

116TH CONGRESS
2D SESSION

S. 3918

To modify the calculation of the maximum loan amount for certain farmers and ranchers under the paycheck protection program of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 9, 2020

Mr. THUNE (for himself and Ms. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To modify the calculation of the maximum loan amount for certain farmers and ranchers under the paycheck protection 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 “Paycheck Protection
5 for Producers Act”.

1 **SEC. 2. CALCULATION OF MAXIMUM LOAN AMOUNT FOR**
2 **FARMERS AND RANCHERS UNDER THE PAY-**
3 **CHECK PROTECTION PROGRAM.**

4 (a) IN GENERAL.—Section 7(a)(36) of the Small
5 Business Act (15 U.S.C. 636(a)(36)) is amended—

6 (1) in subparagraph (E), in the matter pre-
7 ceding clause (i), by striking “During” and inserting
8 “Except as provided in subparagraph (T), during”;
9 and

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

11 “(T) CALCULATION OF MAXIMUM LOAN
12 AMOUNT FOR FARMERS AND RANCHERS.—

13 “(i) DEFINITION.—In this subpara-
14 graph, the term ‘covered recipient’ means
15 an eligible recipient that—

16 “(I) operates as a sole propri-
17 etorship or as an independent con-
18 tractor, or is an eligible self-employed
19 individual;

20 “(II) reports farm income or ex-
21 penses on a Schedule F (or any equiv-
22 alent successor schedule); and

23 “(III) was in business during the
24 period beginning on February 15,
25 2019, and ending on June 30, 2019.

1 “(ii) NO EMPLOYEES.—With respect
2 to covered recipient without employees, the
3 maximum covered loan amount shall be the
4 lesser of—

5 “(I) the sum of—

6 “(aa) the product obtained
7 by multiplying—

8 “(AA) the gross income
9 of the covered recipient in
10 2019, as reported on a
11 Schedule F (or any equiva-
12 lent successor schedule),
13 that is not more than
14 \$100,000, divided by 12;
15 and

16 “(BB) 2.5; and

17 “(bb) the outstanding
18 amount of a loan under sub-
19 section (b)(2) that was made
20 during the period beginning on
21 January 31, 2020, and ending on
22 April 3, 2020, that the borrower
23 intends to refinance under the
24 covered loan, not including any
25 amount of any advance under the

1 loan that is not required to be re-
2 paid; or

3 “(II) \$10,000,000.

4 “(iii) WITH EMPLOYEES.—With re-
5 spect to a covered recipient with employ-
6 ees, the maximum covered loan amount
7 shall be calculated using the formula de-
8 scribed in subparagraph (E), except that
9 the gross income of the covered recipient
10 described in clause (ii)(I)(aa)(AA) of this
11 subparagraph, as divided by 12, shall be
12 added to the sum calculated under sub-
13 paragraph (E)(i)(I).

14 “(iv) RECALCULATION.—A lender that
15 made a covered loan to a covered recipient
16 before the date of enactment of this sub-
17 paragraph may, at the request of the cov-
18 ered recipient—

19 “(I) recalculate the maximum
20 loan amount applicable to that cov-
21 ered loan based on the formula de-
22 scribed in clause (ii) or (iii), as appli-
23 cable, if doing so would result in a
24 larger covered loan amount; and

1 “(II) provide the covered recipi-
2 ent with additional covered loan
3 amounts based on that recalcula-
4 tion.”.

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