

119TH CONGRESS
2D SESSION

H. R. 7109

To allow nonprofit child care providers to participate in certain loan programs of the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2026

Ms. LEE of Nevada (for herself and Mr. STAUBER) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To allow nonprofit child care providers to participate in certain loan programs 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 “Small Business Child
5 Care Investment Act”.

6 **SEC. 2. SMALL BUSINESS LOANS FOR NONPROFIT CHILD**
7 **CARE PROVIDERS.**

8 (a) BUSINESS LOAN PROGRAM.—Section 3(a) of the
9 Small Business Act (15 U.S.C. 632(a)) is amended by
10 adding at the end the following:

1 “(10) NONPROFIT CHILD CARE PROVIDERS.—

2 “(A) DEFINITION.—In this paragraph, the
3 term ‘covered nonprofit child care provider’
4 means an organization—

5 “(i) that—

6 “(I) is in compliance with licens-
7 ing requirements for child care pro-
8 viders of the State in which the orga-
9 nization is located;

10 “(II) is described in section
11 501(c)(3) of the Internal Revenue
12 Code of 1986 and exempt from tax
13 under section 501(a) of such Code;

14 “(III) is primarily engaged in
15 providing child care for children from
16 birth to compulsory school age; and

17 “(IV) is in compliance with the
18 size standards established under this
19 subsection for business concerns in
20 the applicable industry;

21 “(ii) for which each employee and reg-
22 ular volunteer complies with the criminal
23 background check requirements under sec-
24 tion 658H(b) of the Child Care and Devel-

1 opment Block Grant Act of 1990 (42
2 U.S.C. 9858f(b));

3 “(iii) that may—

4 “(I) provide care for school-age
5 children outside of school hours or
6 outside of the school year; or

7 “(II) offer preschool or pre-
8 kindergarten educational programs;
9 and

10 “(iv) subject to any exemption under
11 Federal law applicable to the organization,
12 that certifies to the Administrator that the
13 organization will not discriminate in any
14 business practice, including providing serv-
15 ices to the public, on the basis of race,
16 color, religion, sex, sexual orientation, mar-
17 ital status, age, disability, or national ori-
18 gin.

19 “(B) ELIGIBILITY FOR CERTAIN LOAN
20 PROGRAMS.—

21 “(i) IN GENERAL.—Notwithstanding
22 any other provision of this subsection, a
23 covered nonprofit child care provider shall
24 be deemed to be a small business concern

1 for purposes of loans and financings under
2 section 7(a).

3 “(ii) PROHIBITION ON DIRECT LEND-
4 ING.—A loan or financing to a covered
5 nonprofit child care provider made under
6 the authority under clause (i) shall be
7 made in cooperation with banks, certified
8 development companies, or other financial
9 institutions through agreements to partici-
10 pate on a deferred basis. The Adminis-
11 trator is prohibited from making a direct
12 loan or financing or entering an agreement
13 to participate on an immediate basis for a
14 loan or financing made to a covered non-
15 profit child care provider under the author-
16 ity under clause (i).

17 “(iii) LOAN GUARANTEE.—A covered
18 nonprofit child care provider shall obtain a
19 guarantee of timely payment of the loan or
20 financing from another person or entity to
21 be eligible for such loan or financing of
22 more than \$500,000 under the authority
23 under clause (i).

24 “(C) LIMITATION.—The Administrator
25 may not determine that a covered nonprofit

1 child care provider is not eligible for a loan or
2 financing described in subparagraph (B)(i) on
3 the basis that the covered nonprofit child care
4 provider is associated with an entity whose ac-
5 tivities are protected under the First Amend-
6 ment to the Constitution of the United States,
7 as interpreted by the courts of the United
8 States.”.

9 (b) 504 PROGRAM.—Section 502 of the Small Busi-
10 ness Investment Act of 1958 (15 U.S.C. 696) is amend-
11 ed—

12 (1) in the matter preceding paragraph (1), by
13 striking “The Administration” and inserting the fol-
14 lowing:

15 “(a) IN GENERAL.—The Administration”; and

16 (2) by adding at the end the following:

17 “(b) NONPROFIT CHILD CARE PROVIDERS.—

18 “(1) DEFINITION.—In this subsection, the term
19 ‘covered nonprofit child care provider’ has the mean-
20 ing given that term in section 3(a)(10) of the Small
21 Business Act (15 U.S.C. 632(a)(10)).

22 “(2) ELIGIBILITY FOR CERTAIN LOAN PRO-
23 GRAMS.—

24 “(A) IN GENERAL.—Notwithstanding any
25 other provision of this title, a covered nonprofit

1 child care provider shall be deemed to be a
2 small business concern for purposes of loans
3 and financings under this title.

4 “(B) PROHIBITION ON DIRECT LEND-
5 ING.—A loan or financing to a covered non-
6 profit child care provider made under the au-
7 thority under subparagraph (A) shall be made
8 in cooperation with banks, certified development
9 companies, or other financial institutions
10 through agreements to participate on a deferred
11 basis. The Administrator is prohibited from
12 making a direct loan or financing or entering
13 an agreement to participate on an immediate
14 basis for a loan or financing made to a covered
15 nonprofit child care provider under the author-
16 ity under subparagraph (A).

17 “(C) LOAN GUARANTEE.—A covered non-
18 profit child care provider shall obtain a guar-
19 antee of timely payment of the loan or financ-
20 ing from another person or entity to be eligible
21 for such loan or financing of more than
22 \$500,000 under the authority under subpara-
23 graph (A).

24 “(3) LIMITATION.—The Administrator may not
25 determine that a covered nonprofit child care pro-

1 vider is not eligible for a loan or financing described
2 in paragraph (2)(A) on the basis that the covered
3 nonprofit child care provider is associated with an
4 entity whose activities are protected under the First
5 Amendment to the Constitution of the United
6 States, as interpreted by the courts of the United
7 States.”.

8 (c) REPORTING.—

9 (1) DEFINITION.—In this subsection, the term
10 “covered nonprofit child care provider” has the
11 meaning given the term in paragraph (10) of section
12 3(a) of the Small Business Act (15 U.S.C. 632(a)),
13 as added by subsection (a).

14 (2) REQUIREMENT.—Not later than 1 year
15 after the date of enactment of this Act, and annually
16 thereafter, the Administrator of the Small Business
17 Administration shall submit to Congress a report
18 that contains—

19 (A) for the year covered by the report—

20 (i) the number of loans and financings
21 made under section 7(a) of the Small Busi-
22 ness Act (15 U.S.C. 636(a)) to covered
23 nonprofit child care providers;

24 (ii) the amount of the loans and
25 financings described in clause (i);

1 (iii) the number of loans and
2 financings provided under title V of the
3 Small Business Investment Act of 1958
4 (15 U.S.C. 695 et seq.) to covered non-
5 profit child care providers; and

6 (iv) the amount of the loans and
7 financings described in clause (iii); and

8 (B) any other information determined rel-
9 evant by the Administrator.

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