



NSA Members as “Agents” for PPP applications

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NSA has been inundated with questions regarding the definition of the term “agents” as defined under Paycheck Protection Program (PPP) loan application process. As I am sure you are aware, the PPP provides partially forgivable loans to help small businesses cover a variety of expenses.

The CARES Act signed into law on Friday, March 27, 2020, states:

“An agent that assists an eligible recipient to prepare an application for a covered loan may not collect a fee in excess of the limits established by the Administrator.”

On March 31, 2020, The Department of Treasury then released further guidance in a [PPP Information Sheet](#) for lenders which stated:

“Agent fees will be paid out of lender fees. The lender will pay the agent. Agents may not collect any fees from the applicant.”

It is NSA’s understanding that the limitation on fees relates to fees for the help provided to a client in the preparation of a PPP loan application.

If, however, a NSA member is providing advice to a client regarding the merits of a specific loan, and or tax relief program, that may be of benefit to their own specific business circumstance, then NSA believes it is reasonable that fees charged for those activities can be adjudged to fall outside the fee-related provisions of the CARES Act.

NSA has heard from a significant number of our members about this issue and we are continuing to voice our member’s concerns here in Washington. The most notable concern to date is that some lenders are not willing to pay the fees to “agents” as instructed under this Treasury guidance.

NSA has reached out to the IRS and the SBA about this matter, seeking clarification and adjustment to the guidance currently provided. We have also sought assistance from Senator Grassley’s office seeking clarity on how this issue might be resolved.



NSA also understands that several of our members do not intend to charge clients for the PPP application process. Their reasons for this are varied but seem to focus mainly on the concept that good public relations will help them in the future and that the PPP form itself is relatively simple to complete. One area of the form which does pose complications however is the average monthly payroll cost calculation. However, NSA understands that this number can be provided by third-party payroll providers and many of them are not charging customers for this work.

NSA is still committed to working with you, our membership, during this difficult and challenging time. We also are working with the Treasury Department, Small Business Administration, and the IRS, to continue to seek the answers to these and other complex questions.

Thank you for your support and the work that you do.