

WYOMING LENDER ALERT

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U.S. Small Business Administration

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Your Small Business Resource

INSTRUCTIONS ON 1502 REPORTING AND ePAYMENTS OF ACCRUED INTEREST TO LENDERS FOR ARC LOANS

America's Recovery Capital (ARC) Loan Program is a new temporary guaranteed-loan program authorized by the American Recovery and Reinvestment Act of 2009 (the Recovery Act). ARC Loans provide small businesses access to the capital needed to help with the economic recovery and to retain jobs.

ARC Loans are made by participating SBA 7(a) lenders. ARC Loan funds are to be used for payments of principal and interest for up to six months on existing, qualifying small business loans. The disbursement period (up to six months) is followed by a 12 month deferral period with no repayment of the ARC Loan principal. After the deferral period, the borrower re-pays the ARC Loan principal over a five year period. ARC Loans are interest-free to the borrower, 100% guaranteed by SBA to the lender, and have no fees associated with them. SBA pays the interest to the SBA lender making the loan, currently at the rate of Wall Street Journal Prime plus two percent.

Section 6(c) of SBA's [ARC Loan Program Procedural Guide](#), issued on June 8, 2009, states that SBA will issue separate instructions on 1502 reporting and interest payment processing for ARC Loans. This notice contains information for SBA lenders on 1502 reporting on ARC Loans and on ePayment of accrued interest to lenders for ARC Loans.

Instructions to Lenders for 1502 Reporting on ARC Loans

Lenders must use the 1502 reporting format to timely and accurately report the status and outstanding balance of all of their SBA loans, including ARC Loans, to SBA's Fiscal and Transfer Agent (FTA) - Colson Services Corporation by the third day of each month, or the next business day after the third if the third of the month is not a business day. All Lenders must remain current in filing the required monthly reports in the form required by SBA. Lenders that fail to file ARC Loan 1502 reports will not be paid interest on their ARC

Loans by SBA until all ARC Loan 1502 reports are in compliance.

Detailed separate instructions on 1502 reporting for ARC Loans is posted on the FTA's website: www.colsonservices.com
Expires: 7/1/2010

Instruction to Lenders for ARC Interest Payments

The SBA will make interest payments to lenders under the America's Recovery Capital (ARC) loan program in an efficient and timely method. To accomplish this, SBA will make all recurring interest payments electronically by the last day of the month, assuming the lender has filed a complete and timely ARC Loan 1502 report. Many lenders currently participate with the SBA in electronic exchange of money and data. The SBA is expanding this capability to handle ARC interest payments to lenders as well

Collection of ePayment Data

In order for the SBA to send interest payments

to the correct location, SBA must have the information in the ARC Lender/Loan Information Sheet for Interest Payments. Without this information, SBA will send the interest payments to the standard ARC Lender address maintained in our Partner Information Management System for each ARC interest payment made by the Agency. SBA strongly encourages ARC Lenders to submit this information to ensure payments arrive at the correct location by completing the

ARC Lender/Loan Information Sheet for Interest Payments table and submitting it to SBA via fax at (202) 401-6152 or emailing it to ePayments@SBA.gov. Functionality is being developed within the E-Tran system that will soon allow ARC Lenders to input these data elements online on a self-service basis.

Data Accompanying ePayment

SBA will use the ACH

CCD+ format for sending electronic payments to those lenders that currently use ePayment and those lenders that complete and submit the ARC Lender/Loan Information Sheet for Interest Payments to begin using ePayment. In the "6" record of the ACH, which all lenders should be able to read, SBA will include the payment amount and the SBA loan number as basic information.

Please see website: www.colsonservices.com for more information.

Version 2009.4 of the 7(a) Boilerplate Authorization and Wizard Released

SBA announces the release of Version 2009.4 of the National 7(a) Authorization Boilerplate and Wizard. Version 2009.4 has been created to accommodate the conditions necessary to authorize the guaranty of lines of credit under SBA's new Dealer Floor Plan Pilot Initiative. One of the principal changes is the creation of a new check box marked "DFP" for Dealer Floor Plan. When this box is checked, the 7(a) Wizard will be set to display those conditions necessary to authorize the guaranty of a floor plan line of credit through the Agency's 7(a) Loan Program.

Another change pertinent to all 7(a) loans is the elimination of a comment in the authorization which said loans using the SBA's Optional Peg Rate cannot be sold in the secondary

market. There is no such restriction.

Users of the 7(a) Boilerplate and Wizard should read the "What's New" section located at the beginning of the Boilerplate to familiarize themselves with the major differences between Version 2009.3 (June 2009) and Version 2009.4.

Please note that in order to prepare an authorization for a floor plan line of credit and have that line receive the benefits of Section 501 of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") under which the upfront guaranty fee is being temporarily paid by the Agency, not by the lender (SBA Policy Notice 5000-1097), the user must check the 501 selection box at the beginning of the Wizard. Dealer

Floor Plan Pilot Initiative lines of credit are not eligible to receive the benefits of Section 502 of the Recovery Act (where the guaranty percentage can be up to 90 percent and as described in SBA Policy Notice 5000-1098).

The Wizard is designed for use with Microsoft Office Word through the 2003 version.

Version 2009.4 is available at www.sba.gov. Lenders may access Version 2009.4 of the 7(a) Authorization by using www.sba.gov/aboutsba/sbaprograms/elending, then click on the "Authorizations" hyperlink on the right hand side of the page or by using www.sba.gov/aboutsba/sbaprograms/elending/authorizations/bank Auth National 7a.html.

SBA Seminars

Start Your Own Business
Aug 4, 6pm-8pm
Rock Springs

Free Money-Fact or Fiction
Aug 5, 6pm-8pm
Rock Springs

Start Your Own Business
Aug 6, 11:30am-1:00pm
Evanston

Free Money-Fact or Fiction
Aug 6, 6pm-8pm
Evanston

Start Your Own Business
Aug 11, 6pm-8pm
Jackson

Free Money-Fact or Fiction
Aug 12, 6pm-8pm
Jackson

A Conversation With Contracting Officers
Aug 13, 5:30-7:30
Afton

Start Your Own Business
Aug 25, 6pm-8pm
Riverton

Start Your Own Business
Aug 25 6pm-8pm
Gillette

Free Money-Fact or Fiction
Aug 26, 6pm-8pm
Gillette

Start Your Own Business
Aug 26, 6pm-8pm
Casper

Start your Own Business
Aug 27, 6pm-8pm
Laramie

All seminars will be held in each county's public library. Register: <http://www.WyEn.Biz> and click on Local Classes

Lenders should begin using Version 2009.4 as soon as possible, but

have until August 1, 2009 to convert to this new version. This Boilerplate is

incorporated by reference into SOP 50 10.

SBA Disaster Assistance

Federal Disaster Loans for Homeowners, Renters and Businesses

SBA is offering low-interest disaster loans to homeowners, renters and non-farm businesses of all sizes who suffered losses caused by the flash flooding that occurred in Natrona County on July 3, 2009.

Homeowners: up to \$200,000 to repair or replace real estate damage and up to \$40,000 to replace personal property.

Renters: up to \$40,000 to repair or replace personal property.

Businesses Property Damage: up to \$2,000,000 to repair or replace real estate, machinery and equipment, inventory and other assets that were damaged or destroyed (available to businesses of any size and private, non-profit organizations).

Business Economic Injury: only for small businesses and certain private non-profit organizations suffering adverse financial impacts of the disaster (with or without property loss), up to \$2,000,000 for working

capital to help pay obligations until normal operations resume.

SBA customer service representatives will be at the following location to meet with each disaster victim. SBA will answer specific questions about how a disaster loan may help each victim recover from the disaster damage, and will provide one-on-one assistance in completing applications for these loans.

Natrona County

Local Disaster Assistance Center

Agricultural Resource and Learning Center, Casper Room, 2011 Fairgrounds Road.

- Monday, August 3 through Thursday, August 13
- Monday through Thursday, 9 am to 6 pm

Interest rates can be as low as 2.437 percent for homeowners and renters and 4 percent for businesses with terms up to 30 years. Loan amounts and terms are set by SBA and are based upon each applicant's financial condition.

Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.

Disaster loan information and application forms are also available from SBA's Customer Service Center by calling SBA toll-free at (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at:

www.sba.gov/services/disasterassistance.

Hearing impaired individuals may call (800) 877-8339.

The deadline to return applications for property damage is **September 22, 2009**. The deadline to return economic injury applications is **April 26, 2010**.

For more information, contact SBA Disaster Assistance Customer Service Center at (800) 659-2955

or
<http://disastercustomerservice@sba.gov>



307 261-6505

Check out these websites for "Loan Closing Instructions for Standard 7(a) Loans" and "Change of Ownership Additional Requirements":

http://www.sba.gov/idc/groups/public/documents/sba_program_office/loan_closing_standard_7a_small.pdf

http://www.sba.gov/idc/groups/public/documents/sba_program_office/bank_changeofowner_addl_info.pdf