

# Union Calendar No. 603

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.

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## 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 *italie*]

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]

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## **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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119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 4238**

[Report No. 119-695, Part I]

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## **A BILL**

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

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JUNE 11, 2026

Reported from the Committee on Small Business with an amendment

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