



SBA's FISCAL & TRANSFER AGENT

The 1502 *Bulletin*

Keeping you informed on SBA Form 1502 Reporting

November 2000

Edition # 19

Commonly-Used Reporting Solutions

In conjunction with the Small Business Administration, Colson Services Corp. created 10 Solutions for SBA Form 1502 Reporting, in an effort to make the monthly 1502 reporting process easier. Since SBA's introduction of these reporting solutions in December 1997, there has been a steady increase in the use of the 10 reporting solutions by SBA 7(a) lenders, and an approximate 74% increase in the amount of 1502 data submitted electronically by lenders each month.

In an effort to assist our lenders with their SBA Form 1502 reporting, Colson would like to reacquaint you with those SBA Form 1502 reporting solutions that are the most popular with the lending community. You can find a complete listing of the *SBA Form 1502 Reporting The 10 Solutions* on our website at www.colsonservices.com under the tab **SBA Program Services/1502 Reporting/1502 Solutions**. If you have any questions about these solutions, please call Colson's Customer Service Department at (212) 266-7998 or (877) 245-6159, or e-mail us at info@colsonservices.com.

Template To Perform Calculations & To File Electronically --Solution 3

Colson's 1502 Template – a free, electronic reporting instrument available in Excel and Lotus spreadsheet formats, featuring:

- **1502 Data Input Flexibility:** Allows lenders to enter, on a line-by-line basis, 100% portion information and guaranty percentages for *unsold loans* (subject to and not subject to the SBA 50 basis point fee), if necessary. The template will then compute the guaranteed portions. Lenders with *loans sold in the secondary market* may use the template for electronic remitting purposes, however, the template will not perform payment due calculations.
- **Automated SBA Fee Calculations:** Computes the fee due SBA for unsold loans subject to SBA's ongoing program fee.
- **Electronic Data Remittance:** Allows lenders to submit their 1502 information to Colson on a diskette or via e-mail.

The template can be obtained by calling Colson's Customer Service Department or by visiting our website at www.colsonservices.com under the tab **SBA Program Services/1502 Reporting/1502 Filing Information**.

1502 Submission Through The Internet -- Solution 4

The 1502 Connection – a free, online reporting mechanism offered by Colson which features:

- **1502 Data Input Screens:** Accepts 1502 data on a loan-by-loan basis. The *Guaranteed Portion* section can be used to submit data on both sold and unsold loans. The *100% Reporting* section accepts data for non-secondary market loans only.
- **Automated SBA Fee Calculations:** Automatically calculates the fee due SBA for unsold loans subject to SBA's ongoing program fee.
- **Daily Submission Modifications:** Permits data modifications to 1502 information entered previously in the same day.
- **Online Data Validation:** Displays *error* messages when data input does not satisfy reporting parameters. Also publishes *warning* messages that prompt users to edit specified data fields, which may otherwise result in SBA data error conditions.
- **Loan Portfolio Reports:** Itemizes all SBA 7(a) loans in an institution's portfolio and lists GP number, borrower's name, guaranty percentage, loan approval date, and secondary market loan indicator.
- **1502 Submission Reports:** Generates a 1502 report reflecting information submitted throughout the current month, as well as a report of each daily submission.

To register for *The 1502 Connection* lenders must complete the enrollment form that can be obtained by calling Colson's Customer Service Department or by visiting our website at www.colsonservices.com under the tab **SBA Program Services/1502 Reporting/1502 Connection**.



Loan Accounting Services

Borrower/Loan Accounting Performed by Colson -- Solution 1

Loan Accounting Performed by Colson -- Solution 2

C.L.A.S.S. – Colson’s Loan Accounting Services Solution, provides third-party servicing of business loans, on behalf of lender clients. This service features:

- Payment notices to borrowers. *
- Payment collection from borrowers. *
- Payment disbursement to lender, FTA and other designated parties.
- Payment/portfolio status reporting.
- Follow-up notices to borrowers on past-due payments. *
- Re-amortization of variable rate loans to reflect interest rate changes.
- Payment remittances accepted by check, wire transfer, and via ACH.
- Annual tax reporting to borrowers and the IRS, if applicable.
- Annual audit confirmation requests.

** For Solution 1 only. Solution 2 lenders bill their borrowers and transmit a weekly wire transfer and standard transmittal of payments collected to Colson.*

Service benefits include:

- Compliance with 1502 reporting requirements.
- Elimination of payment allocation performed by lender.
- Accurate generation and timely submission of monthly 1502 reports to the FTA.
- Reduction in the number of 1502 reporting error and unreported loans.
- Efficient handling of monthly borrower billings, rate changes and re-amortization.
- Accurate allocation of payments in accordance with interest rate changes.
- Reduction in the number of monthly loan reconciliations for secondary market loans.

A service fee of \$8.10 per loan per month applies. A per loan set-up fee applies to loan data received in the following formats: \$8.00 for electronic media, and \$12.00 for hard copy. Other ancillary fees may apply.

Additionally, an added-value online loan portfolio review facility is available to clients of C.L.A.S.S., through

LoanPOINT -- Loan Portfolio On the Internet

Colson's **LoanPOINT** web site offers Solutions 1 and 2 clients the following:

- **Loan Transaction Details** – clients can access on a loan-by-loan basis:
 - Loan Details.
 - Payment Activity.
 - Payoff Information.
 - Line Availability.
- **Portfolio Reports**
 - Lender Payout Report
 - Date of Last Payment Report
 - SBA Form 1502 Report. <Coming Soon>

Lenders may access an easy-to-use demo of *LoanPOINT* and experience the efficiency of our web-based loan portfolio information system by visiting our website at www.colsonservices.com under the button **LoanPOINT/DEMO**.

For more information about Colson's Loan Accounting Services, please call Tom Kennedy at (212) 266-7878.