

SMALL BUSINESS ACT

(1) (A) PURPOSES. The purposes of the Microloan Program are—

(i)<sup>221</sup> to assist women, low-income, veteran (within the meaning of such term under section 3(q)),<sup>222</sup> and minority entrepreneurs and business owners, and other such individuals possessing the capability to operate successful business concerns; and

(ii) to assist small business concerns in those areas suffering from a lack of credit due to economic downturns;

(iii) to establish a microloan program to be administered by the Small Business Administration--

(I) to make loans to eligible intermediaries to enable such intermediaries to provide small-scale loans, particularly loans in amounts averaging not more than \$10,000,<sup>223</sup> to startup, newly established, or growing small business concerns for working capital or the acquisition of materials, supplies, or equipment;

(II) to make grants to eligible intermediaries that, together with non-Federal matching funds, will enable such intermediaries to provide intensive marketing, management, and technical assistance to microloan borrowers;

(III) to make grants to eligible nonprofit entities that, together with non-Federal matching funds, will enable such entities to provide intensive marketing, management, and technical assistance to assist low-income entrepreneurs and other low-income individuals obtain private sector financing for their businesses, with or without loan guarantees; and

(IV) to report to the Committees on Small Business of the Senate and the House of Representatives on the effectiveness of the microloan program and the advisability and feasibility of implementing such a program; and

(iv)<sup>224</sup> to establish a welfare-to-work microloan initiative, which shall be administered by the Administration, in order to test the feasibility of

Welfare-to-work initiative.

<sup>221</sup> Paragraph 7(m)(1)(A)(i) rewritten slightly by § 113(a)(1)(A) of PL 102-366, approved Sept. 4, 1992 (106 Stat. 989). Section 114 of PL 102-366 provides that "[N]ot later than 45 days after the date of enactment of this Act, the Small Business Administration shall promulgate interim final regulations to implement the amendments made by this subtitle."

<sup>222</sup> The reference to veterans was added by § 403 of P.L. 106-50, approved August 17, 1999 (113 Stat. 246).

<sup>223</sup> The clause within the commas added by § 113(a)(1)(B) of PL 102-366, approved Sept. 4, 1992 (106 Stat. 989). The amount was changed from \$7,500 by § 210(a)(2) of P.L. 106-554, approved Dec. 21, 2000 (114 Stat. 2763).

<sup>224</sup> New clause 7(m)(1)(A)(iv) added by § 202(a)(1)(C) of P.L. 105-135, approved Dec. 2, 1997 (111 Stat. 2598).

supplementing the technical assistance grants provided under clauses (ii) and (iii) of <sup>§ 7(m)(1)(A)(iv)(D) to</sup> subparagraph (B) to individuals who are receiving assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or under any comparable State funded means tested program of assistance for low-income individuals, in order to adequately assist those individuals in—

- (I) establishing small businesses; and
- (II) eliminating their dependence on that assistance.