The Small Business Investment Improvement Act of 2019

U.S. Senator Jim Risch

Problem: A backlog of Small Business Investment Company (SBIC) applications has been creating delays within the Small Business Administrations' Office of Investment and Innovation, exposing a weakness in the program's application process. All applicants, regardless of fund history, funding source and organizational structure go through the same one-size-fits all application process causing delays. In addition, the current statute [15 USC 681] does not require SBA to operate on any schedule for approvals or decline and is only subject to a "reasonable timeline" threshold.

Solution: *The Small Business Investment Improvement Act of 2019* would ensure more oversight of the application process and provide a tailored approach to applicants. Specifically, it would do this by requiring the Administrator approve or disapprove applicants within set reasonable timelines. Timelines would be tailored to the category of fund, while also codifying important oversight of the fund, including an FBI background check.

Cosponsors: U.S. Senators Mike Crapo (R-Idaho), Tammy Duckworth (D-Ill.), Todd Young (R-Ind.), Cory Booker (D-N.J.), and Shelley Moore Capito (R-W.Va.)

This bill does the following:

- Gives SBA specific timelines in which they must report on the status on SBIC applications. Including all forms of delays (such as government shutdowns, etc.), the timelines are:
    - 120 days for new SBIC applicants
    - 45 days for repeat applicants and non-leveraged, non-bank applicants
    - 25 days for bank-owned applicants
- Gives SBA specific timelines in which they must approve or disapprove SBIC applications
    - 240 days for new SBIC applicants
    - 90 days for repeat applicants and non-leveraged, non-bank applicants
    - 45 days for bank-owned applicants
- This legislation requires that SBIC applicants successfully pass an FBI background check within the preceding one year period
- This legislation includes definitions for the following terms:
    - Bank-owned applicant
    - Non-leveraged, non-bank applicant
    - Repeat applicant