MICROLOAN IMPROVEMENT ACT OF 2021

SPEECH OF

HON. SHEILA JACKSON LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 2021

Ms. JACKSON LEE. Madam Speaker, I rise in support of H.R. 1502—the ''Microloan Improvement Act of 2021,'' revises the microloan program managed by the Small Business Administration (SBA) to provide certain financial assistance to small businesses through designated intermediaries.

Specifically, the bill authorizes an intermediary to offer a line of credit to a small business, and it increases the average amount for loans from an intermediary to participating small businesses that makes the intermediary eligible for a reduced interest rate on SBA loans.

The bill also places limits on the repayment term for a microloan, and it prohibits the SBA from imposing any additional limitation on the term for repayment of a microloan.

Further, the SBA must:

reserve 15 percent of new loan funds that are made available for disbursement as microloans to designated underutilized states and make the remaining 85 percent available for any state;

establish a process for an intermediary to provide the major credit reporting agencies with information about a borrower that is relevant to credit reporting, and

include information regarding equitable distribution of loan funds in its annual report.

The SBA Microloan program approves up to $50,000 to small businesses to provide businesses with working capital, or to purchase inventory, supplies, and equipment.

Loans for $50,000 may not seem like a lot to a small business, but the micro small businesses that fill our neighborhoods would benefit from having access to these funds.

A micro enterprise employs nine people or fewer, and this is the most common kind of private-sector business in the United States.

Small business statistics show that while this might be the most common kind of enterprise, its share of employees is very small, providing only 10.5 percent of all private-sector jobs.

The fortunes of micro businesses during COVID–19 has been fraught with risks.

We know that:

82 percent of businesses that fail do so because of cash flow problems;

Small businesses employ 59 million people in the U.S.A;

50 percent of all small businesses are operated from home;

84 percent of small business owners indicate that they're feeling optimistic about the future of their companies;

64 percent of small business owners begin with only $10,000 in capital;

Approximately a quarter of small businesses begin with no financing whatsoever;

Only 40 percent of small businesses are profitable; and

Only 64 percent of small businesses have their own website.

Thousands of minority-owned small businesses were shown to be at the end of the line in applying to the government's Paycheck Protection Program (PPP).

According to an Associated Press analysis of the low-interest government loans, minority owners struggled more than white owners to find banks that would accept their applications; or otherwise were disadvantaged by the terms of the program.

Data from the Paycheck Protection Program released December 1 and analyzed by the Associated Press show that many minority owners desperate for a relief loan did not receive one until the PPP's last few weeks, while many more white business owners were able to get loans earlier in the program.

The program, which began April 3 and ended August 8 and handed out 5.2 million loans worth $525 billion, helped many businesses stay on their feet during a period when government measures to control the coronavirus forced many to shut down or operate at a diminished capacity.

The PPP program struggled to meet its promise of aiding communities that historically have not gotten the help they needed.

The PPP program was especially difficult to access for micro businesses.

A micro business employs nine people or fewer, and this is the most common kind of private-sector business in the U.S. Small business statistics show that while this might be the most common kind of enterprise, its share of employees is very small, providing only 10.5 percent of all private-sector jobs.

As the economy continues to recover, we should not forget that not all businesses will recover at the same rate, just as all workers are not heading back into the workforce with the same opportunities to find or resume employment.

I ask my colleagues to join me in supporting this bill that will provide much needed financial support to our mom and pop businesses.

FRAUD AND SCAM REDUCTION ACT

SPEECH OF

HON. SHEILA JACKSON LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 2021

Ms. JACKSON LEE. Mr. Speaker, I rise today in support of H.R. 1215, the Fraud and Scam Reduction Act, which will create the Senior Scams Prevention Advisory Group and the Senior Fraud Advisory Office to improve the Federal Trade Commission's (FTC) prevention and response efforts against senior fraud and scams through enhanced coordination with key industries, consumer advocacy groups, appropriate law enforcement agencies, and consumers.

Every day, and far too often, vulnerable seniors in Texas and across the country fall victim to financial scammers.

Seniors have worked their entire lives with the promise of a safe and secure retirement, but unfortunately criminals are taking advantage of uncertainty surrounding the pandemic and working overtime to target them.

Retirement accounts are not the only damage these scams harm—they damage the independence and trust of a vulnerable community.

During the COVID–19 pandemic, we have seen instances of fraud rise in unprecedented numbers, as scammers attempt to take advantage of senior citizens and deprive them of their hard-earned savings.

Bad actors preying on older Americans is, unfortunately, nothing new. But in the midst of a global pandemic impacting Americans' lives and livelihoods, cracking down on those scams must be a priority.

One such scam was thwarted by Houston police and the Harris County District Attorney, who made an arrest in February in an international cyber-scam that bilked unsuspecting, mostly elderly victims out of more than $1 million.

This bill is aimed at cracking down on these scams by bringing public and private stakeholders together, so that we might give our seniors the resources they need to tackle these predatory schemes.

Although 1 in 20 seniors in the U.S. is a target of fraud schemes, the National Adult Protective Services Association has found that only 1 in 44 seniors report that they are victims of a fraud scheme.

The Senior Fraud Advisory Office will address these low reportingrates by directing the FTC to educate seniors, families, and caregivers of the process for contacting law enforcement after being targeted in a fraud scheme.

It will also direct the FTC to help improve the nation's fraud response efforts by reforming FTC's complaint system as well as enhancing fraud surveillance through better coordination with law enforcement agencies.

The Senior Scams Prevention Advisory Group will bring together relevant government agencies, consumer advocates, and industry representatives to collect and develop model educational materials for retailers, financial institutions, and wire transfer companies to use in preventing scams on seniors.

The FTC will coordinate efforts to educate the public and even the employees of key industries who often find themselves on the front lines of anti-scamming activities, helping prevent fraud before it happens.

Mr. Speaker, we need to strengthen federal prevention efforts and ensure leaders in the public and private sectors are collaborating on effective safeguards.

I urge all members to join me in voting to pass H.R. 1215, the Fraud and Scam Reduction Act, which is critical to protecting seniors' hard-earned savings and stopping fraudulent schemes before it's too late.

504 MODERNIZATION AND SMALL MANUFACTURER ENHANCEMENT ACT OF 2021

SPEECH OF

HON. SHEILA JACKSON LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 2021

Ms. JACKSON LEE. Madam Speaker, I rise in support of H.R. 1490, the ''504 Modernization and Small Manufacturer Enhancement Act,'' which modifies the Small Business Administration (SBA) 504 Loan Program an opportunity to modernize and expand.

The SBA 504 Loan Program allows small businesses to access SBA financing through a certified development company (CDC) for expansion or modernization.

Specifically, the bill adds policy goals, at least one of which a CDC must demonstrate to be eligible for assistance.