



# SBA Information Notice

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**TO:** All SBA Employees

**CONTROL NO.:** 5000-1200

**SUBJECT:** Submission of Form 159 for 7(a)  
Loans

**EFFECTIVE:** 3-4-2011

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On October 1, 2010, SBA issued SBA Procedural Notice 5000-1177 which described a new procedure that lenders were to follow for all 7(a) loans approved on or after December 1, 2010.

The new procedure requires that lenders transmit to Colson Services Corporation (“Colson”) all completed, signed and dated SBA Forms 159 (7a) for these loans after there has been an initial disbursement on the loan.

Since issuing the Procedural Notice, SBA has received questions from lenders about the procedure. The purpose of this Notice is to clarify the procedure by responding to those questions.

Q1. Are all SBA Form 159 (7a) forms to be transmitted to Colson or just those for third parties? In other words, are SBA Form 159 (7a) forms covering a lender’s fees to be included in those SBA Form 159 (7a) forms that are to be transmitted to Colson?

A1. For 7(a) loans approved on or after December 1, 2010, lenders are to transmit all SBA Form 159 (7a) forms to Colson including, but not limited to, those covering any packaging fees charged by the participating lender or where the lender paid the loan agent fee. (As a reminder, SOP 50 10 5(C), Subpart B, Chapter 3 describes what fees are eligible and what fees are ineligible to be charged a small business applicant in connection with an application.)

Q2. SBA Form 159 (7a) does not have a space for a loan number for those loan applications that are approved. Should the SBA loan number be entered on the form before transmitting to Colson?

A2. SBA has revised SBA Form 159 (7a) to include a field for the SBA loan number below the lender’s signature block on the last page. If the lender is using the prior version of the form because the applicant has already signed that version, the loan number needs to be entered on the form, preferably below the lender’s signature block on the last page.

Q3. What is the purpose of this new procedure?

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**EXPIRES: 3-1-2012**

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete  
Must be accompanied by SBA Form 58

A3. SBA is creating a database that will include the relevant information on the SBA Form 159 (7a) including, but not limited to, the small business borrower, the loan agent (including any lender acting as an agent), the fee, and the participating lender for each disbursed 7(a) loan that was approved on or after December 1, 2010.

Q4. Is SBA requiring CDCs to transmit SBA Form 159 (504) forms for 504 loans?

A4. Not at this time. However, SBA Form 159 (504) has been updated as well to include a space for the SBA loan number.

The updated SBA Form 159 (7a) and SBA Form 159 (504) have replaced the former versions currently on SBA's website at

<http://archive.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html>.

As stated previously, the information may be submitted to Colson either by facsimile or by electronic document imaging utilizing either the Portable Document Format (.pdf) or the Tagged Information Format (.tif). Lenders may either fax the document to Colson at (718) 315-5170 or e-mail the pdf/tif file to [Form159@colsonservices.com](mailto:Form159@colsonservices.com). Please do not submit the information by overnight mail or postal service delivery. Lenders are required to retain an original signature version of the form in their files for compliance review purposes.

The new process will be incorporated into the next edition of the SBA Standard Operating Procedures 50 10 5. Lender questions on this process are to be directed to the SBA Lender Relations Specialist in the local SBA District Office. A list of the local SBA District offices may be found at <http://www.sba.gov/about-offices-list/2>.

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