



# The 1502 Bulletin

Bulletin #40

July 2004

Keeping you informed on SBA Form 1502 Reporting

## General Notice:

The prime rate has been increased to 4.25%. 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, 2004 using 4.25% as the base rate.

**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 4.25% is effective on the change date occurring on or after July 1, 2004. 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 July 15 and the interest period spanned the loan's rate change date on July 1. The payment is reported as two lines on the 1502 for the month ending July 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. Closing Balance	Remittance Penalty (if any)	
										Guar. Portion Pymt or Fee	Interest Period From To					
A.	1234563000	54321	8/15/04				4.00 %	\$ 298.08	\$ 0	\$ 298.08	6/15/04	7/1/04	16	365	\$ 170,000.11	
	1234563000	54321	8/15/04				4.25 %	\$ 277.12	\$ 656.71	\$ 933.83	7/1/04	7/15/04	14	365	\$ 169,343.40	
B.	6543214000	23541	8/15/04				4.00 %	\$ 368.98	\$ 0	\$ 46.12	6/15/04	7/1/04	16	365	\$ 210,433.27	
	6543214000	23541	8/15/04				4.25 %	\$ 343.04	\$ 435.00	\$ 40.36	7/1/04	7/15/04	14	365	\$ 209,998.27	
C.	4567895000	ABCD	8/15/04				4.00 %	\$ 322.27	\$ 0	\$ 29.00	6/15/04	7/1/04	16	365	\$ 183,792.63	
	4567895000	ABCD	8/15/04				4.25 %	\$ 299.61	\$ 579.51	\$ 25.38	7/1/04	7/15/04	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 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)