

SBA preparing new PPP loan forgiveness portal for small businesses

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The Small Business Administration could soon launch a new Paycheck Protection Program loan forgiveness portal that would allow at least some small-business owners to apply for forgiveness on an SBA platform instead of starting with their lender.



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The portal could help small business owners deal with a non-responsive lender, said Erik Asgeirsson, president and CEO of the Association of International Certified Professional Accountants in an online Town Hall on July 8.

“The SBA is looking to launch their own portal,” Asgeirsson said. “It seems like they are going to have a direct forgiveness tool, and that’s what I would expect if the lender is no longer in existence — that would be a great option.”

Lisa Simpson, vice president of firm services at AICPA, said in the town hall that some lenders may be waiting on the SBA for this portal as they deal with their own forgiveness backlogs, adding an announcement could be coming within the next week.

“Some of the smaller lenders are probably waiting for this SBA portal process to get up and running. We expect that to be announced in the next week or so that this is the way they want to try to help streamline the process,” Simpson said.

The SBA declined to comment on the new portal or offer details about who would be able to use it.

But the agency could announce the portal by the end of the week and begin with a pilot phase later in July, according to a source familiar with SBA’s plans for the portal. An official launch could happen early in August, and lenders will most likely be able to opt in, according to the source.

The move to open its own portal comes as PPP forgiveness for loans made in 2020 continues to drag on, and many small businesses are facing a deadline after which they will have to begin making payments on their loans. If the SBA does forgive the loan and pay off the lender after loan payments begin, the agency is on the hook for the interest, giving it an extra incentive to speed up the loan forgiveness process however it can.

Lenders will still be involved in the process, according to the source, because SBA ultimately pays off the lender that made the PPP loan, but the new portal will have the agency take over some of the communication around PPP loan forgiveness and offer borrowers a single place they can go to start that process. It also could help lenders avoid the added costs of setting up their own separate portals and processes to expedite forgiveness.

According to SBA data as of May 24, the latest available, nearly 2 million small businesses had yet to submit their PPP loan for forgiveness, out of a total 5.2 million loans made during 2020. It is unclear how many of the 6.7 million PPP loans the agency made in 2021 have applied for forgiveness, although those business owners have much more time to do so.

Meanwhile, the SBA is still making changes to the process. The SBA told lenders July 9 it is officially withdrawing the use of a controversial PPP loan questionnaire that critics say has slowed the forgiveness process and made it much harder for larger PPP loans to get forgiveness — something the Business Journals reported on in June.

The "loan necessity questionnaire" that was rolled out in November focused on the "good faith" certification that businesses had to make when applying for a PPP loan of \$2 million or more, but it asked for significant documentation about how businesses subsequently did after receiving the loan, among other things. The AGC ultimately sued the SBA, saying the questionnaire was developed in secret and without public input.

Meanwhile the SBA is also separately working on a way to streamline loan forgiveness for loans from \$150,000 up to \$2 million, something Guzman said in an interview with The Business Journals earlier in June.

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