

112TH CONGRESS
2^D SESSION

H. R. 4191

To amend the Federal Credit Union Act and the Small Business Act to improve small business lending, improve cooperation between the National Credit Union Administration and the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2012

Mr. SCHRADER (for himself and Mr. CHABOT) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Credit Union Act and the Small Business Act to improve small business lending, improve cooperation between the National Credit Union Administration and 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit Union Small
5 Business Lending Act”.

1 **SEC. 2. CREDIT UNION APPROVAL PROCESS FOR 7(a)**
2 **LOANS.**

3 Not later than 180 days after the date of enactment
4 of this Act, the Administrator of the Small Business Ad-
5 ministration shall establish a dedicated process by which
6 credit unions participating in the loan program under sec-
7 tion 7(a) of the Small Business Act (15 U.S.C. 636(a))
8 may receive approvals and repurchases regarding loan
9 guarantees under that program. This process shall be dis-
10 tinct from that used by entities other than credit unions
11 participating in that program and shall make use of exist-
12 ing agency resources.

13 **SEC. 3. CREDIT UNION OUTREACH PROGRAM.**

14 Section 7(a) of the Small Business Act (15 U.S.C.
15 636(a)) is amended by adding at the end the following:

16 “(36) CREDIT UNION OUTREACH PROGRAM.—

17 “(A) IN GENERAL.—The Administrator
18 shall carry out a program to provide outreach
19 and assistance to credit unions for the purpose
20 of increasing the participation of credit unions
21 in the 7(a) program.

22 “(B) SIMPLIFIED APPLICATION PROC-
23 ESS.—In carrying out a program under this
24 paragraph, the Administrator shall take such
25 actions, as appropriate, to simplify the applica-

1 tion process for credit union participation in the
2 7(a) program.

3 “(C) ANNUAL REPORT.—The Adminis-
4 trator shall submit to Congress an annual re-
5 port on the efforts made by the Administration
6 to increase the participation of credit unions in
7 the 7(a) program.”.

8 **SEC. 4. CREDIT UNION LOAN GUARANTEE PROGRAM.**

9 Section 7(a) of the Small Business Act, as amended
10 by section 3, is further amended by adding at the end the
11 following:

12 “(37) CREDIT UNION LOAN GUARANTEE PRO-
13 GRAM.—

14 “(A) IN GENERAL.—The Administrator
15 shall carry out a program to provide a guaranty
16 of up to 85 percent for loans made by credit
17 unions to members of those credit unions. To
18 be eligible for the program—

19 “(i) the amount of the loan may not
20 exceed \$250,000; and

21 “(ii) the member must reside in an
22 underserved area, or the business assisted
23 by a loan made under this subsection to a
24 member must be located in an underserved
25 area.

1 “(B) DEFINITION.—In this paragraph, the
2 term ‘underserved area’ means a geographic
3 area consisting of one or more population cen-
4 sus tracts, that encompass or are located with-
5 in—

6 “(i) an investment area designated
7 under section 103(16) of the Community
8 Development Banking and Financial Insti-
9 tutions Act of 1994; or

10 “(ii) a low income community, as de-
11 fined in section 45D(e) of the Internal
12 Revenue Code of 1986.”.

13 **SEC. 5. CREDIT UNION PARTICIPATION IN THE SECTION 504**
14 **PROGRAM.**

15 Section 107(5)(A)(iii) of the Federal Credit Union
16 Act (12 U.S.C. 1757(5)(A)(iii)) is amended by inserting
17 “, and applicable regulations,” after “specified in the
18 law”.

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