

## 116TH CONGRESS 2D SESSION

## S. 3865

To provide for the treatment of certain criminal violations under the paycheck protection program, and for other purposes.

## IN THE SENATE OF THE UNITED STATES

June 2, 2020

Mr. Portman (for himself, Mr. Cardin, Mr. Lankford, and Mr. Booker) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

## A BILL

To provide for the treatment of certain criminal violations under the paycheck protection 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 "Paycheck Protection
- 5 Program Second Chance Act".

1	SEC. 2. TREATMENT OF CERTAIN CRIMINAL VIOLATIONS
2	UNDER THE PAYCHECK PROTECTION PRO-
3	GRAM.
4	(a) In General.—Section 7(a)(36) of the Small
5	Business Act (15 U.S.C. 636(a)(36)) is amended by add-
6	ing at the end the following:
7	"(T) TREATMENT OF CERTAIN CRIMINAL
8	VIOLATIONS.—
9	"(i) Arrests or convictions.—Ex-
10	cept as provided in clause (ii), an entity
11	that is a business, organization, coopera-
12	tive, or enterprise shall be an eligible re-
13	cipient notwithstanding an arrest or con-
14	viction under Federal, State, or Tribal law
15	of an owner of not less than 20 percent of
16	the equity of the entity, unless the owner
17	is incarcerated on the date on which the
18	entity applies for a covered loan.
19	"(ii) Financial fraud or decep-
20	TION.—Notwithstanding clause (i), an en-
21	tity that is a business, organization, coop-
22	erative, or enterprise may not receive a
23	covered loan if, during the 5-year period
24	preceding the date on which the entity ap-
25	plies for a covered loan, an owner of not
26	less than 20 percent of the equity of the

1	entity has been convicted of a felony of fi-
2	nancial fraud or deception under Federal,
3	State, or Tribal law.
4	"(iii) Waiver.—The Administrator
5	may waive the requirements under clause
6	(ii).".
7	(b) Rulemaking.—Not later than 15 days after the
8	date of enactment of this Act, the Administrator of the
9	Small Business Administration shall make necessary revi-
10	sions to any rules of the Administration to carry out the
11	amendment made by subsection (a).

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