



# USDA SECONDARY MARKET LOANS PAYMENT REPORTING PROCEDURES

Colson Services Corp. is commonly designated by an investor to serve as its secondary market fiscal and transfer agent ("FTA") for guaranteed portions of USDA loans purchased in the secondary market. As designated FTA, Colson provides lenders with a standard remittance form to help facilitate payment pass-through and reporting for USDA-guaranteed loans sold in the secondary market.

## LENDER'S REMITTANCE FORM FOR USDA LOANS

If the USDA Assignment Guarantee Agreement for a sold loan indicates CDR & Co. (the nominee name for Colson Services Corp.) as assignee or holder, Colson is acting as the investor's secondary market agent. When payments are collected from borrowers, the lender must pass-through the secondary market portion of those payments to Colson, along with a completed remittance form.

To allow for the proper posting of USDA loan payments to the guaranteed portions Colson is servicing, lenders are required to forward payment remittance information with any payment remitted to Colson. Lenders may reproduce the Lender's Remittance Form for USDA Loans or duplicate an exact facsimile in computerized format for reporting purposes. Colson accepts remittance forms in hard-copy format (e.g., a typed form or computer printout) or on electronic media.

## REMITTANCE DUE DATES

Lenders are reminded that it is their responsibility to complete and submit their remittance forms and payments to Colson subsequent to receipt of borrowers' payments. In order to facilitate the pass-through of payments by Colson to investors in a timely manner, the lender may elect to remit payments in one of two ways:

1. Payment is remitted to Colson immediately after lender's receipt of a borrower's payment.
2. All payments received by lender in a given reporting period, that is, the first calendar day of the month through the last calendar day of the month, are aggregated and remitted to Colson. Payments are to be received by Colson no later than the recommended due date, which is the third calendar day of the month, or the next business day if the third is not a business day. Payments reported are as of the last calendar day of the month immediately prior to the due date.

Example: For the month ending January 31, 2000, the remittance due date to Colson is February 3, 2000. A lender's remittance form would indicate the guaranteed portions of payments collected on sold loans (less lender's servicing fees) throughout January, 2000.

**IMPORTANT NOTICE:** USDA secondary market loan payments passed-through to Colson should NOT be commingled with remittance information or payment remittances associated with other loan programs, e.g., SBA Form 1502 for 7(a) loans.

## REQUIRED INFORMATION

Payment remittance form instructions are included herein and a sample remittance form is attached for your reference. Questions concerning the proper completion of the remittance form can be directed to Colson's Customer Service Group at (877) 245-6159.

In certain instances, multiple line entries for a given loan may be required on the remittance form, such as when:

- More than one payment transaction occurred for a given loan in the period;
- An interest rate change occurred during the period that affected the interest payment reported, e.g., an annual-paying loan, with varying quarterly interest rates.

If multiple payments are reported for a loan, be certain that *Total to FTA* column for each line contains the sum of the amounts indicated in the *Guaranteed Portion Interest and Guaranteed Portion Principal* columns. Also, be sure to report the USDA Loan Number with each line of information reported for a given loan.

## PAYMENT BY CHECK

The following are to be mailed to either of the addresses listed below:

1. A hard-copy of the remittance form or a spreadsheet containing remittance information on diskette. When sending a diskette, enclose a hard-copy sheet containing the remittance form's lender header information for identification purposes; and
2. A check payable to Colson Services Corp. for secondary market payments due to the FTA, which equals the grand total of the amounts in the *Total to FTA* column.

VIA REGULAR MAIL	VIA EXPRESS MAIL
Colson Services Corp. P.O. Box 54 Bowling Green Station New York, N.Y. 10274 Attn: Cash Processing	Colson Services Corp. 2 Hanson Place, 7th Floor Brooklyn, N.Y. 11217 Attn: Cash Processing

## PAYMENT BY WIRE

Payments can be sent to Colson via wire transfer using the instructions indicated below. Corresponding remittance forms may be sent via fax to (718) 315-5170, or as an e-mail file attachment to: [1502@colsonservices.com](mailto:1502@colsonservices.com)

JPMorgan Chase Bank ABA Routing # 021 000 021 For Credit to: Colson Services Corp. Collection Account # 323-003184 Text: Your Bank Name and USDA Payment Submission
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## PREPAYMENTS FOR SECONDARY MARKET LOANS

Please call Colson's Payoff Department at (718) 242-3995 for special remittance procedures. Do not include secondary market prepayments with your regular remittance. A separate remittance form must be sent for full and partial prepayments. A [ ] must be placed in the check box in the upper right-hand corner of the form to indicate such. Please send prepayment funds via wire transfer to:

JPMorgan Chase Bank ABA Routing # 021 000 021 For Credit to: Colson Services Corp. Payoff Account # 323-003389 Text: USDA Loan Number, Bank Name, and P&I Amounts
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## LATE PAYMENTS FOR SECONDARY MARKET LOANS

Do not include secondary market "late payments" with your regular remittance. Late payments are payments that were due to an investor in a prior reporting period. Colson encourages lenders to pass-through late payments within two business days of lender's receipt of good funds. A separate check or wire and a remittance form must be sent for late payments. A [ ] must be placed in the check box in the upper right-hand corner of the form to indicate such. For example, if the borrower's payment due date is 1/13/2000 but payment is not made to the lender until 2/11/2000, the secondary market portion of the payment is due to Colson on or about 2/15/2000.

## CONTACT INFORMATION FOR COLSON

All Inquiries: (877) 245-6159  
Payoff Inquiries: (718) 242-3995  
Remittance Form Submissions – Fax Number: (718) 242-8302

### Via Regular Mail

Colson Services Corp.  
P.O. Box 54  
Bowling Green Station  
New York, N.Y. 10274  
Attn: Customer Service

### Via Express Mail

Colson Services Corp.  
2 Hanson Place, 7th Floor  
Brooklyn, N.Y. 11217  
Attn: Customer Service