

## FAQ: Fed's financing to banks regarding the Small Business Administration's Paycheck Protection Program

- Can a depository institution pledge SBA-guaranteed loans as collateral?
  - Loans guaranteed by the Small Business Administration (SBA)—including Paycheck Protection Program (PPP) loans authorized in the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act—can be pledged as collateral, as described in the collateral guidelines.
  - The SBA-guaranteed portions of such loans receive margins in the U.S. Agency Guaranteed Loans category of the collateral margins table.
  - In addition, any unguaranteed portions of SBA-guaranteed loans receive margins according to the loan type.
  
- Can a depository institution pledge loans with electronic signatures as collateral?
  - Reserve Banks generally accept certain collateral types with imaged or electronic signatures in lieu of “wet ink” signatures, as long as the signature technology meets banking supervisory standards and the individual Reserve Bank’s requirements.
  - We do accept electronic signatures for the PPP loans, whether executed through DocuSign (or similar technology) or wet signatures that are then scanned or faxed to the depository institutions.
  - Depository institutions should direct questions regarding imaged or electronic signatures to [discount window and payment system risk staff at their Reserve Bank](#).
  
- How should PPP loans be reported?
  - The loans should be reported similarly to other loan pledges, but the PPP pool should be reported separately on the borrower-in-custody pledge form and as a distinct Excel file or Excel tab with the currently required data elements (outstanding balance, rate, etc.).
  
- Additional information:
  - We accept electronic signatures for other loan types if the original note is being retained.
  - We accept electronic signatures on newly originated loans so long as these loans are not backed by real estate.
  - We accept electronic collateral for all non-real-estate loan types. Depository institutions are required to list the Federal Reserve Bank of Atlanta as pledgee in their loan system for such pledges.

### Atlanta Fed Contact Information

Office Hours: Monday–Friday, 8:30 a.m. (ET) until close of FedWire (6:30 p.m. ET)  
atl.discountwindow@atl.frb.org  
(888) 500-7390

### References

- Discount Window FAQ: [www.frbdiscountwindow.org/pages/general-information/faq](http://www.frbdiscountwindow.org/pages/general-information/faq)
- Press release about Fed facility to assist PPP: [www.federalreserve.gov/newsevents/pressreleases/monetary20200406a.htm](http://www.federalreserve.gov/newsevents/pressreleases/monetary20200406a.htm)