



U.S. Small Business  
Administration



# **SBA Procedural Notice 5000-20028**

## **Paycheck Protection Program 1502 Reporting and Processing Fee Payment**

**Effective May 21, 2020**

# PPP Processing Fee

SBA will pay a processing fee to PPP lenders

- 5 % for loans of not more than \$350,000;
- 3 % for loans of more than \$350,000 and less than \$2,000,000; and
- 1 % for loans of at least \$2,000,000.

Fee is based on disbursed loan amount

# How Lenders Request Processing Fee

**May 22, 2020** – SBA begins accepting 1502 reports

Submission of 1502 report showing that a loan is fully disbursed triggers SBA payment of processing fee... but first...

Lender must also:

1. Enroll in the FTA Lender Portal, 1502 Dashboard
2. Provide ACH payment information on the 1102 Lender Processing Fee tab under the CARES Act/Lender Certifications & Payment Instructions menu
3. Provide one-time confirmation on the 1102 Lender Processing Fee tab

Important: Lenders must not report regular 7(a) loans on same 1502 report as PPP loans

# SBA Actions Once Initial 1502 Report Received

If 1502 report data is complete, SBA will:

- Confirm no previous request for or payment of processing fee
- Confirm one-time certification is complete
- Confirm disbursed amount on 1502 report matches E-Tran approval amount
- Calculate processing fee owed based on disbursed amount reported
- Submit fee to Lender using ACH info provided by Lender. Account Number, Routing Number, Account Type, and TIN must be accurate to avoid payment rejects.

# Lender Creation of FTA Lender Portal Account

## Existing SBA Lenders:

- Use current FTA Lender portal account

## New PPP Lenders w/o FTA Lender portal account:

- [Enrollment@colsonservices.com](mailto:Enrollment@colsonservices.com)
  - E-Tran Main Location ID
  - SBA PPP GP loan number
  - Colson Lender ID (if known)
  - Individual user contact info: Name; Email; Phone

# FTA Lender Portal Account

- Lender must provide ACH info:
  - For the account where Lender wishes to receive processing fees
  - Account must be owned by Lender
- Lender must make one-time confirmation
- SBA will not make payments to LSPs
- Enrollment questions to:
  - Colson Customer Service (877) 245-6159
- User guide in downloads section:  
<https://colsonservices.bnymellon.com>

# LSP Creation of FTA Account

New LSP (w/reviewed LSP Agreement):

- [Enrollment@colsonservices.com](mailto:Enrollment@colsonservices.com)
  - LSP Name
  - LSP CAFS Partner ID
  - Individual user contact info: Name; Email; Phone
  - For each bank partner: Bank name; E-Tran Main Location ID
  - SBA PPP GP loan number
  - Colson Lender ID (if known)
  - Bank Authorizing Official: Name; Email; Phone



# Reporting Disbursed or Cancelled Loans

- Initial PPP 1502 reporting due by the later of:
  - **Friday, May 29, 2020;** or
  - 10 calendar days after disbursement or cancellation of PPP loan
- Fully disbursed loans – must be submitted on 1502 report
- Cancelled loans may be submitted on 1502 report or in E-Tran Servicing
  - If loan cancelled in E-Tran, must not include the loan on the 1502 report
  - New process of reporting cancelled loans on 1502 report allows Lenders to submit cancelled loans in batches. Instructions will be posted to <https://colsonservices.bnymellon.com/> in the “News” and “Downloads” sections when available.
  - Loans voluntarily repaid under safe harbor by May 18, 2020 – Cancel loan amounts and guaranty. Do not report safe harbor principal repayments on the 1502.

# 1502 Report Submission

- Methods of 1502 report submission:
  - Email the 1502 spreadsheet to [1502@colsonservices.com](mailto:1502@colsonservices.com);
  - Upload the 1502 spreadsheet (“e-File”) in 1502 Dashboard;
  - PPP 1502 Data Entry - Instructions will be posted at <https://colsonservices.bnymellon.com/> in the “News” and “Downloads” sections when available; or
  - Deliver the 1502 spreadsheet via Secure File Transfer Protocol (SFTP) Requires additional enrollment at [SFTPass@colsonservices.com](mailto:SFTPass@colsonservices.com)
- 1502 Report may have a single loan or multiple loans
- No limit how frequently 1502 reports submitted
- Lenders report PPP loan disbursements and cancelled loans on the same 1502 report. FTA will publish new cancellation instructions using the 1502 report on their website once available.

# After 1502 Report Submission

- FTA notifies Lender of errors in 1502 Dashboard exception reporting under the Loan Status & Payment Reporting/Lender 1502 Reporting Summary menu
- Lender should update Lender Profile under Lender Record menu
- Lender has until 5:00 pm Eastern on second business day after submitting 1502 report to correct errors
- On third business day after receiving the 1502 report, SBA will initiate the process for payment of processing fee to Lender only if Lender has:
  - Corrected all reporting errors for the loan
  - Provided ACH info in FTA Lender Portal
  - Made one-time Lender confirmation
- Within the next 5 business days, SBA will instruct Treasury to disburse the processing fee to which the Lender is entitled.

# First 1502 Report Submission of Fully Disbursed Loans

- **SBA GP Number:** 10 digit numerical SBA assigned loan ID #
- **Lender Loan Number:** The number the Lender has assigned to the loan (optional)
- **Next Installment Due Date:** Date first payment due following the automatic 6-month deferment
- **Status:** Leave blank
- **Amt Disbursed this Period on Total Loan:** PPP loans must be fully disbursed – must match loan approval in E-Tran
- **Amount Undisbursed on Total Loan:** Enter \$0.00 (because PPP loans must be fully disbursed)

# First 1502 Report Submission of Fully Disbursed Loans

- **Interest Rate:** Enter 1% or leave blank
- **Guar. Portion Interest:** Enter \$0.00
- **Guar. Portion Principal:** Enter \$0.00
- **Total to FTA:** Enter \$0.00
- **Interest Period From:** Leave Blank
- **Interest Period To:** Date interest accrues from (e.g., one-time, full disbursement date or first disbursement date)

# First 1502 Report Submission of Fully Disbursed Loans

- **# of Days:** Leave Blank
- **Calendar Basis:** Leave Blank
- **Guar. Portion Closing Balance:** Full disbursement amount. This amount should be equal to the amount reported in the “Amt Disbursed this Period on Total Loan” field (see slide 12).
- **Remittance Penalty:** Not applicable. Enter \$0.00

# Using E-Tran Servicing

- Actions in E-Tran Servicing are performed 1 loan at a time
- In E-Tran Servicing – search for the SBA loan number
  - To cancel loan
    - Select “cancel” to cancel the loan and the guaranty
    - Questions on cancellations: [7aQuestions@sba.gov](mailto:7aQuestions@sba.gov)
  - To report a voluntary termination and repayment after disbursement (after May 18 safe harbor)
    - Select “voluntary termination” to terminate the guaranty
    - Questions to:  
Fresno Servicing Center [fsc.servicing@sba.gov](mailto:fsc.servicing@sba.gov) or  
Little Rock Servicing Center [lpsc.servicing@sba.gov](mailto:lpsc.servicing@sba.gov)

# Lenders Will Not Receive a Processing Fee...

- Prior to full disbursement
- If loan is cancelled before disbursement, including duplicate loans
- If loan is cancelled or voluntarily repaid by May 18, 2020 safe harbor date
- If loan is cancelled, terminated, or repaid after disbursement and after the May 18, 2020 safe harbor date because SBA conducted a loan review and determined borrower was ineligible for a PPP loan



# SBA Disbursement of Processing Fee to Lender

- SBA will make payment to Lenders
  - Using the Lender-supplied ACH info from the FTA's website
  - For each loan on an individual basis to enable matching of payment with corresponding loan
- FTA's website has record layout in downloads section
- Lenders can use the record layout to automate posting of payments in the Lender's record system
- Lenders that post payments manually can refer to the record layout to determine which loan the payment is for

# SBA Review of Processing Fee Payment

- SBA may review the payment of Lender processing fees “at the time of forgiveness purchase or at any other time SBA deems appropriate”
- If SBA determines the fee was paid erroneously or in the incorrect amount, Lender must repay the fee to SBA
- CLAWBACK of fee - If SBA determines borrower ineligible:
  - Applies to any SBA reviewed loan within one year after loan disbursement
  - Originating Lender must repay processing fee
  - Guaranty still valid unless Lender has not fulfilled PPP obligations applicable to Lender
- CLAWBACK of fee – If Lender has not fulfilled PPP obligations applicable to Lender
  - Originating Lender must repay processing fee
  - SBA may determine that loan is not eligible for a guaranty

# Sold Loans – Lender Responsibility for 1502 Reporting

- When a Lender sells all of its interest in a PPP loan to another lender
  - SBA pays the processing fee to the originating Lender
  - Lender making the disbursement is responsible for initial 1502 report
- SBA has contacted originating Lenders that have already sold PPP loans to obtain ACH info
- Purchasing Lender is responsible to SBA for all servicing actions:
  - Monthly 1502 reporting
  - Requests for advance purchases
  - Requests for loan forgiveness

# Ongoing Reporting Requirements

- Lender makes initial 1502 report by later of May 29, 2020 or 10 calendar days after disbursement or cancellation
- After initial 1502 report, Lender submits 1502 reporting monthly. FTA will publish further guidance on PPP reporting requirements and due dates on their website. PPP reporting must remain separate from the Lender's 7(a) 1502 report.
- PPP 1502 reporting must include loan status of all loans regardless whether payment was made by the borrower (all PPP loans are deferred for 6 months).
- After forgiveness purchase by SBA:
  - If no loan balance remains, Lender reports loan as paid in full on next 1502 report
  - If loan balance remains, Lender reports reduction in loan balance due to forgiveness on next 1502 report and must service the remaining balance

# Save the Date – Upcoming Calls

## 504 Connect Call – June 9<sup>th</sup> at 3:00 p.m. EST

- Quarterly call for CDCs, Third Party Lenders, SBA LRSs, and other interested parties
- Register at: <https://ems8.intellor.com?do=register&t=1&p=822809>

## 7(a) Connect Call – July 7<sup>th</sup> at 3:00 p.m. EST

- Quarterly call for 7(a) Lenders, SBA LRSs, other interested parties
- Register at: <https://ems8.intellor.com?do=register&t=1&p=826998>

## OFASubscribe@sba.gov

- For 7(a) Lenders, CDCs and 504 Third Party Lenders to subscribe/unsubscribe to 7(a) Connect Calls and/or 504 Connect Calls (Please state in email whether request is to subscribe to 7(a), 504, or both)