

Subject: SBA Paycheck Protection Program (PPP) Forgiveness Process and Platform Update

Dear PPP Lender,

SBA's ongoing effort to implement the PPP and ensure sound stewardship of taxpayer dollars includes a review of PPP loans for compliance with the CARES Act. SBA will review all loans of \$2 million or more, and other loans as appropriate, for eligibility, fraud or abuse, and compliance with loan forgiveness requirements. As part of this process, SBA is providing a loan necessity questionnaire for all PPP borrowers that, together with their affiliates, received loans of \$2 million or more.¹ The information that borrowers provide on the questionnaire will help SBA assess those borrowers' certifications in their loan applications, regarding the necessity of the loan for their ongoing operations, as required by the CARES Act.

A request to complete the Loan Necessity Questionnaire does not mean that SBA is challenging a borrower's certification. SBA's assessment of a borrower's certification will be based on the totality of the borrower's circumstances through a multi-factor analysis. All borrowers will have the opportunity to explain the circumstances that provided the basis for their good-faith loan necessity certification. This targeted, multi-step approach will ensure the integrity of the evaluation process and properly allocate SBA's finite resources to those loans that require additional review.

Initially, Lenders that have submitted loan forgiveness decisions to SBA for these borrowers are receiving loan review notification letters through the Platform requesting that the borrowers complete the appropriate Loan Necessity Questionnaire within ten business days of receipt of the questionnaire from the Lender. After a borrower submits the completed form and supporting documents to the Lender, the Lender is required to upload the completed form and supporting documents to the Platform and to separately input the borrower's responses to each question into the web form available in the Platform. Lenders are NOT required to re-enter the narrative comments from the questionnaire into the web form. *(Please see the accompanying document, which provides additional specifics on submission to the Platform, including screenshots.)*

Lenders are not required to verify or validate any of the borrower's responses or supporting documentation submitted with these questionnaires. However, Lenders should confirm that all required responses, supporting documents, and signatures and certifications have been received. E-signatures by the borrower's authorized representative are allowed, and "wet" signatures are NOT required.²

Failure to timely respond to any SBA request may result in a delay in SBA's remittance of the loan forgiveness amount, if any, or in a determination that the borrower was ineligible for the loan or ineligible to receive the loan amount or loan forgiveness amount claimed by the borrower (or the loan forgiveness amount in the lender's forgiveness decision).

¹ See [85 FR 20817](#) (April 15, 2020) regarding application of SBA's affiliation rules.

² See PPP FAQ 29, <https://www.sba.gov/sites/default/files/2020-10/Final%20PPP%20FAQs%20%28October%207%2C%202020%29-508.pdf>.

Platform Updates:

- The Platform now includes links to the Loan Necessity Questionnaire for For-Profit Borrowers (SBA Form 3509) and the Loan Necessity Questionnaire for Non-Profit Borrowers (SBA Form 3510). These forms are available under the Additional Resources tab in the Resources dashboard of the Platform at <https://forgiveness.sba.gov>.
- The [PPP Forgiveness Platform](#) has been updated to allow for online submission of the Loan Necessity Questionnaires in a separate module. Lenders will find a new module available upon logging into the system. Please read the instructions in the Loan Necessity Questionnaire User Guide, posted to the Platform Resources page, before beginning submissions of Loan Necessity Questionnaires.

Additional information on the forgiveness process, including relevant Procedural Notices, interim final rules, and other CARES Act and PPP resources, as well as instructions for authorizing accounts and submitting forgiveness decisions in the Platform, can be found in the Lender User Guide tab, Additional Resources tab and Platform videos. These resources are located in the Platform “Resources” dashboard.

Lenders with questions regarding these questionnaires should e-mail PPPForgivenessRequests@sba.gov with the subject line “Loan Necessity Questionnaire” for dedicated assistance. If you have any other questions, please contact the Lender Hotline at (833) 572-0502 or use the Platform Inbox to send a message to the SBA.

Sincerely,

Office of Capital Access
U.S. Small Business Administration