



Consumer Financial Protection Bureau Issues Clarifications to Support Small Businesses Applying for PPP Loans

May 6, 2020

WASHINGTON, D.C. – The Consumer Financial Protection Bureau today issued clarifying FAQs to support small businesses who have applied for a loan from their financial institution under the Small Business Administration’s (SBA) Paycheck Protection Program (PPP).

Creditors are generally required under the Equal Credit Opportunity Act and Regulation B to notify applicants within 30 days of receiving a “completed application” of the creditor’s approval, counteroffer, denial or other adverse notice regarding the application. Regulation B notifications of action taken are designed to help consumers and businesses by providing transparency to the credit underwriting process in a timely manner. Information that is generally included in a complete application includes any approvals or reports by governmental agencies or others who can guarantee, insure, or provide security for the credit or collateral. In its FAQs, the Bureau clarifies that a PPP application is only a “completed application” once the creditor has received a loan number from the SBA or a response about the availability of funds. This ensures that the time awaiting this information from the SBA does not count towards the 30-day notice requirement, and that applications will therefore not “time out” during the process.

The [FAQs](#) also make clear that if the creditor denies an application without ever sending the application to the SBA, the creditor must give notice of this adverse action within 30 days. It further clarifies that a creditor cannot deny a loan application based on incompleteness where the creditor has enough information for a credit decision but has yet to receive a loan number or response about the availability of funds from the SBA.

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.