



Paycheck Protection Program Frequently Asked Questions (FAQs)

As of January 12, 2024

The Small Business Administration (SBA), in consultation with the U.S. Department of the Treasury, has been issuing FAQs¹ regarding implementation of the Paycheck Protection Program (PPP), established by section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act or the Act). Specifically, some of those FAQs involve explaining the requirements under the Bank Secrecy Act (BSA), and how lenders can meet those requirements when issuing a PPP loan. As the administrator of the BSA, the Financial Crimes Enforcement Network (FinCEN) is re-publishing those FAQs in this document. FinCEN will update this document with any additional BSA-related FAQs involving the PPP.

As stated in the FAQs issued by the SBA, borrowers and lenders may rely on the guidance provided in this document as SBA's interpretation of the CARES Act and of the PPP Interim Final Rule ([link](#)). The U.S. government will not challenge lender PPP actions that conform to this guidance, and to the PPP Interim Final Rule and any subsequent rulemaking in effect at the time.²

- 1. Question: Are PPP loans for existing customers considered new accounts for FinCEN Rule CDD purposes? Are lenders required to collect, certify, or verify beneficial ownership information in accordance with the rule requirements for existing customers?**

Answer: If the PPP loan is being made to an existing customer and the necessary information was previously verified, you do not need to re-verify the information.

Furthermore, if federally insured depository institutions and federally insured credit unions eligible to participate in the PPP program have not yet collected beneficial ownership information on existing customers, such institutions do not need to collect and verify beneficial ownership information for those customers

1. See <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>.

2. This document does not carry the force and effect of law independent of the statute and regulations on which it is based.

applying for new PPP loans, unless otherwise indicated by the lender's risk-based approach to BSA compliance.³ [April 6, 2020]

- 2. Question: Does the information lenders are required to collect from PPP applicants regarding every owner who has a 20% or greater ownership stake in the applicant business (i.e., owner name, title, ownership %, TIN, and address) satisfy a lender's obligation to collect beneficial ownership information (which has a 25% ownership threshold) under the Bank Secrecy Act?**

Answer: For lenders with existing customers: With respect to collecting beneficial ownership information for owners holding a 20% or greater ownership interest, if the PPP loan is being made to an existing customer and the lender previously verified the necessary information, the lender does not need to re-verify the information. Furthermore, if federally insured depository institutions and federally insured credit unions eligible to participate in the PPP program have not yet collected such beneficial ownership information on existing customers, such institutions do not need to collect and verify beneficial ownership information for those customers applying for new PPP loans, unless otherwise indicated by the lender's risk-based approach to Bank Secrecy Act (BSA) compliance.

For lenders with new customers: For new customers, the lender's collection of the following information from all natural persons with a 20% or greater ownership stake in the applicant business will be deemed to satisfy applicable BSA requirements and FinCEN regulations governing the collection of beneficial ownership information: owner name, title, ownership %, TIN, address, and date of birth. If any ownership interest of 20% or greater in the applicant business belongs to a business or other legal entity, lenders will need to collect appropriate beneficial ownership information for that entity. If you have questions about requirements related to beneficial ownership, go to <https://www.fincen.gov/resources/statutes-and-regulations/cdd-final-rule>. Decisions regarding further verification of beneficial ownership information collected from new customers should be made pursuant to the lender's risk-based approach to BSA compliance.⁴ [April 13, 2020]

- 3. Question: Are FinCEN's April 2020 FAQs (above) regarding the PPP applicable to Second Draw PPP Loans?**

Answer: Yes. The FinCEN April 2020 PPP FAQs above apply to Second Draw PPP Loans. If you have general questions about requirements related to customer due diligence or beneficial ownership, please see <https://www.fincen.gov/resources/statutes-and-regulations/cdd-final-rule>.⁵ [February 1, 2021]

3. This FAQ is the same as FAQ 18 of the SBA FAQs (<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>).

4. This FAQ is the same as FAQ 25 of the SBA FAQs (<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>).

5. This FAQ is the same as FAQ 54 of the SBA FAQs (<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>).

4. **Question:** For purposes of Bank Secrecy Act/Anti-Money Laundering compliance, can a PPP lender rely on the same information received from a borrower for the purposes of a First Draw PPP Loan for a Second Draw PPP Loan to that same borrower?

Answer: The information a lender obtained from a borrower in connection with a First Draw PPP Loan can be relied upon by that lender for a Second Draw PPP Loan application, if the borrower is an existing customer. Decisions regarding the updating of customer due diligence and the verification and updating of the beneficial ownership information collected from customers should be made consistent with the guidance for both existing customers and new customers set forth in the previous April 2020 FAQs above and in this FAQ, and pursuant to the lender's risk-based approach to Bank Secrecy Act compliance.⁶ [February 1, 2021]

5. **Question:** SBA Procedural Notice [5000-835955](#) states that a PPP lender may request a guaranty purchase (without charge-off) from the SBA when the lender "has filed a Suspicious Activity Report (SAR) with respect to the PPP loan." Is a PPP lender permitted under the BSA and its implementing regulations to reveal the existence of a SAR to the SBA when requesting a guaranty purchase (without charge-off) pursuant to SBA Procedural Notice 5000-835955?⁷

Answer: Yes. Consistent with the BSA and FinCEN's implementing regulations, a PPP lender may reveal the existence of a SAR to the SBA when requesting a guaranty purchase (without charge-off) from the SBA. This FAQ does not address any circumstances other than those described in SBA Procedural Notice [5000-835955](#). [January 12, 2024]

6. This FAQ is the same as FAQ 55 of the SBA FAQs (<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>).

7. We assume for purposes of this FAQ that the filer is subject to one or more SAR rules issued by FinCEN. See 31 CFR § 1020.320 (SAR rule for banks); 31 CFR § 1021.320 (SAR rule for casinos and card clubs); 31 CFR § 1022.320 (SAR Rule for money services businesses); 31 CFR § 1023.320 (SAR rule for brokers or dealers in securities); 31 CFR § 1024.320 (SAR rule for mutual funds); 31 CFR § 1025.320 (SAR rule for insurance companies); 31 CFR § 1026.320 (SAR rule for futures commission merchants and introducing brokers in commodities); 31 CFR § 1029.320 (SAR rule for loan or finance companies); 31 CFR § 1030.320 (SAR rule for housing government-sponsored enterprises). Each of these rules permits the disclosure of a SAR, or information revealing the existence of a SAR, to "any Federal regulatory authority that examines the [filer] for compliance with the BSA." See, e.g., 31 CFR § 1020.320(e)(1)(ii)(A)(1) (banks).