

118TH CONGRESS
1ST SESSION

S. _____

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for the authority to reimburse local governments or electric cooperatives for interest expenses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for the authority to reimburse local governments or electric cooperatives for interest expenses, 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 “FEMA Loan Interest
5 Payment Relief Act”.

1 **SEC. 2. REIMBURSEMENT OF INTEREST PAYMENTS RE-**
2 **LATED TO PUBLIC ASSISTANCE.**

3 (a) IN GENERAL.—Title IV of the Robert T. Stafford
4 Disaster Relief and Emergency Assistance Act (42 U.S.C.
5 5170 et seq.) is amended by adding at the end the fol-
6 lowing:

7 **“SEC. 431. REIMBURSEMENT OF INTEREST PAYMENTS RE-**
8 **LATED TO PUBLIC ASSISTANCE.**

9 “(a) DEFINITIONS.—In this section:

10 “(1) QUALIFYING INTEREST.—The term ‘quali-
11 fying interest’ means, with respect to a qualifying
12 loan, the lesser of—

13 “(A) the actual interest paid to a lender
14 for such qualifying loan; and

15 “(B) the interest that would have been
16 paid to a lender if such qualifying loan had an
17 interest rate equal to the prime rate most re-
18 cently published on the Federal Reserve Statis-
19 tical Release on selected interest rates.

20 “(2) QUALIFYING LOAN.—The term ‘qualifying
21 loan’ means a loan—

22 “(A) obtained by a local government or
23 electric cooperative; and

24 “(B) of which not less than 90 percent of
25 the proceeds are used to fund activities for
26 which such local government or electric coopera-

1 tive receives assistance under this Act after the
2 date on which such loan is disbursed.

3 “(b) FINANCIAL ASSISTANCE.—The President, act-
4 ing through the Administrator of the Federal Emergency
5 Management Agency, shall provide financial assistance to
6 a local government or electric cooperative as reimburse-
7 ment for qualifying interest.”.

8 (b) RULE OF APPLICABILITY.—Any qualifying inter-
9 est (as such term is defined in section 431 of the Robert
10 T. Stafford Disaster Relief and Emergency Assistance
11 Act, as added by this Act) incurred by a local government
12 or electric cooperative in the 5 years preceding the date
13 of enactment of this Act shall be treated as eligible for
14 financial assistance for purposes of such section.