



SBA ANNOUNCES PPP PROCESS CHANGES

From the Journal of Accountancy by Jeff Drew

The U.S. Small Business Administration (SBA) [announced changes](#) Wednesday, Jan. 10, designed to reduce delays in the Paycheck Protection Program (PPP) approval process.

Millions of small businesses have applied for PPP forgivable loans since it reopened Jan. 11 with \$284 billion in fresh funding. A significant percentage of those applications has been held up by process and system issues stemming from additional validation checks put in place to flag potential fraudulent applicants.

The American Institute of CPAs (AICPA) [sent a letter](#) Feb. 3 urging the SBA to [address the problems](#), which were causing the SBA's E-Tran and PPP Loan Processing system to either reject or require more documentation for around 30% of PPP applications. Often the system didn't allow lenders to submit the documentation or directly address other errors, such as data mismatches, that were preventing otherwise acceptable applications from being approved. The AICPA also called on the SBA to provide more frequent and clear communications to lenders and small businesses about the PPP issues.

To address the concerns raised about the PPP process, the SBA said it would allow lenders to directly certify the eligibility of borrowers for first- and second-draw loans and would not require lenders to submit supporting documentation of borrowers with validation errors until they apply for loan forgiveness. The changes are designed to speed up the flow of funds to PPP applicants while "maintaining the integrity" of the program, according to the SBA.

The SBA also said it would create additional communication channels with lenders, including an immediate call with national lenders to brief them on the PPP platform's added capabilities.

How much the SBA changes will smooth out the application process will be revealed as the platform tweaks are implemented with lenders. Accounting firms with small business clients whose applications are on hold may want to continue to preach patience as the SBA works to improve its platform and procedures.

Despite the system and process issues, the [SBA approved](#) almost 1.3 million PPP loans totaling \$101 billion from Jan. 11 through Feb. 7. The program is scheduled to continue accepting applications through March 31.