

**The Small Business Job Creation and Access to Capital Act of 2009**  
**Section-by-Section**

**Section 1. Short title.**

**Title I – Next Steps for Main Street Credit Availability**

**Section 101. Section 7(a) Business Loans.** This section permanently increases the maximum loan and guarantee sizes and temporarily extends a higher guarantee. Specifically, the 7(a) loan size increases from \$2 million to \$5 million, and the maximum guarantee amount increases from \$1.5 million to \$4.5 million, based on a 90-percent guarantee. The 90-percent guarantee is temporary, authorized through December 31, 2010, and then reverts back to the permanent levels of 85 percent for loans of \$150,000 and less, and to 75 percent for loans that are more than \$150,000. At that time, the maximum guarantee will also revert back to \$3.75 million from \$4.5 million. The higher loan amounts help businesses in need of floor plan financing, as well as small manufacturers, hotels, restaurants, franchisees, and those located in high-cost areas.

**Section 102. Maximum Loan Amounts Under 504 Program.** This section increases the 504 loan limit from \$1.5 million to \$5 million for regular 504 loans; from \$2 million to \$5 million for loans that meet public policy goals, such as for women-owned businesses; and from \$4 million to \$5.5 million for loans to small manufacturers, for projects that reduce a borrower's energy consumption by at least ten percent, and for each project that generates renewable energy or renewable fuels.

**Section 103. Maximum Loan Limits under Microloan Program.** This section increases the maximum loan size an intermediary can make to a small business from \$35,000 to \$50,000 and increases the maximum loan an microloan intermediary can receive from \$3.5 million to \$5 million.

**Section 104. Temporary Fee Reductions.** This section extends the waivers for the 7(a) borrower fees and the 504 borrower and bank fees enacted as part of the American Recovery and Reinvestment Act (ARRA or the Recovery Act) from September 30, 2010, to December 31, 2010. This is just an authorization and will need separate appropriations to be implemented.

**Section 105. New Markets Venture Capital Company Investment Limitations.** This section fixes an omission in the Recovery Act so that New Markets Venture Capital (NMVC) firms have equal treatment to Small Business Investment Companies (SBICs), as Congress intended. Specifically, it updates the limit on the size of the investment a NMVC fund can invest in any one company, making the program more attractive to investors, more helpful to small businesses, and bringing them more in-line with private-sector practices.

**Section 106. Alternative Size Standards.** This section requires SBA to establish an optional size standard which is applicable to both 7(a) borrowers and 504 borrowers, utilizing a maximum tangible net worth and an average net income to use as an alternative to industry standards, which are considered confusing and burdensome. In addition, until an alternative size standard is

established as required by this section, this bill directs the Administration to issue an interim final rule making borrowers for 7(a) and 504 loans eligible for such loans if their maximum tangible net worth is \$15 million or less *and* their average net income after Federal income taxes for the two full fiscal years before the date of application does not exceed \$5 million.

**Section 107. Sale of 7(a) Loans in Secondary Market.** This section allows the Administration to approve a request from a pool assembler of SBA loan guarantees to divide loan guarantees into increments of \$500,000 for SBA loans that have a guarantee portion of more than \$500,000. This purpose of this section is to maintain the marketability of 7(a) loans in the secondary market as the loan limits increase.

**Section 108. Online Lending Platform.** This section adopts a sense of the Congress that the Administrator should establish a website that lists each lender that makes SBA guaranteed loans as well as the lender's rates so that businesses, or potential business owners, can identify SBA lenders in their area and compare rates.

## **Title II – Small Business Access to Capital**

**Section 202. Low Interest Refinancing Under the Local Development Business Loan Program.** This section temporarily (two years) amends the Small Business Investment Act so that businesses can use 504 loan guarantees to refinance existing business debt, if it is current, even if the business is not expanding. A business is eligible for this refinancing if they create or retain one job per \$65,000 loaned. The business will be able to finance \$65,000 per job retained, or up to \$5.5 million based on the job creation requirements. This provision complements a 504 refinance provision adopted as part of the Recovery Act, enhancing a small business's options to maintain a healthy cash flow until the economy improves.