

116TH CONGRESS
2D SESSION

H. R. 6324

To amend the Small Business Act to provide no interest rate loans to small businesses and non-profit entities impacted by the coronavirus (COVID-19), and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Mr. PAPPAS (for himself, Mr. ROSE of New York, Ms. KENDRA S. HORN of Oklahoma, Ms. NORTON, Mr. CARSON of Indiana, Ms. WILD, Ms. MUCARSEL-POWELL, Mr. PANETTA, Mrs. HAYES, Ms. KUSTER of New Hampshire, and Ms. PINGREE) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to provide no interest rate loans to small businesses and non-profit entities impacted by the coronavirus (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 “Too Small to Fail
5 Act”.

1 **SEC. 2. FINANCIAL ASSISTANCE TO SMALL BUSINESSES**
2 **AND NON-PROFIT ENTITIES.**

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

6 “(k) CORONAVIRUS RELATED LOANS.—

7 “(1) IN GENERAL.—The Administration shall
8 waive the credit elsewhere requirement of subsection
9 (a)(1) for loans to small businesses and non-profit
10 entities affected by the coronavirus (COVID-19).
11 Such loans shall be provided by the Administration
12 at no interest rate.

13 “(2) AUTHORIZATION OF APPROPRIATIONS.—
14 For an additional amount for the ‘Disaster Loans
15 Program Account’ for the cost of direct loans au-
16 thorized by section 7(b) of the Small Business Act
17 and for subsidizing interest rates,
18 \$350,000,000,000, to remain available until ex-
19 pended, except that—

20 “(A) not to exceed \$225,000,000 may be
21 transferred to and merged with ‘Salaries and
22 Expenses’ for administrative expenses to carry
23 out the disaster loan program authorized by
24 section 7(b) of the Small Business Act; and

1 “(B) none of the funds provided under this
2 heading may be used for indirect administrative
3 expenses.

4 “(3) EMERGENCY REQUIREMENT.—The amount
5 provided under paragraph (2) is designated as an
6 emergency requirement pursuant to section
7 251(b)(2)(A)(i) of the Balanced Budget and Emer-
8 gency Deficit Control Act of 1985 and the amount
9 designated under such paragraph as an emergency
10 requirement pursuant to such section
11 251(b)(2)(A)(i) shall be available only if the Presi-
12 dent subsequently so designates such amount and
13 transmits such designation to the Congress.

14 “(4) SUSPENSION OF PAYMENT.—The Adminis-
15 tration is authorized to suspend the payment of any
16 loan made under this Act to any small business or
17 non-profit entity affected by the coronavirus
18 (COVID-19) for a period determined by the Admin-
19 istration.”.

20 **SEC. 3. EMERGENCY EIDL GRANTS.**

21 (a) EIDL EMERGENCY GRANT.—

22 (1) IN GENERAL.—During the covered period,
23 an eligible entity that applies for a loan under sec-
24 tion 7(b)(2) of the Small Business Act (15 U.S.C.
25 636(b)(2)) in response to COVID–19 may request

1 that the Administrator provide an advance in the
2 amount requested by such applicant (not to exceed
3 \$15,000) to such applicant within 3 days after the
4 Administrator receives an application from such ap-
5 plicant.

6 (2) VERIFICATION.—Before disbursing amounts
7 under this subsection, the Administrator shall verify
8 that the applicant is an eligible entity.

9 (3) USE OF FUNDS.—An advance provided
10 under this subsection may be used to address any al-
11 lowable purpose for a loan made under section
12 7(b)(2) of the Small Business Act (15 U.S.C.
13 636(b)(2)), including—

14 (A) providing paid sick leave to employees
15 unable to work due to the direct effect of the
16 COVID–19;

17 (B) maintaining payroll to retain employ-
18 ees during business disruptions or substantial
19 slowdowns;

20 (C) meeting increased costs to obtain ma-
21 terials unavailable from the applicant’s original
22 source due to interrupted supply chains;

23 (D) making rent or mortgage payments;
24 and

1 (E) repaying obligations that cannot be
2 met due to revenue losses.

3 (4) REPAYMENT.—An applicant shall not be re-
4 quired to repay any amounts of an advance provided
5 under this subsection, even if subsequently denied a
6 loan under section 7(b)(2) of the Small Business Act
7 (15 U.S.C. 636(b)(2)).

8 (5) UNEMPLOYMENT GRANT.—If an applicant
9 that receives an advance under this subsection trans-
10 fers into the loan program under section 7(a) of the
11 Small Business Act (15 U.S.C. 636(a)), the advance
12 amount shall be considered when determining loan
13 forgiveness for a loan for payroll costs made under
14 such section 7(a).

15 (6) AUTHORIZATION OF APPROPRIATIONS.—
16 There is authorized to be appropriated to the Small
17 Business Administration \$10,000,000,000 to carry
18 out this subsection.

19 (7) TERMINATION.—The authority to carry out
20 grants under this subsection shall terminate on De-
21 cember 31, 2020.

22 (b) DEFINITIONS.—In this Act—

23 (1) the term “covered period” means the period
24 beginning on January 31, 2020, and ending on De-
25 cember 31, 2020;

1 (2) the term “eligible entity” means—

2 (A) a startup with not more than 500 em-
3 ployees;

4 (B) any individual who operates under a
5 sole proprietorship or as an independent con-
6 tractor;

7 (C) a cooperative with not more than 500
8 employees; or

9 (D) an ESOP (as defined in section 3 of
10 the Small Business Act (15 U.S.C. 632)) with
11 not more than 500 employees; and

12 (3) the term “COVID-19” means the virus
13 SARS-CoV-2 and the resulting disease COVID-19
14 or another coronavirus with pandemic potential.

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