



# SBA Procedural Notice

---

**TO:** All SBA Employees, 7(a) Lenders, and Certified Development Companies

**CONTROL NO.:** 5000-813848

**SUBJECT:** Extension of Temporary Changes to 4506-C Tax Transcript Verification Procedures during the COVID-19 Emergency through September 30, 2021

**EFFECTIVE:** June 30, 2021

---

The purpose of this Notice is to further extend, through September 30, 2021, the temporary procedural guidance relating to the verification of financial information for SBA Lenders (including 7(a) Lenders and Certified Development Companies (CDCs)) set forth in [SBA Procedural Notice 5000-810037, which is currently in effect through June 30, 2021](#).

Due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic, the Internal Revenue Service (IRS) continues to experience delays in some of its services. SBA recognizes that delays in receipt of tax transcripts will affect the ability of SBA Lenders to comply with the Loan Program Requirements to verify financial information of the Borrower prior to the first disbursement of loan proceeds (for a 7(a) loan) and prior to submitting the closing documents to SBA Counsel (for 504 loans).

This temporary guidance was first set forth in SBA Procedural Notice 5000-20016 and replaced the guidance related to the timing of verification of financial information that is currently described in SOP 50 10 6, Part 2, Section A, Chapter 6, Paragraph B. Through September 30, 2021, all SBA Lenders must follow the procedures set forth below to verify the Applicant's financial information provided in connection with a 7(a) or 504 loan application:

If the SBA Lender has submitted IRS Form 4506-C to the IRS and has not received a response from the IRS within 10 business days, or has received an incomplete copy of the tax transcript (e.g., the reported year 2019 or 2020 has not been completed by IRS resulting in No Records Found for the applicable year), the SBA Lender:

- i. May proceed to close and disburse the loan;
- ii. Must document its file with a dated copy of the second submission and,
- iii. Must perform the verification and resolve any significant differences discovered as soon as the IRS response is received, but in no event later than 6 months from the date of the Note.

Under current circumstances, if the local IRS office only provides a stamp receipt (acknowledgement of filing) of the filed tax return in response to submission by the SBA Lender

of IRS Form 4506-C, the SBA Lender may rely on this stamp receipt of the filed tax return as evidence that the tax return was filed and continue with the application process. However, the SBA Lender also must obtain a certification from the Applicant that the tax information provided to the SBA Lender is identical to what was submitted to the IRS. Further, the SBA Lender must comply with the remaining verification of financial information procedures described in SOP 50 10 6, Part 2, Section A, Chapter 6, Paragraph B and resolve any significant discrepancies as soon as the SBA Lender receives the complete IRS response, but in no event later than 6 months from the date of the Note.

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

Dianna L. Seaborn  
Director  
Office of Financial Assistance