

RESCINDED

OCC Bulletin 2020-44| April 25, 2020

Credit Administration: Documentation of SBA Paycheck Protection Program Loans

Replaced-See OCC 2020-45

Summary

The Office of the Comptroller of the Currency (OCC) is encouraging banks¹ providing loans under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) to prudently document their implementation and lending decisions. Additionally, banks are encouraged to identify and track the PPP loans made to small business borrowers that have annual revenues of \$1 million or less and are located in low- to moderate-income (LMI) areas.

Note for Community Banks

This bulletin applies to community banks engaged in SBA PPP loans.

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Highlights

As part of the PPP, banks may accept applications from both existing small business customers and applicants who are not current loan customers. When working with all applicants, in addition to adherence to the SBA PPP program requirements, banks are encouraged to collect and track information provided during the application process regarding borrowers' annual revenue, and for loans made in LMI census tracts, distressed areas, and underserved areas, and that benefit LMI individuals, families, and communities.² Maintaining and monitoring this information, where available, in the administration of the SBA PPP is a prudent banking practice consistent with the principles of safety and soundness and fair access and fair treatment of borrowers,³ and other applicable legal requirements. Prudent practices may also include documenting implementation decisions—such as the bank's business justifications and any alternatives considered—when setting eligibility criteria, establishing processes for considering applications, and approving or denying PPP applications. Relevant business considerations may include estimates of resources needed to implement and offer the SBA PPP, current available resources (including staff resources), and the ability to access needed information about an applicant in a timely way, among other factors.

In addition to thorough documentation of program administration and loan decisions, banks are encouraged to identify and track PPP loan volumes. Such documentation serves to enhance overall credit risk management while enabling the bank to demonstrate the full spectrum of businesses served, including small businesses and those in LMI areas. When exercising supervisory and enforcement responsibilities in this area, the OCC will take into

account the unique circumstances resulting from the national emergency and good faith efforts to comply with applicable legal requirements.

Further Information

Please contact Lou Ann Francis, Director for Commercial Credit, at (202) 649-6670 or Vonda Eanes, Director for CRA and Fair Lending, at (202) 649-5470.

Grovetta N. Gardineer

Senior Deputy Comptroller for Bank Supervision Policy

Related Links

- [SBA PPP](#)
- [SBA PPP Frequently Asked Questions](#)

¹ “Banks” refers collectively to national banks, federal savings associations, and federal branches and agencies of foreign banking organizations.

² Such information may be used to track loan volumes for Community Reinvestment Act (CRA) purposes. Refer to the “Joint Statement on CRA Consideration for Activities in Response to COVID-19” attached to [OCC Bulletin 2020-19](#).

³ The Equal Credit Opportunity Act (ECOA) and Regulation B prohibit discrimination against an applicant on a prohibited basis regarding any aspect of a credit transaction, and prohibit discouraging a reasonable person, on a prohibited basis, from making or pursuing an application. See 12 CFR 1002.4(a) and (b). The prohibition on lending discrimination in ECOA and Regulation B applies to all creditors and to both business credit and consumer credit.