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| DATE:    | August 5, 2025                                                 |
| TO:      | NADCO Members – please distribute to all appropriate personnel |
| FROM:    | Wayne Williams – EVP, Regulatory Affairs & Training            |
| SUBJECT: | PIIA Reviews adding TPL Contacts                               |

SBA has begun copying Third Party Lenders (TPLs) on email notifications to CDCs of 504 loans being selected for PIIA reviews. The notification is the initial email from Sacramento 504 Quality Assurance email box [Sacramento504QualityAssurance@sba.gov](mailto:Sacramento504QualityAssurance@sba.gov) to the CDC contact. As noted in that original email, “[e]ach CDC is responsible for informing all interested parties, including the Third Party Lender and borrower(s), that any committed 504 loan is subject to review. CDCs are also responsible for notifying the Third Party Lender if a specific loan is selected for PIIA review.” The CDC is responsible for all follow-up activities in the PIIA review process; SBA is including the TPL lender contact on the notification for transparency and informational purposes.

**All SBA loans are subject to PIIA review.** As a reminder, the 504 loans selected for the PIIA FY 2026 review are chosen randomly on a monthly basis from all 504 loans approved between April 1, 2025 and March 31, 2026.

A PIIA review is a complete file audit of randomly selected loans submitted to SBA’s Sacramento Loan Processing Center (SLPC) to verify that the application complies with SBA loan program requirements.

The Payment Integrity Act of 2019 (PIIA) is the follow up to the original Improper Payments Information Act (IPIA) of 2002, later followed by the Improper Payments and Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA). Under the Act and Office of Management and Budget (OMB) Circular A-123 Appendix C, SBA must annually review all programs and activities that may be susceptible to significant improper payments. As such, SBA has implemented a review of approved loans.

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