



# The 1502 *Bulletin*

**Bulletin #5  
Fall 1998**

## General Notice:

On September 30, 1998, the prime rate was raised from 8.50% to 8.25%. 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 October 1, 1998 using 8.25% as the base rate. For all other variable rate loans, the new prime rate is effective on the change date occurring on or after September 30, 1998.

## Specific Advice:

To better assist you with reporting the rate change, an example is provided. In this case, the borrower made a payment on October 15 and the interest period spanned the rate change on October 1. The payment is reported as two lines on the 1502 for the month ending October 30, 1998.

### **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	11/15/98				10.25 %	\$ 763.84	\$ 0	\$ 37.26	9/15/98	10/1/98	16	365	\$ 170,000.11		
1234563000	54321	11/15/98				10.00 %	\$ 652.06	\$ 656.71	\$ 32.60	10/1/98	10/15/98	14	365	\$ 169,343.40		

- *The example shown is for an unsold loan subject to SBA's 50 basis point fee. The fee amount is indicated in the Total to FTA column.*
- 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 sold loans, the Guaranteed Portion Interest and Guaranteed Portion Principal are summed and the total is reported in the Total to FTA column. Also, for sold loans, the interest rate reported is the note rate less the lender's servicing fee.

### 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  
212-266-7998  
October 1998**