

Paycheck Protection Program Liquidity Facility (PPPLF) Operational Documentation Guide Depository Institutions

This guide describes how PPPLF Depository Institution participants fill out and submit the documents necessary to pledge PPP loans as collateral for PPPLF advances. This guide is for descriptive purposes only and is not legally binding.

At least two documents must be submitted to request a PPPLF advance: 1) “Transmittal Form for Pledge of Small Business Administration Paycheck Protection Program Loans for the Paycheck Protection Program Liquidity Facility and Request for Advance” (transmittal form) and 2) “Paycheck Protection Program Individual Loan Reporting Table” (loan listing). The transmittal form is used to pledge PPP loans as collateral to the PPPLF and at the same time request a PPPLF advance. The transmittal form must be accompanied by the loan listing that lists the individual pledged loans in a prescribed format. The transmittal form and individual loan listing templates are available on the [PPPLF page](#) of the website. Two additional documents must be submitted if the PPPLF borrower wishes to pledge PPP loans that the PPPLF borrower purchased from another PPP lender, as described below under [“Pledging PPP Loans That Have Been Purchased From Other PPP Lenders.”](#) In addition, a PPPLF borrower that wishes to pledge purchased PPP loans must have executed the PPPLF Letter of Agreement as amended on or after May 1, 2020 (refer to PPPLF Borrowing Documentation Guide).

Filling out the Transmittal Form

- In order to be pledged as PPPLF collateral, a PPP loan **must have an SBA loan number**.
- Only PPP whole loans may be pledged as PPPLF collateral.
- Only PPP Loans guaranteed by the Small Business Administration (“SBA”) are eligible to serve as collateral for the PPP Loan Facility.
- Purchased PPP loans that are pledged to the PPPLF must be purchased in accordance with the SBA’s requirements for the sale and purchase of whole PPP loans¹. An institution that pledges purchased PPP loans to the PPPLF must provide the Reserve Bank with additional documentation, described below under [“Pledging PPP Loans That Have Been Purchased From Other PPP Lenders.”](#)
- Reserve Banks will make PPPLF advances based on pools of pledged PPP loans by maturity date. The PPPLF borrower must assemble all PPP loans that it intends to pledge as PPPLF collateral into separate pools grouped by maturity date. A separate transmittal form must be prepared for every maturity pool. One PPPLF extension of credit will be made on a pool of PPP loans having the same maturity date (with one exception, described below).

¹ See SBA procedural notice 5000-0024, May 1, 2020. <https://www.sba.gov/document/procedural-notice-5000-20024-guidance-whole-loans-sales-paycheck-protection-program-loans>

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IMPORTANT NOTE: A Reserve Bank will make **one and only one** advance to a PPPLF borrower that is secured by PPP loans that mature on a particular date, with one exception (see below). For this reason, a PPPLF borrower should ensure that it pledges **at one time** all PPP loans with that maturity date that it wishes to pledge. Once a maturity pool has been submitted and the PPPLF advance made, no additional PPP loans or loan pools with that maturity date will be accepted as PPPLF collateral.

Exception: If a PPPLF borrower already has an outstanding PPPLF advance secured by PPP loans with a maturity date prior to May 15, 2020, and subsequently wishes to pledge purchased PPP loans with that same maturity date, Reserve Banks will allow a single additional PPPLF advance secured by the purchased loans that have the same maturity date as an outstanding PPPLF advance. Such additional advances must be secured **only** with purchased PPP loans that mature on that particular date.

Pledging PPP Loans That Have Been Purchased From Other PPP Lenders

If any of the pledged PPP loans were purchased from other PPP lenders, copies of the SBA “Acknowledgement of PPP Whole Loan Sale” letters, along with the accompanying listings of purchased loans, must also be submitted. More than one SBA acknowledgement letter and purchased loan listing will be required if the pledged loan pool contains PPP loans from more than one purchase. It is not necessary to amend the purchased loan listings provided by the SBA to remove loans that are not being pledged to the PPPLF; the PPPLF pledge is defined by the PPP loans listed in the PPPLF listing.

Filling out the Individual Loan Listing

Each transmittal form must be accompanied by a loan listing setting forth the individual loans in the pledged PPP loan pool. The loan listing is designated as *the “Paycheck Protection Program Individual Loan Reporting Template.”* PPPLF borrowers must use this loan listing template. When preparing the loan listing, the loan listing form should not be altered in any way other than to add more rows for individual loan information.

In the loan listing, the Origination Date of the Pledged Loan Pool is the date of the promissory note for the PPP loans in the pool. The As-of Date is the date the detailed listing was generated by the borrower. FHLB members must select their Regional FHLB from the menu; non-members can select N/A. The following data elements are required for each individual PPP loan in the pledged pool:

- The obligation or loan number in the PPPLF borrower’s loan system
- The SBA loan number assigned by the SBA
- The PPP borrower’s name
- The original par amount of the PPP loan

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- The current outstanding balance of the PPP loan (During the period of deferred PPP loan payment, current outstanding balance should equal original par)
- The maturity date of the PPP loan (All of the listed loans must have the same maturity date)
- The interest next due date (During the period of deferred PPP loan payment, may be blank)
- The principal next due date (During the period of deferred PPP loan payment, may be blank)

Submitting the Transmittal Form and Loan Listing

The transmittal form and loan listing (and, if necessary, SBA documentation for purchased loans) must be submitted by email, from the email account of an individual authorized in the PPPLF Letter of Agreement to pledge PPPLF collateral and to request PPPLF advances on behalf of the PPPLF borrower. A separate email is required for each PPPLF transmittal form/loan listing; only one transmittal form and accompanying loan listing should be included per email.

Note: If the borrower's Authorizing Resolution requires two individuals to conduct discount window-related activities on behalf of the borrower, two individuals must **act jointly** to submit the transmittal form and detailed listing. *The submission email should be initiated by the first individual, forwarded to the second, and then submitted to the Reserve Bank.*

The email must be sent to the PPPLF email address at the lending Reserve Bank; these email addresses are available here under the [Select Your District](#) page on the website.

How Soon Will the PPPLF Advance be Made Following Submission of the Transmittal Form and Loan Listing?

A PPPLF advance will generally be made on the business day following the submission of the loan request documentation. The proceeds will be available at the end of the day the advance is made. In periods of very high demand for PPPLF advances, such as is expected at the start of the facility, additional time may be needed for the advance to be made.

How a PPPLF Advance Might be Adjusted by the Reserve Bank

If deficiencies in the collateral pool are found (for example: non-PPP loans, duplicated loan entries, loans with maturity dates that do not match the maturity date of the PPPLF advance), the Reserve Bank may deduct part of the PPPLF advance (along with associated accrued and unpaid interest), return excess collateral to the PPPLF borrower, or take other actions as needed in order to ensure that the balance of the PPPLF advance is not greater than the total outstanding balance of the PPP loans pledged as collateral to secure that PPPLF advance.