
Hughes Hubbard & Reed

Pandemic Economic Stimulus: Legislative and Regulatory Developments as of July 30, 2021

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July 30, 2021 – This week, the Small Business Administration announced an online portal through which Paycheck Protection Program borrowers may seek loan forgiveness directly from the SBA. It also announced it was ending the use of two Loan Necessity Questionnaires that it said have been delaying the loan forgiveness process. There were no legislative developments of significance.

Regulatory Developments Relating to the Pandemic

SBA to Open Paycheck Protection Program Direct Forgiveness Portal

On July 28, the Small Business Administration (SBA) announced it will launch a streamlined application portal to allow borrowers with Paycheck Protection Program (PPP) loans of \$150,000 or less through participating lenders to apply for forgiveness directly through the SBA. The new forgiveness online platform will begin accepting applications from borrowers on August 4, 2021. Lenders are required to opt-in to this program through the SBA. In addition to the technology platform, the SBA offers PPP customer service at (877) 552-2692 for borrowers with questions about loan forgiveness or who need assistance with their forgiveness applications.

- Press release
- Direct Forgiveness Portal homepage

SBA Discontinues Use of Loan Necessity Questionnaire

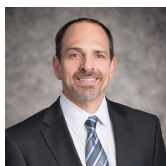
On July 29, the Small Business Administration (SBA) issued a revised FAQ in which it announced that it has discontinued reliance on two Loan Necessity Questionnaires in its Paycheck Protection Program (PPP) loan necessity reviews. The SBA said it had concluded that the loan necessity reviews, including the review of the borrower's completed Loan Necessity Questionnaire, are lengthy and have caused delays beyond the 90-day statutory timeline for forgiveness, thus negatively impacting those borrowers that made their loan necessity certification in good faith. In October 2020, the SBA issued two Loan Necessity Questionnaires (SBA Forms 3509 and 3510) to facilitate the collection of supplemental information that SBA loan reviewers used to evaluate the good faith certification made by PPP borrowers that economic uncertainty made their loan requests necessary to support ongoing operations.

Each borrower that received PPP loans with an original principal amount of \$2 million or greater was required to complete the form.

- PPP FAQ version 10, question 69

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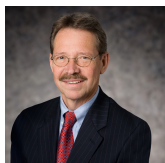
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