



The 1502 Bulletin

Bulletin #35

Keeping you informed on SBA Form 1502 Reporting

June 2003

General Notice:

The prime rate has been reduced to 4.00%. 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 or calendar quarter, interest must be calculated as of July 1, 2003 using 4.00% as the base rate. If a new prime rate takes affect on or before July 1, 2003, the new prime rate should be used.

NOTE: 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 4.00% is effective on the change date occurring on or after June 27, 2003.

Specific Advice:

To better assist you with reporting the rate change, an example is provided. In this case, the borrower made a payment on July 18th and the interest period spanned the loan's rate change date on July 1st. The payment is reported as two lines on the 1502 for the month ending July 31, 2003.

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	Guar. Portion Calendar Basis	Remittar Closing Balance
									Guar. Portion Pymt or Fee	Guar. Portion Interest	From	To			
A. 1234563000	54321	8/18/03				4.25 %	\$ 257.33	\$ 0	\$ 257.33	06/18/03	07/01/03	13	365	\$ 170,000.11	
	54321	8/18/03				4.00 %	\$ 316.71	\$ 656.71	\$ 973.42	07/01/03	07/18/03	17	365	\$ 169,343.40	
B. 6543214000	23541	8/18/03				4.25 %	\$ 318.53	\$ 0	\$ 37.47	06/18/03	07/01/03	13	365	\$ 210,433.27	
	23541	8/18/03				4.00 %	\$ 392.04	\$ 435.00	\$ 49.01	07/01/03	07/18/03	17	365	\$ 209,998.27	
C. 4567895000	ABCD	8/18/03				4.25 %	\$ 278.21	\$ 0	\$ 16.37	06/18/03	07/01/03	13	365	\$ 183,792.63	
	ABCD	8/18/03				4.00 %	\$ 342.41	\$ 579.51	\$ 21.40	07/01/03	07/18/03	17	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 Legislation:

- 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 are subject to SBA's 50 basis point fee (excluding Microloans.)
- 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.

C. Unsold Loan Subject to SBA 25 Basis Point Fee Legislation:

- The third example shown is an unsold loan subject to SBA's 25 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 - STAR loans, and 7(a) loans approved on or after 10/1/02 through 9/30/04 are subject to SBA's 25 basis point fee (excluding Microloans.)
- 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)