



SBA Information Notice

TO: All SBA Employees	CONTROL NO.:	5000-1115
SUBJECT: Instructions on 1502 Reporting and ePayments of Accrued Interest to Lenders for ARC Loans	EFFECTIVE:	7/1/2009

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

EXPIRES:

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

Instructions to Lenders for ARC Interest Payments

The Small Business Administration (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 on Attachment A to this notice. 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 table included on Attachment A to this notice 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 Attachment A 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. For those lenders who are able to read the additional "7" record of the CCD+ format, the following information will be provided in a 'Note' addenda (including the SBA's Denver Finance Centers (DFC) ActionDesk phone number for questions):

Positions 04 – 06	Segment Identifier	=	“NTE“
Positions 07 – 07	Separator	=	“*“
Positions 08 – 10	Payment Program	=	“ARC”
Positions 11 – 11	Blank Space	=	(BLANK)
Positions 12 – 14	Payment Type	=	“INT”
Positions 15 – 15	Blank Space	=	(BLANK)
Positions 16 – 22	Payment Amount	=	“\$\$\$\$.¢¢” (9999.99)
Positions 23 – 23	Blank Space	=	(BLANK)
Positions 24 – 26	Remitter of Funds	=	“SBA”
Positions 27 – 27	Blank Space	=	(BLANK)
Positions 28 – 29	Loan	=	“LN”
Positions 30 – 39	SBA Loan Number	=	“#####” (10 digits numeric)
Positions 40 – 40	Blank Space	=	(BLANK)

Positions 41 – 46	Receiver of Funds	=	“LENDER”
Positions 47 – 47	Blank Space	=	(BLANK)
Positions 48 – 49	Loan	=	“LN”
Positions 50 – 64	Lender Loan Number	=	“xxxxxxxxxxxxxxxxx” (15 digits alpha-numeric)
Positions 65 – 65	Blank Space	=	(BLANK)
Positions 66 – 70	Phone	=	“PHONE ”
Positions 71 – 80	SBA Phone Number	=	“8002604806 ”
Positions 81 – 81	Terminator	=	“\
Positions 82 – 83	Blank Spaces	=	(BLANK)

Using this structure, the addenda string with the ePayment will appear as follows (note - the underscores represent blank spaces):

NTE*ARC-
INT_\$\$\$\$.cc_SBA_LN#####_LENDER_LNxxxxxxxxxxxxxxxxx_PHONE8002604806\

Who Do I Call With Questions?

If you have questions regarding 1502 reporting for ARC Loans, please contact Colson Customer Service at (877) 245-6159 (Option 2) or via e-mail at Info@colsonservices.com. If your question is about ePayments of accrued interest, please email the [DFC ActionDesk@sba.gov](mailto:DFC_ActionDesk@sba.gov) or call the ActionDesk at (800) 260-4806 (Option 4).

Janet A. Tasker
 Director/Office of Risk Management

Attachment A

**ARC LENDER/LOAN INFORMATION SHEET
FOR INTEREST PAYMENTS**

ARC Lender Information												
Bank Routing # (9 digits numeric)												
Bank Account # (17 digits)												
Account Type (1 digit alpha – C,S or G)												
Lender EIN # (9 digits numeric)												
Lender Name												
Lender Address												
Lender City, State, Zip												
Contact Name												
Contact Phone Number												
ARC Loan Information												
SBA Loan # (10 digits numeric)												
SBA Loan # (10 digits numeric)												
SBA Loan # (10 digits numeric)												
SBA Loan # (10 digits numeric)												
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SBA Loan # (10 digits numeric)												
SBA Loan # (10 digits numeric)												

ARC Lenders must complete this page and FAX it to the SBA at (202) 401-6152 or email it to ePayments@SBA.gov.