

**AMENDMENT TO H.R. \_\_\_\_\_**

**OFFERED BY MR. AUSTIN SCOTT OF GEORGIA**

**(Offered on behalf of himself and Mr. Kurt Schrader of Oregon)**

At the appropriate place in title VI, insert the following:

1 **SEC. \_\_\_\_ . RURAL BUSINESS AND INDUSTRY LOAN PRO-**  
2 **GRAM.**

3 (a) **FLEXIBILITY FOR THE BUSINESS AND LOAN**  
4 **PROGRAM.**—Section 310B(a)(2)(A) of the Consolidated  
5 Farm and Rural Development Act (7 U.S.C.  
6 1932(a)(2)(A)) is amended by inserting “including work-  
7 ing capital” after “employment”.

8 (b) **GREATER FLEXIBILITY FOR ADEQUATE COLLAT-**  
9 **ERAL THROUGH ACCOUNTS RECEIVABLE.**— Section  
10 310B(g)(7) of such Act (7 U.S.C. 1932(g)(7)) is amended  
11 by adding at the end the following: “In the discretion of  
12 the Secretary, if the Secretary determines that the action  
13 would not create or otherwise contribute to an unreason-  
14 able risk of default or loss to the Federal Government,  
15 the Secretary may take account receivables as security for  
16 the obligations entered into in connection with loans and

1 a borrower may use account receivables as collateral to  
2 secure a loan made or guaranteed under this subsection.

3 (c) REGULATIONS.—Not later than 6 months after  
4 the date of the enactment of this Act, the Secretary shall  
5 promulgate such regulations as are necessary to imple-  
6 ment the amendments made by this section.



This no-cost amendment would give **greater flexibility** within purpose of the USDA Business and Industry Loan Program by including the term “**working capital**” as an **approved purpose**. This amendment would also allow for rural small businesses to use their accounts receivable as a means for securing adequate collateral during the underwriting process of the loan program.