



The 1502 *Bulletin*

**Bulletin #20
Winter 2001**

General Notice:

The prime rate has been reduced from 9.50% to 9.00%. This change affects variable rate SBA 7(a) loans tied to the prime rate. For loans that adjust on the first day of the month, interest must be calculated as of February 1, 2001 using 9.00% as the base rate. For variable rate loans that adjust on a day other than the first day of the month, the new prime rate is effective on the change date occurring on or after January 4, 2001.

NOTE: If the prime rate remains at 9.00% as of April 1, 2001, the 9.00% rate should be used for variable rate loans that adjust on the first day of the calendar's quarters. If a new prime rate takes affect on or before April 1, 2001, the new prime rate should be used.

Specific Advice:

To better assist you with reporting the rate change, an example is provided. In this case, the borrower made a payment on February 15 and the interest period spanned the loan's rate change date on February 1. The payment is reported as two lines on the 1502 for the month ending February 28, 2001.

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				
A.	1234563000	54321	3/15/01				9.50 %	\$ 752.19	\$ 0	\$ 752.19	1/15/01	2/1/01	17	365	\$ 170,000.11		
	1234563000	54321	3/15/01				9.00 %	\$ 586.85	\$ 656.71	\$1,243.56	2/1/01	2/15/01	14	365	\$ 169,343.40		
B.	6543214000	23541	3/15/01				9.50 %	\$ 931.09	\$ 0	\$ 49.01	1/15/01	2/1/01	17	365	\$ 210,433.27		
	6543214000	23541	3/15/01				9.00 %	\$ 726.42	\$ 435.00	\$ 40.36	2/1/01	2/15/01	14	365	\$ 209,998.27		

A. Sold Loans:

1. The first example shown is a sold loan with a sold rate of Prime + 1.00%.
2. The interest rate reported is the borrower's note rate less the lender's servicing fee of 1.00%.
3. The amount due the secondary market is indicated on two lines in the *Total to FTA* column.

B. Unsold Loans:

1. The second example shown is an unsold loan subject to SBA's 50 basis point fee with a rate of Prime. The fee amount should be indicated in the *Total to FTA* column for each line of data reported.
2. 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.

Footnote:

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

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

Colson Services Corp.
SBA's Fiscal and Transfer Agent
For unsold loans – 212-266-7998
For sold loans – 212-266-7828



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

SCHEDULE OF PAYMENT DUE DATES

Paragraph 6 of SBA Form 1086 (version 6-88 and 1-94) states that payments are due at the FTA on the third calendar day of the month, or the next business day if the third is not a business day. The SBA allows a grace period of two business days after the due date. If FTA receives a regularly scheduled payment after the expiration of the grace period, a Late Penalty is assessed (subject to a maximum of \$5,000.00). Paragraph 6(c) of SBA Form 1086 describes the components of the Late Penalty. Lenders are billed for Late Penalties at the end of each month. Late Penalties are due to Colson with the Lender's next monthly remittance.

Below is a schedule of final due dates for regularly scheduled payments. Payments received after the due date will be subject to the Late Penalty.

2001

JANUARY	5
FEBRUARY	7
MARCH	7
APRIL	5
MAY	7
JUNE	6
JULY	6
AUGUST	7
SEPTEMBER	6
OCTOBER	5
NOVEMBER	7
DECEMBER	5