U.S. Small Business Administration
PPP COVID Revenue Reduction Score & Direct Forgiveness

Only for loans $150,000 or less for lenders that have opted-in

Effective date of PPP Direct Forgiveness IFR
PPP COVID Revenue Reduction Score & Direct Forgiveness

• Loans $150,000 or less represent 93% of outstanding PPP loans
  • Approximately 7 million loans remain to be forgiven
  • Many borrowers will have to begin making payments on these loans in the very near future

• SBA has developed solutions to assist
  • COVID Revenue Reduction Score (Score)
  • Direct Forgiveness
PPP COVID Revenue Reduction Score & Direct Forgiveness

COVID Revenue Reduction Score (Score)

• For lenders that choose to opt-in:
  • For Second Draw PPP loans - SBA is providing a COVID Revenue Reduction Score (Score) that serves as optional method to document borrower’s revenue reduction
  • The Score was developed using current data on economic recovery and return of businesses to operational status
  • SBA will score all Second Draw PPP loans $150,000 or less and will be visible to lenders to use on an optional basis
PPP COVID Revenue Reduction Score & Direct Forgiveness

COVID Revenue Reduction Score (Score) for lenders that choose to opt-in:

• When Score validates the borrower’s revenue reduction, use of Score will satisfy the requirement for the borrower to document revenue reduction

• When Score does not validate:
  • If borrower has not already provided documentation to the lender, borrower must provide documentation either directly to lender (if lender does not opt-in to Direct Forgiveness) or upload to Platform
  • If borrower has already provided documentation to the lender, lender will make forgiveness decision
PPP COVID Revenue Reduction Score & Direct Forgiveness

Direct Forgiveness Process
• For lenders that choose to opt-in:
  • To enable lenders to efficiently provide forgiveness decisions, SBA is allowing borrowers to submit forgiveness applications for First Draw and Second Draw loans using SBA Platform
  • Provides a single secure location for borrowers to apply for loan forgiveness using electronic equivalent of SBA Form 3508S
  • Platform will notify lenders when borrower has applied for forgiveness
  • In the Platform, Lender reviews forgiveness application and issues forgiveness decision to SBA
PPP COVID Revenue Reduction Score & Direct Forgiveness

Borrowers must submit forgiveness application directly to lender when:
• Lender does not opt-in to use the direct borrower forgiveness process
• Borrower's PPP loan amount is greater than $150,000
• Borrower does not agree with the data as provided by the SBA system of record, or cannot validate their identity in the Platform (for example, if there is an unreported change of ownership); or
• For any other reason where the Platform rejects the borrower’s submission.

In such circumstances, borrowers must follow instructions from their lender regarding how the lender expects the borrower to submit a forgiveness application for its PPP loan.
Direct Forgiveness Process
(for participating lenders)
Sign-up for Direct Forgiveness

- Lenders must first elect participation into the Direct Forgiveness program offered by the SBA.
- This setting can be found within the Institution Settings.
- Please review and agree to the Services agreement. This feature is available to all US Lenders at no cost.
Review and Action of Direct Forgiveness

Lenders may view their Borrower’s direct forgiveness submissions and take action to **approve**, **reject**, or **require borrower correction** (resubmission) – details on the following pages.

*In the situations where a Lender disagrees with a Borrower, they must submit the Not Approval and associated 3508 using the normal Forgiveness process. These situations are not supported through the Direct Forgiveness process.*

Bank Admin users can leverage this Direct Submission Dashboard to review and approve records submitted by their Borrowers.
Review and Action of Direct Forgiveness

Lenders will need to review the Borrower’s submission and make a decision to submit the Forgiveness application to the SBA.

Lender Fully Approved – Submit to SBA: The Lender fully agrees with the submission from the borrower and wishes to submit the forgiveness request to the SBA for decision.
Review and Action of Direct Forgiveness

Rejected – Borrower required to contact Lender – this option would likely leveraged for:

- Situations where the Lender needs to submit a Not Approved decision and provide the original 3508s with their modified values; the not approval exception process is not supported through the Direct Forgiveness workflow.

- Situations where the lender does not wish to process the request (fraud, not properly originated, etc.)
Review and Action of Direct Forgiveness

Borrower Action Required – Withdraw and Resubmit: Lender should use this decision when a correction to the application is required by the borrower. The borrower will need to 1) withdraw their application, 2) start a new forgiveness request, 3) complete the request with required correction, 4) submit and DocuSign.

After resubmitting, the Lender can review again and select a decision.
(Lender can send for borrower correction multiple times if necessary)

Fields the borrower can edit include:
- Primary contact name and title
- NAICS
- Cover Period (8 or 24 weeks, other)
- Number of employees at application or forgiveness
- Receipt of PPP loans $2 Million+
- Amount spent on payroll
- Requested forgiveness amount
- Demographics
### Review and Action of Direct Forgiveness

**Note:** In situations where the Borrower has applied for **less than full forgiveness**, the platform will indicate in **Yellow** that additional scrutiny is likely appropriate.
FAQs and Additional Resources
Lenders may access the “Resources” dashboard to access additional guidance for using the Platform. In this dashboard, Lenders may view tutorial videos, frequently asked questions, and links to additional policy resources. This page is available to all lender user groups (Admin, General User, Read Only).
Platform Help

If Lenders have additional questions that cannot be answered via the Platform Resources, they may submit a message to the SBA via the Platform Inbox.

1. Click “Inbox” in the top banner.
2. Click on “New Message.”
3. Select a message category, draft, and submit message.
FAQ

How do I access the Forgiveness Platform?
This platform can be accessed by visiting forgiveness.sba.gov.

How do I contact the SBA?
The SBA's PPP Lender Hotline is +1 (833) 572-0502.

Where can I find information about APIs?
A complete guide for Platform API use can be found here.

How many Platform users can each institution have?
Admin users may create up to 10 active users for each institution. We recommend that no more than two users be Admins.

Is there a maximum number of documents that can be uploaded with each application?
No, Lenders may submit an unlimited number of documents with each application. The Platform supports pdf, xls, xlsx, csv, doc, docx, jpg, jpeg, and png files.

Should I use the 3508EZ, 3508S, or the standard 3508 application form?
Lenders should use whichever form they received from the borrower to submit a forgiveness decision.

What happens if I submit and then need to withdraw an application?
You can withdraw a forgiveness decision after it has been submitted and before it has been reviewed by SBA ("Pending Validation" status). Decision submissions are typically in “Pending Validation” for 24 hours after submission. Lenders may submit a request to withdraw a submission via the Platform Inbox once the submission moves into “Under Review” status. SBA has the ability to withdraw a submission on behalf of the lender.
## Additional Resources

For detailed guidance on policies and procedures related to the PPP loan program and forgiveness, please reference the following documents:

<table>
<thead>
<tr>
<th>Resource</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim Final Rule on SBA Loan Review Procedures and Related Borrower and Lender Responsibilities</td>
<td>Informs borrowers and lenders of SBA’s process for reviewing PPP loan applications and loan forgiveness applications</td>
</tr>
<tr>
<td>PPP Interim Final Rule - Loan Forgiveness Requirements and Loan Review Procedures as Amended by Economic Aid Act</td>
<td>Consolidates prior forgiveness rules and incorporates changes made by the Economic Aid Act, including guidance for forgiveness of second draw loans.</td>
</tr>
<tr>
<td>Procedural Notice 5000-20038, Procedures for Lender Submission of Paycheck Protection Program Loan Forgiveness Decisions to SBA and SBA Forgiveness Loan Reviews</td>
<td>Informs PPP Lenders of the processes for submitting decisions on PPP borrower loan forgiveness applications to SBA, requesting payment of the forgiveness amount determined by the Lender; SBA loan forgiveness reviews and payment of the loan forgiveness amount determined by SBA.</td>
</tr>
<tr>
<td>Business Loan Program Temporary Changes; Paycheck Protection Program – Revisions to Loan Amount Calculation and Eligibility</td>
<td>Allows individuals who file an IRS Form 1040, Schedule C to calculate their maximum loan amount using gross income and removes certain eligibility restrictions.</td>
</tr>
<tr>
<td>3508 Application Form and Instructions</td>
<td>SBA Form 3508 (standard) forgiveness application and instructions, updated January 2021</td>
</tr>
<tr>
<td>3508EZ Application Form and Instructions</td>
<td>SBA Form 3508EZ forgiveness application and instructions, updated January 2021</td>
</tr>
<tr>
<td>3508S Application Form and Instructions</td>
<td>SBA Form 3508S forgiveness application and instructions, updated January 2021</td>
</tr>
<tr>
<td>Treasury Website</td>
<td>Additional Procedural Notices, Final Rules, and other information.</td>
</tr>
<tr>
<td>SBA PPP Website</td>
<td>Additional resources and guidance around SBA’s PPP loan program.</td>
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If you need additional guidance, please contact the following resources:

- SBA PPP Lender Hotline: +1 (833) 572-0502
- For general Forgiveness questions: SBA Forgiveness Inbox
- For technical Platform questions: Platform Inbox
Questions?