



COVID-19 Response: **Paycheck Protection Program for Lenders**

Who is eligible to lend?

All existing SBA-certified lenders will be given delegated authority to speedily process PPP loans.

All federally insured depository institutions, federally insured credit unions, and Farm Credit System institutions are eligible to participate in this program.

A broad set of additional lenders can begin making loans as soon as they are approved and enrolled in the program. New lenders will need to submit their application to [**DelegatedAuthority@sba.gov**](mailto:DelegatedAuthority@sba.gov) to apply with the SBA.

Are these loans guaranteed by the SBA?

Yes, the SBA guarantees 100% of the outstanding balance, and that guarantee is backed by the full faith and credit of the United States.

Are there guarantee fees?

The SBA waives all SBA guaranty fees, including the upfront and annual servicing fees.

What are other features of the loan program?

All loans will have a fixed interest rate of 1.00%, with a maturity of 2 years.

What underwriting is required?

You will need to verify that a borrower was in operation on February 15, 2020. You will need to verify that a borrower had employees for whom the borrower paid salaries and payroll taxes. You will need to verify the dollar amount of average monthly payroll costs. You will need to follow applicable Bank Secrecy Act requirements.

How will lenders be compensated?

Processing fees will be based on the balance of the financing outstanding at the time of final disbursement:

- Loans \$350,000 and under: 5.00%
- Loans greater than \$350,000 to \$2 million: 3.00%
- Loans greater than \$2 million: 1.00% Lenders may not collect any fees from the applicant.

Who can be an agent?

An agent is an authorized representative and can be:

- An attorney.
- An accountant.
- A consultant.
- Someone who prepares an applicant's application for financial assistance and is employed and compensated by the applicant.

- Someone who assists a lender with originating, disbursing, servicing, liquidating, or litigating SBA loans.
- A loan broker.
- Any other individual or entity representing an applicant by conducting business with the SBA.

How will agents be compensated?

Agent fees will be paid out of lender fees. The lender will pay the agent. Agents may not collect any fees from the applicant.

- Loans \$350,000 and under: 1.00%
- Loans greater than \$350,000 to \$2 million: 0.50%
- Loans greater than \$2 million: 0.25%

Can these loans be sold in the secondary market?

PPP loans can be sold in the secondary market. The SBA will not collect any fee for any guarantee sold into the secondary market.