



SBA Procedural Notice

TO: All SBA Employees and SBA Lenders

CONTROL NO.: 5000-844866

SUBJECT: Extension of Guidance for 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 1, 2023

On March 9, 2022, SBA issued [SBA Procedural Notice 5000-829416, “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”](#). The purpose of this Notice is to extend the previously provided guidance as described below.

The guidance provided in SBA Procedural Notice 5000-829416 revised the procedures set forth in SOP 50 10 6 relating to the Tax Transcript/Verification of Financial Information process 7(a) Lenders and Certified Development Companies (collectively, “SBA Lenders”) use to verify small business borrower financial information (“financial information verification”). SBA Lenders may continue to use either [IRS Form 4506-C, IVES Request for Transcript of Tax Return \(Revision October 2022\)](#) or [IRS Form 8821, Tax Information Authorization](#), for purposes of financial information verification.

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 that SBA Procedural Notice 5000-829416 replaced the reference to IRS Form 4506-T with IRS Form 4506-C. SBA Lenders must follow IRS Form 4506-C Instructions or risk rejection of the request by IRS. Please note that beginning March 1, 2023, IVES will only accept the October 2022 version of IRS Form 4506-C.

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 SBA financial assistance. 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

SBA Procedural Notice 5000-829416 also revised 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 Specialist in the [local SBA Field office](#).

Dianna L. Seaborn
Director
Office of Financial Assistance