

**Ex. 22 – SBA Procedural Notice 5000-20091, dated
February 8, 2021 (W. Manger Dep. Ex. 11)**



SBA Procedural Notice

TO: All SBA Employees and Paycheck Protection Program Lenders

CONTROL NO.: 5000-20091

SUBJECT: Second Updated Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process

EFFECTIVE: February 8, 2021

The purpose of this Notice is to update SBA Procedural Notice 5000-20036, effective July 13, 2020, which informs Paycheck Protection Program (PPP) Lenders of the reporting process through which PPP Lenders will report on PPP loans and collect the processing fee on fully disbursed loans that they are eligible to receive. This update addresses changes made by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (P.L. 116-260), including new First Draw PPP Loans and Second Draw PPP Loans.

What is the PPP processing fee that SBA will pay to Lenders?

For First Draw PPP Loans made before December 27, 2020, including authorized increases on those First Draw PPP Loans,¹ SBA will pay Lenders fees for processing the loans in the following amounts:

- Five (5) percent for loans of not more than \$350,000;
- Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
- One (1) percent for loans of at least \$2,000,000.

For First Draw PPP Loans made on or after December 27, 2020, SBA will pay Lenders fees for processing those loans in the loans in the following amounts:

- Fifty (50) percent or \$2,500, whichever is less, for loans of not more than \$50,000;
- Five (5) percent for loans of more than \$50,000 and not more than \$350,000;
- Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
- One (1) percent for loans of at least \$2,000,000.

EXHIBIT

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¹ See, SBA Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act, issued on January 13, 2021, for specific information regarding payment of processing fees on authorized loan increases.

For Second Draw PPP Loans, SBA will pay Lenders fees for processing those loans in the following amounts:

- Fifty (50) percent or \$2,500, whichever is less, for loans of not more than \$50,000;
- Five (5) percent for loans of more than \$50,000 and not more than \$350,000; and
- Three (3) percent for loans above \$350,000.

Under 15 U.S.C. § 636(a)(36)(P) and 15 U.S.C. § 636(a)(37)(L), all processing fees are based on the balance of the PPP loan outstanding at the time of full disbursement of the loan.

How can Lenders request payment of PPP processing fees?

When a PPP Lender successfully reports to SBA that a First Draw PPP Loan or Second Draw PPP Loan has been fully disbursed, SBA will initiate the process of paying the PPP processing fee that the PPP Lender is eligible to receive. Lenders will use an SBA Form 1502 (1502 report) to report fully disbursed loans to SBA (the process of which is outlined in this Notice below).

Additionally, in the Lender's Fiscal Transfer Agent (FTA) Lender portal, the Lender must have provided ACH credit information for an account owned by the Lender and must make a one-time confirmation² that all PPP loans for which the Lender will be requesting a processing fee have been fully disbursed on the disbursement dates and in the loan amounts reported.

Upon receipt of a complete set of SBA Form 1502 data, SBA will:

- Except for authorized increases on First Draw PPP Loans, confirm that no previous request has been made for a processing fee on the loan, and no processing fee payment has been made previously by SBA on the loan.
- Confirm that the disbursed amount reported on the 1502 report matches the approval amount in E-Tran.
- Calculate the processing fee owed based on the final fully disbursed amount entered by the Lender.
- Submit the fee calculated by SBA to the Lender using the ACH credit information provided by the Lender.

How do Lenders create an account (i.e., enroll) in the FTA's Lender Portal?

Before Lenders can receive a PPP processing fee or begin monthly loan reporting, they must establish a Lender portal account with the FTA to access the 1502 Dashboard.

Existing SBA Lenders with SBA Form 750 agreements will access the 1502 Dashboard with their current FTA Lender portal account. **Lenders must use separate 1502 reports for PPP**

² Pursuant to SBA Procedural Notice 5000-20076, by submitting a 1502 report on a First Draw PPP Loan or a Second Draw PPP Loan on or after January 13, 2021, any Lender that submitted a 1502 report for a PPP loan before January 13, 2021 agrees to a revision to the one-time confirmation previously made by the Lender.

loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans.

PPP Lenders who do not already have an account with the FTA can enroll by sending an email to Enrollment@colsonservices.com that contains the following:

- Name of Institution;
- At least two of the following:
 - E-Tran Main Location ID (CAFS Location ID under which loans were originated);
 - One of SBA's PPP GP loan numbers; and
 - Colson Lender ID (if known);
- Individual user contact information:
 - Name;
 - Email address; and
 - Phone number.

Lender Service Providers: Lender Service Providers (LSPs) providing services for PPP Lenders under a reviewed LSP agreement who do not already have an account with the FTA can enroll by sending an email to Enrollment@colsonservices.com that contains the following:

- Name of LSP;
- LSP CAFS Partner ID;
- Individual user contact information:
 - Name;
 - Email address; and
 - Phone number;

For each bank partner, provide the information below:

- Bank partner's information:
 - Bank name;
 - E-Tran Main Location ID
- One of SBA's PPP GP loan numbers;
- Colson Lender ID (if known);
- Bank Authorizing Official
 - Name;
 - Email address; and
 - Phone number.

Upon receipt of a complete enrollment email, the FTA will send login credentials consisting of a 1502 Dashboard User ID and Access Code. The User ID and Access Code will be sent in separate e-mails.

Once the Lender has successfully logged into its Lender portal account, the Lender must provide the ACH credit information for the account where the Lender wishes to receive PPP processing fees. The ACH credit information must be for an account owned by the Lender. SBA will not make any payments to LSPs.

A Lender portal user guide is available at https://colsonservices.bnymellon.com/_locale-assets/pdf/1502-dashboard-user-guide.pdf. Questions on the enrollment process may be directed to Colson Customer Service at 877-245-6159.

May Lenders or LSPs share login credentials for the FTA Lender Portal?

No. Login credentials for the 1502 Dashboard are issued at the individual user level and may not be shared among users.

How do Lenders report to SBA on loans that are fully disbursed?

Lenders must report First Draw PPP Loans and Second Draw PPP Loans that have been fully disbursed to SBA via SBA Form 1502 (1502 report). Lenders must electronically submit SBA Form 1502 reporting information to the SBA within 10 calendar days after disbursement of a PPP loan.³ Thereafter, Lenders must submit PPP loan information to SBA on a monthly basis.

SBA Form 1502 is a spreadsheet containing identifying information for each PPP loan. An SBA Form 1502 spreadsheet is available at https://colsonservices.bnymellon.com/_locale-assets/xls/sba-form-1502-blank-template.xlsx.

Lenders may submit the 1502 report to SBA using any of the following methods:

- Email the 1502 spreadsheet to 1502@colsonservices.com;
- Upload the 1502 spreadsheet (“e-File”) in 1502 Dashboard; or
- Deliver the 1502 spreadsheet via Secure File Transfer Protocol (SFTP) – Requires additional enrollment. Lenders should email SFTPassess@colsonservices.com for additional instructions.

Lenders may batch multiple PPP loans in a single 1502 report, or Lenders may complete a 1502 report on an individual PPP loan basis. There is no limit on how frequently Lenders can submit 1502 reports.

Important: Lenders must use separate 1502 reports for PPP loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans.

After receiving the 1502 report, the FTA will notify the Lender of any errors through 1502 Dashboard exception reporting. Lenders should monitor the 1502 Dashboard daily. The Lender will have until 5:00 p.m. Eastern on the second business day after submitting the 1502 report to correct any errors within the 1502 Dashboard. On the third business day after receiving the 1502 report, and provided that the ACH information and one-time lender confirmation have been entered, SBA will initiate the process for payment of the processing fee to the Lender.

How do Lenders report a PPP loan as fully disbursed on the 1502 report?

Lenders must submit a complete and accurate 1502 report. Each of the fields on the 1502 report is described below:

³ If the tenth calendar day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next business day.

- **SBA GP Number:** The 10 digit numerical SBA assigned loan identification number. The GP number is the key to identifying Paycheck Protection Program (PPP) loans on the SBA's and the FTA's databases. If less than 10 digits are reported, the disbursement information cannot be processed.
- **Lender Loan Number:** The Lender's loan identification number; that is, the number the Lender has assigned to the loan. This field is optional.
- **Next Installment Due Date:** The date the borrower is scheduled to make its first payment following the Program's automatic deferment period. As a placeholder, this date should be listed as sixteen months from the date of loan disbursement. After SBA remittance of any partial forgiveness payment or SBA notice that no forgiveness is allowed, the deferment period ends and the Lender must update this date to correspond to the first payment due date the Lender provides to the borrower.
- **Status:** Leave blank
- **Amount Disbursed this Period on Total Loan:** The total amount disbursed on the loan. PPP loans must be fully disbursed, and the amount reported in this field must match the loan approval amount in SBA's electronic system.
- **Amount Undisbursed on Total Loan:** PPP loans must be fully disbursed. Enter \$0.00.
- **Interest Rate:** All PPP loans have an interest rate of 1 percent. Enter 1% or leave blank.
- **Guar. Portion Interest:** Enter \$0.00.
- **Guar. Portion Principal:** Enter \$0.00.
- **Total to FTA:** Enter \$0.00. There are no Guar. Portion Payments or SBA ongoing servicing fees on PPP loans.
- **Interest Period From:** Leave Blank.
- **Interest Period To:** Report the date interest accrues from (e.g., one-time, full disbursement date or first disbursement date, if applicable) in this column.
- **# of Days:** Leave Blank.
- **Calendar Basis:** Leave Blank.
- **Guar. Portion Closing Balance:** The balance outstanding after the full disbursement. This amount should be equal to the Amt Disbursed this Period on Total Loan. PPP loans are 100% guaranteed by SBA and must be fully disbursed.
- **Remittance Penalty:** Enter \$0.00. There are no SBA Subsidy Recoupment Fees or Late Penalties for PPP loans.

How do Lenders report authorized loan increases on First Draw PPP Loans on the 1502 report?

Lenders that make authorized increases on First Draw PPP Loans should report those increases on the 1502 report by following the instructions in SBA Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act, issued on January 13, 2021.

How do Lenders report a PPP loan as cancelled in E-Tran Servicing?

Lenders must request access to E-Tran Servicing in their <https://caweb.sba.gov> account (which is different than the FTA Lender portal account) through the Lender's authorizing official.

From E-Tran Servicing, search for the SBA loan number.

Once the loan number comes up, click on the cancel button at the top of the page. This will cancel the loan and the loan guaranty. Questions on cancellations can be emailed to 7aQuestions@sba.gov.

How do Lenders report a PPP loan as voluntarily terminated and repaid after disbursement on the 1502 report?

From E-Tran Servicing, search for the SBA loan number.

Once the loan number comes up, click on the voluntary termination button at the top of the page. This will terminate the loan guaranty. Questions on voluntary termination can be emailed to: For the Fresno Servicing Center: fsc.servicing@sba.gov; for the Little Rock Servicing Center: lrsc.servicing@sba.gov.⁴

What confirmation must the Lender make before receiving PPP processing fees?

Lenders must make a one-time confirmation in the Lender's FTA Lender portal before SBA will disburse PPP processing fees to Lender. Lenders will confirm the following:

By checking the "I confirm" box below, the Lender is agreeing that for each SBA Form 1502 report submitted by Lender to request payment of First Draw Loan or Second Draw Loan Paycheck Protection Program (PPP) processing fees, Lender confirms that:

- (1) except for any First Draw Loan included in the report that has been or may be increased, (a) all First Draw Loans and Second Draw Loans included in the report were fully disbursed to the borrowers on the disbursement dates entered and in the loan amounts entered in the report, and (b) Lender will make no further disbursements on the First Draw Loans and Second Draw Loans included in the report;
- (2) for any First Draw Loan included in the report that has been or may be increased, (a) Lender approved the increase in accordance with PPP requirements, (b) Lender has fully disbursed the increased amount to the borrower on the disbursement date entered and in the amount entered in the report, and (c) Lender will make no further disbursement on the First Draw Loan;
- (3) all information in the report is true and correct; and
- (4) the report has been submitted by an authorized employee or agent of Lender acting within the scope of Lender's authority and Lender acknowledges responsibility for all entries and certifications made on its behalf.

⁴ The geographic coverage of the Fresno Servicing Center is SBA Regions 5, 6 (except for Arkansas, Oklahoma and Texas) 7, 8, 9, and 10. The geographic coverage of the Little Rock Servicing Center is SBA Regions 1, 2, 3, 4, and 6 (except New Mexico and Louisiana).

When won't a Lender receive a processing fee?

A Lender will not receive a processing fee:

- Prior to full disbursement of the PPP loan; or
- If the PPP loan is cancelled before disbursement; or
- If the PPP loan is cancelled or voluntarily terminated and repaid after disbursement (including if a borrower repays the PPP loan proceeds to conform to the borrower's certification regarding the necessity of the PPP loan request).⁵

How will SBA disburse the processing fee to Lenders?

SBA will make PPP processing fee payments to Lenders using the Demand Deposit Account ACH information supplied by Lenders on the FTA's website. SBA will make a payment for each loan on an individual basis so that Lenders will be able to match the received payment with the corresponding loan. Each disbursement will be made by ACH CCD+, and the addenda record will use the structured layout that is available in the Downloads section of the FTA's website. This structured layout includes payment details that Lenders can use for automating the posting of these payments to the Lender's record system. For Lenders unable to automate the posting of these payments, the record layout should be referenced to determine what the payment is for when posting the payment manually.

Will SBA review the payment of Lender processing fees?

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 is responsible for repaying the fee to SBA.

Are Lender processing fees subject to claw back if a Lender has not fulfilled its obligations under PPP regulations?

A lender is required to repay the processing fee to SBA if a lender is found guilty of an act of fraud in connection with the PPP loan. In such case, the PPP loan is not eligible for a guaranty.

Is a Lender responsible for the actions of its Lender Service Provider (LSP)?

If the Lender authorizes an Agent or Lender Service Provider (as those terms are defined in [13 CFR § 103.1](#)) to submit any information or make any entries or certifications on the Lender's behalf for any purpose through the 1502 Dashboard or through any other method of 1502 reporting, the Lender acknowledges that the Agent or LSP is acting within the scope of Lender's authority and Lender acknowledges responsibility for all information submitted and entries and certifications made on its behalf.

⁵ If the Lender has received a processing fee on a loan that was cancelled or voluntarily terminated and repaid after disbursement (including if a borrower repaid the PPP loan proceeds to conform to the borrower's certification regarding the necessity of the PPP loan request), SBA will not require the Lender to repay the processing fee unless the Lender is found guilty of an act of fraud in connection with the PPP loan.

When a loan is sold, which Lender is responsible for 1502 reporting to SBA?

When a PPP Lender sells all of its interest in a PPP loan to another participating Lender, in bulk or individually, SBA will send the processing fee to the originating PPP Lender.⁶ The Lender making the disbursement is responsible for completing and submitting the initial 1502 report on loan disbursement. The purchasing Lender will be the party responsible to SBA with respect to all servicing actions, including monthly 1502 reporting and requests for loan forgiveness, and will be the party eligible for the guaranty purchase of a PPP loan.

What are the ongoing reporting requirements for PPP loans?

Lenders must electronically submit SBA Form 1502 reporting information to the SBA within 10 calendar days after disbursement of a PPP loan. After submitting the initial SBA Form 1502 report, Lenders must submit PPP loan information to SBA on a monthly basis.

Lenders must provide monthly 1502 reports that include loan status information for their PPP loans regardless of whether the borrower made a payment in the current month. (All PPP loans are deferred.)⁷ Lenders must continue reporting on a loan until the Lender notifies SBA that the loan has been paid in full.

After a Lender reports a loan as fully disbursed, the Lender must submit monthly PPP 1502 reports on or before the 15th of each month, or if the 15th is not a business day, on the next business day after the 15th. Lenders must continue to use separate 1502 reports for PPP loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans. The regular 7(a) loan 1502 report and payment due dates for calendar year 2021 remain unchanged, as published in SBA Information Notice 5000-20066 issued December 4, 2020.

After a Lender receives a PPP forgiveness remittance from SBA, if no loan balance remains, the Lender must report the PPP loan as paid in full on the next SBA Form 1502 report. If a loan balance remains after a Lender receives a PPP forgiveness remittance from SBA, the Lender must report the reduction in the loan balance for the forgiveness amount on the next SBA Form 1502 report and must service the remaining balance of the loan in accordance with PPP requirements. The Lender must wait to receive the PPP forgiveness remittance from SBA before submitting a 1502 report showing the PPP loan as paid in full or a balance reduction due to forgiveness. Premature 1502 reporting of forgiveness will cause the Lender's forgiveness remittance from SBA, if any, to fail validation.

Note: A PPP loan should not be reported as "paid in full" simply because it has been transferred to another Lender.

⁶ As discussed in [SBA Procedural Notice 5000-20076](#), processing fees on authorized loan increases will be paid to the originating PPP Lender.

⁷ The deferment period runs until (i) the date that SBA remits the forgiveness amount (or notifies the Lender that the borrower is not eligible for forgiveness) or (ii) for a borrower that does not submit a timely forgiveness application, 10 months after the end of the loan forgiveness covered period.

How do Lenders report a change in the maturity of a PPP loan?

For PPP loans made before June 5, 2020, the maturity is two years; however, borrowers and Lenders may mutually agree to extend the maturity of such loans to five years. Lenders must report any such change in the maturity of a PPP loan through E-Tran Servicing.

Questions

Questions concerning this Notice may be directed to the Lender Relations Specialist in the [local SBA Field Office](#).

Dianna L. Seaborn
Director
Office of Financial Assistance