

(d) Maturity

Any loan made under this section shall have a maturity not exceeding twenty years.

(e) Soundness of loan; security

Any loan made under this section shall be of such sound value, or so secured, as reasonably to assure repayment.

(f) Extension or renewal

Any company which has made a loan to a small-business concern under this section is authorized to extend the maturity of or renew such loan for additional periods, not exceeding ten years, if the company finds that such extension or renewal will aid in the orderly liquidation of such loan.

(Pub. L. 85-699, title III, §305, Aug. 21, 1958, 72 Stat. 693; Pub. L. 87-341, §6, Oct. 3, 1961, 75 Stat. 753; Pub. L. 94-305, title I, §105, June 4, 1976, 90 Stat. 666; Pub. L. 102-366, title IV, §411, Sept. 4, 1992, 106 Stat. 1018.)

REFERENCES IN TEXT

For definition of "this chapter", referred to in subsec. (c), see References in Text note set out under section 661 of this title.

AMENDMENTS

1992—Subsec. (c). Pub. L. 102-366 inserted before period at end "": *Provided*, That the Administration also shall permit those companies which have issued debentures pursuant to this chapter to charge a maximum rate of interest based upon the coupon rate of interest on the outstanding debentures, determined on an annual basis, plus such other expenses of the company as may be approved by the Administration".

1976—Subsec. (b). Pub. L. 94-305 struck out provision that in agreements to participate in loans on a deferred basis, the participation by the company shall not be in excess of 90 percentum of the balance of the loan outstanding at the time of disbursement.

1961—Subsec. (b). Pub. L. 87-341 substituted "other lenders, incorporated or unincorporated" for "other lending institutions".

EFFECT OF SMALL BUSINESS EQUITY ENHANCEMENT ACT OF 1992 ON SECURITIES LAWS

Nothing in amendment by Pub. L. 102-366 to be construed to affect applicability of securities laws or to otherwise supersede or limit jurisdiction of Securities and Exchange Commission, see section 418 of Pub. L. 102-366, set out as a note under section 661 of this title.

§ 686. Aggregate limitations on amount of assistance to any single enterprise**(a) Percentage limitation of private capital**

If any small business investment company has obtained financing from the Administration and such financing remains outstanding, the aggregate amount of obligations and securities acquired and for which commitments may be issued by such company under the provisions of this subchapter for any single enterprise shall not exceed 20 per centum of the private capital of such company, without the approval of the Administration.

(b) Repealed. Pub. L. 92-595, §2(f), Oct. 27, 1972, 86 Stat. 1316**(c) Application of provisions to commitments incurred prior to effective date of section**

With respect to obligations or securities acquired prior to the effective date of the Small

Business Investment Act Amendments of 1967, and with respect to legally binding commitments issued prior to such date, the provisions of this section as in effect immediately prior to such effective date shall continue to apply.

(Pub. L. 85-699, title III, §306, Aug. 21, 1958, 72 Stat. 694; Pub. L. 87-341, §7(a), Oct. 3, 1961, 75 Stat. 753; Pub. L. 88-273, §4, Feb. 28, 1964, 78 Stat. 146; Pub. L. 90-104, title II, §207, Oct. 11, 1967, 81 Stat. 271; Pub. L. 92-595, §2(f), Oct. 27, 1972, 86 Stat. 1316; Pub. L. 102-366, title IV, §408(a), Sept. 4, 1992, 106 Stat. 1016.)

REFERENCES IN TEXT

For effective date of the Small Business Investment Act Amendments of 1967, referred to in subsec. (c), see Effective Date of 1967 Amendment note set out under section 681 of this title.

AMENDMENTS

1992—Subsec. (a). Pub. L. 102-366 amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: "Without the approval of the Administration, the aggregate amount of obligations and securities acquired and for which commitments may be issued by any small business investment company under the provisions of this chapter for any single enterprise shall not exceed 20 percent of the combined private paid-in capital and paid-in surplus of such company."

1972—Subsec. (a). Pub. L. 92-595, §2(f)(1), substituted "combined private paid-in capital" for "combined paid-in capital".

Subsec. (b). Pub. L. 92-595, §2(f)(2), repealed subsec. (b) which enumerated the items making up the combined paid-in capital and paid-in surplus of companies licensed prior to January 1, 1968.

1967—Subsec. (a). Pub. L. 90-104 substituted "paid-in capital and paid-in surplus of such company" for "capital and surplus of such small business investment company authorized by this chapter".

Subsecs. (b), (c). Pub. L. 90-104 added subsecs. (b) and (c).

1964—Pub. L. 88-273 struck out the \$500,000 limitation on amount of assistance to any single enterprise.

1961—Pub. L. 87-341 inserted "or (2) \$500,000, whichever is the lesser".

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-104 effective Jan. 1, 1968, see section 211 of Pub. L. 90-104, set out as a note under section 681 of this title.

EFFECTIVE DATE OF 1961 AMENDMENT

Section 7(b) of Pub. L. 87-341 provided that: "The amendment made by subsection (a) [amending this section] shall apply only with respect to obligations and securities acquired by a small business investment company on or after the date of the enactment of this Act [Oct. 3, 1961]; except that such amendment shall not apply with respect to any obligations or securities so acquired pursuant to a commitment issued before such date."

EFFECT OF SMALL BUSINESS EQUITY ENHANCEMENT ACT OF 1992 ON SECURITIES LAWS

Nothing in amendment by Pub. L. 102-366 to be construed to affect applicability of securities laws or to otherwise supersede or limit jurisdiction of Securities and Exchange Commission, see section 418 of Pub. L. 102-366, set out as a note under section 661 of this title.

§ 687. Operation and regulation of companies**(a) Cooperation with banks and other financial institutions**

Wherever practicable the operations of a small business investment company, including the