

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 1041
May 2, 2024
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10558-NIa-184

Short Title: Business Microloan Program. (Public)

Sponsors: Representative Lofton.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING THE JOINT LEGISLATIVE ECONOMIC DEVELOPMENT AND
3 GLOBAL ENGAGEMENT OVERSIGHT COMMITTEE AND THE DEPARTMENT OF
4 COMMERCE TO STUDY A PROGRAM TO PROVIDE MICROLOANS TO SMALL,
5 LOW-INCOME BUSINESSES WITH LIMITED ACCESS TO COMMERCIAL CREDIT
6 MARKETS, AND TO APPROPRIATE MONEY FOR THAT PURPOSE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** The Joint Legislative Economic Development and Global Engagement
9 Oversight Committee (the "Committee") and the Department of Commerce (the "Department")
10 shall study the potential cost of, and anticipated benefits from, establishing a program to provide
11 funding for microloans and business training by nonprofit economic development entities across
12 the State for aspiring low-income entrepreneurs without access to commercial credit markets so
13 as to provide a pathway for business and employment growth and establishing credit to facilitate
14 traditional banking relationships. The study shall include all of the following:

- 15 (1) A determination of the proper term of the microloan, including whether a
16 six-month maximum term appropriately balances programmatic goals with
17 recipient need.
- 18 (2) A determination of whether to allow additional loans to a single recipient if
19 previous microloans have been successfully repaid.
- 20 (3) A determination of the proper maximum amount of the microloan and the
21 interest rate that should be applied.
- 22 (4) A determination of income eligibility limits for potential recipients, including
23 the use of adjusted gross income and the federal poverty guidelines.
- 24 (5) A determination of whether additional responsibilities and participation are
25 advisable for increasing successful outcomes, including (i) recipient
26 preparation and submission of a business plan for review, (ii) recipient
27 participation in accountability group meetings with other microloan recipients
28 who have successfully repaid awarded microloan amounts, (iii) required
29 training regarding the program terms, (iv) required business training modules
30 for the recipient during the term of the microloan, and (v) shortened frequency
31 of repayments, such as weekly installments.
- 32 (6) Any other matter the Committee deems effective for promoting the purposes
33 of the program.

34 The Department shall report its findings to the Committee no later than December 1,
35 2024. The Committee shall report its findings, together with any recommended legislation, to the
36 2025 Regular Session of the 2025 General Assembly upon its convening.



1 **SECTION 2.** There is appropriated from the General Fund to the Department of
2 Commerce the sum of ten thousand dollars (\$10,000) in nonrecurring funds for the 2024-2025
3 fiscal year to be used for purposes consistent with this act.
4 **SECTION 3.** This act becomes effective July 1, 2024.