

SBA Releases Information Regarding PPP Loan Forgiveness Process for Lenders

Yesterday, the Small Business Administration (SBA) issued a procedural notice to Paycheck Protection Program (PPP) lenders that provides detailed instructions on the PPP loan forgiveness process.

SBA's procedural notice gives background information regarding the secure PPP Forgiveness Platform established by SBA, which will accept loan forgiveness decisions, supporting documentation, and requests for forgiveness payments. The Platform will go live on August 10, 2020, subject to extensions caused by any new legislation.

Borrowers should be aware that lenders are required to confirm the receipt of certain documentation required under SBA guidelines, as well confirming certain calculations required under the SBA application forms. Additionally, for borrowers eligible to submit SBA Form 3508EZ, lenders must confirm the receipt of certain documentation, and confirm certain calculations to be made.

SBA's guidance states that lenders must confirm the following matters for each PPP forgiveness submission before SBA will accept such submission:

- the submission accurately reflects the lender's decision regarding the borrower's loan forgiveness application;
- the information provided by the lender to SBA with the submission accurately reflects the lender's records for the particular PPP loan;
- the lender has made its decision in accordance with previously issued SBA guidelines;
- the PPP loan has not been canceled or repaid; and that the lender has not issued a previous loan forgiveness decision to SBA for the same PPP loan, unless it is a resubmission following a rejection or a reconsideration of a denial without prejudice.

The lender will be required to submit the: (i) PPP Loan Forgiveness Calculation Form, (ii) PPP Schedule A, and (iii) the PPP Borrower Demographic Information Form (if submitted by the borrower). If the forgiveness application was made on SBA's shortened Form 3508EZ, then the lender simply submits the completed form 3508EZ and the Borrower Demographic Information Form (if submitted by the borrower).

The procedural notice can be found [here](#).

Contact Us

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