



banc•serv

THE SBA LENDING PARTNER

MANAGING YOUR SBA PORTFOLIO

DISCUSSION TOPICS.

- 1. Servicing the SBA loan**
- 2. 1502 Reporting**
- 3. Unilateral Actions**
- 4. Non-delegated actions**
- 5. Loan Servicing Request**
- 6. E-TRAN**
- 7. Secondary Market Requirements**

BASIC RULE OF THUMB.

- 1. Loan servicing actions are governed by SOP 50-57**
- 2. Lenders must use “reasonable care”**
- 3. Lenders must act as “prudent lenders”**
- 4. Lenders must service SBA loans with the same degree of care used in servicing it’s non-SBA loan portfolio**
- 5. Per SBA guidelines all loans should be re-amortized once per year for the life of the loan**
 - Re-amortization will take into account principal pay downs, regular payments, and deferrals
 - Borrowers monthly payment could change depending on the principal balance of the loan from year to year

SBA FORM 1502 REPORTING.

The Do's and Don't's

- 1. Mandatory on all 7a loans**
- 2. Responsibility of lender to know what loans to report (Not Colsons Responsibility)**
- 3. Reporting period**
- 4. Form 1502: The due date for the Form 1502 and payments to Colson is the third calendar day of each month, or the next business day if the third day is not a business day, plus a two business day grace period**
- 5. Promptly notify SBA of cancelled or withdrawn loans**

SBA FORM 1502 REPORTING.

The Do's and Don't's

1. Lenders must submit the form to Colson using one of the following delivery methods:

- E-mail: (includes diskette): 1502@colsonservices.com
- Website: www.colsonservices.com
- The web site allows lenders to view their portfolio of loans and enter 1502 information on a 1502 data input screen directly on the site.
- Mail: [Colson Services, PO Box 54, Bowling Green Station, New York, NY 10274](#)
- Fax: [718-315-5170](tel:718-315-5170)

UNILATERAL ACTIONS WHICH REQUIRE SUBMISSION TO SBA.

1. Because these unilateral actions require an update to SBA's accounting records, they require submission to the SBA:

- Loan cancellations
- Termination of guaranty
- Decrease of loan amount
- Change in use of proceeds with no increase to loan*
- Changes of maturity months or date
- Change of legal/trade name or address
- Change loan from revolver to term
- Extension of disbursement period
- Basic clerical errors such as changes to EIN, SS# and/or Tax ID #

DOCUMENTATION REQUIREMENTS FOR ACTIONS TAKEN WITHIN UNILATERAL SERVICING AUTHORITY.

1. When taking any servicing/liquidation actions not requiring SBA's prior written consent, please take great care to document the justifications for your decisions and retain these and supporting documents in your file

- Document Your File!
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NON-DELEGATED ACTIONS THAT REQUIRE PRIOR SBA APPROVAL.

- 1. Increases to the loan amount**
- 2. Any action that confers a preference to the lender**
- 3. Compromises on the principal balance of a loan**
- 4. Taking title to any property in the name of SBA**
- 5. Taking title to environmentally contaminated property**
- 6. Transfers, sells or pledges more than 90% of a loan**
- 7. Release of an obligor**

PUTTING TOGETHER A LOAN SERVICING REQUEST.

1. For those actions which do require the approval of the SBA, the lender request should include:

- ◉ Statement of the proposed action
- ◉ What makes the request necessary/impact on the SBA
- ◉ Loan status
- ◉ Financial statement analysis
- ◉ Loan collateral analysis (“before” the modification and “after” the modification)
- ◉ Lender must obtain the consent of all loan obligors/guarantors
- ◉ NOTE: Typically, the lenders’ internal credit memorandum will suffice

- 1. Enable lenders to handle ALL unilateral servicing actions**
- 2. Ability to view the status of their loans post-origination**
- 3. Guaranty Fee calculator built into E-TRAN servicing module**
- 4. Instant turn around on loan servicing actions**
- 5. Ability to respond in the market place and approve loan changes in an expedited manner**
- 6. Very “user friendly” and easy to learn**

1. For assistance or questions with processing actions using E-Tran, contact the Fresno

Service Center:

- (202) 205-7520
- Cheryl Walker
- Cheryl.Walker@sba.gov

LOAN SOLD ON SECONDARY MARKET?

1. Investor approval is required for the following:

- ◉ Adjustments to the interest rate of any kind
- ◉ Extension/modification of the loan maturity
- ◉ Change to a seasonal/periodic payment plan
- ◉ Modification of the installment amount
- ◉ Change to interest accrual basis
- ◉ Deferment of payments
 - ◉ Borrower is granted a one time deferral as a “given”, but it still needs to be communicated with the investor. The communication on this first deferral request would always generate an approval and then any subsequent requests would have to be considered.

SECONDARY MARKET AND PREPAYMENT.

- 1. Borrower may prepay up to 20% of balance at any time without charge or notice**
- 2. Over 20% prepayment.**
 - Lender must give ten (10) business days advance written notice to Colson

QUESTIONS?

Get in touch with us



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