

116TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To provide assistance to small businesses impacted by COVID–19, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## A BILL

To provide assistance to small businesses impacted by COVID–19, 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 [“\_\_\_\_\_ Act  
5 of \_\_\_\_\_”.]

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

8 (1) the terms “Administration” and “Adminis-  
9 trator” mean the Small Business Administration  
10 and the Administrator thereof; and

1           (2) the term “small business concern” has the  
2           meaning given the term in section 3 of the Small  
3           Business Act (15 U.S.C. 632).

4 **SEC. 3. 7(A) LOAN PROGRAM.**

5           (a) DEFINITION OF COVERED PERIOD.—In this sec-  
6           tion, the term “covered period” means the period begin-  
7           ning on the date of enactment of this Act and ending on  
8           December 31, 2020.

9           (b) INCREASED ELIGIBILITY FOR PRIVATE NON-  
10          PROFIT ORGANIZATIONS AND MEDIUM-SIZED BUSI-  
11          NESSES.—During the covered period, the following entities  
12          are eligible to receive a loan made under section 7(a) of  
13          the Small Business Act (15 U.S.C. 636(a)):

14               (1) A private nonprofit organization.

15               (2) A business concern that is not more than  
16               300 percent larger than the applicable size standard  
17               established for categorizing a business concern as a  
18               small business concern under section 3(a) of the  
19               Small Business Act (15 U.S.C. 632(a)).

20           (c) MAXIMUM LOAN AMOUNT.—During the covered  
21          period, with respect to any loan guaranteed under section  
22          7(a) of the Small Business Act (15 U.S.C. 636(a)) for  
23          which an application is approved or pending approval on  
24          or after the date of enactment of this Act—

1 (1) the maximum loan amount shall be  
2 \$10,000,000; and

3 (2) the loan amount shall be determined based  
4 on the revenue of the applicant during the 1-year pe-  
5 riod preceding the date on which the loan is made.

6 (d) ALLOWABLE USES OF PROGRAM LOANS.—

7 (1) IN GENERAL.—During the covered period, a  
8 recipient of a loan made under section 7(a) of the  
9 Small Business Act (15 U.S.C. 636(a)) (including a  
10 recipient of assistance under the Community Advan-  
11 tage Pilot Program of the Administration) may use  
12 the proceeds of the loan for—

13 (A) payroll support, including paid sick,  
14 medical, or family leave, and costs related to  
15 the continuation of group health care benefits  
16 during those periods of leave;

17 (B) employee salaries;

18 (C) mortgage payments; and

19 (D) any other debt obligations.

20 (2) DELEGATED AUTHORITY.—

21 (A) IN GENERAL.—For purposes of mak-  
22 ing loans for the purposes described in subpara-  
23 graphs (A) through (D) of paragraph (1), a  
24 lender under section 7(a) of the Small Business  
25 Act (15 U.S.C. 636(a)) shall be considered to

1 have delegated authority to make and approve  
2 loans under such section 7(a) based on an eval-  
3 uation of the eligibility of the borrower.

4 (B) CONSIDERATIONS.—In evaluating the  
5 eligibility of a borrower for a loan under section  
6 7(a) of the Small Business Act (15 U.S.C.  
7 636(a)) with the terms described in this sub-  
8 section and subsection (c), a lender shall only  
9 consider whether the borrower—

10 (i) was in operation on March 1,  
11 2020; and

12 (ii) had employees for whom the bor-  
13 rower paid salaries and payroll taxes.

14 (3) LIMITATION.—A borrower that receives as-  
15 sistance under section 7(b)(2) of the Small Business  
16 Act (15 U.S.C. 636(b)(2)) related to COVID–19 for  
17 purposes of paying payroll and providing payroll  
18 support shall not be eligible for a loan described in  
19 paragraph (1) for the same purpose.

20 (e) FEE WAIVER FOR 7(A) LOANS.—During the cov-  
21 ered period, with respect to each loan guaranteed under  
22 section 7(a) of the Small Business Act (15 U.S.C.  
23 636(a))—

24 (1) in lieu of the fee otherwise applicable under  
25 section 7(a)(23)(A) of the Small Business Act (15

1 U.S.C. 636(a)(23)(A)), the Administrator shall col-  
2 lect no fee or reduce fees to the maximum extent  
3 possible; and

4 (2) for which the application is approved on or  
5 after the date of enactment of this Act, the Adminis-  
6 trator shall, in lieu of the fee otherwise applicable  
7 under section 7(a)(18)(A) of the Small Business Act  
8 (15 U.S.C. 636(a)(18)(A)), collect no fee or reduce  
9 fees to the maximum extent possible.

10 (f) GUARANTEE AMOUNT FOR 7(A) LOANS.—

11 (1) IN GENERAL.—Section 7(a)(2)(A) of the  
12 Small Business Act (15 U.S.C. 636(a)(2)(A)) is  
13 amended by striking “equal to—” and all that fol-  
14 lows through the end of the subparagraph and in-  
15 serting “equal to 100 percent of the balance of the  
16 financing outstanding at the time of disbursement of  
17 the loan.”.

18 (2) PROSPECTIVE REPEAL.—Effective on Janu-  
19 ary 1, 2021, section 7(a)(2)(A) of the Small Busi-  
20 ness Act (15 U.S.C. 636(a)(2)(A)) is amended by  
21 striking “equal to 90 percent of the balance of fi-  
22 nancing outstanding at the time of disbursement of  
23 the loan” and inserting “equal to—

24 “(i) 75 percent of the balance of the  
25 financing outstanding at the time of dis-

1                   bursement of the loan, if such balance ex-  
2                   ceeds \$150,000; or

3                   “(ii) 85 percent of the balance of the  
4                   financing outstanding at the time of dis-  
5                   bursement of the loan, if such balance is  
6                   less than or equal to \$150,000.”.

7           (g) DEFERMENT OF 7(A) LOANS.—

8                   (1) DEFINITION OF IMPACTED BORROWER.—

9                   (A) IN GENERAL.—In this subsection, the  
10                   term “impacted borrower” means a small busi-  
11                   ness concern, a business concern described in  
12                   subsection (b)(2), or a private nonprofit organi-  
13                   zation that—

14                   (i) is in operation on March 1, 2020;

15                   and

16                   (ii) has an application for a loan made  
17                   under section 7(a) of the Small Business  
18                   Act (15 U.S.C. 636(a)) that is approved or  
19                   pending approval on or after the date of  
20                   enactment of this Act.

21                   (B) PRESUMPTION.—For purposes of this  
22                   subsection, an impacted borrower is presumed  
23                   to have been adversely impacted by COVID–19.

24                   (2) DEFERRAL.—During the covered period,  
25                   the Administrator shall—

1 (A) consider each small business concern,  
2 business concern described in subsection (b)(2),  
3 or private nonprofit organization that applies  
4 for a loan under section 7(a) of the Small Busi-  
5 ness Act (15 U.S.C. 636(a)) to be an impacted  
6 borrower; and

7 (B) permit lenders under such section 7(a)  
8 to provide complete payment deferment relief  
9 for impacted borrowers with loans guaranteed  
10 under such section 7(a) for a period of not  
11 more than 1 year.

12 (3) SECONDARY MARKET.—During the covered  
13 period, with respect to a loan made under 7(a) of  
14 the Small Business Act (15 U.S.C. 636(a)) that is  
15 sold on the secondary market, if an investor declines  
16 to approve a deferral requested by a lender under  
17 paragraph (2), the Administrator shall exercise the  
18 authority to purchase the loan so that the impacted  
19 borrower may receive a deferral for a period of not  
20 more than 1 year.

21 (4) GUIDANCE.—Not later than 30 days after  
22 the date of enactment of this Act, the Administrator  
23 shall provide guidance to lenders under section 7(a)  
24 of the Small Business Act (15 U.S.C. 636(a)) on the  
25 deferment process described in this subsection.

1 (h) COMMITMENTS FOR 7(A) LOANS.—During the  
2 covered period—

3 (1) there shall be no limitation on the commit-  
4 ments for general business loans authorized under  
5 section 7(a) of the Small Business Act (15 U.S.C.  
6 636(a)); and

7 (2) the amount authorized for commitments for  
8 such loans under the heading “BUSINESS LOANS  
9 PROGRAM ACCOUNT” under the heading “SMALL  
10 BUSINESS ADMINISTRATION” under title V of the  
11 Consolidated Appropriations Act, 2020 (Public Law  
12 116–93; 133 Stat. 2475) shall not apply.

13 (i) EXPRESS LOANS.—

14 (1) IN GENERAL.—Section 7(a)(31)(D) of the  
15 Small Business Act (15 U.S.C. 636(a)(31)(D)) is  
16 amended by striking “\$350,000” and inserting  
17 “\$1,000,000”.

18 (2) PROSPECTIVE REPEAL.—Effective on Janu-  
19 ary 1, 2021, section 7(a)(31)(D) of the Small Busi-  
20 ness Act (15 U.S.C. 636(a)(31)(D)) is amended by  
21 striking “\$1,000,000” and inserting “\$500,000”.

22 **SEC. 4. ENTREPRENEURIAL DEVELOPMENT.**

23 (a) DEFINITIONS.—In this section—



1 (1) the term “covered small business concern”  
2 means a small business concern that is located in an  
3 area that is substantially affected by the COVID–19;

4 (2) the term “resource partner” means—

5 (A) a small business development center;

6 and

7 (B) a women’s business center;

8 (3) the term “small business development cen-  
9 ter” has the meaning given the term in section 3 of  
10 the Small Business Act (15 U.S.C. 632);

11 (4) the term “substantially affected by COVID–  
12 19” means, with respect to a covered small business  
13 concern, that the covered small business concern has  
14 experienced—

15 (A) supply chain disruptions, including  
16 changes in—

17 (i) quantity and lead time, including  
18 the number of shipments of components  
19 and delays in shipments;

20 (ii) quality, including shortages in  
21 supply for quality control reasons; and

22 (iii) technology, including a com-  
23 promised payment network;

24 (B) staffing challenges;

25 (C) a decrease in sales or customers; or

1 (D) shuttered businesses; and

2 (5) the term “women’s business center” means  
3 a women’s business center described in section 29 of  
4 the Small Business Act (15 U.S.C. 656).

5 (b) EDUCATION, TRAINING, AND ADVISING  
6 GRANTS.—

7 (1) IN GENERAL.—The Administration may  
8 provide financial assistance in the form of grants to  
9 resource partners to provide education, training, and  
10 advising to covered small business concerns.

11 (2) USE OF FUNDS.—Grants under this section  
12 shall be used for the education, training, and advis-  
13 ing of covered small business concerns and their em-  
14 ployees on—

15 (A) on accessing and applying for re-  
16 sources provided by the Administration and  
17 other Federal resources relating to access to  
18 capital and business resiliency;

19 (B) the hazards of and prevention of the  
20 transmission and communication of COVID–19  
21 and other communicable diseases;

22 (C) the potential effects of COVID–19 on  
23 the supply chains, distribution, and sale of  
24 products of covered small business concerns and  
25 the mitigation of those effects;

1 (D) the management and practice of  
2 telework to reduce possible transmission of  
3 COVID-19;

4 (E) the management and practice of re-  
5 mote customer service by electronic or other  
6 means;

7 (F) the risks of and mitigation of cyber  
8 threats in remote customer service or telework  
9 practices;

10 (G) the mitigation of the effects of reduced  
11 travel or outside activities on covered small  
12 businesses during COVID-19 or similar occur-  
13 rences; and

14 (H) any other relevant business practices  
15 necessary to mitigate the economic effects of  
16 COVID-19 or similar occurrences.

17 (3) GRANT DETERMINATION.—

18 (A) SMALL BUSINESS DEVELOPMENT CEN-  
19 TERS.—The Administration shall award 80 per-  
20 cent of funds authorized to carry out this sub-  
21 section to small business development centers,  
22 which shall be awarded pursuant to a formula  
23 jointly developed, negotiated, and agreed upon,  
24 with full participation of both parties, between  
25 the association formed under section

1 21(a)(3)(A) of the Small Business Act (15  
2 U.S.C. 648(a)(3)(A)) and the Administration.

3 (B) WOMEN’S BUSINESS CENTERS.—The  
4 Administration shall award 20 percent of funds  
5 authorized to carry out this subsection to wom-  
6 en’s business centers, which shall be awarded  
7 pursuant to a process established by the Ad-  
8 ministration in consultation with recipients of  
9 assistance.

10 (C) NO MATCHING FUNDS REQUIRED.—  
11 Matching funds shall not be required for any  
12 grant under this subsection.

13 (4) GOALS AND METRICS.—

14 (A) IN GENERAL.—Goals and metrics for  
15 the funds made available under this subsection  
16 shall be jointly developed, negotiated, and  
17 agreed upon, with full participation of both par-  
18 ties, between the resource partners and the Ad-  
19 ministrator, which shall—

20 (i) take into consideration the extent  
21 of the circumstances relating to the spread  
22 of COVID–19, or similar occurrences, that  
23 affect covered small business concerns lo-  
24 cated in the areas covered by the resource

1 partner, particularly in rural areas or eco-  
2 nomically distressed areas;

3 (ii) generally follow the use of funds  
4 outlined in paragraph (2), but not shall re-  
5 strict the activities of resource partners in  
6 responding to unique situations; and

7 (iii) encourage resource partners to  
8 develop and provide services to covered  
9 small business concerns.

10 (B) PUBLIC AVAILABILITY.—The Adminis-  
11 trator shall make publicly available the method-  
12 ology by which the Administrator and resource  
13 partners jointly develop the metrics and goals  
14 described in subparagraph (A).

15 (5) AUTHORIZATION OF APPROPRIATIONS.—  
16 There is authorized to be appropriated \$50,000,000  
17 to carry out this subsection, to remain available  
18 until expended.

19 (c) RESOURCE PARTNER ASSOCIATION GRANTS.—

20 (1) IN GENERAL.—The Administrator may pro-  
21 vide grants to an association or associations rep-  
22 resenting resource partners to establish a centralized  
23 hub for COVID–19 information, which shall in-  
24 clude—

1 (A) an online platform that consolidates  
2 resources and information available across mul-  
3 tiple Federal agencies for small business con-  
4 cerns related to COVID–19; and

5 (B) a training program to educate resource  
6 partner counselors on the resources and infor-  
7 mation described in subparagraph (A).

8 (2) GOALS AND METRICS.—Goals and metrics  
9 for the funds made available under this subsection  
10 shall be jointly developed, negotiated, and agreed  
11 upon, with full participation of both parties, between  
12 the association or associations receiving a grant  
13 under this subsection and the Administrator.

14 (3) AUTHORIZATION OF APPROPRIATIONS.—  
15 There is authorized to be appropriated \$10,000,000  
16 to carry out this subsection, to remain available  
17 until expended.

18 (d) REPORT.—Not later than 6 months after the date  
19 of enactment of this Act, and annually thereafter, the Ad-  
20 ministrator shall submit to the Committee on Small Busi-  
21 ness and Entrepreneurship of the Senate and the Com-  
22 mittee on Small Business of the House of Representatives  
23 a report—

24 (1) that describes, with respect to the initial  
25 year covered by the report—

1 (A) the programs and services developed  
2 and provided by the Administration and re-  
3 source partners under subsection (b);

4 (B) the initial efforts to provide those serv-  
5 ices under subsection (b); and

6 (C) the online platform and training devel-  
7 oped and provided by the Administration and  
8 the association or associations under subsection  
9 (c); and

10 (2) that describes, with respect to the subse-  
11 quent years covered by the report—

12 (A) with respect to the grant program  
13 under subsection (b)—

14 (i) the efforts of the Administrator  
15 and resource partners to develop services  
16 to assist covered small business concerns;

17 (ii) the challenges faced by owners of  
18 covered small business concerns in access-  
19 ing services provided by the Administration  
20 and resource partners;

21 (iii) the number of unique covered  
22 small business concerns that were served  
23 by the Administration and resource part-  
24 ners; and

1 (iv) other relevant outcome perform-  
2 ance data with respect to covered small  
3 business concerns, including the number of  
4 employees affected, the effect on sales, the  
5 disruptions of supply chains, and the ef-  
6 forts made by the Administration and re-  
7 source partners to mitigate these effects;  
8 and

9 (B) with respect to the grant program  
10 under subsection (c)—

11 (i) the efforts of the Administrator  
12 and the association or associations to de-  
13 velop and evolve an online resource for  
14 small business concerns; and

15 (ii) the efforts of the Administrator  
16 and the association or associations to de-  
17 velop a training program for resource part-  
18 ner counselors, including the number of  
19 counselors trained.

20 **SEC. 5. WAIVER OF MATCHING FUNDS REQUIREMENT**  
21 **UNDER THE WOMEN'S BUSINESS CENTER**  
22 **PROGRAM.**

23 During the 3-month period beginning on the date of  
24 enactment of this Act, the requirement relating to obtain-  
25 ing cash contributions from non-Federal sources under



1 section 29(c)(1) of the Small Business Act (15 U.S.C.  
2 656(c)(1)) is waived for any recipient of assistance under  
3 such section 29.

4 **SEC. 6. LOAN FORGIVENESS.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “covered 7(a) loan” means a loan  
7 guaranteed under section 7(a) of the Small Business  
8 Act (15 U.S.C. 636(a)) that is made during the cov-  
9 ered period;

10 (2) the term “covered period” means the period  
11 beginning on March 1, 2020 and ending on June 1,  
12 2020;

13 (3) the term “eligible recipient” means the re-  
14 cipient of a covered 7(a) loan; and

15 (4) the term “payroll costs” shall not include  
16 the compensation of an individual employee in excess  
17 of \$50,000 during the covered period.

18 (b) FORGIVENESS.—An eligible recipient shall be eli-  
19 gible for forgiveness of indebtedness on a covered 7(a) loan  
20 in an amount equal to the cost of maintaining payroll con-  
21 tinuity during the covered period.

22 (c) TREATMENT AS CANCELED INDEBTEDNESS.—  
23 Amounts which have been forgiven under this section shall  
24 be considered canceled indebtedness by lenders authorized

1 under section 7(a) of the Small Business Act (15 U.S.C.  
2 636(a)).

3 (d) LIMITS ON AMOUNT OF FORGIVENESS.—

4 (1) IN GENERAL.—The amount of loan forgive-  
5 ness under this section for an eligible recipient shall  
6 not exceed the lesser of—

7 (A) the total payroll costs incurred by the  
8 eligible recipient during the covered period; or

9 (B) 200 percent of the average monthly  
10 payroll cost incurred by the eligible recipient  
11 during January and February 2020.

12 (2) REDUCTION BASED ON REDUCTION IN NUM-  
13 BER OF EMPLOYEES.—The amount of loan forgive-  
14 ness under this section shall be reduced by the per-  
15 centage equal to the difference obtained by sub-  
16 tracting—

17 (A) the quotient obtained by dividing—

18 (i) the average number of full time  
19 employees per month employed by the eli-  
20 gible recipient during the covered period;  
21 by

22 (ii)(I) the average number of full time  
23 employees per month employed by the eli-  
24 gible recipient during the period beginning

1 on March 1, 2019 and ending on June 1,  
2 2019; or

3 (II) at the election of the eligible re-  
4 cipient, the lesser of—

5 (aa) the average number of full-  
6 time employees employed by the eligi-  
7 ble recipient during January 2020; or

8 (bb) the average number of full-  
9 time employees per month employed  
10 by the eligible recipient during 2019;  
11 from

12 (B) 1.

13 (3) REDUCTION RELATING TO COMPENSA-  
14 TION.—The amount of loan forgiveness under this  
15 section shall also be reduced by the amount of any  
16 reduction in compensation during the covered period  
17 of any employee who was compensated in an amount  
18 less than \$50,000 during the period beginning on  
19 March 1, 2019 and ending on June 30, 2019.

20 (e) APPLICATION.—An eligible recipient seeking loan  
21 forgiveness under this section shall submit to the lender  
22 that originated the covered 7(a) loan an application, which  
23 shall include documentation verifying the number of full-  
24 time employees on payroll and pay rates for the periods  
25 described in subsection (d), including—

1           (1) payroll tax filings reported to the Internal  
2 Revenue Service;

3           (2) State income, payroll, and unemployment  
4 insurance filings; and

5           (3) any other documentation the Administrator  
6 determines necessary.

7           (f) PROHIBITION ON FORGIVENESS WITHOUT DOCU-  
8 MENTATION.—No eligible recipient shall receive forgive-  
9 ness under this section without submitting to the lender  
10 that originated the covered 7(a) loan the documentation  
11 required under subsection (e).

12          (g) DECISION.—Not later than 15 days after the date  
13 on which a lender receives an application for loan forgive-  
14 ness under this section from an eligible recipient, the lend-  
15 er shall issue a decision on the an application.

16          (h) TAXABILITY.—Canceled indebtedness under this  
17 section shall be excluded from gross income for purposes  
18 of the Internal Revenue Code of 1986.

19          (i) REGULATIONS.—Not later than 30 days after the  
20 date of enactment of this Act, the Administrator shall  
21 issue guidance and regulations implementing this section.

22 **SEC. 7. DIRECT APPROPRIATIONS.**

23          (a) IN GENERAL.—There is appropriated, out of  
24 amounts in the Treasury not otherwise appropriated, for  
25 the fiscal year ending September 30, 2020, to remain

1 available until September 30, 2021, for additional  
2 amounts—

3 (1) \$299,400,000,000 under the heading  
4 “Small Business Administration—Business Loans  
5 Program Account” for the cost of guaranteed loans  
6 as authorized under section 7(a) of the Small Busi-  
7 ness Act (15 U.S.C. 636(a));

8 (2) \$300,000,000 under the heading “Small  
9 Business Administration—Salaries and Expenses”  
10 for salaries and expenses of the Administration;

11 (3) \$25,000,000 under the heading “Small  
12 Business Administration—Office of Inspector Gen-  
13 eral” for necessary expenses of the Office of Inspec-  
14 tor General of the Administration in carrying out  
15 the provisions of the Inspector General Act of 1978  
16 (5 U.S.C. App.); and

17 (4) \$275,000,000 under the heading “Small  
18 Business Administration—Entrepreneurial Develop-  
19 ment Programs” for small business development  
20 centers described in section 21 of the Small Busi-  
21 ness Act (15 U.S.C. 648) and women’s business cen-  
22 ters described in section 29 of such Act (15 U.S.C.  
23 656) to provide technical assistance to small busi-  
24 ness concerns.

1           (b) REPORTS.—Not later than 180 days after the  
2 date of enactment of this Act, the Administrator shall sub-  
3 mit to the Committee on Appropriations of the Senate and  
4 the Committee on Appropriations of the House of Rep-  
5 resentatives a detailed expenditure plan for using the  
6 amounts appropriated under subsection (a).