*Not later than 1 year*
18 *after the date of enactment of the Small Business*
19 *Disaster Response and Loan Improvements Act*
20 *of 2007, the Administrator shall issue final regu-*
21 *lations establishing permanent criteria for quali-*
22 *fied private lenders.*

23 “(B) *REPORT TO CONGRESS.*—*Not later*
24 *than 6 months after the date of enactment of the*
25 *Small Business Disaster Response and Loan Im-*

1 *provements Act of 2007, the Administrator shall*
2 *submit a report on the progress of the regulations*
3 *required by subparagraph (A) to the Committee*
4 *on Small Business and Entrepreneurship of the*
5 *Senate and the Committee on Small Business of*
6 *the House of Representatives.*

7 *“(10) AUTHORIZATION OF APPROPRIATIONS.—*

8 *“(A) IN GENERAL.—Amounts necessary to*
9 *carry out this subsection shall be made available*
10 *from amounts appropriated to the Administra-*
11 *tion to carry out subsection (b).*

12 *“(B) AUTHORITY TO REDUCE INTEREST*
13 *RATES.—Funds appropriated to the Administra-*
14 *tion to carry out this subsection, may be used by*
15 *the Administrator, to the extent available, to re-*
16 *duce the rate of interest for any loan guaranteed*
17 *under this subsection by not more than 3 per-*
18 *centage points.*

19 *“(11) PURCHASE OF LOANS.—The Administrator*
20 *may enter into an agreement with a qualified private*
21 *lender to purchase any loan issued under this sub-*
22 *section.”.*

23 *(b) EFFECTIVE DATE.—The amendments made by this*
24 *section shall apply to disasters declared under section*

1 7(b)(2) of the Small Business Act (631 U.S.C. 636(b)(2))
2 before, on, or after the date of enactment of this Act.

3 **SEC. 203. TECHNICAL AND CONFORMING AMENDMENTS.**

4 *The Small Business Act (15 U.S.C. 631 et seq.) is*
5 *amended—*

6 (1) *in section 4(c)—*

7 (A) *in paragraph (1), by striking “7(c)(2)”*
8 *and inserting “7(d)(2)”;* and

9 (B) *in paragraph (2)—*

10 (i) *by striking “7(c)(2)” and inserting*
11 *“7(d)(2)”;* and

12 (ii) *by striking “7(e),”;* and

13 (2) *in section 7(b), in the undesignated matter*
14 *following paragraph (3)—*

15 (A) *by striking “That the provisions of*
16 *paragraph (1) of subsection (c)” and inserting*
17 *“That the provisions of paragraph (1) of sub-*
18 *section (d)”;* and

19 (B) *by striking “Notwithstanding the provi-*
20 *sions of any other law the interest rate on the*
21 *Administration’s share of any loan made under*
22 *subsection (b) except as provided in subsection*
23 *(c),” and inserting “Notwithstanding any other*
24 *provision of law, and except as provided in sub-*
25 *section (d), the interest rate on the Administra-*

1 tion's share of any loan made under subsection
2 (b)".

3 **SEC. 204. BUSINESS EXPEDITED DISASTER ASSISTANCE**
4 **LOAN PROGRAM.**

5 (a) *DEFINITIONS.*—*In this section—*

6 (1) the term “immediate disaster assistance”
7 means assistance provided during the period begin-
8 ning on the date on which a disaster declaration is
9 made and ending on the date that an impacted small
10 business concern is able to secure funding through in-
11 surance claims, Federal assistance programs, or other
12 sources; and

13 (2) the term “program” means the expedited dis-
14 aster assistance business loan program established
15 under subsection (b).

16 (b) *CREATION OF PROGRAM.*—*The Administrator shall*
17 *take such administrative action as is necessary to establish*
18 *and implement an expedited disaster assistance business*
19 *loan program to provide small business concerns with im-*
20 *mediate disaster assistance under section 7(b) of the Small*
21 *Business Act (15 U.S.C. 636(b)).*

22 (c) *CONSULTATION REQUIRED.*—*In establishing the*
23 *program, the Administrator shall consult with—*

1 (1) *appropriate personnel of the Administration*
2 *(including District Office personnel of the Adminis-*
3 *tration);*

4 (2) *appropriate technical assistance providers*
5 *(including small business development centers);*

6 (3) *appropriate lenders and credit unions;*

7 (4) *the Committee on Small Business and Entre-*
8 *preneurship of the Senate; and*

9 (5) *the Committee on Small Business of the*
10 *House of Representatives.*

11 (d) *RULES.—*

12 (1) *IN GENERAL.—Not later than 1 year after*
13 *the date of enactment of this Act, the Administrator*
14 *shall issue rules in final form establishing and imple-*
15 *menting the program in accordance with this section.*
16 *Such rules shall apply as provided for in this section,*
17 *beginning 90 days after their issuance in final form.*

18 (2) *CONTENTS.—The rules promulgated under*
19 *paragraph (1) shall—*

20 (A) *identify whether appropriate uses of*
21 *funds under the program may include—*

22 (i) *paying employees;*

23 (ii) *paying bills and other financial*
24 *obligations;*

25 (iii) *making repairs;*

1 (iv) purchasing inventory;

2 (v) restarting or operating a small
3 business concern in the community in
4 which it was conducting operations prior to
5 the declared disaster, or to a neighboring
6 area, county, or parish in the disaster area;
7 or

8 (vi) covering additional costs until the
9 small business concern is able to obtain
10 funding through insurance claims, Federal
11 assistance programs, or other sources; and

12 (B) set the terms and conditions of any
13 loan made under the program, subject to para-
14 graph (3).

15 (3) *TERMS AND CONDITIONS.*—A loan made by
16 the Administration under this section—

17 (A) shall be a short-term loan, not to exceed
18 180 days, except that the Administrator may ex-
19 tend such term as the Administrator determines
20 necessary or appropriate on a case-by-case basis;

21 (B) shall have an interest rate not to exceed
22 1 percentage point above the prime rate of inter-
23 est that a private lender may charge;

24 (C) shall have no prepayment penalty;

1 (D) may only be made to a borrower that
2 meets the requirements for a loan under section
3 7(b) of the Small Business Act (15 U.S.C.
4 636(b));

5 (E) may be refinanced as part of any subse-
6 quent disaster assistance provided under section
7 7(b) of the Small Business Act; and

8 (F) shall be subject to such additional terms
9 as the Administrator determines necessary or ap-
10 propriate.

11 (e) *REPORT TO CONGRESS.*—Not later than 5 months
12 after the date of enactment of this Act, the Administrator
13 shall report to the Committee on Small Business and Entre-
14 preneurship of the Senate and the Committee on Small
15 Business of the House of Representatives on the progress
16 of the Administrator in establishing the program.

17 (f) *AUTHORIZATION.*—There are authorized to be ap-
18 propriated to the Administrator such sums as are necessary
19 to carry out this section.

20 **TITLE III—DISASTER**
21 **ASSISTANCE OVERSIGHT**

22 **SEC. 301. CONGRESSIONAL OVERSIGHT.**

23 (a) *MONTHLY ACCOUNTING REPORT TO CONGRESS.*—

24 (1) *REPORTING REQUIREMENTS.*—Not later than
25 the fifth business day of each month during the appli-

1 *cable period for a major disaster, the Administrator*
2 *shall provide to the Committee on Small Business*
3 *and Entrepreneurship and the Committee on Appro-*
4 *propriations of the Senate and to the Committee on*
5 *Small Business and the Committee on Appropriations*
6 *of the House of Representatives a report on the oper-*
7 *ation of the disaster loan program authorized under*
8 *section 7 of the Small Business Act (15 U.S.C. 636)*
9 *for that major disaster during the preceding month.*

10 (2) *CONTENTS.—Each report under paragraph*
11 *(1) shall include—*

12 (A) *the daily average lending volume, in*
13 *number of loans and dollars, and the percent by*
14 *which each category has increased or decreased*
15 *since the previous report under paragraph (1);*

16 (B) *the weekly average lending volume, in*
17 *number of loans and dollars, and the percent by*
18 *which each category has increased or decreased*
19 *since the previous report under paragraph (1);*

20 (C) *the amount of funding spent over the*
21 *month for loans, both in appropriations and*
22 *program level, and the percent by which each*
23 *category has increased or decreased since the pre-*
24 *vious report under paragraph (1);*

1 (D) the amount of funding available for
2 loans, both in appropriations and program level,
3 and the percent by which each category has in-
4 creased or decreased since the previous report
5 under paragraph (1), noting the source of any
6 additional funding;

7 (E) an estimate of how long the available
8 funding for such loans will last, based on the
9 spending rate;

10 (F) the amount of funding spent over the
11 month for staff, along with the number of staff,
12 and the percent by which each category has in-
13 creased or decreased since the previous report
14 under paragraph (1);

15 (G) the amount of funding spent over the
16 month for administrative costs, and the percent
17 by which such spending has increased or de-
18 creased since the previous report under para-
19 graph (1);

20 (H) the amount of funding available for sal-
21 aries and expenses combined, and the percent by
22 which such funding has increased or decreased
23 since the previous report under paragraph (1),
24 noting the source of any additional funding; and

1 (I) *an estimate of how long the available*
2 *funding for salaries and expenses will last, based*
3 *on the spending rate.*

4 (b) *DAILY DISASTER UPDATES TO CONGRESS FOR*
5 *PRESIDENTIALLY DECLARED DISASTERS.—*

6 (1) *IN GENERAL.—Each day during a disaster*
7 *update period, excluding Federal holidays and week-*
8 *ends, the Administration shall provide to the Com-*
9 *mittee on Small Business and Entrepreneurship of*
10 *the Senate and to the Committee on Small Business*
11 *of the House of Representatives a report on the oper-*
12 *ation of the disaster loan program of the Administra-*
13 *tion for the area in which the President declared a*
14 *major disaster.*

15 (2) *CONTENTS.—Each report under paragraph*
16 *(1) shall include—*

17 (A) *the number of Administration staff per-*
18 *forming loan processing, field inspection, and*
19 *other duties for the declared disaster, and the al-*
20 *locations of such staff in the disaster field offices,*
21 *disaster recovery centers, workshops, and other*
22 *Administration offices nationwide;*

23 (B) *the daily number of applications re-*
24 *ceived from applicants in the relevant area, as*
25 *well as a breakdown of such figures by State;*

1 (C) the daily number of applications pend-
2 ing application entry from applicants in the rel-
3 evant area, as well as a breakdown of such fig-
4 ures by State;

5 (D) the daily number of applications with-
6 drawn by applicants in the relevant area, as
7 well as a breakdown of such figures by State;

8 (E) the daily number of applications sum-
9 marily declined by the Administration from ap-
10 plicants in the relevant area, as well as a break-
11 down of such figures by State;

12 (F) the daily number of applications de-
13 clined by the Administration from applicants in
14 the relevant area, as well as a breakdown of such
15 figures by State;

16 (G) the daily number of applications in
17 process from applicants in the relevant area, as
18 well as a breakdown of such figures by State;

19 (H) the daily number of applications ap-
20 proved by the Administration from applicants in
21 the relevant area, as well as a breakdown of such
22 figures by State;

23 (I) the daily dollar amount of applications
24 approved by the Administration from applicants

1 *in the relevant area, as well as a breakdown of*
2 *such figures by State;*

3 *(J) the daily amount of loans dispersed,*
4 *both partially and fully, by the Administration*
5 *to applicants in the relevant area, as well as a*
6 *breakdown of such figures by State;*

7 *(K) the daily dollar amount of loans dis-*
8 *bursed, both partially and fully, from the rel-*
9 *evant area, as well as a breakdown of such fig-*
10 *ures by State;*

11 *(L) the number of applications approved,*
12 *including dollar amount approved, as well as*
13 *applications partially and fully disbursed, in-*
14 *cluding dollar amounts, since the last report*
15 *under paragraph (1); and*

16 *(M) the declaration date, physical damage*
17 *closing date, economic injury closing date, and*
18 *number of counties included in the declaration of*
19 *a major disaster.*

20 *(c) NOTICE OF THE NEED FOR SUPPLEMENTAL*
21 *FUNDS.—On the same date that the Administrator notifies*
22 *any committee of the Senate or the House of Representatives*
23 *that supplemental funding is necessary for the disaster loan*
24 *program of the Administration in any fiscal year, the Ad-*
25 *ministrator shall notify in writing the Committee on Small*

1 *Business and Entrepreneurship of the Senate and the Com-*
2 *mittee on Small Business of the House of Representatives*
3 *regarding the need for supplemental funds for that loan pro-*
4 *gram.*

5 (d) *REPORT ON CONTRACTING.—*

6 (1) *IN GENERAL.—Not later than 6 months after*
7 *the date on which the President declares a major dis-*
8 *aster, and every 6 months thereafter until the date*
9 *that is 18 months after the date on which the major*
10 *disaster was declared, the Administrator shall submit*
11 *a report to the Committee on Small Business and En-*
12 *trepreneurship of the Senate and to the Committee on*
13 *Small Business of the House of Representatives re-*
14 *garding Federal contracts awarded as a result of that*
15 *major disaster.*

16 (2) *CONTENTS.—Each report submitted under*
17 *paragraph (1) shall include—*

18 (A) *the total number of contracts awarded*
19 *as a result of that major disaster;*

20 (B) *the total number of contracts awarded*
21 *to small business concerns as a result of that*
22 *major disaster;*

23 (C) *the total number of contracts awarded*
24 *to women and minority-owned businesses as a*
25 *result of that major disaster; and*

1 (D) the total number of contracts awarded
2 to local businesses as a result of that major dis-
3 aster.

4 (e) *REPORT ON LOAN APPROVAL RATE.*—

5 (1) *IN GENERAL.*—Not later than 6 months after
6 the date of enactment of this Act, the Administrator
7 shall submit a report to the Committee on Small
8 Business and Entrepreneurship of the Senate and the
9 Committee on Small Business of the House of Rep-
10 resentatives detailing how the Administration can im-
11 prove the processing of applications under the disaster
12 loan program of the Administration.

13 (2) *CONTENTS.*—The report submitted under
14 paragraph (1) shall include—

15 (A) recommendations, if any, regarding—

16 (i) staffing levels during a major dis-
17 aster;

18 (ii) how to improve the process for
19 processing, approving, and disbursing loans
20 under the disaster loan program of the Ad-
21 ministration, to ensure that the maximum
22 assistance is provided to victims in a timely
23 manner;

24 (iii) the viability of using alternative
25 methods for assessing the ability of an ap-

1 *plicant to repay a loan, including the credit*
2 *score of the applicant on the day before the*
3 *date on which the disaster for which the ap-*
4 *plicant is seeking assistance was declared;*

5 *(iv) methods, if any, for the Adminis-*
6 *tration to expedite loss verification and*
7 *loan processing of disaster loans during a*
8 *major disaster for businesses affected by,*
9 *and located in the area for which the Presi-*
10 *dent declared, the major disaster that are a*
11 *major source of employment in the area or*
12 *are vital to recovery efforts in the region*
13 *(including providing debris removal serv-*
14 *ices, manufactured housing, or building ma-*
15 *terials);*

16 *(v) legislative changes, if any, needed*
17 *to implement findings from the Accelerated*
18 *Disaster Response Initiative of the Admin-*
19 *istration; and*

20 *(vi) a description of how the Adminis-*
21 *tration plans to integrate and coordinate*
22 *the response to a major disaster with the*
23 *technical assistance programs of the Admin-*
24 *istration; and*

1 (B) the plans of the Administrator for im-
2 plementing any recommendation made under
3 subparagraph (A).

4 **TITLE IV—ENERGY**
5 **EMERGENCIES**

6 **SEC. 401. FINDINGS.**

7 Congress finds that—

8 (1) a significant number of small business con-
9 cerns in the United States, nonfarm as well as agri-
10 cultural producers, use heating oil, natural gas, pro-
11 pane, or kerosene to heat their facilities and for other
12 purposes;

13 (2) a significant number of small business con-
14 cerns in the United States sell, distribute, market, or
15 otherwise engage in commerce directly related to heat-
16 ing oil, natural gas, propane, and kerosene; and

17 (3) significant increases in the price of heating
18 oil, natural gas, propane, or kerosene—

19 (A) disproportionately harm small business
20 concerns dependent on those fuels or that use,
21 sell, or distribute those fuels in the ordinary
22 course of their business, and can cause them sub-
23 stantial economic injury;

24 (B) can negatively affect the national econ-
25 omy and regional economies;

1 (C) have occurred in the winters of 1983 to
 2 1984, 1988 to 1989, 1996 to 1997, 1999 to 2000,
 3 2000 to 2001, and 2004 to 2005; and

4 (D) can be caused by a host of factors, in-
 5 cluding international conflicts, global or regional
 6 supply difficulties, weather conditions, insuffi-
 7 cient inventories, refinery capacity, transpor-
 8 tation, and competitive structures in the mar-
 9 kets, causes that are often unforeseeable to, and
 10 beyond the control of, those who own and operate
 11 small business concerns.

12 **SEC. 402. SMALL BUSINESS ENERGY EMERGENCY DISASTER**
 13 **LOAN PROGRAM.**

14 (a) *IN GENERAL.*—Section 7(b) of the Small Business
 15 Act (15 U.S.C. 636(b)) is amended by inserting after para-
 16 graph (11), as added by this Act, the following:

17 “(12) *ENERGY EMERGENCIES.*—

18 “(A) *DEFINITIONS.*—In this paragraph—

19 “(i) the term ‘base price index’ means
 20 the moving average of the closing unit price
 21 on the New York Mercantile Exchange for
 22 heating oil, natural gas, or propane for the
 23 10 days, in each of the most recent 2 pre-
 24 ceding years, which correspond to the trad-
 25 ing days described in clause (ii);

1 “(ii) the term ‘current price index’
2 means the moving average of the closing
3 unit price on the New York Mercantile Ex-
4 change, for the 10 most recent trading days,
5 for contracts to purchase heating oil, nat-
6 ural gas, or propane during the subsequent
7 calendar month, commonly known as the
8 ‘front month’;

9 “(iii) the term ‘heating fuel’ means
10 heating oil, natural gas, propane, or ker-
11 osene; and

12 “(iv) the term ‘significant increase’
13 means—

14 “(I) with respect to the price of
15 heating oil, natural gas, or propane,
16 any time the current price index ex-
17 ceeds the base price index by not less
18 than 40 percent; and

19 “(II) with respect to the price of
20 kerosene, any increase which the Ad-
21 ministrator, in consultation with the
22 Secretary of Energy, determines to be
23 significant.

24 “(B) AUTHORIZATION.—The Administra-
25 tion may make such loans, either directly or in

1 *cooperation with banks or other lending institu-*
2 *tions through agreements to participate on an*
3 *immediate or deferred basis, to assist a small*
4 *business concern that has suffered or that is like-*
5 *ly to suffer substantial economic injury as the*
6 *result of a significant increase in the price of*
7 *heating fuel occurring on or after October 1,*
8 *2004.*

9 “(C) *INTEREST RATE.*—*Any loan or guar-*
10 *antee extended under this paragraph shall be*
11 *made at the same interest rate as economic in-*
12 *jury loans under paragraph (2).*

13 “(D) *MAXIMUM AMOUNT.*—*No loan may be*
14 *made under this paragraph, either directly or in*
15 *cooperation with banks or other lending institu-*
16 *tions through agreements to participate on an*
17 *immediate or deferred basis, if the total amount*
18 *outstanding and committed to the borrower*
19 *under this subsection would exceed \$1,500,000,*
20 *unless such borrower constitutes a major source*
21 *of employment in its surrounding area, as deter-*
22 *mined by the Administrator, in which case the*
23 *Administrator, in the discretion of the Adminis-*
24 *trator, may waive the \$1,500,000 limitation.*

1 “(E) *DECLARATIONS.*—*For purposes of as-*
2 *sistance under this paragraph—*

3 “(i) *a declaration of a disaster area*
4 *based on conditions specified in this para-*
5 *graph shall be required, and shall be made*
6 *by the President or the Administrator; or*

7 “(ii) *if no declaration has been made*
8 *under clause (i), the Governor of a State in*
9 *which a significant increase in the price of*
10 *heating fuel has occurred may certify to the*
11 *Administration that small business concerns*
12 *have suffered economic injury as a result of*
13 *such increase and are in need of financial*
14 *assistance which is not otherwise available*
15 *on reasonable terms in that State, and upon*
16 *receipt of such certification, the Administra-*
17 *tion may make such loans as would have*
18 *been available under this paragraph if a*
19 *disaster declaration had been issued.*

20 “(F) *USE OF FUNDS.*—*Notwithstanding any*
21 *other provision of law, loans made under this*
22 *paragraph may be used by a small business con-*
23 *cern described in subparagraph (B) to convert*
24 *from the use of heating fuel to a renewable or al-*
25 *ternative energy source, including agriculture*

1 *and urban waste, geothermal energy, cogenera-*
 2 *tion, solar energy, wind energy, or fuel cells.”.*

3 **(b) CONFORMING AMENDMENTS RELATING TO HEAT-**
 4 *ING FUEL.—Section 3(k) of the Small Business Act (15*
 5 *U.S.C. 632(k)) is amended—*

6 (1) *by inserting “, significant increase in the*
 7 *price of heating fuel” after “civil disorders”; and*

8 (2) *by inserting “other” before “economic”.*

9 **(c) EFFECTIVE PERIOD.—***The amendments made by*
 10 *this section shall apply during the 4-year period beginning*
 11 *on the date on which guidelines are published by the Ad-*
 12 *ministrator under section 404.*

13 **SEC. 403. AGRICULTURAL PRODUCER EMERGENCY LOANS.**

14 **(a) IN GENERAL.—***Section 321(a) of the Consolidated*
 15 *Farm and Rural Development Act (7 U.S.C. 1961(a)) is*
 16 *amended—*

17 (1) *in the first sentence—*

18 (A) *by striking “operations have” and in-*
 19 *serting “operations (i) have”; and*

20 (B) *by inserting before “: Provided,” the fol-*
 21 *lowing: “, or (ii)(I) are owned or operated by*
 22 *such an applicant that is also a small business*
 23 *concern (as defined in section 3 of the Small*
 24 *Business Act (15 U.S.C. 632)), and (II) have*
 25 *suffered or are likely to suffer substantial eco-*

1 *conomic injury on or after October 1, 2004, as the*
2 *result of a significant increase in energy costs or*
3 *input costs from energy sources occurring on or*
4 *after October 1, 2004, in connection with an en-*
5 *ergy emergency declared by the President or the*
6 *Secretary”;*

7 (2) *in the third sentence, by inserting before the*
8 *period at the end the following: “or by an energy*
9 *emergency declared by the President or the Sec-*
10 *retary”;* *and*

11 (3) *in the fourth sentence—*

12 (A) *by inserting “or energy emergency”*
13 *after “natural disaster” each place that term ap-*
14 *pears; and*

15 (B) *by inserting “or declaration” after*
16 *“emergency designation”.*

17 (b) *FUNDING.—Funds available on the date of enact-*
18 *ment of this Act for emergency loans under subtitle C of*
19 *the Consolidated Farm and Rural Development Act (7*
20 *U.S.C. 1961 et seq.) shall be available to carry out the*
21 *amendments made by subsection (a) to meet the needs re-*
22 *sulting from energy emergencies.*

23 (c) *EFFECTIVE PERIOD.—The amendments made by*
24 *this section shall apply during the 4-year period beginning*

1 *on the date on which guidelines are published by the Sec-*
2 *retary of Agriculture under section 404.*

3 **SEC. 404. GUIDELINES AND RULEMAKING.**

4 (a) *GUIDELINES.*—*Not later than 30 days after the*
5 *date of enactment of this Act, the Administrator and the*
6 *Secretary of Agriculture shall each issue such guidelines as*
7 *the Administrator or the Secretary, as applicable, deter-*
8 *mines to be necessary to carry out this title and the amend-*
9 *ments made by this title.*

10 (b) *RULEMAKING.*—*Not later than 30 days after the*
11 *date of enactment of this Act, the Administrator, after con-*
12 *sultation with the Secretary of Energy, shall promulgate*
13 *regulations specifying the method for determining a signifi-*
14 *cant increase in the price of kerosene under section*
15 *7(b)(12)(A)(iv)(II) of the Small Business Act, as added by*
16 *this Act.*

17 **SEC. 405. REPORTS.**

18 (a) *SMALL BUSINESS ADMINISTRATION.*—*Not later*
19 *than 12 months after the date on which the Administrator*
20 *issues guidelines under section 404, and annually thereafter*
21 *until the date that is 12 months after the end of the effective*
22 *period of section 7(b)(12) of the Small Business Act, as*
23 *added by this Act, the Administrator shall submit to the*
24 *Committee on Small Business and Entrepreneurship of the*
25 *Senate and the Committee on Small Business of the House*

1 *of Representatives, a report on the effectiveness of the assist-*
2 *ance made available under section 7(b)(12) of the Small*
3 *Business Act, as added by this Act, including—*

4 (1) *the number of small business concerns that*
5 *applied for a loan under such section and the number*
6 *of those that received such loans;*

7 (2) *the dollar value of those loans;*

8 (3) *the States in which the small business con-*
9 *cerns that received such loans are located;*

10 (4) *the type of heating fuel or energy that caused*
11 *the significant increase in the cost for the partici-*
12 *parting small business concerns; and*

13 (5) *recommendations for ways to improve the as-*
14 *sistance provided under such section 7(b)(12), if any.*

15 (b) *DEPARTMENT OF AGRICULTURE.—Not later than*
16 *12 months after the date on which the Secretary of Agri-*
17 *culture issues guidelines under section 404, and annually*
18 *thereafter until the date that is 12 months after the end*
19 *of the effective period of the amendments made to section*
20 *321(a) of the Consolidated Farm and Rural Development*
21 *Act (7 U.S.C. 1961(a)) by this title, the Secretary shall sub-*
22 *mit to the Committee on Small Business and Entrepreneur-*
23 *ship and the Committee on Agriculture, Nutrition, and For-*
24 *estry of the Senate and the Committee on Small Business*

1 *and the Committee on Agriculture of the House of Rep-*
2 *resentatives, a report that—*

3 (1) *describes the effectiveness of the assistance*
4 *made available under section 321(a) of the Consoli-*
5 *dated Farm and Rural Development Act (7 U.S.C.*
6 *1961(a)); and*

7 (2) *contains recommendations for ways to im-*
8 *prove the assistance provided under such section*
9 *321(a), if any.*

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A BILL

To improve the disaster loan program of the Small Business Administration, and for other purposes.

MAY 7, 2007

Reported with an amendment