

110TH CONGRESS  
1ST SESSION

# S. 1662

To amend the Small Business Investment Act of 1958 to reauthorize the venture capital program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 19, 2007

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

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## A BILL

To amend the Small Business Investment Act of 1958 to reauthorize the venture capital program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Ven-  
5 ture Capital Act of 2007”.

6 **SEC. 2. REAUTHORIZATION.**

7 Section 20 of the Small Business Act (15 U.S.C. 631  
8 note) is amended by inserting after subsection (e) the fol-  
9 lowing:

1       “(f) SMALL BUSINESS VENTURE CAPITAL.—For the  
 2 programs authorized under part A of title III of the Small  
 3 Business Investment Act of 1958 (15 U.S.C. 681 et seq.),  
 4 the Administrator is authorized to make—

5               “(1) \$500,000,000 in purchases of participating  
 6 securities for each of fiscal years 2007 through  
 7 2010; and

8               “(2)(A) \$2,000,000,000 in guarantees of deben-  
 9 tures for fiscal year 2007;

10              “(B) \$2,250,000,000 in guarantees of deben-  
 11 tures for fiscal year 2008;

12              “(C) \$2,500,000,000 in guarantees of deben-  
 13 tures for fiscal year 2009; and

14              “(D) \$2,775,000,000 in guarantees of deben-  
 15 tures for fiscal year 2010.”.

16 **SEC. 3. LEVERAGE.**

17       (a) IN GENERAL.—Section 303(b)(2) of the Small  
 18 Business Investment Act of 1958 (15 U.S.C. 683(b)(2))  
 19 is amended to read as follows:

20               “(2) MAXIMUM LEVERAGE.—

21               “(A) IN GENERAL.—The maximum  
 22 amount of outstanding leverage made available  
 23 to any 1 company licensed under section 301(c)  
 24 may not exceed the lesser of—

25                       “(i) 300 percent of private capital; or

1 “(ii) \$150,000,000.

2 “(B) MULTIPLE LICENSES UNDER COM-  
3 MON CONTROL.—The maximum amount of out-  
4 standing leverage made available to 2 or more  
5 companies licensed under section 301(c) that  
6 are commonly controlled (as determined by the  
7 Administrator) may not exceed \$225,000,000.

8 “(C) INVESTMENTS IN WOMEN-OWNED  
9 AND MINORITY-OWNED BUSINESSES AND IN  
10 LOW-INCOME GEOGRAPHIC AREAS.—

11 “(i) IN GENERAL.—The maximum  
12 amount of outstanding leverage made  
13 available to—

14 “(I) any 1 company described in  
15 clause (ii) may not exceed the lesser  
16 of—

17 “(aa) 300 percent of private  
18 capital; or

19 “(bb) \$175,000,000; and

20 “(II) 2 or more companies de-  
21 scribed in clause (ii) that are com-  
22 monly controlled (as determined by  
23 the Administrator) may not exceed  
24 \$250,000,000.

1           “(ii) APPLICABILITY.—A company de-  
 2           scribed in this clause is a company licensed  
 3           under section 301(c) that certifies in writ-  
 4           ing that not less than 50 percent of the  
 5           dollar amount of investments of that com-  
 6           pany shall be made in companies that,  
 7           prior to that investment, are owned by  
 8           women or minorities (as determined by the  
 9           Administrator) or are located in a low-in-  
 10          come geographic area (as that term is de-  
 11          fined in section 351).

12           “(iii) EXCEPTION.—The Adminis-  
 13          trator may, on a case-by-case basis, impose  
 14          such additional terms and conditions as  
 15          the Administrator determines to be appro-  
 16          priate to minimize the risk of loss to the  
 17          Administration in the event of a default.”.

18          (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
 19          Section 303(b) of the Small Business Investment Act of  
 20          1958 (15 U.S.C. 683(b)) is amended by striking para-  
 21          graph (4).

22          **SEC. 4. INVESTMENTS IN SMALLER ENTERPRISES.**

23          Section 303(d) of the Small Business Investment Act  
 24          of 1958 (15 U.S.C. 683(d)) is amended to read as follows:

1       “(d) INVESTMENTS IN SMALLER ENTERPRISES.—  
2 The Administrator shall require each licensee, as a condi-  
3 tion of an application for leverage, to certify in writing  
4 that not less than 25 percent of the aggregate dollar  
5 amount of financings of that licensee shall be provided to  
6 smaller enterprises.”.

7 **SEC. 5. PRIVATE CAPITAL.**

8       (a) IN GENERAL.—Section 103(9)(A)(ii) of the Small  
9 Business Investment Act of 1958 (15 U.S.C.  
10 662(9)(A)(ii)) is amended by inserting “, for any company  
11 licensed under section 301(c) on or after October 1,  
12 2004,” before “leverage shall not be funded based on such  
13 commitments”.

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