

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4253

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IN THE SENATE OF THE UNITED STATES

DECEMBER 7, 2007

Received

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## AN ACT

To improve and expand small business assistance programs for veterans of the armed forces and military reservists, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
 3 “Military Reservist and Veteran Small Business Reau-  
 4 thorization and Opportunity Act of 2007”.

5 (b) TABLE OF CONTENTS.—The table of contents for  
 6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

TITLE I—VETERANS BUSINESS DEVELOPMENT

- Sec. 101. Increased funding for the Office of Veterans Business Development.
- Sec. 102. Interagency task force.
- Sec. 103. Permanent extension of SBA Advisory Committee on Veterans Business Affairs.
- Sec. 104. Office of Veterans Business Development.
- Sec. 105. Increasing the number of outreach centers.
- Sec. 106. Independent study on gaps in availability of outreach centers.

TITLE II—NATIONAL RESERVIST ENTERPRISE TRANSITION AND SUSTAINABILITY

- Sec. 201. Short title.
- Sec. 202. Purpose.
- Sec. 203. National Guard and Reserve business assistance.
- Sec. 204. Veterans Assistance and Services program.

TITLE III—RESERVIST PROGRAMS

- Sec. 301. Reservist programs.
- Sec. 302. Reservist loans.
- Sec. 303. Noncollateralized loans.
- Sec. 304. Loan priority.
- Sec. 305. Relief from time limitations for veteran-owned small businesses.
- Sec. 306. Service-disabled veterans.
- Sec. 307. Study on options for promoting positive working relations between employers and their Reserve Component employees.
- Sec. 308. Increased Veteran Participation Program.

7 **SEC. 2. DEFINITIONS.**

8 In this Act—

9 (1) the term “activated” means receiving an  
 10 order placing a Reservist on active duty;

1           (2) the term “active duty” has the meaning  
2 given that term in section 101 of title 10, United  
3 States Code;

4           (3) the terms “Administration” and “Adminis-  
5 trator” mean the Small Business Administration  
6 and the Administrator thereof, respectively;

7           (4) the term “Reservist” means a member of a  
8 reserve component of the Armed Forces, as de-  
9 scribed in section 10101 of title 10, United States  
10 Code;

11           (5) the term “Service Corps of Retired Execu-  
12 tives” means the Service Corps of Retired Execu-  
13 tives authorized by section 8(b)(1) of the Small  
14 Business Act (15 U.S.C. 637(b)(1));

15           (6) the terms “service-disabled veteran” and  
16 “small business concern” have the meaning as in  
17 section 3 of the Small Business Act (15 U.S.C.  
18 632);

19           (7) the term “small business development cen-  
20 ter” means a small business development center de-  
21 scribed in section 21 of the Small Business Act (15  
22 U.S.C. 648); and

23           (8) the term “women’s business center” means  
24 a women’s business center described in section 29 of  
25 the Small Business Act (15 U.S.C. 656).

1     **TITLE I—VETERANS BUSINESS**  
2                     **DEVELOPMENT**

3     **SEC. 101. INCREASED FUNDING FOR THE OFFICE OF VET-**  
4                     **ERANS BUSINESS DEVELOPMENT.**

5             (a) IN GENERAL.—There are authorized to be appro-  
6     priated to the Office of Veterans Business Development  
7     of the Administration, to remain available until ex-  
8     pended—

9                     (1) \$2,100,000 for fiscal year 2008; and

10                    (2) \$2,300,000 for fiscal year 2009.

11             (b) FUNDING OFFSET.—Amounts necessary to carry  
12     out subsection (a) shall be offset and made available  
13     through the reduction of the authorization of funding  
14     under section 20(e)(1)(B)(iv) of the Small Business Act  
15     (15 U.S.C. 631 note).

16             (c) SENSE OF CONGRESS.—It is the sense of Con-  
17     gress that any amounts provided pursuant to this section  
18     that are in excess of amounts provided to the Administra-  
19     tion for the Office of Veterans Business Development in  
20     fiscal year 2007, should be used to support Veterans Busi-  
21     ness Outreach Centers.

22     **SEC. 102. INTERAGENCY TASK FORCE.**

23             Section 32 of the Small Business Act (15 U.S.C.  
24     657b) is amended—

25                     (1) by redesignating subsection (c) as (f); and

1           (2) by inserting after subsection (b) the fol-  
2           lowing:

3           “(c) INTERAGENCY TASK FORCE.—

4           “(1) ESTABLISHMENT.—Not later than 90 days  
5           after the date of enactment of this subsection, the  
6           President shall establish an interagency task force to  
7           coordinate the efforts of Federal agencies necessary  
8           to increase capital and business development oppor-  
9           tunities for, and increase the award of Federal con-  
10          tracting and subcontracting opportunities to, small  
11          business concerns owned and controlled by service-  
12          disabled veterans and small business concerns owned  
13          and controlled by veterans (in this section referred  
14          to as the ‘task force’).

15          “(2) MEMBERSHIP.—The members of the task  
16          force shall include—

17                  “(A) the Administrator, who shall serve as  
18                  chairperson of the task force;

19                  “(B) a senior level representative from—

20                          “(i) the Department of Veterans Af-  
21                          fairs;

22                          “(ii) the Department of Defense;

23                          “(iii) the Administration (in addition  
24                          to the Administrator);

25                          “(iv) the Department of Labor;

1 “(v) the Department of the Treasury;

2 “(vi) the General Services Administra-  
3 tion; and

4 “(vii) the Office of Management and  
5 Budget; and

6 “(C) 4 representatives from a veterans  
7 service organization or military organization or  
8 association, selected by the President.

9 “(3) DUTIES.—The task force shall coordinate  
10 administrative and regulatory activities and develop  
11 proposals relating to—

12 “(A) increasing capital access and capacity  
13 of small business concerns owned and controlled  
14 by service-disabled veterans and small business  
15 concerns owned and controlled by veterans  
16 through loans, surety bonding, and franchising;

17 “(B) increasing access to Federal con-  
18 tracting and subcontracting for small business  
19 concerns owned and controlled by service-dis-  
20 abled veterans and small business concerns  
21 owned and controlled by veterans through ex-  
22 panded mentor-protégé assistance and matching  
23 such small business concerns with contracting  
24 opportunities;

1           “(C) increasing the integrity of certifi-  
2 cations of status as a small business concern  
3 owned and controlled by service-disabled vet-  
4 erans or a small business concern owned and  
5 controlled by veterans;

6           “(D) reducing paperwork and administra-  
7 tive burdens on veterans in accessing business  
8 development and entrepreneurship opportuni-  
9 ties;

10           “(E) increasing and improving training  
11 and counseling services provided to small busi-  
12 ness concerns owned and controlled by veterans;  
13 and

14           “(F) making other improvements relating  
15 to the support for veterans business develop-  
16 ment by the Federal Government.

17           “(4) REPORTING.—The task force shall submit  
18 an annual report regarding its activities and pro-  
19 posals to—

20           “(A) the Committee on Small Business  
21 and Entrepreneurship and the Committee on  
22 Veterans’ Affairs of the Senate; and

23           “(B) the Committee on Small Business  
24 and the Committee on Veterans’ Affairs of the  
25 House of Representatives.”.

1 **SEC. 103. PERMANENT EXTENSION OF SBA ADVISORY COM-**  
2 **MITTEE ON VETERANS BUSINESS AFFAIRS.**

3 (a) ASSUMPTION OF DUTIES.—Section 33 of the  
4 Small Business Act (15 U.S.C. 657c) is amended—

5 (1) by striking subsection (h); and

6 (2) by redesignating subsections (i) through (k)  
7 as subsections (h) through (j), respectively.

8 (b) PERMANENT EXTENSION OF AUTHORITY.—Sec-  
9 tion 203 of the Veterans Entrepreneurship and Small  
10 Business Development Act of 1999 (15 U.S.C. 657b note)  
11 is amended by striking subsection (h).

12 **SEC. 104. OFFICE OF VETERANS BUSINESS DEVELOPMENT.**

13 Section 32 of the Small Business Act (15 U.S.C.  
14 657b), as amended by section 102, is further amended by  
15 inserting after subsection (c) (as added by section 102)  
16 the following:

17 “(d) PARTICIPATION IN TAP WORKSHOPS.—

18 “(1) IN GENERAL.—The Associate Adminis-  
19 trator shall increase veteran outreach by ensuring  
20 that Veteran Business Outreach Centers regularly  
21 participate, on a nationwide basis, in the workshops  
22 of the Transition Assistance Program of the Depart-  
23 ment of Labor.

24 “(2) PRESENTATIONS.—In carrying out para-  
25 graph (1), a Center may provide grants to eligible  
26 entities located in Transition Assistance Program lo-

1 cations to make presentations on the opportunities  
2 available from the Administration for recently sepa-  
3 rating veterans. Each such presentation must in-  
4 clude, at a minimum, the entrepreneurial and busi-  
5 ness training resources available from the Adminis-  
6 tration.

7 “(3) WRITTEN MATERIALS.—The Associate Ad-  
8 ministrator of Veterans Business Development shall  
9 create written materials that provide comprehensive  
10 information on self-employment and veterans entre-  
11 preneurship, including information on Small Busi-  
12 ness Administration resources available for such top-  
13 ics, and shall make these materials available for in-  
14 clusion in the Transition Assistance Program man-  
15 ual.

16 “(4) REPORTS.—The Associate Administrator  
17 shall submit to Congress progress reports on the im-  
18 plementation of this subsection.

19 “(e) WOMEN VETERANS BUSINESS TRAINING RE-  
20 SOURCE PROGRAM.—The Associate Administrator shall  
21 establish a Women Veterans Business Training Resource  
22 Program. The program shall—

23 “(1) compile information on resources available  
24 to women veterans for business training, including  
25 resources for—

- 1           “(A) vocational and technical education;
- 2           “(B) general business skills, such as mar-
- 3           keting and accounting; and
- 4           “(C) business assistance programs targeted
- 5           to women veterans; and
- 6           “(2) disseminate the information through Vet-
- 7           eran Business Outreach Centers and women’s busi-
- 8           ness centers.”.

9   **SEC. 105. INCREASING THE NUMBER OF OUTREACH CEN-**  
10                   **TERS.**

11           The Administrator of the Small Business Administra-

12           tion shall use the authority in section 8(b)(17) of the

13           Small Business Act (15 U.S.C. 637(b)(17)) to ensure that

14           the number of Veterans Business Outreach Centers

15           throughout the United States increases—

16           (1) by at least 2, for each of fiscal years 2008

17           and 2009, in accordance with funding provided in

18           sections 101(a)(1) and (a)(2) of this Act; and

19           (2) by the number that the Administrator con-

20           siders appropriate, based on existing need, for each

21           fiscal year thereafter.

22   **SEC. 106. INDEPENDENT STUDY ON GAPS IN AVAILABILITY**  
23                   **OF OUTREACH CENTERS.**

24           The Administrator of the Small Business Administra-

25           tion shall sponsor an independent study on gaps in the

1 availability of Veterans Business Outreach Centers across  
2 the United States. The purpose of the study shall be to  
3 identify the gaps that do exist so as to inform decisions  
4 on funding and on the allocation and coordination of re-  
5 sources. Not later than 6 months after the date of the  
6 enactment of this Act, the Administrator shall submit to  
7 Congress a report on the results of the study.

8 **TITLE II—NATIONAL RESERVIST**  
9 **ENTERPRISE TRANSITION**  
10 **AND SUSTAINABILITY**

11 **SEC. 201. SHORT TITLE.**

12 This title may be cited as the “National Reservist  
13 Enterprise Transition and Sustainability Act of 2007”.

14 **SEC. 202. PURPOSE.**

15 The purpose of this title is to establish a program  
16 to—

17 (1) provide managerial, financial, planning, de-  
18 velopment, technical, and regulatory assistance to  
19 small business concerns owned and operated by Re-  
20 servists;

21 (2) provide managerial, financial, planning, de-  
22 velopment, technical, and regulatory assistance to  
23 the temporary heads of small business concerns  
24 owned and operated by Reservists;

1           (3) create a partnership between the Small  
2 Business Administration, the Department of De-  
3 fense, and the Department of Veterans Affairs to as-  
4 sist small business concerns owned and operated by  
5 Reservists;

6           (4) utilize the service delivery network of small  
7 business development centers, women’s business cen-  
8 ters, Veterans Business Outreach Centers, and cen-  
9 ters receiving funding from the National Veterans  
10 Business Development Corporation, and any other  
11 Veterans Business Assistance program which re-  
12 ceives federal funding, to expand the access of small  
13 business concerns owned and operated by Reservists  
14 to programs providing business management, devel-  
15 opment, financial, procurement, technical, regu-  
16 latory, and marketing assistance;

17           (5) utilize the service delivery network of small  
18 business development centers, women’s business cen-  
19 ters, Veterans Business Outreach Centers, and cen-  
20 ters receiving funding from the National Veterans  
21 Business Development Corporation, and any other  
22 Veterans Business Assistance program which re-  
23 ceives federal funding, to quickly respond to an acti-  
24 vation of Reservists that own and operate small  
25 business concerns; and

1           (6) utilize the service delivery network of small  
2           business development centers, women’s business cen-  
3           ters, Veterans Business Outreach Centers, and cen-  
4           ters receiving funding from the National Veterans  
5           Business Development Corporation, and any other  
6           Veterans Business Assistance program which re-  
7           ceives federal funding, to assist Reservists that own  
8           and operate small business concerns in preparing for  
9           future military activations.

10 **SEC. 203. NATIONAL GUARD AND RESERVE BUSINESS AS-**  
11 **SISTANCE.**

12           The Small Business Act (15 U.S.C. 631 et seq.) is  
13 amended—

14           (1) by redesignating section 37 (15 U.S.C. 631  
15           note) as section 38; and

16           (2) by inserting after section 36 the following:

17 **“SEC. 37. RESERVIST ENTERPRISE TRANSITION AND SUS-**  
18 **TAINABILITY.**

19           “(a) IN GENERAL.—The Administrator shall estab-  
20 lish a program to provide business planning assistance to  
21 small business concerns owned and operated by Reservists.

22           “(b) DEFINITIONS.—In this section—

23           “(1) the terms ‘activated’ and ‘activation’ mean  
24           having received an order placing a Reservists on ac-

1       tive duty, as defined by section 101(1) of title 10,  
2       United States Code;

3               “(2) the term ‘Administrator’ means the Ad-  
4       ministrator of the Small Business Administration,  
5       acting through the Associate Administrator for  
6       Small Business Development Centers;

7               “(3) the term ‘Association’ means the associa-  
8       tion established under section 21(a)(3)(A);

9               “(4) the term ‘eligible applicant’ means—

10                       “(A) a small business development center  
11                       that is accredited under section 21(k);

12                       “(B) a women’s business center;

13                       “(C) a Veterans Business Outreach Center  
14                       that receives funds from the Office of Veterans  
15                       Business Development;

16                       “(D) an information and assistance center  
17                       receiving funding from the National Veterans  
18                       Business Development Corporation under sec-  
19                       tion 33; or

20                       “(E) any other Veterans Business Assist-  
21                       ance program which receives federal funding;

22               “(5) the term ‘enterprise transition and sus-  
23       tainability assistance’ means assistance provided by  
24       an eligible applicant to a small business concern  
25       owned and operated by a Reservist, who has been

1 activated or is likely to be activated in the next 12  
2 months, to develop and implement a business strat-  
3 egy for the period while the owner is on active duty  
4 and 6 months after the date of the return of the  
5 owner;

6 “(6) the term ‘Reservist’ means any person who  
7 is—

8 “(A) a member of a reserve component of  
9 the Armed Forces, as defined by section 10101  
10 of title 10, United States Code; and

11 “(B) on active status, as defined by section  
12 101(d)(4) of title 10, United States Code;

13 “(7) the term ‘small business development cen-  
14 ter’ means a small business development center as  
15 described in section 21 of the Small Business Act  
16 (15 U.S.C. 648);

17 “(8) the term ‘State’ means each of the several  
18 States of the United States, the District of Colum-  
19 bia, the Commonwealth of Puerto Rico, the Virgin  
20 Islands, American Samoa, and Guam; and

21 “(9) the term ‘women’s business center’ means  
22 a women’s business center described in section 29 of  
23 the Small Business Act (15 U.S.C. 656).

24 “(c) AUTHORITY.—The Administrator may award  
25 grants, in accordance with the regulations developed under

1 subsection (d), to eligible applicants to assist small busi-  
2 ness concerns owned and operated by Reservists by—

3 “(1) providing management, development, fi-  
4 nancing, procurement, technical, regulatory, and  
5 marketing assistance;

6 “(2) providing access to information and re-  
7 sources, including Federal and State business assist-  
8 ance programs;

9 “(3) distributing contact information provided  
10 by the Department of Defense regarding activated  
11 Reservists to corresponding State directors;

12 “(4) offering free, one-on-one, in-depth coun-  
13 seling regarding management, development, financ-  
14 ing, procurement, regulations, and marketing;

15 “(5) assisting in developing a long-term plan  
16 for possible future activation; and

17 “(6) providing enterprise transition and sus-  
18 tainability assistance.

19 “(d) OTHER FEDERAL DEPARTMENTS AND AGEN-  
20 CIES.—The Administrator shall make available informa-  
21 tional materials established by this section to other Fed-  
22 eral departments and agencies for their own internal pro-  
23 grams.

24 “(e) RULEMAKING.—

1           “(1) IN GENERAL.—The Administrator, in con-  
2           sultation with the Association and after notice and  
3           an opportunity for comment, shall promulgate regu-  
4           lations to carry out this section.

5           “(2) DEADLINE.—The Administrator shall pro-  
6           mulgate final regulations not later than 180 days of  
7           the date of enactment of the Military Reservist and  
8           Veteran Small Business Reauthorization and Oppor-  
9           tunity Act of 2007.

10           “(3) CONTENTS.—The regulations developed by  
11           the Administrator under this subsection shall estab-  
12           lish—

13                   “(A) procedures for identifying, in con-  
14                   sultation with the Secretary of Defense, States  
15                   that have had a recent activation of Reservists;

16                   “(B) priorities for the types of assistance  
17                   to be provided under the program authorized by  
18                   this section;

19                   “(C) standards relating to educational,  
20                   technical, and support services to be provided  
21                   by a grantee;

22                   “(D) standards relating to any national  
23                   service delivery and support function to be pro-  
24                   vided by a grantee;

1           “(E) standards relating to any work plan  
2           that the Administrator may require a grantee  
3           to develop; and

4           “(F) standards relating to the educational,  
5           technical, and professional competency of any  
6           expert or other assistance provider to whom a  
7           small business concern may be referred for as-  
8           sistance by a grantee.

9           “(f) APPLICATION.—

10           “(1) IN GENERAL.—Each eligible applicant de-  
11           siring a grant under this section shall submit an ap-  
12           plication to the Administrator at such time, in such  
13           manner, and accompanied by such information as  
14           the Administrator may reasonably require.

15           “(2) CONTENTS.—Each application submitted  
16           under paragraph (1) shall describe—

17           “(A) the activities for which the applicant  
18           seeks assistance under this section; and

19           “(B) how the applicant plans to allocate  
20           funds within its network.

21           “(g) AWARD OF GRANTS.—

22           “(1) DEADLINE.—The Administrator shall  
23           award grants not later than 60 days after the pro-  
24           mulgation of final rules and regulations under sub-  
25           section (e).

1           “(2) AMOUNT.—Each eligible applicant award-  
2           ed a grant under this section shall receive a grant  
3           in an amount not greater than \$300,000 per fiscal  
4           year.

5           “(h) REPORT.—

6           “(1) IN GENERAL.—The Comptroller General of  
7           the United States shall—

8                   “(A) initiate an evaluation of the program  
9                   not later than 30 months after the disburse-  
10                  ment of the first grant under this section; and

11                  “(B) submit a report not later than 6  
12                  months after the initiation of the evaluation  
13                  under paragraph (1) to—

14                           “(i) the Administrator;

15                           “(ii) the Committee on Small Busi-  
16                           ness and Entrepreneurship of the Senate;  
17                           and

18                           “(iii) the Committee on Small Busi-  
19                           ness of the House of Representatives.

20           “(2) CONTENTS.—The report under paragraph  
21           (1) shall—

22                   “(A) address the results of the evaluation  
23                   conducted under paragraph (1); and

1           “(B) recommend changes to law, if any,  
2           that it believes would be necessary or advisable  
3           to achieve the goals of this section.

4           “(i) AUTHORIZATION OF APPROPRIATIONS.—

5           “(1) IN GENERAL.—There are authorized to be  
6           appropriated to carry out this section—

7           “(A) \$5,000,000 for the first fiscal year  
8           beginning after the date of enactment of the  
9           Military Reservist and Veteran Small Business  
10          Reauthorization and Opportunity Act of 2007;  
11          and

12          “(B) \$5,000,000 for the fiscal year fol-  
13          lowing the fiscal year described in subparagraph  
14          (A).

15          “(2) FUNDING OFFSET.—Amounts necessary to  
16          carry out this section shall be offset and made avail-  
17          able through the reduction of the authorization of  
18          funding under section 20(e)(1)(B)(iv) of the Small  
19          Business Act (15 U.S.C. 631 note).”.

20 **SEC. 204. VETERANS ASSISTANCE AND SERVICES PRO-**  
21 **GRAM.**

22          Section 21 of the Small Business Act (15 U.S.C. 648)  
23 is amended by adding at the end the following:

24          “(n) VETERANS ASSISTANCE AND SERVICES PRO-  
25 GRAM.—

1           “(1) IN GENERAL.—A Small Business Develop-  
2           ment Center may apply for an additional grant to  
3           carry out a veterans assistance and services pro-  
4           gram.

5           “(2) ELEMENTS OF PROGRAM.—Under a pro-  
6           gram under paragraph (1), the Center shall—

7                   “(A) create a marketing campaign to pro-  
8                   mote awareness and education of the services of  
9                   the Center that are available to veterans, and to  
10                  target the campaign toward veterans, disabled  
11                  veterans, military units, Federal agencies, and  
12                  veterans organizations;

13                   “(B) use technology-assisted online coun-  
14                   seling and distance learning technology to over-  
15                   come the impediments to entrepreneurship  
16                   faced by veterans and members of the Armed  
17                   Forces; and

18                   “(C) increase coordination among organi-  
19                   zations that assist veterans, including by estab-  
20                   lishing virtual integration of service providers  
21                   and offerings for a one-stop point of contact for  
22                   veterans who are entrepreneurs or small busi-  
23                   ness owners.

24           “(3) MINIMUM AMOUNT.—Each grant under  
25           this subsection shall be for at least \$75,000.

1           “(4) **MAXIMUM AMOUNT.**—A grant under this  
2 subsection may not exceed \$250,000.

3           “(5) **FUNDING.**—Subject to amounts approved  
4 in advance in appropriations Acts, the Administra-  
5 tion may make grants or enter into cooperative  
6 agreements to carry out the provisions of this sub-  
7 section.”.

## 8           **TITLE III—RESERVIST** 9           **PROGRAMS**

### 10 **SEC. 301. RESERVIST PROGRAMS.**

11           (a) **APPLICATION PERIOD.**—Section 7(b)(3)(C) of the  
12 Small Business Act (15 U.S.C. 636(b)(3)(C)) is amend-  
13 ed—

14           (1) by striking “90 days” and inserting “1  
15 year”; and

16           (2) by adding at the end the following: “The  
17 Administrator may, when appropriate (as deter-  
18 mined by the Administrator), waive the ending date  
19 specified in the preceding sentence and provide a  
20 later ending date.”.

21           (b) **PRE-CONSIDERATION PROCESS.**—

22           (1) **DEFINITION.**—In this subsection, the term  
23 “eligible Reservist” means a Reservist who—

24           (A) has not been ordered to active duty;

1 (B) expects to be ordered to active duty  
2 during a period of military conflict; and

3 (C) can reasonably demonstrate that the  
4 small business concern for which that Reservist  
5 is a key employee will suffer economic injury in  
6 the absence of that Reservist.

7 (2) ESTABLISHMENT.—Not later than 6  
8 months after the date of enactment of this Act, the  
9 Administrator shall establish a pre-consideration  
10 process, under which the Administrator—

11 (A) may collect all relevant materials nec-  
12 essary for processing a loan to a small business  
13 concern under section 7(b)(3) of the Small  
14 Business Act (15 U.S.C. 636(b)(3)) before an  
15 eligible Reservist employed by that small busi-  
16 ness concern is activated; and

17 (B) shall distribute funds for any loan ap-  
18 proved under subparagraph (A) if that eligible  
19 Reservist is activated.

20 (c) OUTREACH AND TECHNICAL ASSISTANCE PRO-  
21 GRAM.—

22 (1) IN GENERAL.—Not later than 6 months  
23 after the date of enactment of this Act, the Adminis-  
24 trator, in consultation with the Secretary of Vet-  
25 erans Affairs and the Secretary of Defense, shall de-

1       velop a comprehensive outreach and technical assist-  
2       ance program (in this subsection referred to as the  
3       “program”) to—

4               (A) market the loans available under sec-  
5       tion 7(b)(3) of the Small Business Act (15  
6       U.S.C. 636(b)(3)) to Reservists, and family  
7       members of Reservists, that are on active duty  
8       and that are not on active duty; and

9               (B) provide technical assistance to a small  
10       business concern applying for a loan under that  
11       section.

12       (2) COMPONENTS.—The program shall—

13               (A) incorporate appropriate websites main-  
14       tained by the Administration, the Department  
15       of Veterans Affairs, and the Department of De-  
16       fense; and

17               (B) require that information on the pro-  
18       gram is made available to small business con-  
19       cerns directly through—

20                       (i) the district offices and resource  
21       partners of the Administration, including  
22       small business development centers, wom-  
23       en’s business centers, and the Service  
24       Corps of Retired Executives; and

1 (ii) other Federal agencies, including  
2 the Department of Veterans Affairs and  
3 the Department of Defense.

4 (3) REPORT.—

5 (A) IN GENERAL.—Not later than 6  
6 months after the date of enactment of this Act,  
7 and every 6 months thereafter until the date  
8 that is 30 months after such date of enactment,  
9 the Administrator shall submit to Congress a  
10 report on the status of the program.

11 (B) CONTENTS.—Each report submitted  
12 under subparagraph (A) shall include—

13 (i) for the 6-month period ending on  
14 the date of that report—

15 (I) the number of loans approved  
16 under section 7(b)(3) of the Small  
17 Business Act (15 U.S.C. 636(b)(3));

18 (II) the number of loans dis-  
19 bursed under that section; and

20 (III) the total amount disbursed  
21 under that section; and

22 (ii) recommendations, if any, to make  
23 the program more effective in serving small  
24 business concerns that employ Reservists.

1 **SEC. 302. RESERVIST LOANS.**

2 (a) IN GENERAL.—Section 7(b)(3)(E) of the Small  
3 Business Act (15 U.S.C. 636(b)(3)(E)) is amended by  
4 striking “\$1,500,000” each place such term appears and  
5 inserting “\$2,000,000”.

6 (b) LOAN INFORMATION.—

7 (1) IN GENERAL.—The Administrator and the  
8 Secretary of Defense shall develop a joint website  
9 and printed materials providing information regard-  
10 ing any program for small business concerns that is  
11 available to veterans or Reservists.

12 (2) MARKETING.—The Administrator is author-  
13 ized—

14 (A) to advertise and promote the program  
15 under section 7(b)(3) of the Small Business Act  
16 jointly with the Secretary of Defense and vet-  
17 erans’ service organizations; and

18 (B) to advertise and promote participation  
19 by lenders in such program jointly with trade  
20 associations for banks or other lending institu-  
21 tions.

22 **SEC. 303. NONCOLLATERALIZED LOANS.**

23 Section 7(b)(3) of the Small Business Act (15 U.S.C.  
24 636(b)(3)) is amended by adding at the end the following:

25 “(G)(i) Notwithstanding any other provi-  
26 sion of law, the Administrator may make a loan

1 under this paragraph of not more than \$50,000  
2 without collateral.

3 “(ii) The Administrator may defer pay-  
4 ment of principal and interest on a loan de-  
5 scribed in clause (i) during the longer of—

6 “(I) the 1-year period beginning on  
7 the date of the initial disbursement of the  
8 loan; and

9 “(II) the period during which the rel-  
10 evant essential employee is on active  
11 duty.”.

12 **SEC. 304. LOAN PRIORITY.**

13 Section 7(b)(3) of the Small Business Act (15 U.S.C.  
14 636(b)(3)), as amended by this Act, is amended by adding  
15 at the end the following:

16 “(H) The Administrator shall give priority  
17 to any application for a loan under this para-  
18 graph and shall process and make a determina-  
19 tion regarding such applications prior to proc-  
20 essing or making a determination on other loan  
21 applications under this subsection, on a rolling  
22 basis.”.

1 **SEC. 305. RELIEF FROM TIME LIMITATIONS FOR VETERAN-**  
2 **OWNED SMALL BUSINESSES.**

3 Section 3(q) of the Small Business Act (15 U.S.C.  
4 632(q)) is amended by adding at the end the following:

5 “(5) RELIEF FROM TIME LIMITATIONS.—

6 “(A) IN GENERAL.—Any time limitation  
7 on any qualification, certification, or period of  
8 participation imposed under this Act on any  
9 program that is not subject to the Federal  
10 Credit Reform Act of 1990 (2 U.S.C. 661 et  
11 seq.) and is available to small business concerns  
12 shall be extended for a small business concern  
13 that—

14 “(i) is owned and controlled by—

15 “(I) a veteran who was called or  
16 ordered to active duty under a provi-  
17 sion of law specified in section  
18 101(a)(13)(B) of title 10, United  
19 States Code, on or after September  
20 11, 2001; or

21 “(II) a service-disabled veteran  
22 who became such a veteran due to an  
23 injury or illness incurred or aggra-  
24 vated in the active military, naval, or  
25 air service during a period of active  
26 duty pursuant to a call or order to ac-

1                   tive duty under a provision of law re-  
2                   ferred to in subclause (I) on or after  
3                   September 11, 2001; and

4                   “(ii) was subject to the time limitation  
5                   during such period of active duty.

6                   “(B) DURATION.—Upon submission of  
7                   proper documentation to the Administrator, the  
8                   extension of a time limitation under subpara-  
9                   graph (A) shall be equal to the period of time  
10                  that such veteran who owned or controlled such  
11                  a concern was on active duty as described in  
12                  that subparagraph.

13                  “(C) EXCEPTION FOR PROGRAMS SUBJECT  
14                  TO FEDERAL CREDIT REFORM ACT OF 1990.—  
15                  The provisions of subparagraphs (A) and (B)  
16                  shall not apply to any programs subject to the  
17                  Federal Credit Reform Act of 1990 (2 U.S.C.  
18                  661 et seq.).”.

19 **SEC. 306. SERVICE-DISABLED VETERANS.**

20                  Not later than 180 days after the date of enactment  
21                  of this Act, the Comptroller General of the United States  
22                  shall submit to the Committee on Small Business and En-  
23                  trepreneurship of the Senate and the Committee on Small  
24                  Business of the House of Representatives a report describ-  
25                  ing—

1           (1) the types of assistance needed by service-  
2           disabled veterans who wish to become entrepreneurs;  
3           and

4           (2) any resources that would assist such serv-  
5           ice-disabled veterans.

6 **SEC. 307. STUDY ON OPTIONS FOR PROMOTING POSITIVE**  
7                   **WORKING RELATIONS BETWEEN EMPLOYERS**  
8                   **AND THEIR RESERVE COMPONENT EMPLOY-**  
9                   **EES.**

10           (a) **STUDY REQUIRED.**—The Comptroller General of  
11 the United States shall conduct a study on options for pro-  
12 moting positive working relations between employers and  
13 Reserve component employees of such employers, includ-  
14 ing assessing options for improving the time in which em-  
15 ployers of Reservists are notified of the call or order of  
16 such members to active duty other than for training.

17           (b) **REPORT.**—

18           (1) **IN GENERAL.**—Not later than 180 days  
19 after the date of enactment of this Act, the Comp-  
20 troller General of the United States shall submit to  
21 the appropriate committees of Congress a report on  
22 the study conducted under subsection (a).

23           (2) **CONTENTS.**—The report submitted under  
24 paragraph (1) shall—

1 (A) provide a quantitative and qualitative  
2 assessment of—

3 (i) what measures, if any, are being  
4 taken to inform Reservists of the obliga-  
5 tions and responsibilities of such members  
6 to their employers;

7 (ii) how effective such measures have  
8 been; and

9 (iii) whether there are additional  
10 measures that could be taken to promote  
11 positive working relations between Reserv-  
12 ists and their employers, including any  
13 steps that could be taken to ensure that  
14 employers are timely notified of a call to  
15 active duty; and

16 (B) assess whether there has been a reduc-  
17 tion in the hiring of Reservists by business con-  
18 cerns because of—

19 (i) any increase in the use of Reserv-  
20 ists after September 11, 2001; or

21 (ii) any change in any policy of the  
22 Department of Defense relating to Reserv-  
23 ists after September 11, 2001.

1 (c) APPROPRIATE COMMITTEES OF CONGRESS DE-  
2 FINED.—In this section, the term “appropriate commit-  
3 tees of Congress” means—

4 (1) the Committee on Armed Services and the  
5 Committee on Small Business and Entrepreneurship  
6 of the Senate; and

7 (2) the Committee on Armed Services and the  
8 Committee on Small Business of the House of Rep-  
9 resentatives.

10 **SEC. 308. INCREASED VETERAN PARTICIPATION PROGRAM.**

11 (a) IN GENERAL.—Section 7(a) of the Small Busi-  
12 ness Act (15 U.S.C. 636(a)) is amended by adding at the  
13 end the following:

14 “(32) INCREASED VETERAN PARTICIPATION  
15 PROGRAM.—The Administrator shall carry out an  
16 Increased Veteran Participation Program. For a  
17 loan made under this paragraph, the following shall  
18 apply:

19 “(A) The loan shall be made to a business  
20 concern the majority ownership interest of  
21 which is directly held by individuals who are  
22 veterans of the Armed Forces or members of  
23 the reserve components of the Armed Forces.

24 “(B) The loan shall include the participa-  
25 tion by the Administration equal to 90 percent

