



U.S. Small Business
Administration

Paycheck Protection Program PPP Platform Webinar

Origination & Forgiveness Updates

Date: March 3rd, 2021

Agenda

- **Introduction & Recap**
- **Servicing updates**
- **Etran Demo** – How to increase/decrease PPP Loan amount
- Review of how **Hold Clearing Works**
 - (2020 Holds and 2021 Compliance Checks) – Table 1 & Table 2
- **Update on Platform Updates**
 - 3508 - Forgiveness Changes Discussion – Preparing for 3/5
 - DUNS Validation Updates
 - ITIN for Borrower Submission – Expansion of Support
 - Max Loan Amount Optimization
 - Upcoming Schedule C Changes
- **Q&A**

Recap

- We continue to see positive momentum with vendors and lenders calling and exercising all the API endpoints.
- Most Current PPP Report for 2021: 2,092,884 approvals @ \$151B (as of 2/25)
 - <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program/ppp-data>

Platform updates

No.	Category	Update
1	Forgiveness changes	<ul style="list-style-type: none"> • Latest 3508, 3508S and 3508EZ form changes – Going live – 03/05 (late 3/4)
2	Optimized duplicate DUNS validation	<ul style="list-style-type: none"> • Platform has updated approvals as optimization validation has allowed;
3	ITIN For borrower submission	<ul style="list-style-type: none"> • Platform now supports ITIN for the Borrower (effective 3/4)
4	Max Loan amount control	<ul style="list-style-type: none"> • Platform has been optimized around this validation with SBA's support

- 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, for technical questions

Servicing Updates

Tax ID Corrections

- To improve customer service and reduce processing times, SBA recently made an important change to enable Lenders to make Tax ID changes in Etran *without the need to involve SBA*. For loans in “Regular Servicing” status, just navigate to [CAFS Etran Servicing](#) to make corrections. Not sure how to use this new lender driven feature? Just click [tin-self-service-instructions.pdf](#).
- SBA will continue helping lenders with corrections that lenders with corrections that cannot be made via the self-service option – primarily 1) a name change/correction or 2) a correction of a Tax ID on a PPP loan in ***Paid in Full status***. SBA asks that lenders please send these requests to LRSC.servicing@sba.gov for loans serviced by the Little Rock Commercial Loan Servicing Center (CLSC) or FSC.servicing@sba.gov for loans serviced by the Fresno CLSC.

Demo – How to increase/decrease PPP Loan amount in Etran


The screenshot displays the SBA E-Tran interface for the Preferred Lenders Program. At the top, there is a navigation menu with options: Reports, Search, Admin, New Application, Copy, Exit, Help, E-Tran, Credit Report, History, App Review, Servicing, and LANA. Below the menu, the SBA logo and 'Electronic Lending' are visible. A status bar shows 'Amount \$383,100 Status Funded App 10426887 Loan'. The main content area is divided into a 'Preferred Lenders Program' navigation tree on the left and a 'Lender Information, Application' form on the right. The navigation tree includes sections like 'CAPITOL SPORTS CENTER', 'Lender Info', 'Eligibility', 'Application Info', 'Use of Proceeds', 'Lender Comments', 'Project Info', 'Borrowers', 'Principals', 'Prev Govt Financing', 'Guarantors', and 'Business Financials'. A large light blue arrow labeled 'Navigation Tree' points to the tree. The form on the right contains fields for 'SBA Partner ID', 'SBA Partner Location ID', 'Address' (900 5th Ave North), 'City/State/Zip', 'Lender TaxId' (99-9999999), 'Contact Name' (Kitty), 'Title' (SBA Packaging Manager), 'Phone' (999-999-9999), and 'Fax' (999-999-9999). At the bottom, there are links: > FirstGov > E-Gov > Regulations.gov > White House.

Review of how Hold Clearing Works (2020 and 2021)

Table 1 & Table 2 - Hold Updates

Compliance Check Errors (resulting in Not Approved 2021 Loans)

- 1) Click on your **Not Approved Loan** in the Platform to discover the Error
- 2) If Lender Certification is allowable, follow the on-screen instructions to submit your request.

 Please Review the Information Below

Lender has obtained from the borrower and/or other sources, and has reviewed, all information and documentation necessary to resolve the issue(s) underlying each of the Compliance Check Error Message(s) and Hold Code(s) checked below:

508 - Applicant Name Discrepancy

The Compliance Check Error Message(s) and Hold Code(s) have been resolved in accordance with Paycheck Protection Program guidance.

Except for any Compliance Check Error Messages or Hold Codes that require SBA resolution, the Lender has resolved all Compliance Check Error Message(s) and Hold Code(s) generated for this loan guaranty application.

Hold Codes (resulting from First Draw Holds)

- 1) Find your First Draw Loan Hold Reason within the Proactive Loan & Hold Review tab.
- 2) If Lender Certification is allowable, follow the on-screen instructions to submit your request to the SBA.
- 3) Please note:** Not all First Draw Holds can be cleared without documentation.
- 4) Please refer to the enclosed instructions and Table 1 & Table 2 within the SBA Procedure Notice.

2-3 business days from start to finish

- 1) Certify or Clear Hold – Day 1
- 2) Submit 2nd Draw Automatically – Day 2
- 3) Approval by SBA – Day 3

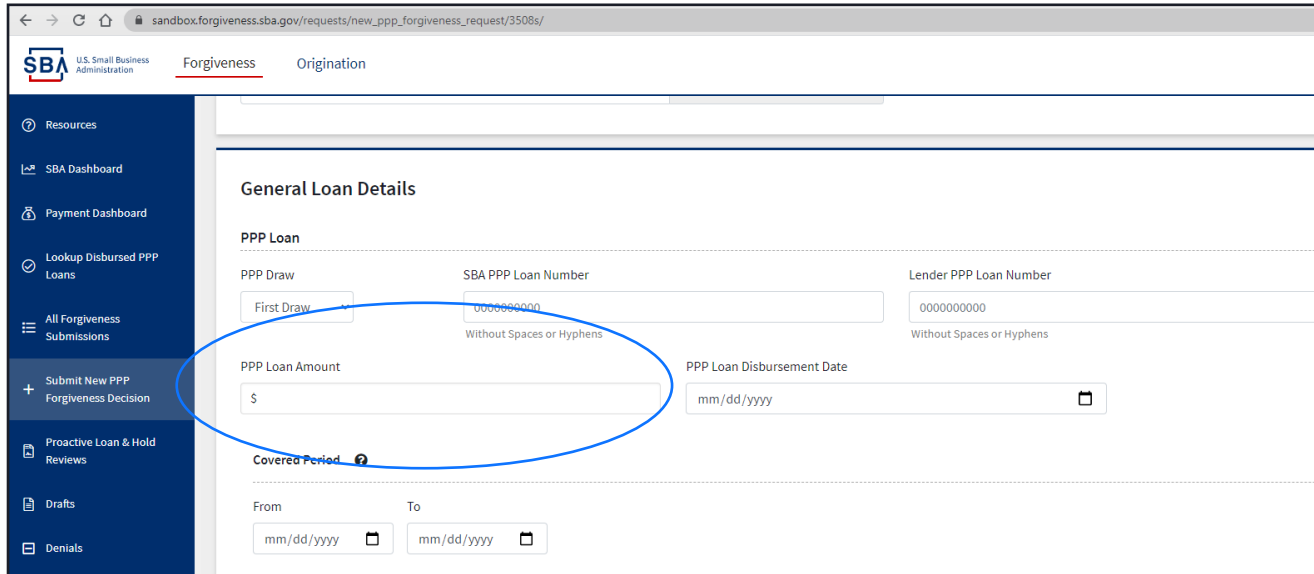
Forgiveness Updates

- **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 number 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	Sandbox Date	Production Date	Status
3508S to be made available for loans up to \$150,000			X	1/22/2021	1/22/2021	Implemented in prod
Add indicator to reflect whether Forgiveness is for First draw or Second draw Loan	X	X	X	1/31/2021	3/5/2021*	Implemented in Sandbox
Covered Period - Change from 8 or 24 weeks to between 8 to 24 weeks	X	X	X	1/31/2021	3/5/2021*	Implemented in Sandbox
Add NAICS code	X	X	X	1/31/2021	3/5/2021*	Implemented in Sandbox
Add Checkbox indicating whether Borrower (Together with Affiliates) received PPP loans of \$2 MM or More			X	1/31/2021	3/5/2021*	Implemented in Sandbox
Add Amount of Loan Spent on Payroll Costs			X	1/31/2021	3/5/2021*	Implemented in Sandbox
Remove Alternative Payroll Covered Period start and end dates	X	X		1/31/2021	3/5/2021	Implemented in Sandbox
Remove Payroll schedule (weekly, bi-weekly etc.)	X	X	X	1/31/2021	3/5/2021	Implemented in Sandbox
Remove EIDL advance amount	X	X	X	1/31/2021	3/5/2021	Implemented in Sandbox
Remove EIDL advance application #	X	X	X	1/31/2021	3/5/2021	Implemented in Sandbox
Requirement for Covered period of 2020 PPP loans ending on or before 12/31/2020, was removed	X	X	X	1/31/2021	3/5/2021*	Implemented in Sandbox
Add new non payroll expenses in lines 5-8, cascading changes to calculations	X	X		1/31/2021	3/5/2021*	Implemented in Sandbox

* To enforce / breaking changes

3508S made available for loans up to \$150,000



The screenshot shows the 'General Loan Details' section of the SBA Forgiveness Origination form. The 'PPP Loan Amount' field is circled in blue. The form includes fields for 'First Draw', 'SBA PPP Loan Number', 'Lender PPP Loan Number', 'PPP Loan Disbursement Date', and 'Covered Period'.

API Endpoint:

POST /api/ppp_loan_forgiveness_requests/

Field:

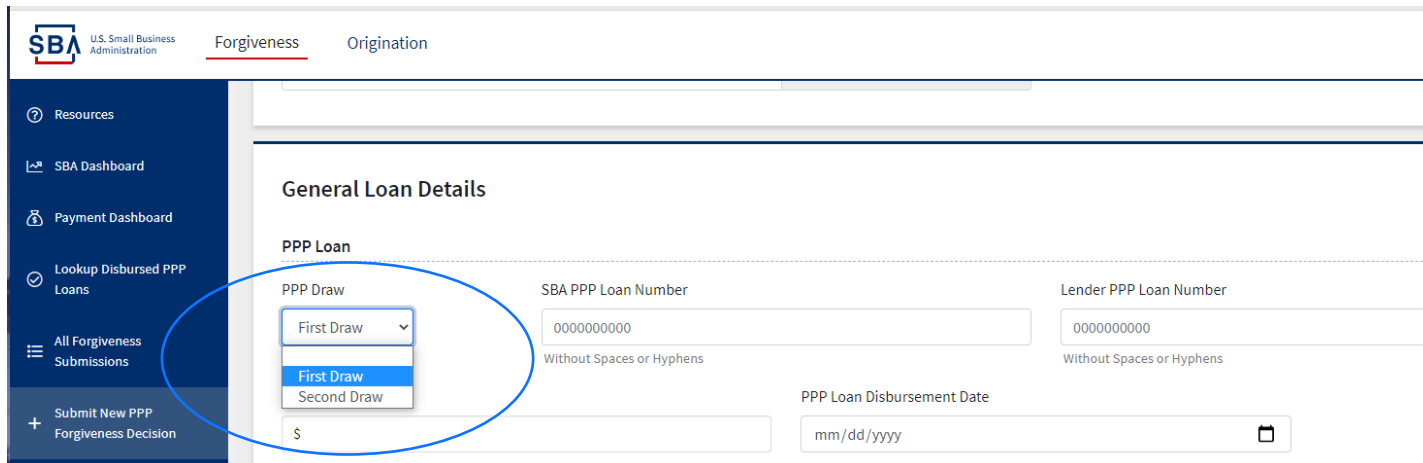
bank_notional_amount

Number Mandatory

Please Note:

- SBA **doesn't require Borrowers** to use 3508S for Loan amount up to 150K.
- Borrowers can still use EZ or Full form for any Loan amount, depending on their situation.

Added indicator to reflect whether Forgiveness is for **first draw** or **second draw loan** (3508, 3508EZ, 3508S)



The screenshot shows the SBA Forgiveness Origination form. The 'PPP Loan' section includes the following fields:

- PPP Draw:** A dropdown menu with 'First Draw' selected and 'Second Draw' as an option.
- SBA PPP Loan Number:** A text input field containing '0000000000'.
- Lender PPP Loan Number:** A text input field containing '0000000000'.
- PPP Loan Disbursement Date:** A date input field with a calendar icon.

API Endpoint:

POST /api/ppp_loan_forgiveness_requests/

Field:

ppp_loan_draw

Number Mandatory


Please Note:

- For Second Draw PPP Loans in excess of \$150,000, the borrower **must submit** its loan forgiveness application for the First Draw PPP Loan before or simultaneously with the loan forgiveness application for the Second Draw PPP Loan, even if the calculated amount of forgiveness on the First Draw PPP Loan is zero.

Covered Period - Change from 8 or 24 weeks to between 8 to 24 weeks (3508, 3508EZ, 3508S)

Covered Period 

From To

mm/dd/yyyy  mm/dd/yyyy 

API Endpoint:

POST /api/ppp_loan_forgiveness_requests/

Field:

forgive_covered_period_from String

forgive_covered_period_to String

Please Note:

- Borrowers who received loans in 2021 and borrowers who received loans in 2020 but have not yet applied for forgiveness are eligible to select the length of their covered period for a time period beginning on the date of disbursement of the loan and ending on a date that is at least 8 weeks but no more than 24 weeks later. Borrowers may apply for forgiveness once their selected covered period has expired
- Requirement for 2020 Loans to have Covered period end on or before 12/31/2020, was removed

Add NAICS Code (3508, 3508EZ, 3508S)

NAICS Code

Enter Business Industry...

API Endpoint:

POST /api/ppp_loan_forgiveness_requests/

Field:

naics_code

Number Mandatory

Please Note:

- NAICS code is validated against standard list of SBA supported NAICS codes
- API users can use GET /api/naics/?code=NNNNNN to validate NAICS code upfront, as per their design preference

Add Checkbox indicating whether Borrower (Together with Affiliates) received PPP loans of \$2 MM or More

Borrower (with Affiliates) received PPP loan(s) in excess of \$2 million.

- Check the box if Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More.

API Endpoint:

POST /api/ppp_loan_forgiveness_requests/

Field:

forgive_2_million

Boolean

Please Note:

- This checkbox was already present for 3508 and 3508EZ form.
- As part of 03/05 release, 3508S form will also support this Checkbox

Add Amount of Loan Spent on Payroll Costs

Amount of Loan Spent on Payroll Costs

API Endpoint:

POST /api/ppp_loan_forgiveness_requests/

Field:

forgive_payroll	Number	Mandatory
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Please Note:

- Loan spent on Payroll field was already present in 3508 and 3508EZ form.
- As part of 03/05 release, 3508S form will also support this field
- PPP funds spent on Payroll should be at least 60% of the Forgiveness amount.

Add new non payroll expenses in lines 5-8, cascading changes to calculations

7	Covered Supplier Costs <input type="text" value="\$"/>	5	Covered Operations Expenditures <input type="text" value="\$"/>	6	Covered Property Damage Costs <input type="text" value="\$"/>
	8		Covered Protection Expenditures <input type="text" value="\$"/>		

API Endpoint:

```
POST /api/ppp_loan_forgiveness_requests/
```

Fields:

forgive_covered_operations_expenditures	Number	Mandatory (for 3508, 3508EZ)
forgive_covered_property_damage_costs	Number	Mandatory (for 3508, 3508EZ)
forgive_covered_supplier_costs	Number	Mandatory (for 3508, 3508EZ)
forgive_covered_protection_expenditures	Number	Mandatory (for 3508, 3508EZ)

Please Note:

New document types added for support additional expenditures

ID	NAME
49	Forgiveness Supporting Docs (Covered Worker Protection Expenditures)
48	Forgiveness Supporting Docs (Covered Property Damage Costs)
47	Forgiveness Supporting Docs (Covered Supplier Costs)
46	Forgiveness Supporting Docs (Covered Operations Expenditures)

Remove Alternative Payroll Covered Period start and end dates

Alternative Covered Period (if applicable)

From To

forgive_alternate_covered_period_from

forgive_alternate_covered_period_to

Remove Payroll schedule (weekly, bi-weekly etc.)

Payroll Schedule

Payroll Schedule (Weekly, Biweekly, Twice Per Month, Monthly, Other)

forgive_payroll_schedule

String

Remove EIDL advance amount and application number

forgive_eidl_amount Number Optional

forgive_eidl_application_number Number Optional

Please Note:

- In Post API call, above fields will be removed (POST /api/ppp_loan_forgiveness_requests/)
- In Get API call, above fields will continue to remain to support data submitted via old forms (GET /api/ppp_loan_forgiveness_requests/)



Other Platform Updates

Max Loan Calculation Control

With updated guidelines by SBA, this control was enhanced and should eliminate concerns on the calculation limiting service corner case loan situations.

Optimization of duplicate DUNS

- The SBA has recently optimized Duplicate DUNS validation process. Please look at your pending loan portfolio in the platform or review the updated status to check the current state of these PPP loans.
- If you had previously withdrawn loans related to duplicate DUNS errors, please resubmit these as appropriate into the platform. Do not resubmit anything on the platform already; these should have been processed, or will be. We have less than 20 that still need reprocessed.

ITINs for primary borrower







- Support for IRS issued ITINs is now available in production through both UI and API.
- ITINs are now also supported at the **primary borrower level** for PPP loan applications.
- ITIN's support for principal was already made available on Feb 20th

FAQ Questions

- 1) **Error message for “application already submitted”** – we’ve checked with borrower, no other application submitted, and no other application listed on SBA site. How do we clear?

- 2) **SSN/EIN type error** – how do we get corrected when the 1st draw is another financial institution?

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 	ITIN supported now at both borrower and principal level.
Loan cannot exceed more than 35K per employee 	Agency has removed this check now.
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 introduced Lender Certification process to support the resolution of Compliance Check Error Messages
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.