



# The 1502 Bulletin

Bulletin #52

April, 2006

Keeping you informed on SBA Form 1502 Reporting

## General Notice:

The prime rate has been increased to 7.75%. 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 April 1, 2006 using 7.75% as the base rate. For loans that adjust on the first day of the calendar quarter, interest must be calculated as of April 1, 2006 using 7.75% as the base rate. 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 7.75% is effective on the change date occurring on or after March 28, 2006.

**NOTE:** If a new prime rate takes affect on or before the adjustment date, 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 April 15 and the interest period spanned the loan's rate change date on April 1<sup>st</sup>. The payment is reported as two lines on the 1502 for the month ending April 30, 2006.

### 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              |                         | # of Days | Calendar Basis | Guar. Portion Closing Balance | Remittance Penalty (if any) |  |
|----|---------------|--------------------|---------------------------|--------------|---|----------------------------------|---------------|------------------------|-------------------------|---------------------------|-------------------------|-----------|----------------|-------------------------------|-----------------------------|--|
|    |               |                    |                           |              |   |                                  |               |                        |                         | Guar. Portion Pymt or Fee | Interest Period From To |           |                |                               |                             |  |
| A. | 1234563000    | 54321              | 5/15/06                   |              |   |                                  | 7.50 %        | \$ 593.84              | \$ 0                    | \$ 593.84                 | 03/15/06                | 04/01/06  | 17             | 365                           | \$ 170,000.11               |  |
|    | 1234563000    | 54321              | 5/15/06                   |              |   |                                  | 7.75 %        | \$ 505.34              | \$ 656.71               | \$ 1,162.05               | 04/01/06                | 04/15/06  | 14             | 365                           | \$ 169,343.40               |  |
| B. | 6543214000    | 23541              | 5/15/06                   |              |   |                                  | 7.50 %        | \$ 735.08              | \$ 0                    | \$ 49.01*                 | 03/15/06                | 04/01/06  | 17             | 365                           | \$ 210,433.27               |  |
|    | 6543214000    | 23541              | 5/15/06                   |              |   |                                  | 7.75 %        | \$ 625.53              | \$ 435.00               | \$ 40.36*                 | 04/01/06                | 04/15/06  | 14             | 365                           | \$ 209,998.27               |  |

### A. Sold Loans:

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

### B. Unsold Loan Subject to SBA 50 Basis Point Fee:

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.

\*Note – All SBA 7(a) loans approved on or after October 12, 1995 (excluding Microloans) are subject to one of the following SBA Basis Point Fees listed below. Basis Point Fees will vary based on the loan's approval date:

50 Basis Points (.005) – Loans approved October 12, 1995 – September 30, 2002

25 Basis Points (.0025) – Loans approved October 1, 2002 – April 4, 2004

36 Basis Points (.0036) – Loans approved April 5, 2004 – September 30, 2004

50 Basis Points (.005) - Loans approved October 1, 2004 – September 30, 2005

54.5 Basis Points (.00545) - Loans approved after October 1, 2005

### Exceptions

25 Basis Points – Loans designated as STAR Loans by SBA

### Footnote:

- 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.
- 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)