

116TH CONGRESS  
2D SESSION

# S. 3407

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

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## IN THE SENATE OF THE UNITED STATES

MARCH 5, 2020

Mr. RUBIO (for himself and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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## A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for the authority to reimburse local governments 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 “Fairness in Disaster  
5 Relief Act”.

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

3 Title IV of the Robert T. Stafford Disaster Relief and  
 4 Emergency Assistance Act (42 U.S.C. 5170 et seq.) is  
 5 amended by adding at the end the following:

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

8 “(a) IN GENERAL.—The President may provide fi-  
 9 nancial assistance to a local government as reimbursement  
 10 for qualifying interest.

11 “(b) DEFINITIONS.—In this section, the following  
 12 definitions apply:

13 “(1) PRIME RATE.—The term ‘prime rate’  
 14 means the average predominant prime rate quoted  
 15 by commercial banks to large businesses, as deter-  
 16 mined by the Board of Governors of the Federal Re-  
 17 serve System.

18 “(2) QUALIFYING INTEREST.—The term ‘quali-  
 19 fying interest’ means, with respect to a qualifying  
 20 loan, the lesser of—

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

23 “(B) the interest that would have been  
 24 paid to a lender if such qualifying loan had an  
 25 interest rate equal to the prime rate most re-

1           cently published on the Federal Reserve Statis-  
2           tical Release on selected interest rates.

3           “(3) QUALIFYING LOAN.—The term ‘qualifying  
4    loan’ means a loan—

5                   “(A) obtained by a local government; and

6                   “(B) of which not less than 90 percent of  
7           the proceeds are used to fund activities for  
8           which such local government receives assistance  
9           under this Act after the date on which such  
10          loan is disbursed.”.

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