



**Effective Date: January 26, 2021**

**ACTION:** Procedural Notice

**References:**

[https://www.sba.gov/sites/default/files/resource\\_files/SBA\\_Note\\_5000-20083 -  
\\_PPP\\_Platform\\_Procedures\\_Unresolved\\_Issues\\_on  
\\_Borrower\\_First\\_Draw\\_PPP\\_Loans.pdf?utm\\_medium=email&utm\\_source=govdelivery](https://www.sba.gov/sites/default/files/resource_files/SBA_Note_5000-20083_-_PPP_Platform_Procedures_Unresolved_Issues_on_Borrower_First_Draw_PPP_Loans.pdf?utm_medium=email&utm_source=govdelivery)

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

## Overview

This Notice is to inform both the SBA and Lenders of upcoming PPP Platform procedures to address loan processing for Second Draw PPP Loan guarantee applications that have an unresolved issue on a Borrower's First Draw PPP Loan.

IFR Second Draw PPP Loans stated that if a First Draw PPP Loan is under review per the PPP rules and/or information in the SBA's possession indicates that the Borrower may have been ineligible for the First Draw PPP Loan received or the loan amount received by the Borrower was incorrect, the Lender will receive a notification from the SBA when the Lender submits an application for guarantee of a Second Draw PPP Loan ("Unresolved Borrower").

Beginning Wednesday, January 27, 2021, the PPP Platform will begin to process new Second Draw PPP Loan guarantee applications for Unresolved Borrowers. These Second Draw submissions are going to be moved automatically to a research status, and the platform is going to 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 the types of documentation required to assist with a resolution.

Lenders should be working with borrowers to assess these situations—only if the Lender and borrower feel confident that the issue(s) can be resolved should they obtain the necessary documentation. The lender will submit it to the platform.

Once the SBA has resolved this, the Second Draw Loan guarantee application 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 If the borrower believes that there is an issue that cannot be resolved, the Second Draw PPP application should be withdrawn by the lender in the platform.

Lenders who have submitted a Second Draw PPP Loan guarantee application before January 27, 2021 and that application was rejected due to unresolved issues with the First Draw PPP Loan must resubmit these applications.

Technical documentation for all platform API vendors and Platform User Guide will reflect any changes to the platform.

Questions concerning the notice can be directed to a Lender Relations Specialist in the local SBA Field Office (<https://www.sba.gov/tools/localassistance/districtoffices>).

