



**Effective: January 6, 2021**

**ACTION:** Procedural Notice

**References:**

<https://www.sba.gov/sites/default/files/2021-01/PPP%20--%20Procedural%20Notice%20--%20Modifications%20to%20SBA%20Forms%203506%2C%203507%20and%20750%20CA%20%28for%20purposes%20of%20PPP%20only%29.pdf>

**SBA Procedural Notice: Modifications to SBA Forms 3506, 3507 and 750 CA (for purposes of PPP only)**

## Overview

The Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (Economic Aid Act) was signed into law December 27, 2020. It extends the SBA's authority to guarantee initial Paycheck Protection Program (PPP) loans through March 31, 2021. It also provides the SBA authority to guarantee PPP second draw loans through March 31, 2021.

Any lender approved to make PPP loans per SBA Form 3506, 3507 or 750 CA (when used solely for the purpose of lenders participating in PPP) will be deemed by SBA to have agreed to the modified terms and conditions of the forms if the lender makes a PPP loan on or after December 27, 2020. Any previously approved lenders will not be expected to sign an updated version of the SBA form; but all new PPP lenders will be required to sign the applicable revised SBA forms.

The modifications are as follows:

- Extends the termination date in Section 8 or Section 19 in each such form, as applicable, from August 9, 2020 to April 1, 2021. Participating PPP lenders with such agreements, as well as 7(a) lenders authorized to make PPP loans can continue to make PPP loans until 11:59 pm on March 31, 2020.
- Modifies the statutory references in the forms to reflect the newly enacted Economic Aid Act, including sections 7(a)(36), 7(a)(37) and 7A of the Small Business Act.
- Modifies the forms (as applicable) to require the fixed rate of interest on PPP loans to be calculated on a non-compounding, non-adjustable basis and conforms the forms to existing PPP eligibility requirements.

The Revised Forms are available here: [www.sba.gov/ppp](http://www.sba.gov/ppp)

Questions are to be addressed to Eddie Ledford at [edward.ledford@sba.gov](mailto:edward.ledford@sba.gov).

### ACTION PLAN

1. Review this Procedural Notice and determine whether you are a current PPP approved lender or will be a new lender.
2. If a new lender, you are required to complete the appropriate new, revised Forms.
3. Review the additional requirements and amendments to the PPP as a result of the Economic Aid Act and determine how it impacts your current programs.
4. Contact Compliance Alliance with any additional questions.

