



# SBA Procedural Notice

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**TO:** All SBA Employees and Paycheck Protection Program Lenders

**CONTROL NO.:** 5000-809631

**SUBJECT:** Updated Notice on First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act

**EFFECTIVE:** April 19, 2021

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On January 13, 2021, SBA issued Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act (“EAA Loan Increases Notice”). The purpose of the EAA Loan Increases Notice was to provide procedures for reapplications or requests for increases for certain First Draw PPP Loans that were approved on or before August 8, 2020.

The PPP Extension Act of 2021 (“Extension Act”) (Pub. L. 117-6), signed into law by the President on March 30, 2021, extended SBA’s authority to guarantee First Draw PPP Loans and Second Draw PPP Loans (collectively, “PPP Loans”) through June 30, 2021. The Extension Act contains an important restriction, which provides that from June 1, 2021 through June 30, 2021, SBA shall not accept new PPP Loan guaranty applications from Lenders and shall only process PPP Loan guaranty applications submitted by Lenders to SBA before June 1, 2021. This Updated Notice modifies the EAA Loan Increases Notice to reflect the Extension Act. Any provisions of the EAA Loan Increases Notice that are not modified by this Updated Notice remain in effect.

## **Increases on First Draw PPP Loans approved on or before August 8, 2020 to Eligible Partnerships, Seasonal Employers, and Farmers and Ranchers**

Any request for an increase on a First Draw PPP Loan approved on or before August 8, 2020 and for which SBA has not remitted a forgiveness payment to the Lender on that loan, to an eligible partnership, seasonal employer, or a farmer or rancher must be submitted electronically in E-Tran by the Lender of Record on or before May 31, 2021, and any such request is subject to the availability of funds.

## **Reapplications by Eligible Borrowers that Fully Repaid a First Draw PPP Loan before December 27, 2020**

For reapplications by eligible PPP Borrowers that fully repaid their First Draw PPP Loan before December 27, 2020, Lenders must submit the new loan guaranty application in the Paycheck Protection Platform by 11:59 pm EDT on May 31, 2021, and any such reapplications are subject to the availability of funds.

## **Re-disbursements to Eligible Borrowers that Returned Part of a First Draw PPP Loan before December 27, 2020**

Any re-disbursement (as described in paragraph 2 beginning on page 4 of the EAA Loan Increases Notice) to a PPP Borrower that returned part of First Draw PPP Loan before December 27, 2020, where SBA has not remitted a forgiveness payment to the Lender on that loan, must be reported by the Lender on a 1502 report on or before May 31, 2021, and any such re-disbursement is subject to the availability of funds.

## **Increases for Eligible Borrowers that did not accept the Full Amount of a First Draw PPP Loan for which they were Approved on or before August 8, 2020**

If a PPP Borrower did not accept the full amount of the First Draw PPP Loan for which they were approved on or before August 8, 2020, the Lender did not process a decrease of the loan in E-Tran, and SBA has not remitted a forgiveness payment to the Lender on that loan, any disbursement of an increased amount up to the original approved amount must be reported by the Lender on a 1502 report on or before May 31, 2021, and any such disbursement is subject to the availability of funds.

If a PPP Borrower did not accept the full amount of the First Draw PPP Loan for which they were approved on or before August 8, 2020, the Lender processed a decrease of the loan in E-Tran, and SBA has not remitted a forgiveness payment to the Lender on that loan, the Lender of Record may process an increase on the loan up to the original approved amount by submitting the request for an increase electronically in E-Tran on or before May 31, 2021, and any such request is subject to the availability of funds.

## **Unresolved Borrowers**

If the First Draw PPP Loan approved on or before August 8, 2020 has a Hold Code, the Lender of Record will receive notification from SBA when the Lender submits a request for an increase of the First Draw PPP Loan or submits a reapplication for a First Draw PPP Loan. If the Lender receives notification of the Hold Code, the Lender will not be able to process an increase on the First Draw PPP Loan, nor will the Lender be able to obtain an SBA loan number on a First Draw PPP Loan reapplication. Hold Codes must be resolved in accordance with Procedural Notice 5000-808216, Second Notice of Revised Procedures for Addressing Hold Codes and Compliance Check Error Messages on PPP Loans, issued on March 29, 2021. If a Lender submits a request for an increase or a reapplication before June 1, 2021 and the First Draw PPP Loan has a Hold

Code, the Hold Code must be resolved and the request for increase or reapplication must be processed by 11:59 pm EDT on June 30, 2021, and is subject to the availability of funds.

All dates in this Updated Notice are subject to the availability of funds and will change if funds are no longer available. SBA will be amending the Interim Final Rule on the Paycheck Protection Program as Amended by the Economic Aid Act, 86 FR 3692 (January 14, 2021), to reflect the date change for loan increases as a result of the Extension Act.

## Questions

Lenders may call the Lender Hotline at (833) 572-0502 for live assistance regarding Paycheck Protection Platform access and support, policy questions and procedures, and Capital Access Financial System (CAFS) and SBA's Electronic Transmission (E-Tran) systems support.

Lenders may also direct general PPP forgiveness questions to [PPPForgivenessRequests@sba.gov](mailto:PPPForgivenessRequests@sba.gov) and requests for advanced technical support, API support and UAT error support, to [developer@ussbaforgiveness.com](mailto:developer@ussbaforgiveness.com).

Requests for assistance on SBA Paycheck Protection Platform navigation and platform user experience issues may be sent to [help@ussbaforgiveness.com](mailto:help@ussbaforgiveness.com).

Questions concerning this Notice may be directed to the Lender Relations Specialist in the [local SBA Field Office](#).

Dianna L. Seaborn  
Director  
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