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119TH CONGRESS
2D SESSION

H. R. 9159

To amend the Small Business Act to establish a program under which the Small Business Administration may make supplemental disaster loans to home owner associations to repair common areas damaged by disasters and implement disaster mitigation measures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2026

Mr. SOTO (for himself and Mr. PATRONIS) introduced the following bill; which was referred to the Committee on Small Business

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A BILL

To amend the Small Business Act to establish a program under which the Small Business Administration may make supplemental disaster loans to home owner associations to repair common areas damaged by disasters and implement disaster mitigation measures, 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 ‘‘Protect Our Homes Act’’.

SEC. 2. RESIDENTIAL COMMON AREA REPAIR AND DISASTER MITIGATION SUPPLEMENTAL LOANS.

Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following new subsection:

"(o) RESIDENTIAL COMMON AREA REPAIR SUPPLEMENTAL DISASTER LOANS.—

"(1) IN GENERAL.—There is established in the Administration a Residential Common Area Repair Loan program under which the Administrator may make, in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis—

"(A) loans to covered entities to make covered repairs to residential common areas; and

"(B) loans to covered entities located in recent disaster areas to implement measures to protect from possible future disasters the property of the covered entities that was damaged or destroyed by the applicable disasters.

"(2) SUPPLEMENTAL LOAN.—A covered entity is eligible to receive a repair or mitigation loan with respect to an applicable disaster only if the total amount of loans outstanding and committed to such covered entity under subsection (b)(1) with respect to such applicable disaster meets the applicable limit on such amounts for such covered entity under subsection (d)(6).

"(3) LOAN CRITERIA.—

"(A) LIMIT.—The aggregate loan amount outstanding and committed to a borrower under the Program with respect to an applicable disaster may not exceed—

"(i) in the case of a borrower that constitutes a major source of employment in an area suffering a disaster, such limit as determined by the Administrator, up to the greater of $2,000,000 or such other amount established by the Administrator under subsection (b)(8)(B) with respect to such applicable disaster; and

"(ii) for all other borrowers, $500,000.

"(B) INTEREST RATE.—The interest rate on the a loan made under the Program shall not exceed the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum plus one-quarter of 1 per centum.

"(C) DURATION.—No loan under the Program, including renewals and extensions thereof, may be made for a period or periods exceeding thirty years.

"(D) SMALL LOAN COLLATERAL EXCLUSION.—That the Administration shall not require collateral for loans made under the Program of $14,000 or less (or such higher amount as the Administrator determines appropriate in the event of a major disaster).

"(E) USE OF FUNDS.—

"(i) REPAIR LOANS.—Amounts made available to a covered entity as a repair loan may be used only for the costs of covered repairs to residential common areas of such covered entity.

"(ii) MITIGATION LOAN.—Amounts made available to a covered entity as a mitigation loan may be used only to implement measures to protect from possible future disasters the property of such covered entity that was damaged or destroyed by the applicable disaster.

"(4) DEFERMENT.—The Administrator may defer payment of principal and interest on a loan under the Program to the same extent that the Administrator may defer payment of principal and interest on loans under subsection (b)(1).

"(5) DEFINITIONS.—In this subsection:

"(A) APPLICABLE DISASTER.—The term 'applicable disaster'—

"(i) with respect to a mitigation loan to a covered entity, means the disaster pursuant to which the area in which such covered entity is located is a recent disaster area for the purposes of such mitigation loan; and

"(ii) with respect to a repair loan to a covered entity, means the natural disaster or act of God necessitating the covered repairs to residential common areas for which such repair loan has or will be used.

"(B) COVERED ENTITY.—The term 'covered entity' means an organization—

"(i) the membership of which is comprised of each owner of a dwelling unit of a single residential community; and “(ii) that is responsible for managing the residential common areas of such residential community and enforcing the rules and regulations of such residential community with respect to the dwelling units in and residents and owners of dwelling units of such residential community.

“(C) DWELLING UNIT.—The term ‘dwelling unit’ means a house, townhouse, or condominium.

“(D) COVERED REPAIR.—The term ‘covered repair’ means a repair, rehabilitation, or replacement made necessary due to a natural disaster (other than a natural disaster resulting from intentional, willful, or reckless conduct), or an act of God, including water damage, wind damage, and fire damage associated with such a natural disaster or act of God.

“(E) MITIGATION LOAN.—The term ‘mitigation loan’ means a loan under the Program described in paragraph (1)(B).

“(F) PROGRAM.—The term ‘Program’ means the Residential Common Area Repair Loan program established by paragraph (1).

"(G) RECENT DISASTER AREA.—The term 'recent disaster area', with respect to a mitigation loan to a covered entity, means an area which the Administrator determines has, in five-year period ending on the date on which such covered entity submits to the Administrator a request for such mitigation loan, been affected by a disaster and—

"(i) the Administrator determines that such disaster constitutes—

"(I) a major disaster, as determined by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.);

"(II) a natural disaster, as determined by the Secretary of Agriculture pursuant to section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961);

"(III) a disaster, as determined by the Administrator; or

"(IV) an emergency involving Federal primary responsibility determined to exist by the President under the section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5191(b)); or

“(ii) the Governor of the State in which such area is located certifies to the Administration, and the Administrator agrees, that the small business concerns, private nonprofit organizations, or small agricultural cooperatives in such area—

“(I) have suffered economic injury as the result of such disaster; and

“(II) are in need of financial assistance which is not available on reasonable terms in such area.

“(H) REPAIR LOAN.—The term ‘repair loan’ means a loan under the Program described in paragraph (1)(A).

“(I) RESIDENTIAL COMMON AREA.—The term ‘residential common area’ means an area or space that is operated and maintained by a covered entity for the benefit of and use by part or all of the residents of the residential community that are members of such covered entity, including any services associated with such an area or space, other than any area or space that is located in a dwelling unit in such residential community.

"(J) RESIDENTIAL COMMUNITY.—The term 'residential community' means a group of dwelling units that are proximately located and the owners of which are members of the same covered entity.".

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