I

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

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A BILL

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Child Care Investment Act''.

SEC. 2. SMALL BUSINESS LOANS FOR NONPROFIT CHILD CARE PROVIDERS.

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

"(10) NONPROFIT CHILD CARE PROVIDERS.—

"(A) DEFINITION.—In this paragraph, the term 'covered nonprofit child care provider' means an organization—

"(i) that—

"(I) is in compliance with licensing requirements for child care providers of the State in which the organization is located;

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

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

"(IV) is in compliance with the size standards established under this subsection for business concerns in the applicable industry;

"(ii) for which each employee and regular volunteer complies with the criminal background check requirements under section 658H(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f(b));

"(iii) that may—

"(I) provide care for school-age children outside of school hours or outside of the school year; or

"(II) offer preschool or pre-kindergarten educational programs; and

"(iv) subject to any exemption under Federal law applicable to the organization, that certifies to the Administrator that the organization will not discriminate in any business practice, including providing services to the public, on the basis of race, color, religion, sex, sexual orientation, marital status, age, disability, or national origin.

"(B) ELIGIBILITY FOR CERTAIN LOAN PROGRAMS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this subsection, a covered nonprofit child care provider shall be deemed to be a small business concern for purposes of loans and financings under section 7(a).

"(ii) PROHIBITION ON DIRECT LENDING.—A loan or financing to a covered nonprofit child care provider made under the authority under clause (i) shall be made in cooperation with banks, certified development companies, or other financial institutions through agreements to participate on a deferred basis. The Administrator is prohibited from making a direct loan or financing or entering an agreement to participate on an immediate basis for a loan or financing made to a covered nonprofit child care provider under the authority under clause (i).

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

"(C) LIMITATION.—The Administrator may not determine that a covered nonprofit child care provider is not eligible for a loan or financing described in subparagraph (B)(i) on the basis that the covered nonprofit child care provider is associated with an entity whose activities are protected under the First Amendment to the Constitution of the United States, as interpreted by the courts of the United States.''.

(b) 504 PROGRAM.—Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended—

(1) in the matter preceding paragraph (1), by striking ''The Administration'' and inserting the following:

''(a) IN GENERAL.—The Administration''; and

(2) by adding at the end the following:

''(b) NONPROFIT CHILD CARE PROVIDERS.—

''(1) DEFINITION.—In this subsection, the term 'covered nonprofit child care provider' has the meaning given that term in section 3(a)(10) of the Small Business Act (15 U.S.C. 632(a)(10)).

''(2) ELIGIBILITY FOR CERTAIN LOAN PROGRAMS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, a covered nonprofit child care provider shall be deemed to be a small business concern for purposes of loans and financings under this title.

"(B) PROHIBITION ON DIRECT LENDING.—A loan or financing to a covered nonprofit child care provider made under the authority under subparagraph (A) shall be made in cooperation with banks, certified development companies, or other financial institutions through agreements to participate on a deferred basis. The Administrator is prohibited from making a direct loan or financing or entering an agreement to participate on an immediate basis for a loan or financing made to a covered nonprofit child care provider under the authority under subparagraph (A).

"(C) LOAN GUARANTEE.—A covered nonprofit child care provider shall obtain a guarantee of timely payment of the loan or financing from another person or entity to be eligible for such loan or financing of more than $500,000 under the authority under subparagraph (A).

"(3) LIMITATION.—The Administrator may not determine that a covered nonprofit child care provider is not eligible for a loan or financing described in paragraph (2)(A) on the basis that the covered nonprofit child care provider is associated with an entity whose activities are protected under the First Amendment to the Constitution of the United States, as interpreted by the courts of the United States.''.

(c) REPORTING.—

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

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

(A) for the year covered by the report—

(i) the number of loans and financings made under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) to covered nonprofit child care providers;

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

(iii) the number of loans and financings provided under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) to covered nonprofit child care providers; and

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

(B) any other information determined relevant by the Administrator.

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