



SBA Procedural Notice

TO: All SBA Employees and Paycheck Protection Program Lenders

CONTROL NO.: 5000-20075

SUBJECT: Repeal of EIDL Advance Deduction Requirement for SBA Loan Forgiveness Remittances to PPP Lenders

EFFECTIVE: January 8, 2021

Section 1110(e)(6) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) required SBA to deduct the amount of any Economic Injury Disaster Loan (EIDL) Advance received by a PPP borrower from the PPP forgiveness payment remitted by SBA to the PPP lender. On October 2, 2020, SBA began remitting forgiveness payments to PPP lenders, with the required EIDL Advance deductions. On December 27, 2020, the President signed the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), which repealed Section 1110(e)(6) of the CARES Act.¹

In order to implement the repeal, the [Forgiveness Platform](#) has been updated and, effective immediately, SBA will no longer deduct EIDL Advances from forgiveness payments remitted to PPP lenders. This change will be applied to SBA forgiveness payments with a status of “Payment Confirmed” dated December 29, 2020 or later.

For those loans where SBA remitted a forgiveness payment to a PPP lender that was reduced by an EIDL Advance, SBA will automatically remit a reconciliation payment to the PPP lender for the previously-deducted EIDL Advance amount, plus interest through the remittance date. PPP lenders are not required to request remittance of the reconciliation payment.

SBA will identify forgiveness payments that were reduced by EIDL Advances and automatically remit a reconciliation payment to the ACH account identified by the PPP lender in the [Forgiveness Platform](#). Upon confirmation that the payment has been accepted by the PPP lender, SBA will generate a Notice of Paycheck Protection Program Reconciliation Payment that will be available in the [Forgiveness Platform](#).

¹ See Section 333 of the Economic Aid Act.

The PPP lender is responsible for notifying the borrower of the reconciliation payment. The PPP lender is also responsible for re-amortizing the loan and notifying the borrower of the amount of the next payment due, or advising the borrower that the loan has been paid in full, whichever is applicable. If the amount remitted by SBA to the PPP lender exceeds the remaining principal balance of the PPP loan (because the borrower made a payment on the loan), the PPP lender must remit the excess amount, including accrued interest paid by the borrower, to the borrower.

Questions concerning this Notice may be directed to the Lender Relations Specialist in the local SBA Field Office. Local SBA Field Offices can be found at <https://www.sba.gov/tools/local-assistance/districtoffices>

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