



SBA Paycheck Protection Platform Lender Instructions

Resolving First Draw PPP Loan Hold Codes

Updated 1/26/21

Not intended to convey policy guidance or direction

Second Draw PPP Loans & Unresolved Borrowers

As outlined in the [Interim Final Rule for Second Draw PPP Loans](#), if information in SBA's possession indicates that a Borrower may have been ineligible for the First Draw PPP Loan it received or for the loan amount received by the Borrower, the Lender will receive notification from SBA when the Lender submits an application for guarantee of a Second Draw PPP Loan ("**Unresolved Borrower**").

- An **Unresolved Borrower** is a borrower with a hold code on their First Draw PPP Loan
 - SBA places a hold code in the Platform when SBA has information indicating the Borrower may have been ineligible for:
 - The First Draw PPP Loan itself (e.g., Borrower did not meet SBA Size Standards)
 - The loan amount received in the First Draw PPP Loan
- When a Lender submits a Second Draw PPP application to SBA, the Lender will receive a notification if the Borrower has a hold code on their First Draw PPP Loan
- Second Draw Loan submissions for Unresolved Borrowers will not receive a Loan Number until all issues are resolved
- Only **after** SBA issues a loan number is the loan considered approved and funds are reserved for the loan

Note: Lenders should work with their Borrowers to clear unresolved issues as quickly as possible so that SBA may complete processing of the Second Draw application and issue a Loan Number.

Second Draw PPP Loans in the SBA Paycheck Protection Platform

Beginning Wednesday, January 27th, the Platform will process new Second Draw PPP Loan guarantee applications for unresolved Borrowers.

- Second Draw Submissions will be moved automatically to “Further Research Required” status and the Platform will provide the Lender an opportunity to submit documentation to support the resolution of the outstanding First Draw issue(s)
- The Platform will display information regarding the unresolved issue(s) and guidance as to types of documentation that may assist with resolution
- Lenders should work with their Borrowers to assess the situation:
 - If the Lender and the Borrower feel confident that the issue(s) can be resolved, they should obtain the necessary documentation and the Lender should submit it to the Platform. Once resolved by SBA, these Second Draw PPP applications will be automatically submitted into the next stage of processing and will not require re-entry by the Lender.
 - If the Borrower believes that there is an issue that cannot be resolved, the Second Draw PPP application should be withdrawn by the Lender in the Platform

Note: Lenders that submitted a Second Draw PPP Loan guarantee application before January 27, 2021 that was rejected due to an unresolved issue with the First Draw PPP Loan should resubmit these applications.

Resolving Hold Codes

- **For all requests to review Unresolved Borrower hold codes in connection with Second Draw PPP Loans, please submit the following documentation into the Platform:**
 1. Second Draw Application SBA Form 2483-SD or lender's equivalent
 2. First Draw Application SBA Form 2483 or lender's equivalent
 3. Documentation needed to resolve each hold code (see example below)
- When SBA determines that all issues are resolved:
 - Second Draw PPP Loan applications will be automatically submitted into the next stage of processing.
 - Lenders will not need to re-enter the application.
- If the Borrower agrees the issue cannot be resolved, the Lender must withdraw the application from the Platform.

Sample Documentation Requirements:

7 - Mismatch of TIN (EIN/SSN) – Tax ID of Borrower or Principal, as entered in ETRAN, appears to be inaccurate

Please provide proof of correct TIN (EIN/SSN) such as:

- a. Copy of 2019 Tax Return or other recently file tax forms verifying the Name and Tax ID Number for the borrower or principal
- b. IRS EIN document
- c. Copy of SSN card

Resolving Hold Codes

1. Lenders can view their submitted Second Draw PPP Loan applications in the All Loan Requests screen – a status of “Further Research Required” indicates that the Borrower has a hold code on their First Draw PPP Loan.
2. Click on the Borrower name to open the application and view details.

SBA U.S. Small Business Administration Forgiveness Origination Sign Out

All Loan Requests

Lender Tips

- If the SBA Number is populated and the Status is **Approved by SBA**, the lender can advance with funding the loan.
- If Status is **Not Approved**, click on the Submission Confirmation ID to review the reasons.
- If Status is **Failed Validation**, click on the Submission Confirmation ID to review the reason and action if possible.

Filter by [dropdown] [Search] [Clear] [Show 10 rows]

Borrower Name	Submission Confirmation ID	PPP Phase	SBA Application ID	SBA Number	Lender Application Number	Loan Amount	Status	Created	SBA Decision Date
XXXXXXXXXX	XXXXXXXXXX	Second Draw				\$ 2,500.00	Further Research Required	01/26/2021	
XXXXXXXXXX	XXXXXXXXXX	Second Draw				\$ 2,500.00	Further Research Required	01/26/2021	
XXXXXXXXXX	XXXXXXXXXX	Second Draw				\$ 2,500.00	Further Research Required	01/26/2021	

Resolving Hold Codes

3. Review the hold code(s) listed in the Platform message.
4. Click the hyperlink to open a Proactive Hold Review for this loan.

The screenshot shows the SBA U.S. Small Business Administration interface. The top navigation bar includes 'Forgiveness' and 'Origination' tabs. The left sidebar lists various options: Resources, PPP Loan Lookup, Submit New PPP Loan Request, All Loan Requests, Loan Request Drafts, and Proactive Loan & Hold Reviews. The main content area is titled 'PPP Loan Request' and 'Sample Borrower'. It shows a 'Further Research Required' status and a 'Withdraw Submission' button. A red box highlights a message area with a warning icon and text. A red circle with the number '3.' points to the warning icon, and another red circle with the number '4.' points to a link in the text.

Submission Confirmation Id: XXXXXXXX

Sample Borrower

Further Research Required

3. There Appears to be a Problem.

Your original First Draw PPP Loan is still under review by the SBA and has associated holds that must be cleared before 2nd draw processing can proceed. We apologize for this inconvenience. To address your specific loan situation, a proactive review has been initiated on the borrower's behalf. Please see the detailed information below regarding holds which currently exist on the First Draw PPP Loan. Further, you may immediately begin submitting supporting documents by accessing the Proactive Loan & Hold Review for this loan.

- 6-Inactive Business **4.**

Resolving Hold Codes

5. Upload the requested documentation in the “Review Documents” section to send documents back to the SBA for review. Once uploaded, documents will save automatically to the loan record.
6. Click “Submit” to send documents back to the SBA for review. Lenders should wait to submit until all required documentation has been uploaded.

Proactive Loan Review for XXXXXXXXXX

About Request

Lender : LENDER
SBA # : XXXXXXXXXX
Lender PPP Loan # : XXXXXXXXXX
Loan Amount : \$40,000
Borrower Name: MOCKDATA
Borrower Type: 17
Funding Date: 04/29/2020
Review Started: 1 week ago
Workflow Status: Pending Documentation

Review Documents

The size of each attachment must be under 35 megabytes in size to ensure successful submission.

Valid file types
pdf xls xlsx csv doc docx jpg jpeg png

Attachment	Attachment Name	Attachment Type	Uploaded By	Actions
5. <div>Choose File No file chosen</div>	SBA Loan Review.pdf	Proactive Loan Review Letter	System	<div>View</div> <div>Delete Upload</div> <div>+ Add Attachment</div>
		SBA Form 3508		

You cannot delete files once uploaded.

Notes from SBA

Note

Date

Submit to SBA

6.

SUBMIT

Do Not Click on the “Submit” Button until ALL documents have been uploaded and saved.

Additional Resources

Second Draw PPP Loan Policy Guidance

- [Second Draw Paycheck Protection Program \(PPP\) Loans: How to Calculate Revenue Reduction and Maximum Loan Amounts Including What Documentation to Provide](#) (Released 1/19/2021)
- [IFR: Loan Forgiveness Requirements and Loan Review Procedures as Amended by Economic Aid Act](#) (01-19-21)
- [IFR: Paycheck Protection Program \(PPP\) Second Draw Loans](#) (Released 1/6/2021)
- [Top-line Overview of PPP Second Draw Loans](#)

Application Forms, Lender Guidance, and PPP Program Rules

- [SBA's PPP website](#)
- [U.S. Treasury PPP website](#)

Additional Resources

- SBA PPP Lender Hotline: +1 (833) 572-0502
- SBA Paycheck Protection [Platform Inbox](#)