

Question Asked	Date Asked	Answer Given	Date Given
Is the certificate of incumbency required with the SBA form 3506 if you are FCU?	4/6/2020	A certificate of incumbency is required for credit unions.	4/6/2020
what qualifies for proof	4/6/2020	See FAQs.	4/6/2020
A checklist of proof/documents accepted would be ideal for the SBA PPP - is that available?	4/6/2020	No checklist but there's a lot of information on our website <a href="https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp#section-header-9">https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp#section-header-9</a>	4/13/2020
Will a certificate of incumbency require a board meeting - resolution?	4/6/2020	Will need to be signed by officers empowered by enter the agreement so they may need legal advice because it may depend on what authority their board has granted them for entering said agreements	4/13/2020
Where do you access the ETRANS system? (For credit unions new to SBA and ETRANS - please explain the process or where to find this information)	4/6/2020	Working with the CAFS system Create an account at <a href="https://caweb.sba.gov/cls/dsp_login.cfm">https://caweb.sba.gov/cls/dsp_login.cfm</a> If you haven't applied yet for your institution to be set up in the CAFS system - The first step is granting access to the authorizing official. Generally access requests flow back to the AO but I don't see the Admin options in the blue bar of drop down options which tells me that SBA is still working to expedite granting access on pending requests.  After receiving access to CAFS, look at the blue bar with drop down boxes at the top of the screen. Under "Loans" does "Electronic lending – origination (Etran)" appear? If so you have access to enter loan applications  Others creating new accounts or needing access to CAFS ( <a href="https://caweb.sba.gov/cls/dsp_login.cfm">https://caweb.sba.gov/cls/dsp_login.cfm</a> ) should log into (or create) their account. Then check for a message saying access requests pending? – if so then their account should still be in process (and I wouldn't recommend submitting another request as it will just add to the backlog/system overload).  If not, then they need to go to the top right of the screen to settings (person icon) and click on request access to cafs systems  Click to open this folder:  Electronic Lending - Origination (ETRAN)  Click on the box for "Enter/Edit Loan Applications (includes Read)"  Enter our location id # (select location if you don't know it and search by leader	4/13/2020

It seems that the goal posts keep moving in regards on businesses ca

QUESTION: THE CARES ACT EXCLUDES FROM THE DEFINITION OF PAYROLL COSTS ANY EMPLOYEE COMPENSATION IN EXCESS OF AN ANNUAL SALARY OF \$100,000. DOES THAT EXCLUSION APPLY TO ALL EMPLOYEE BENEFITS OF MONETARY VALUE?

ANSWER: NO. THE EXCLUSION OF COMPENSATION IN EXCESS OF \$100,000 ANNUALLY APPLIES ONLY TO CASH COMPENSATION, NOT TO NON-CASH BENEFITS, INCLUDING:

- employer contributions to defined-benefit or defined-contribution retirement plans;
- payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums; and
- payment of state and local taxes assessed on compensation of employees.

QUESTION: DO PPP LOANS COVER PAID SICK LEAVE?

ANSWER: YES. PPP LOANS COVERS PAYROLL COSTS, INCLUDING COSTS FOR EMPLOYEE VACATION, PARENTAL, FAMILY, MEDICAL, AND SICK LEAVE. HOWEVER, THE CARES ACT EXCLUDES QUALIFIED SICK AND FAMILY LEAVE WAGES FOR WHICH A CREDIT IS ALLOWED UNDER SECTIONS 7001 AND 7003 OF THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT (PUBLIC LAW 116-127). LEARN MORE ABOUT THE PAID SICK LEAVE REFUNDABLE CREDIT [HERE](#).

4/6/2020  
When will the Treasury or SBA release guidance for what documents are required for closing, typically there is certain SBA language required and we need that info to get these funds in our businesses hands  
4/6/2020  
If we need to change loan amounts with changing guidelines to calculating payroll, will we be able to do that?  
4/6/2020  
When will the guidelines for the loan forgiveness be published so that lenders know how easy/difficult that is?  
4/6/2020  
Once we've submitted the SBA application, how soon should we have approval?

Question: My small business is a seasonal business whose activity increases 4/13/2020

Lenders are able to use their own legal documents to close loans 4/13/2020

Yes, can make changes in etran servicing 4/13/2020

There is guidance in the final interim rule but more detailed is expected as the program advances 4/13/2020

EFFECTIVE APRIL 8, 2,000 LOANS OVER THE WEEKEND. TYPICALLY SBA DOES 50,000 IN ONE YEAR FOR THE 7(a) PROGRAM. HUGE VOLUME IN A SHORT PERIOD OF TIME - SYSTEM WASN'T DESIGNED FOR THIS TYPE OF VOLUME. IF YOU HAVE CREDIT UNIONS ARE HAVING ISSUES, CONTACT SBA DIRECTLY. THOSE APPLYING FOR NEW ACCOUNTS HAVE TO HAVE CLEARANCE. WE ARE WORKING AS FAST AS WE CAN. SBA LENDER HELP DESK: 833.572.0502 CLS@sba.gov. STEPS TO SET UP THE SYSTEM. ANYONE NEEDS ACCESS - CREATES USER NAME AND PASSWORD. IF IT IS A FIRST TIME SIGNING UP, NEED AN AUTHORIZING PERSON AT THE FINANCIAL INSTITUTION. THEY APPROVE ACCESS. THAT GOES TO THE CLS ADDRESS, AND THE CLS GIVES ACCESS TO THE SITE. IN A NORMAL ENVIRONMENT, EMAILS TO CONFIRM GO OUT. (NOT A NORMAL). THE AUTHORITY YOU WANT TO ACCESS LOAN ORIGINATION (ETRAN). NORMALLY THAT TAKES 24-48 HOURS.

Currently there are 100 people working on it. 4/6/2020

Is it true we can not have access to etran until our application to be a lender is approved?	4/6/2020	Yes.	4/6/2020
is the intent to allow more than one ppp loan to a business or are the ones waiting going to be at the front of the line if funds from round 1 run out?	4/6/2020	No - one PPP loan per business. Also, Wagner and Luetkemeyer addressed that it is the intent of Congress to extend the PPP loans.	4/6/2020
What is the timeline of getting non-SBA lenders set up on the Etran system? Does the SBA have a direct line for lenders that are working to be set up on the system for questions?	4/6/2020	Not a set timeline due to demand. Yes - lender hotline is 833-572-0502	4/13/2020
What are the acceptable documents to verify payroll cost?		Providing an accurate calculation of payroll costs is the responsibility of the borrower, and the borrower attests to the accuracy of those calculations on the Borrower Application Form. Lenders are expected to perform a good faith review, in a reasonable time, of the borrower's calculations and supporting documents concerning average monthly payroll cost. For example, minimal review of calculations based on a payroll report by a recognized third-party payroll processor would be reasonable. In addition, as the PPP Interim Final Rule indicates, lenders may rely on borrower representations, including with respect to amounts required to be excluded from payroll costs. If the lender identifies errors in the borrower's calculation or material lack of substantiation in the borrower's supporting documents, the lender should work with the borrower to remedy the issue.	
	4/6/2020		4/13/2020
Does rent paid to the owner count as a acceptable expense?	4/6/2020	Waiting on guidance to address	4/13/2020
When will the origination fee be paid out since there is a six month interest deferral	4/6/2020		
SBA credit unions are having difficulty getting their hands on the standardized note for loans that have been approved. The loan applications have been entered into what SBA calls the ETRAN system, but credit unions have not received the current version of the note. What is the timeframe/turnaround time to get this note?	4/6/2020	Here's a link <a href="https://content.sba.gov/sites/default/files/2020-04/040720note.p">https://content.sba.gov/sites/default/files/2020-04/040720note.p</a>	4/13/2020
Can a husband and wife who own an LLC 100% qualify for the PPP if they pay themselves?		Treasury and SBA has not yet issued guidance on how to handle self-employed individuals and independent contractors	
	4/6/2020		4/13/2020
Once approved, how quickly can we get training on the SBA system so we can upload applications?	4/6/2020	The application is streamlined. Lenders can contact me with questions. Once I'r	4/13/2020

How does the "Forgiveness" work from the lender point of view?  
 According to the Interim Guidance out now the SBA is going to issue future guidance. There is also a statement that says we can request purchase starting in seven weeks. I am just trying to figure out how we actually get re-paid on a loan that the business member thinks will be forgiven. 4/6/2020

Our normal practice has been to obtain a copy of the IRS document showing their FEIN and if the applicant was unable to locate that document, we would have them call the IRS and request a new letter. Unfortunately, the IRS is not accepting calls on FEIN issues at this time. Do you know what other institutions are doing in this situation? Suggestions? 4/8/2020

Can we add back interest and depreciation to obtain their final income amount on their Sch C? 4/10/2020

Also - how to handle 1099 income calculations? 4/10/2020

If a husband and wife own a company and pay employees through payroll but do not pay themselves, are they able to apply for two PPP loans? One for salaries paid to employees and one for themselves using the net income. 4/10/2020

Detailed guidance yet to be issued. 4/13/2020

Lenders may want to look at income tax and/or federal payroll tax returns for EINs 4/13/2020

Treasury and SBA has not yet issued guidance on how to handle self-employed individuals and independent contractors. Some offices are telling credit unions to add back interest and depreciate to calculate income. 4/13/2020

Treasury and SBA has not yet issued guidance on how to handle self-employed individuals and independent contractors 4/13/2020

Only one PPP loan per business. I haven't seen any guidance yet on owners draws

Can a credit union issue a loan to a member of their board of directors? Some offices are citing Reg O, which applies to banks.

Regulation O actually does not apply to credit unions. Regulation O defines its scope as governing “extensions of credit made by a member bank to an executive officer, director, or principal shareholder of the member bank...” 12 CFR §215.1(b). A member bank is defined as any banking institution that is a member of the Federal Reserve System. See, 12 CFR §215.2(j). Since credit unions are not members of the Federal Reserve System, the requirements of Regulation O do not apply to them. Instead, NCUA has its own rule, section 701.21(d), which provides the requirements for credit union loans to officials. The section, among other things, prohibits preferential treatment of officials, their immediate family members or anyone having common ownership, investment or pecuniary interest in a business with the official or their immediate family members. Here is the link to Section 701.21(d): [https://www.ecfr.gov/cgi-bin/textidx?SID=e6e78d675246917810aba2d382cde4cb&mc=true&node=se12.7.701\\_121&rgn=div8](https://www.ecfr.gov/cgi-bin/textidx?SID=e6e78d675246917810aba2d382cde4cb&mc=true&node=se12.7.701_121&rgn=div8)

4/13/2020

Below is the key section addressing loans to board of directors, etc:

(d) Loans and lines of credit to officials—(1) Purpose. Sections 107(5)(A) (iv) and (v) of the Act require the approval of the board of directors of the Federal credit union in any case where the aggregate of loans to an official and loans on which the official serves as endorser or guarantor exceeds \$20,000 plus pledged shares. This paragraph implements the requirement by establishing procedures for determining whether board of directors’ approval is required. The section also prohibits preferential treatment of officials.

(2) Official. An “official” is any member of the board of directors, credit committee or supervisory committee.

(3) Initial approval. All applications for loans or lines of credit on which an official will be either a direct obligor or an endorser, cosigner or guarantor shall be initially acted upon by either the board of directors, the credit

4/10/2020