



AMERICA WEST - ROADSHOW -

2020



- PRESENTED BY -

Capital Growth Solutions, LLC

WELCOME TO THE ROADSHOW



Loan Servicing and Reporting

Understanding Challenges in 1502 Reporting

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What is a 1502 Report?

Mandatory Reporting to Colson on a monthly basis

- Monthly loan accounting report of 7A loans to Colson Services
- Itemizes key data, loan balances, status codes, interest rates, interest periods, Basis Point Fee etc. for SBA
- Secondary Market: template for submitting investor portion via Colson
- Notifies SBA of loan status (cancelled, withdrawn, active)
- Runs from the First Calendar Day to the Last Calendar day of the PRIOR month
- Must be completed by the fifth day of the month



Why is 1502 Reporting so Difficult?

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 Guar. Portion Pymt or Fee	Interest Period		# of Days	Calendar Basis	Guar. Portion Closing Balance	Remittance Penalty (if any)	Loan
										From	To					
4488983490	1041	05/01/18				4.750	15,113.13	3,589.41	18,702.54	03/01/18	04/01/18	31	365	3,741,067.44		Blvd
4488983490	1041	06/01/18				4.750	14,609.73	4,198.78	18,808.51	04/01/18	05/01/18	30	365	3,736,868.66		Blvd

What Loans Appear On The Report?

What is the difference between sold/unsold loans?

Why are the legacy systems or Core systems going to cause challenges to this report?

What is required to generate an accurate 1502?



Why is it so much work?

Loan Accounting and 1502 Reporting What Could Go Wrong?

- *Many core systems post payments as billed instead of interest paid to the day of receipt.*
- *Irregular payments, NSF Payments, Prepayments, Underpayments, and Perfect Payments can cause you to come out of balance.*
- *Interest calculations may not be specific enough even in 30/360 or Actual/365*
- *Interest paid to dates get thrown off and do not reflect beginning of the month to end*



Why is it so much work?

Loan Accounting and 1502 Reporting What Could Go Wrong?

- *Disbursed Funds + Undisbursed Funds must equal SBA approved Loan Amount*
- *Ongoing Servicing Fee Calculations must be done manually*
- *Late payments sent by borrower must be remitted immediately on SEPARATE 1502 form. Do not hold until following month.*
- *Ongoing fee basis point calculation is different for partially disbursed loans*



Best Practices for 1502 Reporting

- 1. Post all payments so that interest is charged to date of payment receipt. Any remaining funds can go to reduce the Principal Balance.*
- 2. Only us accrual base methods of interest acceptable to the Secondary Market.
30/360 or Actual/365*
- 3. Use the correct Status Codes*
- 4. Make sure closing balance and interest paid from and paid to dates sync up from one report to the next*
- 5. Wire your payment to Colson – sending a check takes too long for timely posting in order to correct errors*



Best Practices for 1502 Reporting

When to File?

File on Time:

- *Regular payments on the 3rd-5th calendar day of the month unless that is not a business day, then moves forward to the next business day*
- *Late Payments: 2 Business days after receipt*
- *Partial Pre-pay or Payoff Immediately*

Late payments and prepayments must be sent via a separate 1502 form and separate wire. Do not hold and comingle with next months' transfer, even if that is due within the timeframe above.



Helpful Hints for Processing

Using Two-Line Reporting

Some common situations require the use of two-line reporting:

- Month of loan sale on the secondary market: split interest based on settlement date
- Late payment collected – covers two months of interest and includes a quarterly rate change
- Partial prepayments (anything >20% of balance) – use the first line to report regular monthly payment, second line for the bulk prepayment based on date received
- Full prepayments – same process; must accrue interest up to date of receipt of the payoff

123456789	The Gym	11/1/2018			8.50000%	533.57	393.41	926.98	9/1/2018	10/1/2018	30	360	74,933.70
123456789	The Gym	11/1/2018			8.75000%	437.11	50,512.93	50,950.04	10/1/2018	10/25/2018	24	360	24,420.77



DT1 e
Diana Treinen, 2/3/2020

Helpful Hints for Processing

- *You can upload your 1502 Excel file directly through the 1502 Dashboard rather than emailing*

2/3/2020 <https://www.colsonservices.com/dsh1502/default.aspx>

Colson 1502 Dashboard 1502 Reporting SBA

[Change Password](#) [Sign Out](#)

Loan Status & Payment Reporting Secondary Market Servicing

Lender 1502 Reporting Summary
1502 Info Search
SBA Annual Service Fee
Lender Record
1502 e-File Submission
1502 e-File Submission

information system for the U.S. Small Business Administration (SBA). It is for authorized use (authorized and unauthorized) have not explicit and implicit violation of Federal Statute 18 USC 1030 and improper use (and/or civil and criminal penalties. By continuing to use this of use.

Upload 1502 e-File
Lender Submission Retrieval

Important Dates for February 2020

Wednesday, Feb 5th: **Final** 1502 Due Date

Tuesday, Feb 11th: 1502 Reporting & Dashboard WebEx @ 11am EST; **Contact Client Services via INFO starting 02/06 to enroll**

Wednesday, Feb 19th: Cutoff for **Unrestricted** 1502 Info Edits; **Data tied to SBA's Basis Point Fee Calculations (Fee Records Only)**

Tuesday, Feb 25th: 1502 Reporting & Dashboard WebEx @ 11am EST; **Contact Client Services via INFO starting 02/18 to enroll**

Thursday, Feb 27th: Cutoff for **Final** 1502 Info Edits; **Please complete all 1502 data edits prior to cutoff**

Posted on Monday, February 03, 2020

Contact Client Service's toll free 877-245-6159, or info@colsonservices.com

1502 e-File Uploads: Turnaround for Colson processing **2 Business Days** from wire receipt; **Reported** loan status updates day after.

1502 Reporting Summary: Unreported Loans & Reported with Errors (Open) must be cleared prior to **FINAL** cutoff for 1502 info edits.

1502 Info Search: Please notify Client Services following edits to Guar. Portion Payment and Guar. Portion Closing Balance for **SOLD** loans for investor payment reconciliation.

Lender Record: Please notify Client Services following edits to lender profile to confirm applicable secondary market **BANK ID** changes for active sold portfolios.

Keeping Your Account Active

User ID **Locked** after **60** days of non-login activity; Contact Client Service to unlock.

1502 e-File Submission

-> Upload 1502 e-File



Helpful Hints for Processing

What if I Made a Mistake?

- It happens! Don't panic.
- First, log in to the 1502 Dashboard and see if you can manually correct: things like interest rate, paid to date, next due date, ending principal balance
- If you submitted an incorrect amount and need to revise, send in 1502 Revision Form
- Call/Email Colson to discuss – they have seen everything
- Your payment tracking system may allow you to correct with the next month's submission, but be careful as many errors will affect interest calculations

Original Report													
654**5644					6.00000%	123.29	1,000.00	1,123.29	1/1/2018	1/31/2018	30	365	24,000.00
654**5644					6.00000%	110.46	750.00	860.46	1/31/2018	2/28/2018	28	365	23,250.00
							SUBTOTAL	1,983.75					
Corrected Report													
654**5644					4.00000%	82.19	1,000.00	1,082.19	1/1/2018	1/31/2018	30	365	24,000.00
654**5644					4.00000%	73.64	750.00	823.64	1/31/2018	2/28/2018	28	365	23,250.00
							SUBTOTAL	1,905.83					
								-77.92	Difference: Refund/Due to Colson				



Questions?

