

Mr. Speaker, I urge the adoption of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mrs. KELLY. Mr. Speaker, I yield myself such time as I may consume and strongly urge passage of H.R. 2614.

Ms. MILLENDER-McDONALD. Mr. Speaker, I would like to rise in support of H.R. 2614, the Certified Development Company Loan Program.

This bill will ensure a greater access to capital for potential business owners. By providing this access, this will allow our economy to continue to grow and ensure future prosperity for the country. H.R. 2614 makes a number of necessary changes to the Small Business Administration's (SBA) 504 loan program.

H.R. 2614 allows more businesses to have access to loans. It is clear that access to loans gives business owners access to opportunities. In addition, by increasing the debenture size, we will allow Certified Development Companies (CDCs) to make more loans.

H.R. 2614 increases opportunities for business owned by women. Based on statistics, women-owned businesses contribute more than \$2.38 Trillion annually in revenues to the economy, which is more than the gross domestic product of most countries. Women owned businesses also employ one out of every five workers in the United States, which is a total of 18.5 million employees. Based on these facts, women must have adequate access to capital through loans.

Mr. Speaker, we must ensure that the 504 loan program remains solvent. The 504 program is a self-sufficient program which is driven by the market. Through the reauthorization of fees, we can ensure the solvency of the program. We also have a responsibility to make the 504 program more efficient. Under the Premier Certified Lender Program, specific experienced CDC's are granted the authority to approve debentures without SBA involvement. In return, the lenders agree to reimburse the SBA 10% of any loss on a debenture guaranteed by the SBA. By making the Premier Certified Lender Program permanent, the 504 program will be more efficient.

The 504 loan program must properly serve the borrower. The current loan liquidation program has been successful in ensuring that the 504 program works for borrowers. Loan liquidation is the most expensive portion of the 504 program. Through the involvement of the CDC, which has resulted in a higher response rate, the overall costs are lowered for the program. By lowering the cost of the program, businesses will have access to reduced rates on loans, which will lower expenses to small businesses.

H.R. 2614 is good for borrowers and small businesses and is therefore good for our economy. We should vote in favor of H.R. 2614 and expand opportunities for small business owners.

Mrs. KELLY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentlewoman from New York (Mrs. KELLY) that the House suspend the rules and pass the bill, H.R. 2614.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING SMALL BUSINESS ACT TO MAKE IMPROVEMENTS IN GENERAL BUSINESS LOAN PROGRAM

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2615) to amend the Small Business Act to make improvements to the general business loan program, and for other purposes.

The Clerk read as follows:

H.R. 2615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LEVELS OF PARTICIPATION.

Section 7(a)(2)(A) of the Small Business Act (15 U.S.C. 636(a)(2)(A)) is amended—

(1) in paragraph (i) by striking "\$100,000" and inserting "\$150,000"; and

(2) in paragraph (ii) by striking "\$100,000" and inserting "\$150,000".

SEC. 2. LOAN AMOUNTS.

Section 7(a)(3)(A) of the Small Business Act (15 U.S.C. 636(a)(3)(A)) is amended by striking "\$750,000," and inserting, "\$1,000,000 (or if the gross loan amount would exceed \$2,000,000)."

SEC. 3. INTEREST ON DEFAULTED LOANS.

Subparagraph (B) of section 7(a)(4) of the Small Business Act (15 U.S.C. 636(a)(4)) is amended by adding at the end the following:

"(iii) APPLICABILITY.—Clauses (i) and (ii) shall not apply to loans made on or after October 1, 1999."

SEC. 4. PREPAYMENT OF LOANS.

(a) IN GENERAL.—Section 7(a)(4) of the Small Business Act (15 U.S.C. 636(a)(4)) is amended—

(1) by striking "(4) INTEREST RATES AND FEES.—" and inserting "(4) INTEREST RATES AND PREPAYMENT CHARGES.—"; and

(2) by adding at the end the following:

"(C) PREPAYMENT CHARGES.—

"(i) IN GENERAL.—A borrower who prepays any loan guaranteed under this subsection shall remit to the Administration a subsidy recoupment fee calculated in accordance with clause (ii) if—

"(I) the loan is for a term of not less than 15 years;

"(II) the prepayment is voluntary;

"(III) the amount of prepayment in any calendar year is more than 25 percent of the outstanding balance of the loan; and

"(IV) the prepayment is made within the first 3 years after disbursement of the loan proceeds.

"(ii) SUBSIDY RECOUPMENT FEE.—The subsidy recoupment fee charged under clause (i) shall be—

"(I) 5% of the amount of prepayment, if the borrower prepays during the first year after disbursement;

"(II) 3% of the amount of prepayment, if the borrower prepays during the 2nd year after disbursement; and

"(III) 1% of the amount of prepayment, if the borrower prepays during the 3rd year after disbursement."

SEC. 5. GUARANTEE FEES.

Section 7(a)(18)(B) of the Small Business Act (15 U.S.C. 636(a)(18)(B)) is amended to read as follows:

"(B) EXCEPTION FOR CERTAIN LOANS.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), if the total deferred participation share of a loan guaranteed under this subsection is less than or equal to \$120,000, the guarantee fee collected under subparagraph (A) shall be in an amount equal to 2 percent of the total deferred participation share of the loan.

"(ii) RETENTION OF FEES.—Lenders participating in the programs established under this subsection may retain not more than 25 percent of the fee collected in accordance with this subparagraph with respect to any loan not exceeding \$150,000 in gross loan amount."

SEC. 6. LEASE TERMS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is further amended by adding at the end the following:

"(28) LEASING.—In addition to such other lease arrangements as may be authorized by the Administration, a borrower may permanently lease to 1 or more tenants not more than 20 percent of any property constructed with the proceeds of a loan guaranteed under this subsection, if the borrower permanently occupies and uses not less than 60 percent of the total business space in the property."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. TALENT) and the gentleman from Illinois (Mr. MANZULLO), as a Member opposed to the bill, each will control 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. TALENT).

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that the time in support of H.R. 2615 be equally divided between myself and the gentleman from Missouri (Mr. TALENT).

Mr. TALENT. Mr. Speaker, reserving the right to object, and I will not object, I would just join the gentlewoman in her unanimous consent request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Does the gentleman from Missouri (Mr. TALENT) seek to yield half his time to the gentlewoman from New York (Ms. VELÁZQUEZ)?

Mr. TALENT. Yes, Mr. Speaker. It was my intention to yield the time to the gentlewoman, and I join her in her unanimous consent request.

The SPEAKER pro tempore. The Chair understands the 20 minutes in favor of the bill will be divided equally, so that the gentleman from Missouri (Mr. TALENT) has 10 minutes and the gentlewoman from New York (Ms. VELÁZQUEZ) has 10 minutes.

Without objection, the gentleman from Missouri (Mr. TALENT) is recognized.

There was no objection.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2615, a bill to amend the Section 7(a) loan program at the Small Business Administration. I want to start by thanking my colleague, the gentlewoman from New York (Ms. VELÁZQUEZ), the ranking Democrat on the committee, for her assistance in crafting this bill. Her help has been invaluable, and I thank her on behalf of myself and the small business community as a whole.

Mr. Speaker, the 7(a) general business loan program provides over \$9 billion of financial assistance to small businesses every year. The bill before us, H.R. 2615, will improve this program and make it more responsive to the needs of small businesses.

Allow me to briefly describe the proposed changes to the 7(a) program contained in H.R. 2615. First, the maximum guarantee amount of a 7(a) loan program is increased to \$1 million from the 1988 limit of \$750,000 in order to keep pace with inflation. In fact, Mr. Speaker, to fully keep pace with inflation, the maximum guarantee amount should be increased to approximately \$1,250,000. The committee believes a simple increase to \$1 million is sufficient and has not gone further.

Second, H.R. 2615 removes a provision which reduced SBA's liability for accrued interest on defaulted loans since the provision's intended savings have failed to materialize.

The third change to the 7(a) program concerns the problem of early repayment of large loans, which is jeopardizing the subsidy rate supporting the program. H.R. 2615 will remedy this problem by assessing the fee to the borrower for prepayment of any loan with a term in excess of 15 years within the first 3 years after disbursement.

The committee believes this increase in prepayments is due to a variety of factors. There have been some instances of misuse by the program by businesses seeking bridge financing. There have also been cases where, due to the strong economy, lenders have approached borrowers offering improved terms, effectively skimming loans, and avoiding the need to process credit analyses. This removes authorization dollars from the program which could have been used for other loans and is a disservice to both the small business borrowers and the 7(a) lenders. Both parties work to put financing packages together at the cost of both time and money.

H.R. 2615 also includes three changes designed to encourage the making of smaller loans. The 80 percent guarantee rate will be expanded from loans under \$100,000 to loans under \$150,000. Likewise, the 2 percent guarantee fee will now apply to loans up to \$150,000. That represents a significant savings for these small borrowers.

Finally, for small loans we have included a provision allowing lenders to retain one quarter of the guarantee fee on loans under \$150,000 as an incentive to make these loans.

These changes add to the innovations that Congress has introduced over the past several years concerning the availability of loans at the lower end of the 7(a) spectrum. As a result, since 1994, the number of loans made under \$100,000 significantly. In 1998 alone, 53 percent of the 7(a) loans were under 100,000. This compares with only 37 percent in 1994. The figure fluctuates, Mr. Speaker, but the general trend is definitely in the direction of smaller loans.

Finally, H.R. 2615 modifies current 7(a) program rules prohibiting loans from passive investments. When Congress last reauthorized the program, we modified a similar restriction in the 504 program in order to permit the financing of projects where less than 20 percent of a business space will be rented out when the small business borrower in question will occupy the remaining space. It is time we provides similar options to 7(a) borrowers.

Mr. Speaker, H.R. 2615 is a common sense bill designed to improve the financial assistance provided to small businesses, particularly the smallest of small businesses, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. MANZULLO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am grateful to the chairman of the Committee on Small Business and the ranking member, and I agree with six-sevenths of the bill. So that is pretty good. My colleagues may say, well, if the gentleman agrees with six-sevenths of the bill, should that not be enough? Normally, under most circumstances, I would say yes, but in its current form, I rise in opposition to the bill and, therefore, will vote against it.

We should not rush to pass this bill under suspension of the rules until we actually have more information from the SBA. I realize most of my colleagues are not versed on the different programs run by the SBA. The SBA has two main loan programs, the 7(a) program and the 504 program. 7(a) mainly provides start-up capital for new entrepreneurs, while the 504 program is designed to meet the capital needs of growing small businesses for expansion or purchases of additional equipment.

We just passed, with my concurrence, H.R. 2614, which increased the maximum loan guarantee amount in the 504 loan program from \$750,000 to \$1 million. I agree with that because growing small businesses already in existence have greater capital needs. In addition, the 504 loan program operates at no cost to the taxpayer because the fees it charges offset its costs. However, H.R. 2615 plans to do the same thing for the 7(a) loan program and I disagree with this policy change.

No one should start up a small business with a \$1 million loan backed by the SBA. If a bank needs a 75 percent government-backed guarantee to feel comfortable with a \$1 million loan, then we should think twice before passing the bill. If someone requires a \$1 million loan for start-up, they are probably buying a lot of new equipment and large amounts of real estate. They should rethink their business plan because this is a recipe for failure and the taxpayers will be left paying off the default.

If a loan is for an already existing small business, then the bank should make these loans on a sound commercial basis without having to rely upon the crutch of the taxpayer. These com-

panies already have a financial track record. It should be on the merits, not an SBA guarantee, that the bank should make the loans.

If a borrower still needs government backing for an expansion project, then they should turn to the 504 loan program. The 504 program should serve capital expansion needs, not the 7(a) loan program.

The question essentially is this: At what point should companies be weaned off government guaranteed loans; 1 year, 2 years, 5 years, 10 years, 20 years?

If the purpose of the Small Business Administration is to give a jump-start to companies that otherwise would not be able to start up a business, then why are we increasing the amount of start-up capital available to them from \$750,000 to \$1 million? We should be keeping it the same and encouraging companies to get off the government help.

It stands to reason that if the SBA has an overall fixed amount of total loans it can support, then throughout the year, as small business owners are able to borrow larger amounts, then the overall loan volume will decrease, to the detriment of the number of small borrowers.

This is what is really confusing. The SBA maintained, for the longest period of time, and sent a memo to my office which they have never corrected in writing, that if the authorization level were kept the same, which it is, but the level of 7(a) loans went from \$750,000 to \$1 million, then in excess of 6,000 entrepreneurs, who otherwise would be applying for and qualifying for small business loans, would be left out because the bigger borrowers would be in there taking up all the money.

That was SBA's position for the longest period of time until they mysteriously, and without any empirical evidence, suddenly changed their mind and said that the small business incentives in the small business bill means there would be a net loss of people receiving loans.

We have to think about that. This bill has a small business incentive in the Small Business Administration loan program.

□ 1615

So now we are in the process of defining a small business within a small business to give incentives to small businesses within the small business loan program.

It makes us wonder why we even have the program in the first place. But it is here. And if it is here, then it should not be abused. And if it is here and the money is available, it should be available for the small entrepreneurs, not the people who can borrow up to \$1 million.

The cost implications in the bill are still not clear. H.R. 2615 contains much-needed incentives to encourage the banks to make the smaller loans. And there we are.

Now, we have got a system not of set-asides but a system somehow built into language that says the Small Business Administration should prefer small businesses.

I want the Members of Congress and the Speaker to think about that statement. If we are encouraging small business loans within the Small Business Administration, then I think that we have an agency now that has lost its mission when it starts dividing up what exactly is a small business.

When H.R. 2615 was marked up in committee, the sponsors of the bill readily admitted that any additional revenue that may be raised with the fees charged to higher dollar loan borrowers will be used to pay for the small loan incentive contained in the bill. Thus, the impact on most expensive items in the SBA budget supposedly would be a wash at best. But we have no empirical data, nothing, that has been furnished to this Member of Congress, who requested the SBA first of all to come to an analysis as to the loss of businesses that would be deprived of start-up capital; and they, on their own, advised this Member of Congress that it would be in excess of 6,000.

Later on they changed their mind, but they told the press still that the information given to this Member of Congress was correct.

Therefore, I can come to one conclusion, and that is that the Small Business Administration itself does not understand the mechanics of this bill. And if they do not understand the mechanics of this bill and they do not understand the wording of it and they do not understand the impact of it, then this bill should not pass, it should come up under regular order and be subject to an amendment.

I urge my colleagues to reject the bill now and send it back to committee. Once we have a more clear understanding of how this bill will impact the budget and small loan borrowers, then we can always act on this provision. We do not have the information yet.

There is plenty of time to work on this legislation. An additional hike in the maximum guarantee amount of the 7(a) loan program can be included in the regular SBA authorization bill. It would be easy to bring it up at a later time. We can mark up a separate bill later this fall. But I do not see the reason for rushing to action on this now when we have incomplete information.

Thus, I respectfully disagree with my chairman and ranking minority member and ask that H.R. 2615 be defeated in its current form.

This is the only alternative left to me because I cannot amend the bill under suspension of the rules. The rest of the bill is fine.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2615, legislation to improve and

update the General Business Loan Guaranty, or 7(a), program.

With the passage of today's legislation, we will grow the 7(a) loan program in a reasonable and thoughtful way that expands the program, while continuing our commitment to those businesses that need access to start-up capital.

Although SBA administers numerous programs that provide financial and technical assistance to small firms, the 7(a) program is the agency's flagship loan program. It is far and away the agency's largest and most important both in terms of numbers of loans and program level supported.

Under 7(a), loan guarantees are provided to eligible small businesses that have been unsuccessful in obtaining private financing on reasonable terms. The proceeds from a 7(a) loan may be used for virtually any business purpose and have made the difference for countless entrepreneurs.

Under a 7(a) partnership between Government and nearly 7,000 banks and non-bank lenders that participate, small businesses are ensured the access to capital they need. Since the program's inception, more than 600,000 7(a) loans totaling \$80 billion have been made to help this Nation's small businesses.

One of the important items in this legislation is the increase in the loan guarantee from \$750,000 to \$1 million. It has been over a decade since we increased the loan guarantee. As a matter of fact, if we were to index the current guarantee using the Consumer Price Index, we would actually have a loan guarantee that is higher than what is under consideration today.

I believe what we are doing is reasonable and necessary if the program is to continue to serve our Nation's small businesses.

To safeguard against the risk that increasing the guarantee will harm those seeking smaller loans, we have capped the total loan amount that can be made under the 7(a) program at \$2 million. This is in combination with other provisions of the legislation that will ensure that the 7(a) program will be available to all who need it.

I would also like to voice my strong support for the small loan provisions contained in this legislation. The committee has made sure that small loans are still a priority by adopting such changes as reducing the program's cost to the borrower of loans of \$150,000 or less from three percent of the loan to two percent, making certain that small businesses will keep more of their money.

We are also creating incentives for lenders to continue to make small loans by giving those lenders additional funds guaranteed by the SBA through an increasing guarantee from 75 percent to 80 percent and a rebate that could be as high as \$600 per loan.

These proposals will ensure that the program continues its mission. If the 7(a) program is going to continue to

serve this Nation's small businesses, it must keep in step with the changing financial landscape.

The changes made by H.R. 2615 create a balanced approach that updates the 7(a) program while affirming our commitment to small businesses that small loans are still accessible. I urge my colleagues to support H.R. 2615.

I just would like to take a moment to respond to the points made by the gentleman from Illinois (Mr. MANZULLO).

I am just as concerned that we continue our commitment to small loans to address this. To address this, the committee has placed several provisions aimed at encouraging small loans. These provisions offer incentives for 7(a) lenders to continue to make smaller loans, especially loans under \$150,000.

These incentives include the increase in the loan guarantee amount from 75 to 80 percent for loans under \$150,000 in section 1; the reduction of borrower's fees from three percent to two percent on loans up to \$120,000 in section 5; and the fee-splitting provision in section 5 that will allow up to 25 percent of the borrower's fees on loans under \$150,000 to go to the 7(a) lenders rather than to SBA.

Without the increase in the loan guarantee that pays for these incentives, we will be faced with a choice, either increase the program's subsidy rate, which will require additional funds are appropriated, and given the current state of the Commerce-Justice-State appropriations bill we will consider this week, that is unlikely; or eliminate these important small business loan provisions. And I believe that that will be short-sighted.

Mr. Speaker, I reserve the balance of my time.

Mr. TALENT. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Missouri (Mr. TALENT) has 6½ minutes remaining.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the jurisdiction of the small business community, the legislative jurisdiction of it, is really only over the Small Business Administration and its programs.

Since I became chairman, I have tried to use the oversight jurisdiction of the committee, which is much broader, to struggle for tax and regulatory relief for small businesses around the country. And that is really what we devote a whole lot of our time to on the committee. But we do take seriously the job of overseeing the programs in the Small Business Administration.

In order to accomplish that, we periodically work together on a bipartisan basis and we pass bills designed to update the network of statutes that on the basis of which those loan programs run. I have tried to push them in the direction in my chairmanship and with

the support first of the gentleman from New York (Mr. LAFALCE) and then of the gentlewoman from New York (Ms. VELAZQUEZ) in the direction of making those programs more efficient and making them run as entirely private lending programs do whenever we can.

This bill is part of that trend. It contains a number of different provisions which are important to achieving that effort.

We have worked together on a bipartisan basis. We produced the bill by a 24-4 vote in the committee. I ask the House to support us in these efforts. This is important to the people who rely on these programs and administer these programs and important to what we are trying to accomplish on the committee.

The gentleman from Illinois said correctly, I think, that he agrees with six-sevenths of the bill. I say it might be even more than that. The only dispute is a provision that, in the view of the gentleman, pushes the portfolio away from the direction of smaller loans.

First of all, Mr. Speaker, there is no question and I do not think the gentleman would deny that, on balance, this bill continues the trend of moving the 7(a) portfolio in the direction of smaller loans.

First of all, the bill caps the total size of any guaranteed loan at \$2 million. So a lender cannot issue a 7(a) loan or make a 7(a) loan for more than \$2 million. There has been no statutory cap on loan size.

The bill allows lenders to retain a somewhat greater percentage of fees that are paid when they make smaller loans, and the bill increases guarantee rates for smaller loans. So there is no question that this bill will continue prudently pushing the portfolio in the direction of smaller loans.

The sole dispute is over one small provision in this bill which allows the total amount of the guaranteed loan to go up from \$750,000 to \$1 million. In other words, the portion that the Government guarantees of any loan is now at \$750,000. If this bill passes and the President signs it, it will be \$1 million.

The reason we do that, Mr. Speaker, is that amount has not been adjusted for inflation for 11 years. It was made \$750,000 in 1988 I believe. We have not changed it at all. We have made a modest adjustment that does not even keep pace with inflation. It is the only part of this bill that is in issue.

To be perfectly frank, I simply do not see why it is that big a deal. We felt it was important to do it because, without some aspect of this portfolio being somewhat larger loans, it tends to undermine the stability and the financial prudence of the portfolio as a whole.

We want to push it in the direction of the smaller loans. But if we go too far and too fast, we yank out of the portfolio the somewhat larger loans which really support the whole 7(a) portfolio. And we do not want to do that. That could result in a lot more defaults and a lot more money that we have to find

out of the general revenue in order to support this program.

Again, Mr. Speaker, I respect the gentleman from Illinois (Mr. MANZULLO). He and I have worked together on our time on the committee together. I respect the sincerity of his view here.

I would say it is a small part of this bill. I am happy to work with the gentleman as we go through the process over in the Senate and then in conference. But I hope we can have the confidence of the House in supporting this bill.

It came out of the committee by an overwhelming majority. It may be housekeeping to most of the House. It is important to these programs. We try to do a responsible, bipartisan job on the Committee on Small Business. The ranking member and I are in full agreement, as was the overwhelming majority of the committee.

Again, I ask the House for its supports. We will continue working on this issue as we move through the process.

Mr. Speaker, I reserve the balance of my time.

Mr. MANZULLO. Mr. Speaker, may I inquire of the Chair the amount of time that I have remaining?

The SPEAKER pro tempore. The gentleman from Illinois (Mr. MANZULLO) has 12 minutes remaining.

Mr. MANZULLO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to concur with the statements of the chairman of the Committee on Small Business, who has done a tremendous effort in turning the Committee on Small Business into a committee that has been very responsive, listening to the needs and the desires of the people across this Nation.

I chair the Subcommittee on Small Business, Tax, and Trade. I have seen the chairman conduct other hearings, and I know that he has the small business person at heart. In fact, when he practiced law before he came to this body, it was as a person involved in small business and he knows the needs of the small business community intimately well.

I would only suggest to the chairman of the Committee on Small Business, my friend the gentleman from Missouri (Mr. TALENT) this fact: With the increase of the loan amounts from \$750,000 to \$1 million, financially there is less money in the overall pot. Because there has been no increase in the authorization.

□ 1630

As the gentlewoman from New York (Ms. VELAZQUEZ) says, there is little opportunity, little likelihood that there would be an increase in the authorization. Simply based upon the fact that there is less money in the pot, who is going to be the recipient of not getting the money? Is it going to be the little guy, or the people who have the attorneys and the CPAs and the bankers that can increase their

amounts from \$750,000 to \$1 million? That begs the basic question as to what the purpose of the Small Business Administration is.

I am trying the best I can to preserve some type of mission that the SBA has. We have absolutely no empirical data, nothing to refute the original data that the SBA gave me, nothing in writing, no words from the SBA, nothing from either of the speakers here to refute the fact that the memo they gave me stated unequivocally and in concurrence with Mr. Hocker who testified at the Small Business hearing that unless the authorization were increased, the fact that we are increasing the amount that could be borrowed from \$750,000 to \$1 million means that in excess of 6,000 small businesspeople who otherwise would qualify for an SBA loan will be excluded from the process. To aggravate that, in the past 3 years, as the amount of SBA loans go up, the number of small business recipients goes down and the number of small businesspeople receiving the loan has now dropped to about 53 percent of the total, meaning that the larger applicants are getting the lion's share of the money and that is the dangerous trend. I am trying to stop that.

Is it worth objecting to an entire bill because you are opposed to one-seventh of the bill? The answer is yes. The name of the bill is small business. Does anybody think that borrowing \$1 million today is small business? It could be, but if it is of that magnitude, then the bank should be willing to kick in the extra amount and to guarantee the extra amount, not put it upon the shoulders of the taxpayers to say we want you to guarantee up to \$1 million. If you are solvent enough to borrow \$750,000 with an SBA guarantee, then the banks themselves should be willing to loan the rest of the amount of money based upon their own private arrangement with the borrower. It is just that simple.

Ms. VELAZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

I would just like to echo the comments made by the gentleman from Missouri. You have to continue updating a program. What works in the 1980s does not necessarily work in the 1990s. No bank would allow its loan program to go a decade without updating it. If we are going to make SBA a cutting edge financial institution of the 21st century, we must continue to improve these programs. It just makes sense.

Mr. Speaker, I yield back the balance of my time.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Let me repeat again both my friendship and my respect for the passion and the commitment of the gentleman from Illinois to small business. He and I have talked over this issue. We had a full debate over it in committee. I do want to continue working with him as this bill goes through the process. I do want to emphasize the importance to

Members of the House who may not, and I certainly could not blame them if they were not familiar with the ins and outs of all these programs, but I hope they will understand that these programs are important, that the committee does oversee them and that it is important that we move this legislation through to make all the different corrections that are in there.

So I would ask of the House, let us get this bill out and get it in conference. I pledge to continue working with the gentleman. It is a small part of the bill over which we have a disagreement. There is no question that the bill as a whole moves in the direction of pushing the portfolio gently towards smaller loans. I like that. We have worked for that under my chairmanship. He have worked for that with the ranking member. This is a modest inflationary update. I would hope that we would have the House's confidence in being able to make it and that we can move this bill through.

I would urge the House to support H.R. 2615.

Mr. MANZULLO. Mr. Speaker, will the gentleman yield?

Mr. TALENT. I yield to the gentleman from Illinois.

Mr. MANZULLO. Based upon the gentleman's assertions that he is willing to continue discussing this figure of \$750,000 increased to \$1 million, I would still be opposed to the bill, I will vote "no" on an oral vote but not call for a recorded vote.

Mr. TALENT. Reclaiming my time, I appreciate very much the gentleman's most gracious concession in that regard. I certainly will be glad to keep working with him. He and I disagree on this. My major concern is making sure that we have a proper balance in the portfolio so that we do not have the unintended impact of undermining the stability of the smaller loans that we do make by not allowing this minor inflationary update. But perhaps we can provide for that in some other context. I am happy to work with the gentleman in that regard.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and pass the bill, H.R. 2615.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.R. 2615.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THOMAS S. FOLEY UNITED STATES COURTHOUSE AND WALTER F. HORAN PLAZA

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 211) to designate the Federal building and United States courthouse located at West 920 Riverside Avenue in Spokane, Washington, as the "Thomas S. Foley Federal Building and United States Courthouse", and the plaza at the south entrance of such building and courthouse as the "Walter F. Horan Plaza", as amended.

The Clerk read as follows:

H.R. 211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF COURTHOUSE.

(a) DESIGNATION.—The Federal building and United States courthouse located at 920 West Riverside Avenue in Spokane, Washington, shall be known and designated as the "Thomas S. Foley United States Courthouse".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in subsection (a) shall be deemed to be a reference to the "Thomas S. Foley United States Courthouse".

SEC. 2. DESIGNATION OF PLAZA.

(a) DESIGNATION.—The plaza located at the south entrance of the Federal building and United States courthouse referred to in section 1(a) shall be known and designated as the "Walter F. Horan Plaza".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the plaza referred to in subsection (a) shall be deemed to be a reference to the "Walter F. Horan Plaza".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Washington (Mr. BAIRD) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 211, as amended, introduced by the gentleman from Washington (Mr. NETHERCUTT), honors two former Members of this body, former Speaker Tom Foley and Congressman Walter Horan. The amendment simply corrects the address and properly designates the facility as a United States courthouse, which the building is typically referred to as in Spokane.

This legislation will designate the United States courthouse and courthouse plaza in Spokane, Washington, as the "Thomas S. Foley United States Courthouse and Walter F. Horan Plaza". This designation is a most deserving one.

Ambassador Foley served in the Congress from January 1965 until December 1994. As most of the Members here are well aware, Ambassador Foley was our 49th Speaker of the House of Rep-

resentatives. Prior to his election as Speaker, Ambassador Foley was the majority leader, majority whip, chair of the Democratic Caucus and chairman of the Committee on Agriculture. Before being elected to the Congress, Ambassador Foley was special counsel to the Senate Committee on Interior and Insular Affairs. He also served as deputy prosecuting attorney in Spokane and assistant attorney general for the State of Washington.

After leaving this body, former Speaker Foley continues to distinguish himself in public service as the United States Ambassador to Japan. Naming the courthouse in Ambassador Foley's hometown is a reminder of his dedication and hard work in public service.

The plaza entrance to the courthouse will be designated as the "Walter F. Horan Plaza". This will be a reminder to all that are entering the courthouse through the main plaza of the many accomplishments by former Congressman Horan for his eastern Washington district.

If there ever was an example of the American dream, it is Walter Horan. He was born in a log cabin on the banks of the Wenatchee River in 1898. After attending the Wenatchee public schools, he was graduated from Washington State College in 1925. Prior to that, he entered World War I, serving for 2 years in the United States Navy as a gunner's mate third class. Upon graduation, he returned to his apple farm in Wenatchee, Washington where he engaged in fruit growing, packing, storing and shipping until he was elected to the 78th Congress in 1942. He went on to serve in the next 10 succeeding Congresses and rose to third in seniority on the Committee on Appropriations. He always gave close attention to agriculture and the conservation community. Former Congressman Horan passed away in 1966. Naming the Plaza on his behalf is a fitting designation.

This is a fitting tribute, Mr. Speaker, to two former Members of this body. I support the bill and urge my colleagues to join in support.

Mr. Speaker, I reserve the balance of my time.

Mr. BAIRD. Mr. Speaker, I yield myself such time as I may consume. Also, I want to thank the gentleman from North Carolina (Mr. COBLE) for introducing this bill and the gentleman from Pennsylvania (Mr. SHUSTER) for bringing this bill to the floor in such a timely manner.

I rise in strong support of H.R. 211, a bill to designate the Federal building and courthouse located at 920 West Riverside Avenue in Spokane, Washington as the Thomas S. Foley United States Courthouse, and the plaza located at the south entrance as the Walter F. Horan Plaza.

Mr. Speaker, as a new Member from Washington State, I know that we come here with big shoes to fill. We had Scoop Jackson, Warren Magnuson, and we had Speaker of the House Tom