

Date: March 23, 2020

Colson Services, a wholly-owned subsidiary of BNY Mellon, continues to carefully monitor the 2019 coronavirus (COVID-2019) situation. Our employees' health and safety is our top priority and we have moved our business continuity efforts forward more aggressively. We are prepared to operate over an extended period with a large portion of our staff working from home. In addition, we have emergency access provisions for key staff should they need to commute to our offices, and facilities and wellbeing resources near our sites to support them. We continue to be focused on providing great service to our clients.

SBA's Fiscal Transfer Agent Services will operate at normal levels under the following SBA authorized guidelines:

SBA Form 1502 Reporting

Lenders should provide monthly reports on SBA Form 1502 that includes loan status information for its SBA guaranteed loans, regardless of whether the Borrower made a payment in the current month. Lenders must submit the Form 1502 to SBA's FTA using one of the following delivery methods: FTA's website (<https://colsonservices.bnymellon.com>) facilities or SFTP (Secure File Transfer Protocol), accompanied with a corresponding wire transfer of funds or ACH credit. Check payments will not be accepted. Lenders should contact FTA's Client Service at 877-245-6159, Call Option 1 for additional instructions.

SBA will provide Late Payment Penalty relief according to Paragraph 18 of the Secondary Participation Guaranty Agreement (SBA Form 1086) to those Lenders unable to perform by the schedule of 1502 Report & Payment Due Dates described in paragraph 6 of the 1086.

Deferments on SBA 7(a) Loans Sold on Secondary Market

SBA Information Notice 5000-20004 reminded 7(a) Lenders of their unilateral authority to provide temporary relief in the form of payment deferments to existing borrowers under certain circumstances. As outlined in SBA Form 1086, Lenders may grant a one-time unilateral deferment of up to 90 days without requiring prior investor consent. The Lender notifies the investor through the Fiscal Transfer Agent of the unilateral deferment and reports the affected loan as Deferred (status 4) on SBA Form 1502. This loan reporting status continues throughout the duration of the deferment period. Lenders may make additional loan deferments only with prior investor consent.

All notifications of unilateral deferments or requests for additional loan deferments less than or equal to 12 months in aggregate must be processed through Customer Service Online Request (CSOR) on the FTA's website. Cust Service Online is available on the Sign In drop down menu at <https://colsonservices.bnymellon.com>. Requests for loan deferments greater than 12 months in aggregate should be sent to Info@colsonservices.com in accordance with 5000-20004.

Sale of SBA 7(a) Loans into SBA's Secondary Market

Lenders may continue to sell the guaranteed portion of an SBA 7(a) Loan. The following sale documents must be presented to the FTA via e-mail or SFTP:

1. A fully executed SBA Form 1086;
2. A true and certified copy of the Borrower's Note, including true and certified copies of any amendments or modifications. All Notes, modifications, or amendments presented for sale must have the SBA Loan Number on the first page of each document.

The SBA Form 1086 and the true and certified copy legend(s) must be signed electronically in compliance with SOP 50 10 5(K) Appendix 8.

Correspondence

Processing of all physical correspondence (inbound/outbound) has been temporarily suspended. Courier deliveries, regular and overnight mail, along with facsimiles, should be scanned to Info@colsonservices.com.

SBA partners may continue to contact our Client Service team toll free at 877-245-6159.