CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 11, 2013

S. 415
Small Business Disaster Reform Act of 2013

As ordered reported by the Senate Committee on Small Business and Entrepreneurship on June 17, 2013

S. 415 would make changes to Small Business Administration (SBA) programs that serve areas affected by disasters. CBO estimates that implementing this legislation would not have a significant cost. Enacting S. 415 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill would direct the SBA to:

- Allow certain applicants for physical disaster and economic injury disaster loans to use assets other than their primary residence as collateral for the loan;

- Provide technical assistance through small business development centers to small businesses located in a disaster-declared area regardless of proximity to the center;

- Increase oversight on entities receiving economic injury disaster loans; and

- Report to the Congress on the creation of a web portal to track the status of disaster loan applications submitted to the agency.

CBO estimates that conducting those activities would not have a significant cost. Allowing for similar collateral to be used in place of an applicant's primary residence should not affect the net cost to the federal government of SBA disaster loans. CBO also expects that the additional oversight and technical assistance authorized in the bill would be minimal relative to current law.

S. 415 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Daniel Hoople. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.