



Change in Ownership Requirements for PPP Borrowers

On Friday, October 2, 2020, the Small Business Administration (“SBA”) issued a Procedural Notice (“Notice”), which provided guidance on the notification and consent requirements for changes in ownership of borrowers of Paycheck Protection Program (“PPP”) loans. Specifically, the Notice outlines the following for when a change of ownership is considered to have occurred:

- the responsibilities of a PPP borrower remain in place regardless of any change in ownership,
- the circumstances in which the Bank and/or SBA consent is required prior to a change in ownership,
- and the steps PPP borrowers and lenders must take to avoid a PPP loan default as a result of a change in ownership.

Please review the Notice issued by the SBA, specific to PPP Borrowers, [available here](#).

If you are in the process of a change in ownership or selling your business assets, please reach out to your South State banker or call Paycheck Protection Program (PPP) Support as soon as possible – whether or not you have started your loan forgiveness application.

In an effort to ensure your particular circumstance is handled appropriately, as specified by the SBA Notice, we will review your change in ownership details with you to help you determine the necessary next steps for your PPP loan. As indicated by the SBA, improper handling of a change in ownership by a PPP Borrower could lead to a default on the PPP loan and other ramifications to the seller or buyer.

As a reminder, we are inviting borrowers to begin the application process in phases. If you have not received an email invitation to begin the online application, do not worry. We are still in the process of inviting all borrowers and are confident you will have plenty of time to request forgiveness.

Thank you for the trust you have placed in South State throughout this process. We want to do everything possible to ensure your PPP loan remains in good standing and eligible for loan forgiveness.

If you have any questions regarding PPP forgiveness, please continue to consult your CPA or accountant, and/or legal professionals, or call us at (844) 238-9452. We appreciate your business and look forward to continuing to work through this together.

(844) 238-9452

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