



# SBA Procedural Notice

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**TO:** All SBA Employees and Paycheck  
Protection Program Lenders

**CONTROL NO.:** 5000-20024

**SUBJECT:** Guidance on Whole Loans Sales of  
Paycheck Protection Program Loans

**EFFECTIVE :** 5/1/2020

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The purpose of this Notice is to provide guidance to Lenders approved to participate in the Paycheck Protection Program (“PPP”) regarding whole loan sales of PPP loans.

Lenders participating in PPP may sell all of their interest in PPP loans to other participating Lenders in accordance with 13 CFR § 120.432(a). For purposes of PPP loans only, SBA’s prior written consent is not required. All PPP loans must be sold to Lenders that have a signed SBA Form 750, SBA Form 3506, or SBA Form 3507 (referred to individually as a “Loan Guarantee Agreement”). The purchasing Lender must take possession of the note and the loan documents and service the loan. The purchasing Lender, however, may elect to have the originating Lender subservice the loan and hold the note and loan documents on behalf of the purchasing Lender. The purchasing Lender acquires the PPP loan subject to SBA’s existing rights, including its right to deny liability on its guarantee. The PPP loan will be purchased subject to the acquiring Lender’s applicable Loan Guarantee Agreement.

The originating Lender must immediately provide SBA’s Office of Credit Risk Management with notice of any PPP whole loan sale including the name of the purchasing Lender, together with a loan list assembled in ascending order that includes the [SBA loan number, borrower name, original loan amount, current amount principal balance, and maturity date] at the following e-mail address: [PPPLoanSales@sba.gov](mailto:PPPLoanSales@sba.gov). For purposes of PPP loans only, the originating Lender will be considered to meet the good standing and satisfactory performance requirements of 13 CFR § 120.433.

The purchasing Lender will be the party responsible to SBA with respect to all servicing actions, including requests for advance purchases and loan forgiveness, and will be the party eligible for the guarantee purchase of a PPP loan.

Please direct comments to John Wade at [john.wade@sba.gov](mailto:john.wade@sba.gov).

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