



# The 1502 Bulletin

Bulletin #29  
November 2001

Keeping you informed on SBA Form 1502 Reporting

## General Notice:

The prime rate has been reduced to 5.00%. 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 December 1, 2001 using 5.00% as the base rate. If the prime rate remains at 5.00% as of January 1, 2002, the 5.00% rate should be used for variable rate loans that adjust on the first day of the calendar quarter. For variable rate loans that adjust on a day other than the first day of the month or calendar quarter, the new prime rate of 5.00% is effective on the change date occurring on or after November 7, 2001.

**NOTE:** If a new prime rate takes affect on or before the adjustment date of a variable rate loan, 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 December 15 and the interest period spanned the loan's rate change date on December 1. The payment is reported as two lines on the 1502 for the month ending December 31, 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	Total to FTA		Interest Period		# of Days	Calendar Basis	Guar. Portion Closing Balance	Remittance Penalty (if any)
									Guar. Portion Pymt or Fee		From	To				
A. 1234563000	54321	1/15/02				5.50 %	\$ 409.86	\$ 0	\$ 409.86	11/15/01	12/1/01	16	365	\$ 170,000.11		
	54321	1/15/02				5.00 %	\$ 326.03	\$ 656.71	\$ 982.74	12/1/01	12/15/01	14	365	\$ 169,343.40		
B. 6543214000	23541	1/15/02				5.50 %	\$ 507.35	\$ 0	\$ 46.12	11/15/01	12/1/01	16	365	\$ 210,433.27		
	23541	1/15/02				5.00 %	\$ 403.57	\$ 435.00	\$ 40.36	12/1/01	12/15/01	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**