# SBA Procedural Notice

**TO:** All SBA Employees, 7(a) Lenders, and Certified Development Companies

**CONTROL NO.:** 5000-810037

**SUBJECT**: Extension of Temporary Changes to 4506 Tax Transcript Verification Procedures during the COVID-19 Emergency through June 30, 2021

**EFFECTIVE:** April 22, 2021

The purpose of this Notice is to extend the temporary procedural guidance relating to the verification of financial information for SBA Lenders (including 7(a) Lenders and Certified Development Companies (CDCs)) set forth in Procedural Notice 5000-20016 through June 30, 2021.

Due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic, the Internal Revenue Service (IRS) continues to experience delays in in some of its services. SBA recognizes that delays in receipt of tax transcripts will affect the ability of SBA Lenders to comply with the Loan Program Requirements to verify financial information of the Borrower prior to the first disbursement of loan proceeds (for a 7(a) loan) and prior to submitting the closing documents to SBA Counsel (for 504 loans).

In an effort to minimize the impact of possible IRS delays and to ensure that loan proceeds are disbursed to small businesses as soon as possible, SBA is extending the temporary procedural guidance relating to the verification of financial information for SBA Lenders through June 30, 2021. This temporary guidance was first set forth in Procedural Notice 5000-20016 and replaced the guidance related to the timing of verification of financial information that is currently described in SOP 50 10 6, Part 2, Section A, Chapter 6, Paragraph B. Through June 30, 2021, all SBA Lenders must follow the procedures set forth below to verify the Applicant's financial information provided in connection with a 7(a) or 504 loan application:

> If the SBA Lender has submitted IRS Form 4506 C to the IRS and has not received a response from the IRS, and has not received the requested tax transcripts within 10 business days, the SBA Lender:
>
> i. May proceed to close and disburse the loan;
>
> ii. Must follow up with the IRS to obtain and verify the tax data by submitting IRS Form 4506 C or by resubmitting a copy of the IRS Form 4506 C to IRS with the notation "Second Request" in the top right hand side, as applicable;



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iii. Must document its file with a dated copy of the submission/second submission, as applicable; and

iv. Must perform the verification and resolve any significant differences discovered as soon as the IRS response is received, but in no event later than 6 months from the date of the Note.

Under current circumstances, if an SBA Lender is unable to submit the 4506 C to the IRS, the SBA Lender must obtain a certification from the Applicant that the tax information provided to the SBA Lender is identical to what was submitted to the IRS.

SBA appreciates your patience as we navigate through numerous different challenges in this very rapidly changing environment.

If you have any questions regarding this notice, please contact your local SBA field office or the service centers. To locate your local office or service center, please go to https://www.sba.gov/about-sba/sba-locations.

Dianna L. Seaborn
Director
Office of Financial Assistance



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