

Banks, Borrowers Bristle at SBA Questionnaire on Large PPP Loans

Media Mentions

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Bracewell's **Rachel Goldman** and **Thomas Kokalas** talked with *American Banker* about the objections to a questionnaire that some lenders and borrowers fear might lead to the Small Business Administration denying forgiveness for untold numbers of Paycheck Protection Program loans.

"The government has continued to move the goalposts on the banks, change the criteria, the requirements, their obligations," said Goldman. "You have to keep in mind there was the imperative to get the money out as soon as possible. Banks were being criticized at the beginning for not doing enough."

Some industry observers are also worried that lenders could encounter bigger issues if it is determined that their underwriting was lax or they ran afoul of anti-money-laundering laws. That could involve several agencies, including the SBA, Office of the Comptroller of the Currency or the Justice Department.

"If there's an audit or review of large loans and it is shown that there's a pattern where controls failed, that financial institution will be exposed to regulatory scrutiny," added Kokalas.

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