



U.S. Small Business  
Administration

# **Paycheck Protection Program PPP Platform Updates**

## **Technical / API Updates**

Date: Jan 29<sup>th</sup>, 2021

## Agenda

- Recap and Platform Updates
- Optimization of Hold Resolution process
- Operational updates
- Forgiveness Updates
- Industry Feedback
- Not Approval Updates
- Q & A

## Recap

- We continue to see positive momentum with vendors and lenders calling and exercising all the API endpoints.
- Most Current PPP Report: **400,580 approvals (as of 1/24)**
  - [https://www.sba.gov/sites/default/files/2021-01/PPP\\_Report\\_2021\\_01\\_24-508.pdf](https://www.sba.gov/sites/default/files/2021-01/PPP_Report_2021_01_24-508.pdf)

## Platform updates

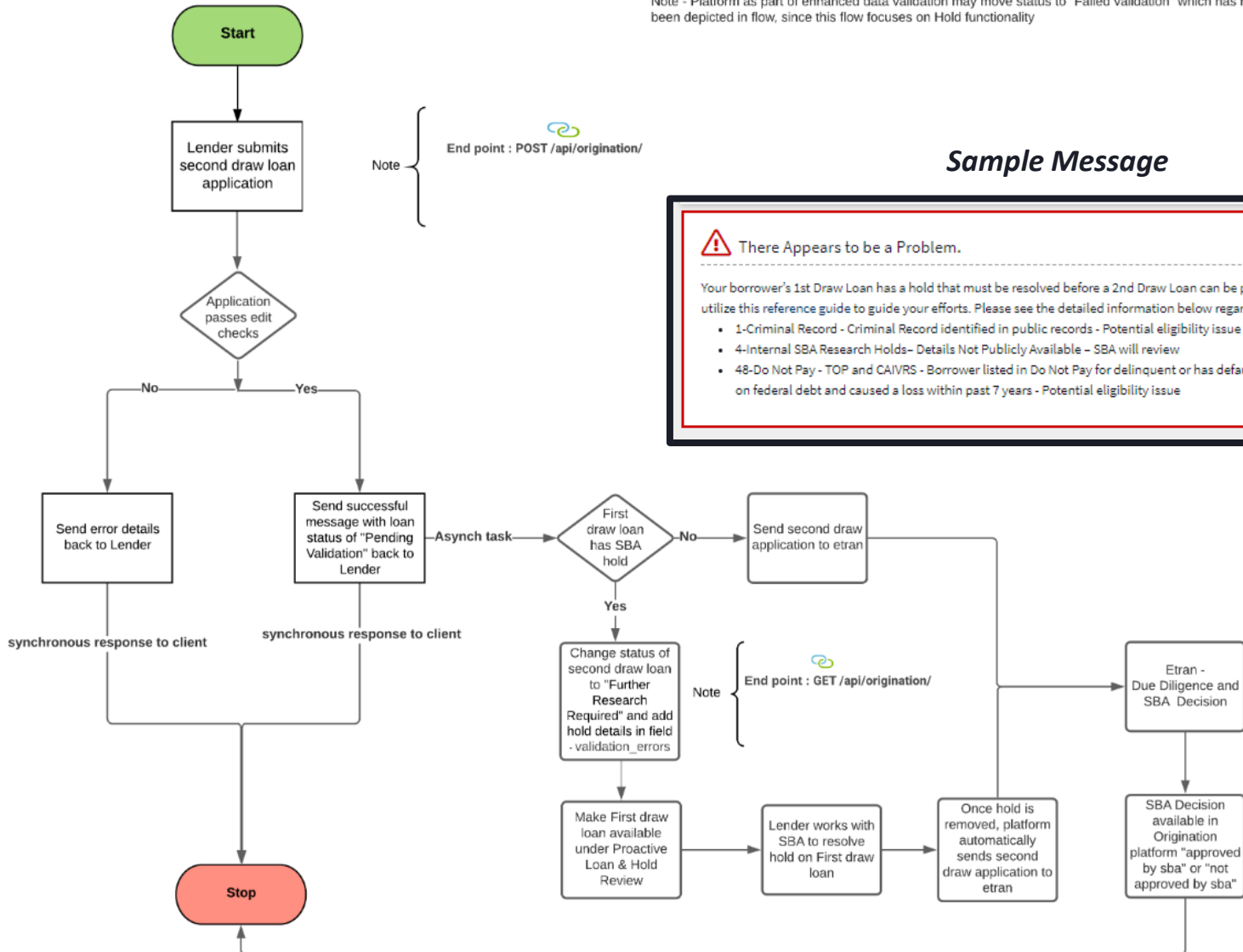
| No. | Category            | Update  |
|-----|---------------------|---|
| 1   | Hold Processing     | <ul style="list-style-type: none"><li>• Optimization of Hold Resolution process (first draw loan)</li></ul> |
| 2   | Forgiveness updates | <ul style="list-style-type: none"><li>• Timelines for 3508S, 3508EZ and 3508 implementation</li></ul>       |

- GitHub Page:
  - [Forgiveness - https://ussbaforgiveness.github.io/](https://ussbaforgiveness.github.io/)
  - [Origination - https://usbapppp.github.io/](https://usbapppp.github.io/)
- Feel free to reach out to [developer@ussbaforgiveness.com](mailto:developer@ussbaforgiveness.com), for technical questions

# HOLD Processing (1<sup>st</sup> Draw)



Note - Platform as part of enhanced data validation may move status to "Failed validation" which has not been depicted in flow, since this flow focuses on Hold functionality



## Sample Message

**⚠ There Appears to be a Problem.**

Your borrower's 1st Draw Loan has a hold that must be resolved before a 2nd Draw Loan can be processed. We apologize for this and utilize this reference guide to guide your efforts. Please see the detailed information below regarding holds which currently exist:

- 1-Criminal Record - Criminal Record identified in public records - Potential eligibility issue
- 4-Internal SBA Research Holds-- Details Not Publicly Available - SBA will review
- 48-Do Not Pay - TOP and CAIVRS - Borrower listed in Do Not Pay for delinquent or has defaulted on federal debt and caused a loss within past 7 years - Potential eligibility issue



| Lender Name   | Borrower Name | Submission Confirmation ID | PPP Phase   | SBA Application ID | SBA Number | Lender Application Number | Loan Amount | Status                    | Created    | SBA Decision Date |
|---------------|---------------|----------------------------|-------------|--------------------|------------|---------------------------|-------------|---------------------------|------------|-------------------|
| EtranDemoBank | ABC Corp      | 11a504734200               | Second Draw |                    |            |                           | \$ 2,500.00 | Further Research Required | 01/25/2021 |                   |

There Appears to be a Problem.

Your borrower's 1st Draw Loan has a hold that must be resolved before a 2nd Draw Loan can be processed. We apologize for this inconvenience. To address your specific loan situation, a proactive review has been initiated on the borrower's behalf. You may immediately begin submitting supporting documents by clicking this link: [Proactive Loan & Hold Review](#) for this loan. Please utilize this reference guide to guide your efforts. Please see the detailed information below regarding holds which currently exist on the First Draw PPP Loan.

- 1-Criminal Record - Criminal Records identified in public records - Potential eligibility issue

### End point - GET /api/origination/

```

},
"status": "Further Research Required",
"sba_number": null,
"validation_errors": "[{'Code': 1, 'LenderDescription': 'Criminal Record identified in public records - Potential eligibility issue'}]
"second_draw_ppp_loan": true,

```

**Proactive Loan & Hold Reviews**

Pending Documentation

Processing

Cleared

Denied

Filter by

| First Draw Lender Name | Second Draw Lender Name | Borrower Name                                  | First Draw SBA Number | Status  | Lender Initiated | Assigned To | Created    | Updated    |
|------------------------|-------------------------|--|-----------------------|---------|------------------|-------------|------------|------------|
| Org_SSN                | HANMI BANK              | MOCKDATAONLY-Oberbrunner Hettinger and Pollich | 1281259879            | Cleared | Yes              | Unassigned  | 01/26/2021 | 01/26/2021 |



## Operational Updates

### Processing Schedule Updates:

- SBA Approvals are generally being posted by 6:00pm EST each processing day.
- This may allow vendors to accelerate their status checks earlier for the prior day results; we continue to guide to poll status later in the evening (at the earliest) to allow for any processing delays.

### Maintenance Post Booking:

If I successfully book a loan and receive an SBA Loan Number in the PPP Platform and ETRAN, but now I need to make a loan amount adjustment – what is the ideal procedure?

- If a Lender needs to adjust the loan amount on a new First Draw or Second Draw PPP loan, they can directly access this loan in ETRAN servicing and make these adjustments.
- The lender does have the option to fully cancel the PPP Loan in ETRAN and rebook via the PPP Platform, however this would require a two-step process. Cancel the loan in ETRAN servicing, await one business day and resubmit via the PPP Platform. This process would only be advisable in the case of a significant reconstitution of the loan.
- In addition, on loans that are adjusted within ETRAN, the loan amount will not be reflected on the PPP Platform as the information is only utilized for the purposes of origination and does not reflect a live servicing status.

### Data Quality Related to First Draw Loans in ETRAN

- Lenders are navigating the quality of data coming in on second draw loans conflicting with business information or data provided during first phase of PPP.
- Validation Utility remains available; evaluating how we can expand functionality without providing confidential data to organizations.

### EIDL Advance Correction Processing (No Action Required by Lender)

- Lenders will begin to see this starting next week; final timeline after initial corrections are completed validated.

## Forgiveness Updates

- Starting 03/05, only new forms and corresponding fields will be accepted. Please process all Forgiveness forms in your backlog.
- Many lenders have a large amount of legacy forms in their pipelines, and we want to be sensitive to this timing. SBA is allowing for this window.
- Sandbox and Production - Proposed implementation dates below:

| Change   | 3508 | 3508EZ | 3508S | Proposed Sandbox Date | Proposed Production Date | Status           |
|--|------|--------|-------|-----------------------|--------------------------|------------------|
| 3508S to be made available for loans up to \$150,000   |      |        | X     | 1/22/2021             | 1/22/2021                | Implemented      |
| Add indicator to reflect whether Forgiveness is for First draw or Second draw Loan                       | X    | X      | X     | 1/31/2021             | 3/5/2021*                |                  |
| Covered Period - Change from 8 or 24 weeks to between 8 to 24 weeks                                      | X    | X      | X     | 1/31/2021             | 3/5/2021*                |                  |
| Add NAICS code   | X    | X      | X     | 1/31/2021             | 3/5/2021*                |                  |
| Add Checkbox indicating whether Borrower (Together with Affiliates) received PPP loans of \$2 MM or More |      |        | X     | 1/31/2021             | 3/5/2021*                |                  |
| Add Amount of Loan Spent on Payroll Costs  |      |        | X     | 1/31/2021             | 3/5/2021*                |                  |
| Remove Alternative Payroll Covered Period start and end dates  | X    | X      |       | 1/31/2021             | 3/5/2021*                |                  |
| Remove Payroll schedule (weekly, bi-weekly etc.)   | X    | X      | X     | 1/31/2021             | 3/5/2021*                |                  |
| Remove EIDL advance amount   | X    | X      | X     | 1/31/2021             | 3/5/2021*                | Implemented - UI |
| Remove EIDL advance application #  | X    | X      | X     | 1/31/2021             | 3/5/2021*                | Implemented - UI |
| Add new non payroll expenses in lines 5-8, cascading changes to calculations                             | X    | X      |       | 1/31/2021             | 3/5/2021*                |                  |

\* To enforce / breaking changes



## Industry Feedback & Policy Items

| Feedback Items  | Guidance  |
|---|---|
| NAICS codes valid in IRS tax forms may not be accepted since they are not defined in SBA NAICS list | SBA has guided to utilize the NAICS found in the SBA/Online sources.  |
| SBA Hold Reasons and process is not transparent to lenders  | SBA now provides lenders with detail hold reasons and actionable resource to clear First Draw Loans. SBA is clearing these holds upon confirmation and supporting documentation from Lenders. Positive feedback from Lenders on this process expansion.   |
| Foreign address or iTIN not supported   | Previous guidance has remained unchanged at this point. No ability to fully verify identity of these owners.  |
| Loan cannot exceed more than 35K per employee   | Controls remains in-place to govern max loan amount controls within the agency.   |
| More robust data controls and entity enforcement structure for this round than previous PPP Loans.  | Data quality controls during this round are important to ensure back-end public record searches remain at their highest quality. Agency continues to work toward optimization where possible.   |
| SBA Not Approved Loans  | SBA has provided addition detail on sources of these public record failures (this is visible on Not Approvals). Agency evaluating continued maturity and recourse for non-approvals. Resubmitting loans is not helpful to resolve -> unless corrections are made as a result information provided by SBA. |
| Forgiveness Form Updates  | Transition period is being supported by SBA to provide large lenders time to work through the backlog of old forms. A balancing act to allow old form submission with allowance for dollar amounts of new 3508S.  |



