



SBA Procedural Notice

TO: All SBA Employees and Paycheck
Protection Program Lenders

CONTROL NO.: 5000-20083

EFFECTIVE: January 26, 2021

SUBJECT: SBA Paycheck Protection Platform
Procedures for Addressing Unresolved Issues on
Borrower First Draw PPP Loans

This Notice is to inform SBA employees and Lenders of upcoming SBA Paycheck Protection Platform (platform) procedures to address loan processing for Second Draw PPP Loan guarantee applications where there is an unresolved issue on the Borrower's First Draw PPP Loan.

As outlined in the Interim Final Rule for Second Draw PPP Loans, if a First Draw PPP Loan is under review pursuant to PPP rules and/or information in SBA's possession indicates that the Borrower may have been ineligible for the First Draw PPP Loan it received or for the loan amount received by the Borrower, the Lender will receive notification from SBA when the Lender submits an application for guarantee of a Second Draw PPP Loan ("unresolved Borrower"). See 86 FR 3712, 3722 (January 14, 2021).

Beginning on **Wednesday, January 27th**, the platform will begin to process new Second Draw PPP Loan guarantee applications for unresolved Borrowers. These Second Draw submissions will be moved automatically to a research status, and the platform will provide the Lender an opportunity to submit documentation into the platform to support the resolution of the outstanding First Draw issue(s). SBA will provide information regarding the unresolved issue(s) and guidance as to types of documentation that may assist with resolution. It is imperative that Lenders respond timely, as SBA will need time to review the documentation to determine whether the unresolved issue(s) can be cleared. Lenders should work with their Borrowers to assess the situation. If the Lender and the Borrower feel confident that the issue(s) can be resolved, they should obtain the necessary documentation and the Lender should submit it to the platform. Once resolved by SBA, these Second Draw Loan guarantee applications will be automatically submitted into the next stage of processing and will not require re-entry by the Lender. If the Borrower believes that there is an issue that cannot be resolved, the Second Draw PPP application should be withdrawn by the Lender in the platform.

PAGE 1 of 2

EXPIRES: 1-1-22

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete

Must be accompanied by SBA Form 58

Lenders that submitted a Second Draw PPP Loan guarantee application before January 27, 2021, that was rejected due to an unresolved issue with the First Draw PPP Loan, should resubmit these applications.

Additional details can be found on the technical documentation provided to all platform API vendors. SBA will provide additional instructions in the Platform User Guide to reflect any changes to the platform.

For more information on the next round of PPP, see *PPP as Amended by Economic Aid Act* (86 FR 3692, January 14, 2021) and *PPP Second Draw Loans* (86 FR 3712, January 14, 2021). Additional resources pertaining to the Economic Aid Act and PPP – including application forms, Lender guidance, and PPP program rules – can be found on SBA’s PPP [website](#) or the U.S. Treasury PPP [website](#).

Questions:

Questions concerning this Notice may be directed to the Lender Relations Specialist in the local SBA Field Office, which can be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

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