

As many may recall, the most recent storm, Super Typhoon Paka, devastated the island in December of 1997 and caused property damage of over \$100 million. On top of these storms, Guam also became a victim of an 8.2 earthquake in 1994, which has been one of the strongest recorded in the Pacific in this century.

S. 388 is good legislation. It is proactive and it will prepare small businesses for recovery. Most often, disaster related programs are targeted to homeowners and gain the bulk of their popularity in the aftermath of destruction. S. 388 and its companion legislation H.R. 818, passed by the House last month, addresses the concerns of small businesses that do not receive the same type of disaster attention given to homeowners. The recovery of a community in the wake of disaster can be bolstered by the level of preparation to mitigate against damage by our business communities. Small businesses help generate economic activity crucial for the recovery of a stricken community.

Reacting to a storm plagues many communities with confusion. This pilot program aims to empower the business community with information and mitigation activities which will prevent serious losses. An appropriation of \$15 million is a very small amount compared to potential losses without this sort of program.

I understand that the territories are full partners in this program. I certainly hope that in coming years the amounts will be expanded and we will do everything we can to make sure this pilot program is a success.

I commend the authors of this legislation from both the House and Senate and encourage my colleagues to vote in favor of this measure.

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

The SPEAKER pro tempore (Mr. STEARNS). The question is on the motion offered by the gentleman from South Dakota (Mr. THUNE) that the House suspend the rules and pass the Senate bill, S. 388.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THUNE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 388.

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

There was no objection.

MICROLOAN PROGRAM TECHNICAL CORRECTIONS ACT OF 1999

Mr. PEASE. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 440) to make technical corrections to the Microloan Program.

The Clerk read as follows:
Senate Amendment:
Page 2, strike out all after line 6 down to and including line 20 and insert:
(1) in paragraph (7), by striking subparagraph (B) and inserting the following:

“(B) ALLOCATION.—
“(i) MINIMUM ALLOCATION.—Subject to the availability of appropriations, of the total amount of new loan funds made available for award under this subsection in each fiscal year, the Administration shall make available for award in each State (including the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa) an amount equal to the sum of—

“(1) the lesser of—
“(aa) \$800,000; or
“(bb) 1/55 of the total amount of new loan funds made available for award under this subsection for that fiscal year; and

“(II) any additional amount, as determined by the Administration.

“(ii) REDISTRIBUTION.—If, at the beginning of the third quarter of a fiscal year, the Administration determines that any portion of the amount made available to carry out this subsection is unlikely to be made available under clause (i) during that fiscal year, the Administration may make that portion available for award in any 1 or more States (including the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa) without regard to clause (i).”; and

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. PEASE) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. PEASE).

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

Mr. Speaker, let me begin by thanking my colleagues, the chairman of the committee, the gentleman from Missouri (Mr. TALENT), and the ranking member of the committee, the gentleman from New York (Ms. VELÁZQUEZ). I appreciate their assistance in moving this bill and their help in fashioning it.

Mr. Speaker, this is a technical corrections bill, and though it is important work, it need not occupy a great deal of the House's time. H.R. 440 is the same bill that the House passed on February 9 of this year by an overwhelming margin. H.R. 440 corrects the provisions of the loan loss reserve requirements of the microloan program at the Small Business Administration.

The microloan program was established as a pilot program in 1991 and made permanent in 1997. It provides small loans under \$25,000 to the Nation's smallest entrepreneurs. These loans are made through SBA-certified and -approved nonprofit lending and business development intermediaries. These intermediaries borrow funds from the SBA and, in turn, lend those funds to small businesses. In order to protect taxpayer assets, the intermediaries are required to maintain a loss reserve based on the amount of microloans they have outstanding.

Mr. Speaker, the Senate amendment made some clarifications to the House-passed version of the bill. These changes make no substantive changes in the purpose of the bill, but they do tighten the language that provides for some minimum allocation for States with microloan programs. The amendment is necessary to make doubly sure that there is no mistake between congressional intent and agency execution.

The amendment makes clear that subject to appropriations, all State microloan programs shall have access to at least 1/55th of all new funds allocated for the program. This amount will be available until the beginning of the third quarter, at which point all funds will be available to any eligible intermediary.

Mr. Speaker, this bill is not headline material but it is important work nonetheless. It will have a real impact on the very smallest of businesses in this country seeking start-up financing and at the end of the day that is the most important part of our job on the Committee on Small Business.

Let me again thank my colleagues, the gentleman from Missouri (Chairman TALENT) and ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), and the committee staff for their assistance in moving the measure before us.

Mr. Speaker, I urge my colleagues to support H.R. 440.

Mr. Speaker, I reserve the balance of my time

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

Mr. Speaker, I would like to begin by thanking the gentleman from Missouri (Chairman TALENT) for working with me to move quickly to pass the Microloan Program Technical Corrections Act. These changes are important for small entrepreneurs because they would allow lenders to make more loans and increase technical assistance.

Everyone agrees that the challenge facing most entrepreneurs is access to capital. Now, consider the special challenges to microenterprises. It is often more difficult, if not impossible, for many microenterprises to get the financing they need. Microborrowers are either start-up or growth-phase businesses which are unable to meet a lender's collateral or credit requirements. For many private lenders, it is simply not feasible to make the small loans that entrepreneurs need to start or expand their business.

To address this problem, the Small Business Administration launched the microloan pilot project in 1992. This program was designed to help underserved start-up and existing small business owners that do not have access to financing. Since its inception, the microloan program has helped countless businesses start up and grow.