

The U.S. Small Business Administration (SBA) requests approval to collect information using loan necessity questionnaires when SBA is conducting loan reviews of certain Paycheck Protection Program (PPP) loans. Each PPP borrower that, together with its affiliates (see [85 FR 20817](#) (April 15, 2020) regarding SBA’s affiliation rules), received PPP loans with an original principal amount of \$2 million or greater will be required to complete the questionnaire. These questionnaires are an invaluable tool for obtaining supplemental information and supporting documentation to assess the compliance of specific PPP borrowers with PPP requirements, while minimizing burdens on PPP borrowers and costs to SBA of a full-scale audit of each PPP borrower.

SBA will use these questionnaires to inform SBA’s assessment of certain borrowers’ basis for making the good-faith certification, required by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), “that the uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient.”¹ SBA, in consultation with the Department of Treasury, has determined that the \$2 million threshold is appropriate because borrowers with loans below this threshold are generally less likely to have had access to adequate sources of liquidity in the current economic environment than borrowers that obtained larger loans. Additionally, given the large volume of PPP loans, this approach will enable SBA to conserve its finite resources and focus its reviews on larger loans, where compliance efforts may yield higher returns.

SBA’s evaluation of a borrower’s good-faith certification will be based on a multi-factor analysis that considers the totality of the borrower’s circumstances. The questionnaires are tailored to a borrower’s for-profit or non-profit status. Given the importance of protecting the integrity of the SBA loan review program, SBA requests that OMB not make the form publicly available at this time. For example, the questionnaires seek information about a borrower’s business practices after receiving a PPP loan that may bear upon the borrower’s required certification. Publicizing these questions could enable some borrowers to modify their business practices in an attempt to affect SBA’s assessment of their certification.

¹ CARES Act (Pub. L. 116–136), § 1102.