



# SBA Procedural Notice

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**TO:** All SBA Employees and SBA Lenders

**CONTROL NO.:** 5000-829416

**SUBJECT:** Revisions to SOP 50 10 6 Financial Information Verification Procedures to Allow for the Use of IRS Forms 4506-C or 8821 for 7(a) and 504 Loans

**EFFECTIVE:** March 9, 2022

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The purpose of this Notice is to revise the procedures set forth in SOP 50 10 6 relating to the Tax Transcript/Verification of Financial Information process Lenders and Certified Development Companies (CDCs) (collectively, “SBA Lenders”) use to verify small business borrower financial information (“financial information verification”). Effective with the date of this Notice, SBA Lenders may use either IRS Form [4506-C, IVES Request for Transcript of Tax Return](#), or [IRS Form 8821, Tax Information Authorization](#), for purposes of financial information verification.

Due to the COVID-19 Emergency Declaration, the IRS temporarily suspended its acceptance of IRS Form 4506-T tax return transcript requests through the IRS Income Verification Express Service (IVES). To accommodate this suspension, SBA established temporary procedures for SBA Lenders to verify small business borrower financial information. These temporary changes to the financial information verification procedures were described in SBA Procedural Notice 5000-20016 (April 8, 2020), extended by SBA Procedural Notice 5000-810037 (April 22, 2021) and SBA Procedural Notice 5000-813848 (June 30, 2021), and expired on September 30, 2021. Accordingly, as of October 1, 2021, SBA Lenders were required to follow the financial information verification procedures as described in SOP 50 10 6.

As stated above, the purpose of this Notice is to revise the procedures set forth in SOP 50 10 6 to allow SBA Lenders to satisfy financial information verification by filing either IRS Form 4506-C or IRS Form 8821. This Notice also revises procedures set forth in SOP 50 10 6 to clarify that, in keeping with the changes described by this Notice, SBA Lenders must retain the IRS form used for financial information verification in the SBA Lender file.

The procedures in SOP 50 10 6 (effective October 1, 2020) preceded IRS issuance in September 2020 of a new IRS Form 4506-C and discontinuance of the IRS Form 4506-T for financial information verification through IVES after February 28, 2021. See SBA [Information Notice 5000-20068](#) (December 11, 2020). Therefore, this Notice also replaces all references in SOP 50 10 6 to the IRS Form 4506-T with IRS Form 4506-C, IVES Request for Transcript of Return.

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**EXPIRES: 3/1/23**

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete

Must be accompanied by SBA Form 58

Revised Procedures for Financial Information Verification in SOP 50 10 6

Financial Information Verification via IRS Form 4506-C

The procedures in SOP 50 10 6, Part 2, Section A, Paragraph B. for verifying financial information remain the same, except the reference to IRS Form 4506-T is replaced by IRS Form 4506-C. SBA Lenders must follow IRS Form [4506-C Instructions](#) or risk rejection of the request by IRS.

Financial Information Verification via IRS Form 8821

SBA Lenders may instead obtain tax return information by fully completing and submitting IRS Form 8821. SBA Lenders must ensure the type of transcript requested contains any changes to the original return, if filed by the small business borrower. The SBA Lender must be listed as designee in Line 2 of IRS Form 8821. SBA will not permit the borrower or its own tax preparer or enrolled agent to file IRS Form 8821 for purposes of financial information verification in connection with an SBA-guaranteed loan. SBA Lenders must follow the IRS Form 8821 [Instructions](#) or risk rejection of the request by IRS.

As stated in the IRS Form 8821 Instructions, when the box on line 4 of the IRS Form 8821 is checked, the IRS Form 8821 authorization request will apply only to the specific loan application and will not revoke any prior authorizations provided by the taxpayer.

Retention of IRS Form 4506-C or IRS Form 8821 in SBA Lender File

This Notice also revises the document retention guidance throughout SOP 50 10 6 to include the IRS Form 8821, if used by the SBA Lender to verify small business borrower financial information. SBA Lenders must retain in their loan file whichever IRS form was used for purposes of financial information verification.

These procedural changes will be incorporated into the next update of SOP 50 10.

**Questions**

Questions on this Notice may be directed to the Lender Relations Specialists in the [local SBA Field office](#).

Dianna L. Seaborn  
Director  
Office of Financial Assistance