

proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of this filing.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>17</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that BATS may implement the proposed rule change immediately. The Exchange has represented that it has alerted its Members of the proposed change<sup>18</sup> and that those currently utilizing Price Adjust functionality would not need to make any system changes in connection with the proposed change. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest as it will align the display-price sliding functionality and Price Adjust functionality and help harmonize the Exchange's rulebook. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing with the Commission.<sup>19</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily

temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BATS-2015-47 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BATS-2015-47. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions

should refer to File Number SR-BATS-2015-47, and should be submitted on or before July 27, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #14359 and #14360]**

**Nebraska Disaster #NE-00065**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Nebraska (FEMA-4225-DR), dated 06/25/2015.

*Incident:* Severe Storms, Tornadoes, Straight-line Winds, and Flooding.

*Incident Period:* 05/06/2015 through 06/17/2015.

*Effective Date:* 06/25/2015.

*Physical Loan Application Deadline Date:* 08/24/2015.

*Economic Injury (EIDL) Loan Application Deadline Date:* 03/25/2016.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the President's major disaster declaration on 06/25/2015, Private Non-Profit organizations that provide essential services of governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

*Primary Counties:* Cass, Dundy, Gage, Jefferson, Lancaster, Lincoln, Morrill, Nuckolls, Otoe, Saline, Saunders, Thayer.

The Interest Rates are:

<sup>20</sup> 17 CFR 200.30-3(a)(12).

<sup>17</sup> 17 CFR 240.19b-4(f)(6).

<sup>18</sup> See BATS Trade Desk Notice dated May 19, 2015, "BATS Update to Post Only Price Adjust Logic Effective Friday, June 19, 2015 on BZX," available at [www.batstrading.com/alerts](http://www.batstrading.com/alerts) under Release Notes.

<sup>19</sup> For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

	Percent
<i>For Physical Damage:</i> Non-Profit Organizations With Credit Available Elsewhere.	2.625
Non-Profit Organizations Without Credit Available Elsewhere.	2.625
<i>For Economic Injury:</i> Non-Profit Organizations Without Credit Available Elsewhere.	2.625

The number assigned to this disaster for physical damage is 14359B and for economic injury is 14360B.  
(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 2015-16428 Filed 7-2-15; 8:45 am]

**BILLING CODE 8025-01-P**

## **SMALL BUSINESS ADMINISTRATION**

[Docket ID No. SBA-2015-0009]

### **Small Business Investment Companies—Request for Comments on Credit and Risk Management Issues**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Small Business Administration (SBA) has identified two issues that potentially affect SBA's ability to make recoveries from a small business investment company (SBIC) that performs poorly and poses a credit risk to SBA. The Agency seeks public input on how SBA should address its credit concerns regarding these two issues: SBICs with unsecured lines of credit, and the determination of "equity capital investments" when calculating an SBIC's capital impairment percentage.

**DATES:** Comments must be received on or before September 4, 2015.

**ADDRESSES:** Submit your comments, identified by Docket ID No. SBA-2015-0009, at [www.regulations.gov](http://www.regulations.gov). Comments may only be submitted at this web address; follow the instructions on the Web site for submitting comments. All comments received will be included in the public docket without change and will be available online at [www.regulations.gov](http://www.regulations.gov). All submissions, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Sensitive information and information that you consider to be

Confidential Business Information or otherwise protected should not be included. Submissions will not be edited to remove any identifying or contact information.

**FOR FURTHER INFORMATION CONTACT:** Lyn Womack, Office of Investment and Innovation, 409 Third St. SW., Washington, DC 20416, (202) 205-2416.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background Information**

The SBIC Program was established under the Small Business Investment Act of 1958. 15 U.S.C. 661 *et seq.* (the "Act"). SBICs are privately owned and professionally managed investment funds, licensed and regulated by SBA, that use privately-raised capital to make equity and debt investments in qualifying small businesses. SBICs may be leveraged or non-leveraged. Leveraged SBICs use privately raised capital plus funds borrowed by issuing debentures guaranteed by SBA to make such qualifying investments. Only SBICs with outstanding debenture leverage pose a credit risk to SBA, and SBA's request for input in this notice is limited to this type of SBIC. SBA does not anticipate any changes to the regulations as a result of this notice, but will consider changes to the policy guidance that interprets the regulations. SBICs are governed by Title 13, Part 107 in the Code of Federal Regulations (13 CFR part 107) which may be found at [www.gpo.gov/fdsys/pkg/CFR-2014-title13-vol1/xml/CFR-2014-title13-vol1-part107.xml](http://www.gpo.gov/fdsys/pkg/CFR-2014-title13-vol1/xml/CFR-2014-title13-vol1-part107.xml). SBA also issues supplemental guidance through various publications which may be found at [www.sba.gov/sbicpolicy](http://www.sba.gov/sbicpolicy).

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##### **II. Areas of Concern**

SBA is seeking public input on the following areas of concern:

1. *Unsecured Lines of Credit.* The Act provides that SBA "(1) shall not permit a licensee having outstanding leverage to incur third party debt that would create or contribute to an unreasonable risk of default or loss to the Federal Government; and (2) shall permit such licensees to incur third party debt only on such terms and subject to such conditions as may be established by the Administrator, by regulation or otherwise." 15 U.S.C. 683(c). Pursuant to 13 CFR 107.550, a leveraged SBIC must obtain SBA's prior written approval before it incurs any secured third-party debt. In practice, SBA rarely approves secured third-party debt facilities because the collateral for such debt consists of the same assets SBA relies on to protect its creditor position. SBA approval is not required for

unsecured third-party debt, though the Agency may review the related loan agreement(s) in connection with its oversight, including examinations, of the SBIC.

Leveraged SBICs commonly use unsecured lines of credit. Although permitted by the regulations without SBA prior approval, all such credit facilities pose a potential credit risk to SBA because, with certain limited exceptions set forth under 13 CFR 107.560, the Agency is subordinated to the first \$10 million of such debt. Furthermore, SBA is concerned that many such credit facilities contain certain provisions that may increase SBA's credit risk. SBA is specifically concerned about provisions that, upon a default (which may include events other than a payment default; for example, failure by more than a certain number of investors in the SBIC to fund a capital call within a stated period), allow a lender to make a capital call directly on the SBIC's investors and use the proceeds to repay the line of credit. Similarly, SBA is concerned about provisions that permit a lender to compel the SBIC's General Partner to make a capital call, together with remedies including specific performance and/or injunctive relief. If an SBIC defaults on its leverage and is transferred by SBA to a liquidation status in accordance with the SBIC's leverage terms, the SBIC's remaining commitments are a significant source of capital that SBA relies upon for repayment of the SBIC's leverage. However, such commitments will not be available to SBA if they have already been called to satisfy a default under the SBIC's unsecured credit facility. SBA has also observed that some SBICs use these lines on a short-term basis to fund investments, while others maintain outstanding balances on a longer-term basis for working capital or other purposes.

SBA is seeking comments as to how the Agency can best address its credit concerns while continuing to permit SBICs to utilize unsecured lines of credit. Among other things, SBA is seeking input from the public with regard to the following questions:

(a) What credit concerns should SBA have regarding an SBIC's credit facility if the maximum extension of credit under such a facility is in the amount of \$10 million or less?

(b) How frequently, or what percent of total dollars or lines of credit, do lenders provide unsecured credit to SBICs in an amount above \$10 million?

(c) What are the typical maturity dates for such credit facilities (e.g., 12 month term) and are they routinely extended?