



LENDER FEE VARIANCE REPORT FOR UNSOLD SBA 7(a) LOANS

INTRODUCTION

SBA has requested Colson to verify that SBA fees due are paid accurately. To accomplish this task, Colson applied several error conditions against 1502 information received, primarily using reported **Interest To** dates as the criteria to chronologically sort a loan's fee payment history. Since Colson processes every line of 1502 information independently, and therefore applies each condition against each line, subsequent lines of data may or may not be taken into consideration for the same SBA GP number. Common test results encountered include: (a) fee deficiencies, in which case additional fees are due from the lender, (b) invalid data on file as a result of inaccurate or insufficient data reported or processed, and (c) fee overpayments that may need to be claimed by the lender. Please refer to the matrix below for an explanation of the error conditions imposed on your 1502 information.

REFERENCE MATRIX

ERROR CODE/DESCRIPTION	CONDITION	ACTION REQUIRED
A. No 1502 Information was Reported for Period	<ul style="list-style-type: none"> 1502 data was <u>not</u> received for this loan for the entire reporting period. Note: Payment information must be reported for ALL loans, and SBA's basis point fee is due for loans approved on or after 10/12/95 where the annual fee is greater than zero. 	<ul style="list-style-type: none"> Remit past-due SBA fees, along with a completed <i>Special Remittance Form</i>. For future reporting purposes, forward payment information and fees using SBA Form 1502. If the loan is no longer active, contact Colson Client Service. However, ensure that SBA fees have been paid to the date that the loan became inactive.
B. First Fee Payment More than 120 Days after Approval Date	<ul style="list-style-type: none"> The Interest From date associated with the first reported fee payment is 120 days or more after the loan's approval date. SBA fee payments are due beginning with the loan's first disbursement date. 	<ul style="list-style-type: none"> Verify Approved Date with the approval date listed on SBA's Loan Authorization Agreement. For the first fee payment remitted, the reported Interest From date should equal the loan's first disbursement date. If the first reported Interest From date is correct, please call Colson Customer Service to confirm first disbursement information. If the first reported fee payment falls after the loan's first disbursement date, complete the <i>Special Remittance Form</i> and return with fee payments needed to cover the period from the loan's first disbursement date to the first reported fee payment.
C. Fee Due and Not Paid	<ul style="list-style-type: none"> An interest payment was reported but the applicable SBA fee was not remitted. Note: SBA's fee is due for loans approved on or after 10/12/95 where the annual fee is greater than zero. 	<ul style="list-style-type: none"> Remit past-due SBA fees, along with a completed <i>Special Remittance Form</i>. If applicable fees for the period were already paid, or Guar. Portion Interest payment was reported in error, please contact Colson Client Service to rectify.
D. Gaps in Fee Payment History	<ul style="list-style-type: none"> A break of more than 1 interest day exists between Interest To date(s) and subsequent Interest From date(s) reported. For example, a reported fee payment shows an Interest From date of 3/15/XX, while the previous fee payment shows an Interest To date of 3/1/XX. There is a "gap" for the interest period of 3/1/XX to 3/15/XX. Note: This condition applies to 1502 data that have fee amounts associated with them. Dates in bold show the gaps. 	<ul style="list-style-type: none"> Verify reported Interest From and Interest To dates. If applicable, remit the appropriate payment to cover interest date gaps, along with a completed <i>Special Remittance Form</i>. If interest dates were reported improperly, but the fee amount paid was accurate, please contact Colson Customer Service to correct dates. If there is no record on the report preceding the record with the "D" error condition, then your previous fee payments were made prior to the report period. Remit any past-due fees using the <i>Special Remittance Form</i>.
E. Interest Days Advanced but No Fee Payment Received for Period	<ul style="list-style-type: none"> Interest days were advanced on SBA Form 1502, but no interest payment was reported and no fee payment was received for the period. 	<ul style="list-style-type: none"> Verify reported Interest From and Interest To dates. If an interest payment was received for the reported interest period, remit applicable SBA fee payment along with a completed <i>Special Remittance Form</i>. If interest dates were reported improperly, contact Colson Client Service to rectify.

GENERAL INFORMATION ABOUT THE LENDER FEE VARIANCE REPORT

Colson's system assigns a unique Reference Number to each line of 1502 data reported, which is displayed on the report. Also displayed is a Reference Date, which indicates the date Colson's system processed your 1502 data. This report encompasses loans not fully resolved from the prior report plus loans reported on 1502 Forms received by Colson, along with those with no 1502 data on file, for the next quarterly period.

COMMON ISSUES THAT MAY CAUSE AN INVALID ERROR CONDITION TO OCCUR

ERROR CODE/DESCRIPTION	COMMON ISSUES
A. No 1502 Information was Reported for Period	<ol style="list-style-type: none"> 1. Loan is no longer active; however, SBA's database does not reflect an inactive status for the loan. 2. Loan was not reported as a status code 6 or 8 on 1502 Forms submitted by lender.
B. First Fee Payment More than 120 Days after Approval Date	<ol style="list-style-type: none"> 1. Loan was not, in fact, disbursed for over 120 days from the loan's approval date. However, for the period between the approval date and the first Interest From date indicated on the Lender Fee Variance Report, the loan was not reported on the lender's 1502 Form as either (a) status code 9 (fully undisbursed) or (b) with an amount disbursed.
C. Fee Due and Not Paid	<ol style="list-style-type: none"> 1. To reflect an interest rate change in the period, lender reported the total fee due for the period on either the first line or last line of data reported for the GP Number. Since each line of data is processed independently, the line(s) of 1502 data that did not have a dollar amount in the Total to FTA column encountered an error. <u>Reporting Tip:</u> Ensure that each line of data reported with a Guar. Interest Amount includes a fee payment, and that the respective Interest From and Interest To dates and number of days are reported.
D. Gaps in Fee Payment History	<ol style="list-style-type: none"> 1. The Interest From date and/or Interest To date were blank or invalid, so payment could not be sorted in its proper place in the loan's history. <u>Reporting Tip:</u> Ensure that each fee payment remitted has, at a minimum, an Interest To date, number of days and calendar basis reported.
E. Interest Days Advanced but No Fee Payment Received for Period	<ol style="list-style-type: none"> 1. Borrower did not make a payment in the reporting period. Lender reported the same Interest From/To dates and number of days as reported in a prior month's 1502 submission. <u>Reporting Tip:</u> When a borrower does not make a payment, do not report an Interest From date or number of days on your 1502 Form. An Interest To date, however, must be reported.
Other/General	<ol style="list-style-type: none"> 1. Lender reported the Interest From date in the Interest To date column (and vice versa). 2. The Interest From and Interest To dates were blank or invalid, so payment could not be sorted in its proper place in the loan's history. Ensure that each fee payment remitted has, at a minimum, an Interest To date, number of days, and basis reported. Also, ensure that the format for all dates reported is MM/DD/YY (not DD/MM/YY). 3. A data transposition error occurred that affected the number of days or interest dates. 4. 1502 information identified belongs to another SBA GP Number. 5. Lender inadvertently reported the same 1502 data and fee submitted in a prior reporting period, such that fee paid looks as if it is a duplicate of another fee paid. Lender needs to advise Colson of correct interest dates for the Ref Num in question and pay any fee amounts due.

CONTACT COLSON CLIENT SERVICE REPRESENTATIVES – TOLL FREE – AT 877-245-6159