



The 1502 *Bulletin*

**Bulletin #1
Winter 1997**

General Notice:

On March 26, 1997, the prime rate was raised from 8.25% to 8.50%. This change affects variable rate SBA 7(a) loans tied to the prime rate. For loans that adjust on the first business day of the month or calendar quarter, interest should be calculated as of April 1, 1997 using 8.50% as the base rate. For all other variable rate loans, the new prime rate is effective on the change date occurring on or after March 26, 1997.

Specific Advice:

To better assist you with reporting the rate change, an example is provided. In this case, the borrower made a payment on April 15 and the interest period spanned the rate change on April 1. The payment is reported as two lines on the 1502 for the month ending April 30, 1997.

Example

SBA GP number	Lender Loan Number	Next Installment Due Date	Status (4-9)	Amt Disbursed this Period on Total Loan	Amount Undisbursed on Total Loan	Interest Rate	Guar. Portion Interest	Guar. Portion Principal	<u>Total to FTA</u>		<u>Interest Period</u>		# of Days	Calendar Basis	Guar. Portion Closing Balance	Remittance Penalty (if any)
									Guar. Portion Pymt or Fee		From	To				
1234563000	54321	5/15/97				10 %	\$ 791.78	\$ 0	\$ 791.98		3/15/97	4/1/97	17	365	\$ 170,000.11	
1234563000	54321	5/15/97				10.25 %	\$ 668.36	\$ 656.71	\$1,325.07		4/1/97	4/15/97	14	365	\$ 169,343.40	

- *The example shown is for a sold loan. The Guaranteed Portion Interest and Guaranteed Portion Principal columns are added together and the total is reported in the Total to FTA column. Also, the interest rate reported is the note rate less the lender's servicing fee.*
- For unsold loans not subject to SBA's fee, do not sum the Guaranteed Portion Interest and Guaranteed Portion Principal columns. The Total to FTA column should reflect \$0.00
- For unsold loans subject to SBA's 50 basis point fee, the fee amount should be indicated in the Total to FTA column.

Footnote:

The following fields on the 1502 form should be completed if applicable:

- Status (4-9)
- Amt Disbursed this Period on Total Loan
- Amt Undisbursed on Total Loan

**Colson Services Corp.
SBA's Fiscal and Transfer Agent**