



The 1502 Bulletin

Bulletin #43
November 2004

Keeping you informed on SBA Form 1502 Reporting

General Notice:

The prime rate has been increased 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, 2004 using 5.00% as the base rate. For loans that adjust on the first day of the calendar quarter, interest must be calculated as of January 1, 2005 using 5.00% 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 5.00% is effective on the change date occurring on or after November 10, 2004.

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 December 15th and the interest period spanned the loan's rate change date on December 1st. The payment is reported as two lines on the 1502 for the month ending December 31, 2004.

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	01/15/05				4.75 %	\$ 353.97	\$ 0	\$ 353.97	11/15/04	12/01/04	16	365	\$ 170,000.11	
	1234563000	54321	01/15/05				5.00 %	\$ 326.03	\$ 656.71	\$ 982.74	12/01/04	12/15/04	14	365	\$ 169,343.40	
B.	6543214000	23541	01/15/05				4.75 %	\$ 438.16	\$ 0	\$ 46.12	11/15/04	12/01/04	16	365	\$ 210,433.27	
	6543214000	23541	01/15/05				5.00 %	\$ 403.57	\$ 435.00	\$ 40.36	12/01/04	12/15/04	14	365	\$ 209,998.27	
C.	4567895000	ABCD	01/15/05				4.75 %	\$ 382.69	\$ 0	\$ 29.00	11/15/04	12/01/04	16	365	\$ 183,792.63	
	4567895000	ABCD	01/15/05				5.00 %	\$ 352.48	\$ 579.51	\$ 25.38	12/01/04	12/15/04	14	365	\$ 183,213.12	

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 - 7(a) loans approved on or after 10/12/95 through 9/30/02, and on or after 10/01/2004, are subject to SBA's 50 basis point fee (excluding Microloans).

C. Unsold Loan Subject to SBA 36 Basis Point Fee:

- The third example shown is an unsold loan subject to SBA's 36 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 - 7(a) loans approved on or after 4/5/04 through 9/30/04 are subject to SBA's 36 basis point fee (excluding Microloans).

D. Unsold Loan Subject to SBA 25 Basis Point Fee: Not Shown

Note - STAR loans, and 7(a) loans approved on or after 10/1/02 through 4/4/04 are subject to SBA's 25 basis point fee (excluding Microloans).

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)