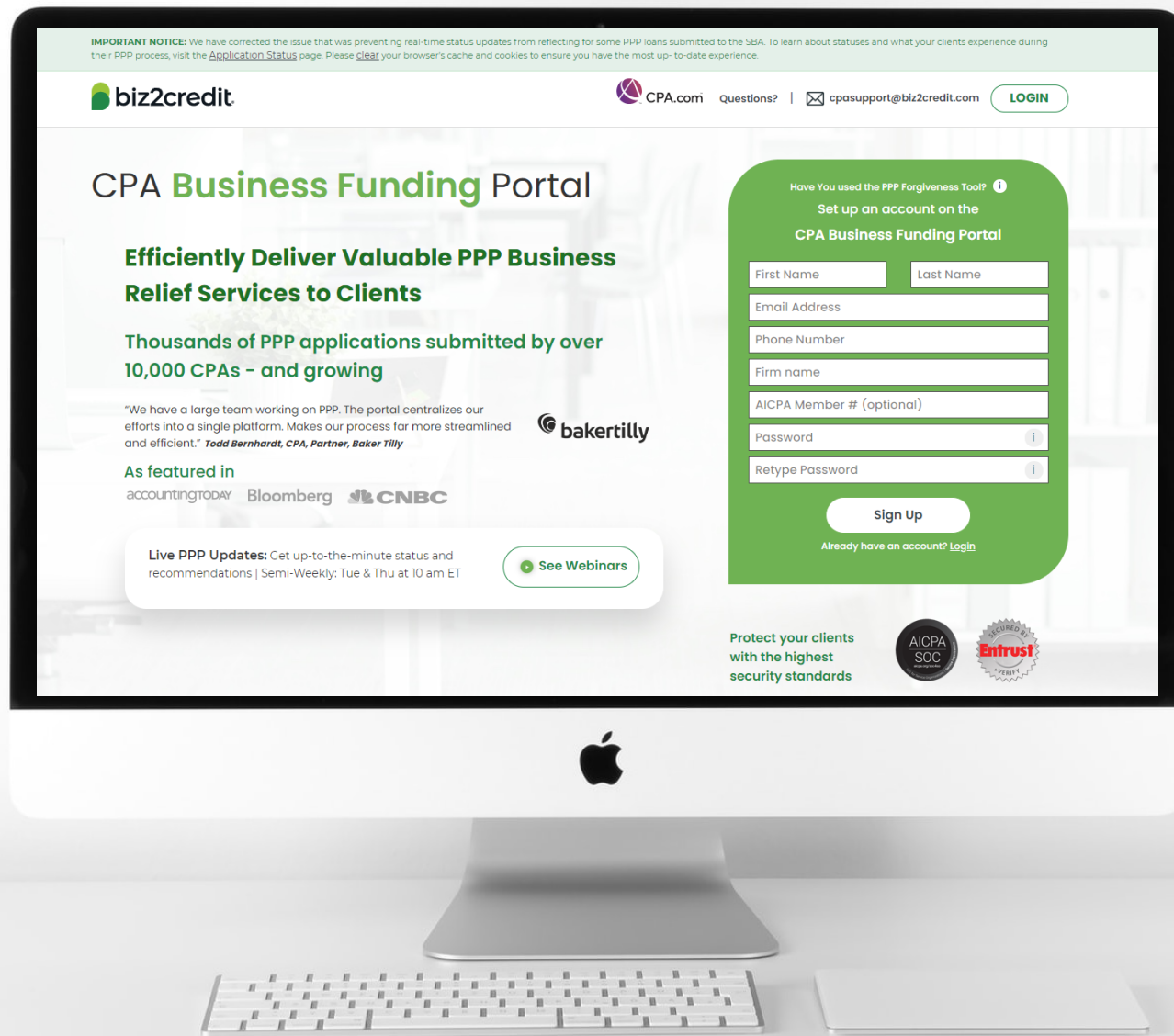




# CPA **Business Funding** Portal

Live PPP Service Updates

February 23, 2021



# Operational Updates from the CPA Business Funding Portal Team

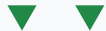
PROACTIVE STEPS IN PROGRESS

## SBA Procedural Notice on Error & Hold Codes (announced on 2.10)



# SBA Error & Hold Code Handling

**SBA contact info** (some lenders choose not to handle errors)



U.S. Small Business  
Administration

Contact SBA's Answer Desk by email  
to [answerdesk@sba.gov](mailto:answerdesk@sba.gov) or call **800-827-5722** Monday  
through Friday, between 9 a.m. and 6 p.m. EST.



## SBA Procedural Notice

TO: All SBA Employees and Paycheck  
Protection Program Lenders

CONTROL NO.: 5000-20092

EFFECTIVE: February 10, 2021

SUBJECT: Revised SBA Paycheck Protection  
Platform Procedures for Addressing Hold Codes on  
First Draw PPP Loans and Compliance Check Error  
Messages on First Draw PPP Loans and Second  
Draw PPP Loans

This Notice revises the guidance provided in SBA Procedural Notice [5000-20083](#), SBA Paycheck Protection Platform Procedures for Addressing Unresolved Issues on Borrower First Draw PPP Loans, effective January 26, 2021. The purpose of this updated Notice is to inform SBA employees and Lenders of new SBA Paycheck Protection Platform (platform) procedures to address (1) Second Draw Paycheck Protection Program (PPP) Loan guaranty applications where there is a Hold Code on the Borrower's First Draw PPP Loan, and (2) First Draw PPP Loan guaranty applications and Second Draw PPP Loan guaranty applications with Compliance Check Error Messages.

Under the CARES Act, PPP Lenders are deemed to have delegated authority to make and approve PPP loans without prior SBA review. After issuance of the SBA loan number, all First Draw PPP Loans made in 2020 were individually screened by an automated tool. The automated tool compared First Draw PPP Loan data against publicly available information and applied eligibility and fraud detection rules to identify anomalies and/or attributes that may indicate non-compliance with eligibility requirements, fraud or abuse. Additionally, after issuance of the SBA loan number, SBA performed data analytics, including reviewing information from the Department of Treasury Do Not Pay lists, and other analyses of the 2020 First Draw PPP Loan portfolio. The automated tool screening, data analysis, and other analyses resulted in the issuance of Hold Codes on certain 2020 First Draw PPP Loans.

In 2021, before issuance of an SBA loan number, SBA is conducting front-end Compliance Checks on Lender loan guaranty applications for new First Draw PPP Loans and Second Draw PPP Loans using a modified version of the automated screening tool and information from the Department of Treasury Do Not Pay lists. When an issue is identified, the Compliance Checks generate a Compliance Check Error Message. In many cases, the Hold Codes and the Compliance Check Error Messages identify the same issues.

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EXPIRES: 2-1-22

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete

Must be accompanied by SBA Form 58



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CPA **Business Funding** Portal

**Biz2Credit Steps to Identifying Error Resolutions**

- 1. Identify error;
- 2. Prioritize based on frequency;
- 3. Update application and resubmit (automatic);
- 4. Identify errors available for client resolution;
- 5. Surface application update to clients.

**PHASED RELEASE OF ERROR CODES IS NOW ONGOING**

# Validation Error Resolutions


Error Code	Detail
E0094	Our automated routines have determined that there is a mismatch between business TIN/SSN and Borrower TIN/SSN. Please ensure that the correct TIN/SSN type is selected for the business and all principals.
E00204	Please ensure you are applying to the SBA as a second draw. We have detected that you are attempting to process this loan as a First Draw and our system detected that you already have a PPP Loan. Error:
E0196	Our automated routines have determined that there is likely a problem with the principal ownership percentage. Please ensure that the ownership percentage for this business type equals 100%.
E0004	For a Second Draw PPP Loan, you must provide the First Draw (or original PPP) loan number.

# Operational Updates for Applications with Delays

## Business Funding Portal Updates to Error Handling

- Following SBA Procedural Notice, Biz2Credit stood up a team to handle applications that are in a hold status and move them to funded.
- So far the team has advanced 25% of applications with a hold code.


## API Validation Resolution

 **SBA VALIDATION RESPONSE**

**OWNERSHIP AMOUNT DOES NOT MATCH BUSINESS TYPE**

The SBA's automated systems have determined that this business type must have an ownership percentage of 100% listed on the application but it did not when submitted to the SBA.

You can **Modify the Application** to attempt to correct this error.

 [Modify Application](#)

Here is the SBA error message:

detail: Our automated routines have determined that there is likely a problem with the principal ownership percentage. Please ensure that the ownership percentage for this business type equals 100%. Error E0196

Error code: E0196

First Validations Out Now

## Working With SBA

Biz2Credit is working with SBA to process funding as quickly as possible.

This week SBA confirmed applications with a status of active/undisbursed remain eligible for funding beyond the 20-day mark.

