

Union Calendar No. 603

119TH CONGRESS
2D SESSION

H. R. 4238

[Report No. 119–695, Part I]

To improve accountability in the disaster loan program of the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2025

Mr. MOORE of North Carolina (for himself, Mr. DAVIS of North Carolina, Mr. EDWARDS, Ms. KING-HINDS, Mr. GIMENEZ, Mr. MURPHY, Mr. DONALDS, Mr. FRY, Mr. CISCOMANI, Mr. ROUZER, and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JUNE 11, 2026

Additional sponsors: Mr. LAMALFA, Mr. TAYLOR, Mr. HARRIGAN, Mr. FLOOD, Mr. BEGICH, Mr. SHREVE, Mrs. LUNA, Mr. MEUSER, and Ms. GOODLANDER

JUNE 11, 2026

Reported from the Committee on Small Business with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JUNE 11, 2026

Committee on the Budget discharged; committed to the Committee of the
Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on June 27, 2025]

A BILL

To improve accountability in the disaster loan program of
the Small Business Administration, 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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Disaster Loan Account-*
 5 *ability and Reform Act” or the “DLARA”.*

6 **SEC. 2. TABLE OF CONTENTS.**

7 *The table of contents for this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

Sec. 4. Monthly disaster loan reports.

Sec. 5. Budget request relating to disaster loans.

Sec. 6. Limitations on disaster loans.

Sec. 7. GAO report on SBA disaster loan account.

Sec. 8. GAO report on disaster loan changes.

Sec. 9. Budget and forecasting report regarding the cost of direct disaster loans.

8 **SEC. 3. DEFINITIONS.**

9 *In this Act—*

10 *(1) the terms “Administration” and “Adminis-*
 11 *trator” mean the Small Business Administration and*
 12 *the Administrator thereof, respectively;*

13 *(2) the term “appropriate committees of Con-*
 14 *gress” means the Committee on Small Business and*
 15 *Entrepreneurship and the Committee on Appropria-*
 16 *tions of the Senate and the Committee on Small Busi-*
 17 *ness and the Committee on Appropriations of the*
 18 *House of Representatives; and*

19 *(3) the term “SBA disaster loan” means a direct*
 20 *loan authorized by section 7(b) of the Small Business*
 21 *Act (15 U.S.C. 636(b)), other than a loan that was*

1 *authorized under section 1110 of the CARES Act (15*
 2 *U.S.C. 9009).*

3 **SEC. 4. MONTHLY DISASTER LOAN REPORTS.**

4 *Section 12091(a) of the Small Business Disaster Re-*
 5 *sponse and Loan Improvements Act of 2008 (15 U.S.C.*
 6 *636k(a)) is amended—*

7 *(1) in paragraph (1)—*

8 *(A) by striking “during the applicable pe-*
 9 *riod for a major disaster”; and*

10 *(B) by striking “for that major disaster”;*

11 *(2) in paragraph (2)—*

12 *(A) in subparagraph (E), by striking “how*
 13 *long the available funding for such loans will*
 14 *last” and inserting “the date at which available*
 15 *funding for such loans will reach 10 percent of*
 16 *the most recent appropriation and the date at*
 17 *which the funds will be depleted”;*

18 *(B) in subparagraph (H), by striking*
 19 *“and” at the end;*

20 *(C) in subparagraph (I), by striking the pe-*
 21 *riod at the end and inserting “; and”; and*

22 *(D) by adding at the end the following:*

23 *“(J) a summary detailing any changes to*
 24 *estimates or assumptions on obligations and ex-*

1 penditures, including data supporting these
2 changes.”; and

3 (3) by adding at the end the following:

4 “(3) *PROHIBITION ON OFFICIAL TRAVEL.*—If the
5 Administrator does not submit a report required to be
6 submitted under paragraph (1) by the required date,
7 no funds may be obligated for official travel by the
8 Administrator until the Administrator submits the
9 report.”.

10 **SEC. 5. BUDGET REQUEST RELATING TO DISASTER LOANS.**

11 Section 1105 of title 31, United States Code, is amend-
12 ed—

13 (1) in subsection (a), by adding at the end the
14 following:

15 “(39) separate statements of—

16 “(A) the amount of appropriations re-
17 quested for the fiscal year for which the budget
18 is submitted for the cost of SBA disaster loans,
19 the 10-year average of the cost of SBA disaster
20 loans, and an explanation for any difference be-
21 tween the amount requested and the 10-year av-
22 erage cost; and

23 “(B) the amount of appropriations re-
24 quested for the fiscal year for which the budget
25 is submitted for the cost of COVID-EIDL loans,

1 *the 10-year average of the cost of COVID-EIDL*
2 *loans, and an explanation for any difference be-*
3 *tween the amount requested and the 10-year av-*
4 *erage cost.*

5 “(40) separate statements of—

6 “(A) *the amount of appropriations re-*
7 *quested for the fiscal year for which the budget*
8 *is submitted for administrative costs relating to*
9 *SBA disaster loans, the 10-year average of such*
10 *administrative costs, and an explanation for any*
11 *difference between the amount requested and the*
12 *10-year average costs; and*

13 “(B) *the amount of appropriations re-*
14 *quested for the fiscal year for which the budget*
15 *is submitted for administrative costs relating to*
16 *COVID-EIDL loans, the 10-year average of such*
17 *administrative costs, and an explanation for any*
18 *difference between the amount requested and the*
19 *10-year average costs.”; and*

20 *(2) by adding at the end the following:*

21 “(j) *In paragraphs (39) and (40) of subsection (a)—*

22 “(1) *the term ‘COVID-EIDL loan’ means a di-*
23 *rect loan under section 7(b) of the Small Business Act*
24 *(15 U.S.C. 636(b)) that was authorized under section*
25 *1110 of the CARES Act (15 U.S.C. 9009); and*

1 “(2) the term ‘SBA disaster loan’ means a direct
 2 loan authorized by section 7(b) of the Small Business
 3 Act (15 U.S.C. 636(b)), other than a loan that was
 4 authorized under section 1110 of the CARES Act (15
 5 U.S.C. 9009).”.

6 **SEC. 6. LIMITATIONS ON DISASTER LOANS.**

7 Section 7(b) of the Small Business Act (15 U.S.C.
 8 636(b)) is amended—

9 (1) by redesignating the second paragraph des-
 10 ignated as paragraph (16), relating to statute of limi-
 11 tations, as added by the COVID–19 EIDL Fraud
 12 Statute of Limitations Act of 2022 (Public Law 117–
 13 165; 136 Stat. 1363), as paragraph (18); and

14 (2) by inserting after paragraph (16), relating to
 15 disaster declarations in rural areas, as added by the
 16 Disaster Assistance for Rural Communities Act (Pub-
 17 lic Law 117–249; 136 Stat. 2350), the following:

18 “(17) **REQUIREMENTS WHEN FUNDING IS LOW.**—
 19 Not later than 24 hours after the unobligated balance
 20 of amounts available for the cost of direct loans au-
 21 thorized by this subsection is less than 10 percent of
 22 the 10-year average annual cost provided in the most
 23 recent Presidential budget request required under sec-
 24 tion 1105(a)(39)(A) of title 31, United States Code,
 25 or, if unavailable, the 10-year average annual cost for

1 *the immediately preceding 10-year period of SBA dis-*
 2 *aster loans (as defined in section 1105(j) of such*
 3 *title), the Administrator shall notify the Committee*
 4 *on Appropriations and the Committee on Small Busi-*
 5 *ness and Entrepreneurship of the Senate and the*
 6 *Committee on Appropriations and the Committee on*
 7 *Small Business of the House of Representatives.”.*

8 **SEC. 7. GAO REPORT ON SBA DISASTER LOAN ACCOUNT.**

9 *(a) REPORT.—Not later than 180 days after the date*
 10 *of enactment of this Act, the Comptroller General of the*
 11 *United States shall submit to the Administrator and the*
 12 *appropriate committees of Congress a report on—*

13 *(1) the average weekly rate at which the Admin-*
 14 *istration obligates the unobligated balance of amounts*
 15 *available for the cost of SBA disaster loans;*

16 *(2) the average amount, during the periods be-*
 17 *ginning on October 1, 2015, and ending on July 31,*
 18 *2023, and beginning on July 31, 2023, and ending on*
 19 *the date of enactment of this Act, respectively, dis-*
 20 *bursed to a borrower each week, during the initial 12-*
 21 *week period in which a borrower receives amounts*
 22 *from an SBA disaster loan, beginning the day after*
 23 *the borrower accepts their loan, separated by home*
 24 *SBA disaster loan borrowers, business SBA disaster*

1 *loan borrowers, and economic injury disaster loan*
 2 *borrowers; and*

3 *(3) the average amount of fully disbursed SBA*
 4 *disaster loans, originated during the period beginning*
 5 *on July 31, 2023, and ending on the date of enact-*
 6 *ment of this Act, with separate averages for SBA dis-*
 7 *aster loans delineated by home, business, and eco-*
 8 *nom ic injury disaster loans.*

9 *(b) RESPONSE.—Not later than 90 days after the date*
 10 *on which the Comptroller General of the United States sub-*
 11 *mits the report under subsection (a), the Administrator*
 12 *shall submit to the appropriate committees of Congress a*
 13 *response to the report, including an implementation plan*
 14 *for any recommendations in the report.*

15 **SEC. 8. GAO REPORT ON DISASTER LOAN CHANGES.**

16 *(a) DEFINITION.—In this section, the term “covered*
 17 *final rule” means—*

18 *(1) the final rule entitled “Disaster Assistance*
 19 *Loan Program Changes to Maximum Loan Amounts*
 20 *and Miscellaneous Updates” (88 Fed. Reg. 39335*
 21 *(June 16, 2023); RIN 3245–AH91); or*

22 *(2) the final rule entitled “Disaster Assistance*
 23 *Loan Program Changes to Unsecured Loan Amounts*
 24 *and Credit Elsewhere Criteria” (89 Fed. Reg. 59826*
 25 *(July 24, 2024); RIN 3245–AI08).*

1 (b) *REPORT*.—Not later than 1 year after the date of
 2 enactment of this Act, the Comptroller General of the United
 3 States shall submit to the appropriate committees of Con-
 4 gress a report on—

5 (1) the cost (as defined in section 502 of the Fed-
 6 eral Credit Reform Act of 1990 (2 U.S.C. 661a)) of
 7 the increase in the home loan lending limits for, the
 8 extension of the deferment period for, the expansion of
 9 mitigation options for, the modifications to the cri-
 10 teria for determining whether applicants can obtain
 11 credit elsewhere with respect to, the changes to collat-
 12 eral requirements for, and other changes to the terms
 13 and conditions of loans under section 7(b)(1) of the
 14 Small Business Act (15 U.S.C. 636(b)(1)) made by
 15 the covered final rules; and

16 (2) the effect on the subsidy for such loans of the
 17 changes contained in the covered final rules.

18 **SEC. 9. BUDGET AND FORECASTING REPORT REGARDING**
 19 **THE COST OF DIRECT DISASTER LOANS.**

20 (a) *BUDGET FORMULATION AND FORECASTING*.—Not
 21 later than 30 days after the date of enactment of this Act,
 22 the Administrator shall submit to the appropriate commit-
 23 tees of Congress a report detailing corrections the Adminis-
 24 tration will make to improve forecasting, data quality, and
 25 budget assumptions relating to budget submissions relating

1 *to amounts made available for the cost of SBA disaster*
2 *loans.*

3 **(b) UPDATES.**—*Not later than 90 days after the date*
4 *of enactment of this Act, and every 90 days thereafter until*
5 *the date that is 90 days after the date on which all the*
6 *corrections described in subsection (a) have been imple-*
7 *mented, the Administrator shall submit to the appropriate*
8 *committees of Congress a report—*

9 **(1)** *detailing the actions the Administration has*
10 *taken to implement the corrections described in sub-*
11 *section (a); and*

12 **(2)** *explaining how each action detailed under*
13 *paragraph (1) is directly related to implementing 1*
14 *or more corrections described in subsection (a).*

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