

103^D CONGRESS
1ST SESSION

H. R. 2686

To amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in Midwest communities participating in the national flood insurance program.

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1993

Mr. WHEAT (for himself, Ms. DANNER, Mr. EMERSON, Mr. SKELTON, Mr. CLAY, Mr. VOLKMER, and Mr. GEPHARDT) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in Midwest communities participating in the national flood insurance program.

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. REDUCTION OF INTEREST RATES ON SBA DIS-**
4 **ASTER LOANS.**

5 (a) INTEREST RATE.—Section 7(c) of the Small
6 Business Act (16 U.S.C. 636(c)) is amended by adding
7 at the end the following new paragraph:

1 “(8)(A)(i) The interest rate on the Federal share of
2 any loan made under subsection (b)(1) or (b)(2) for losses
3 resulting from flooding in the Midwest during the period
4 beginning on June 1, 1993, and ending on May 31, 1994,
5 shall be 1 percent per year.

6 “(ii) With respect to any loan described in clause (i)
7 which is outstanding on the date of the enactment of this
8 paragraph, the Administrator shall make such change in
9 the interest rate on the balance of such loan as is required
10 under clause (i) effective as of such date of enactment.

11 “(B) Subparagraph (A) shall apply only to loans with
12 respect to losses on property located in communities par-
13 ticipating in the national flood insurance program.

14 “(C) No person receiving a loan pursuant to this
15 paragraph may receive any disaster assistance under this
16 Act or any other Federal law for losses resulting from any
17 subsequent flooding disaster, unless such person (if eligi-
18 ble) has obtained flood insurance under the national flood
19 insurance program for the property involved.”.

20 (b) CONFORMING AMENDMENT.—Section 7(c)(5) of
21 such Act is amended by inserting “except as provided by
22 paragraph (8),” after “October 1, 1982,”.

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