

SBA504 Central Servicing Agent

Frequently Asked Questions

August 2015

LOAN FUNDING

Q: What method of payment can be accepted for a newly funded loan?

A: ACH debit is the SBA 504 program requirement. Additional information can be found in the *Payment* section of SBA Form 1506.

Q: How should we submit a third party lender fee?

A: The third party lender fee will either be sent in the form of a check payment or withheld from the CDC processing fee, if the processing fee is greater than the required third party lender fee. CDCs should identify the form of payment in *The Project* section of SBA Form 1506.

Q: Is a voided check required to be sent with a borrower's Preauthorization ACH Debit form?

A: No, a voided check is optional if the ACH form is filled out completely or a letter from the bank verifying the account information is included (CDC's are required to validate the information for accuracy and completeness). The ACH form must be signed and dated prior to submitting to the CSA.

Q: When do the Amortization and Prepayment Premium Schedules get distributed for newly funded loans?

A: No later than a week after the funding date. The schedules will be sent via email to all 'Funding' contacts on record with the CSA.

PAYMENTS

ACH Account Changes/Updates

Q: When are borrower ACH changes processed?

A: ACH changes are made between the 10th and the 15th calendar day of every month or the business day prior.

Q: When is the cut-off date for an ACH change request?

A: No later than the 15th calendar day of the month or the business day prior (CDC's are encouraged to submit as early as possible). If this is a deletion request, CSA will delete the ACH information up to 5 business days prior to the last business day of the month.

Q: Can ACH information be updated after the 15th of the month?

A: No, ACH change requests received after the cut-off will be processed the next month.

Q: Why can't ACH changes be made after the 15th of the month?

A: On the following business day the CSA runs a "pre-note" test on the accounts to verify all account information is correct and set for the debit.

ACH Rejects

Q: Why is there no ACH Reject report available for my CDC?

A: An ACH Reject report will generate if a loan within your portfolio has an ACH reject.

Q: Why did my borrower get deleted off ACH?

A: Certain ACH rejects cause an immediate deletion from the system (for example: No Account Number) After a borrower has two ACH rejects that occur for any reason within a 6 month period, the system will automatically delete the ACH information.

Q: What do the codes under “payment type” in the borrower loan detail screen represent?

A: “AR” stands for ACH Reject; “A” stands for ACH Payment; “C” stands for Check; “CC” stands for Systematic Bounced Check Adjustment; “W” stands for Wire; “X” stands for Adjustment.

Q: Do I need to submit a new ACH form once the borrower’s account information is deleted?

A: Yes, a completed ACH form must be provided to the CSA to enroll the borrower back on ACH debit. In addition, if the ACH reject was due to a reason: “Customer and/or Corporate customer advised – not authorized”, the borrower needs to further submit the Wells Fargo fraud filter key (WFSBA504LN) to their bank to allow future debits to occur.

Payment Processing

Q: When is the last day a borrower can send a wire before a late fee is assessed?

A: The wire must be received by the 15th calendar day or the prior business day.

Q: When will CDC Online reflect my payment via check?

A: 1) Checks received at the Minneapolis lockbox by 12pm CST:

- Checks will be credited to the 504 program account by 5pm CST same day.
- The payment will be posted to the system the following business day.
- The payment will be reflected on CDC Online the following business day.

2) Checks received at the Minneapolis lockbox after 12pm CST:

- Checks will be credited to the 504 program account by 5pm CST on the next business day.
- The payment will be posted to the system the following business day.
- The payment will be reflected on CDC Online the following business day.

Q: Are wires posted the same day as receipt?

A: Wires are posted the next business day after receipt and are available to view on CDC Online the following business day after posting (viewable 2 days after receipt).

Q: What information does the CDC need to provide to the CSA when researching a borrower’s wire payment?

A: The CSA would need the Loan Number, Payment Amount, Date sent, and if possible; a copy of the wire confirmation receipt.

Q: What are the current methods of payments accepted?

A: SBA’s program requirement is ACH Debit, however wires are accepted if the ACH rejects.

Q: What additional information needs to be included with a borrower's payment?

A: The borrower's 10 digit SBA loan number.

CDC Fees/Late Fees

Q: When are CDC Fees paid?

A: CDC fees are paid on the 2nd business day, every Friday and the last business day.

Q: When is a late fee assessed?

A: A late fee is assessed on the 16th day of the month, or next business day.

Q: What does the CDC need to do to request a late fee waiver?

A: The CDC needs to provide the CSA with written direction requesting a late fee waiver.

Q: When will CDC's receive the money collected for late fees?

A: The CSA will mail checks for collected late fees to the CDC's on the 2nd business day of the following month.

Q: Can late fees be paid with unallocated funds?

A: Yes, late fees can be paid by applying unallocated funds, but only when the loan is current. Written direction is required.

Q: Can late fees be partially paid?

A: No, late fees must be paid in full. If funds applied to a late fee are less than the total amount due, the remaining amount of the late fee must be waived.

Deferments/Catch-up

Q: When is the last day a deferment request can be submitted for the upcoming month?

A: The CSA must receive deferment requests no later than the 20th calendar day of the month or the business day prior, to be effective for the upcoming month. CDCs are encouraged to include the catch-up plan with the deferment request.

Q: When is the last day a catch-up plan request can be submitted for the upcoming month?

A: Catch-up plans not included with the deferment request, must be received no later than the 15th calendar day of the month or the business day prior, to be effective for the upcoming month.

Q: When is the last day an ACH can be deleted for a full deferment?

A: 5 business days prior to the last business day of the month.

Q: What is needed for a deferment request?

A: All documents should be sent to SBA504CSA@wellsfargo.com :

- SBA acknowledgement/approval email (ALP CDCs must obtain SBA acknowledgement and Non-ALP CDCs must obtain SBA approval).
- CDC email specifying the deferment start and end dates
- Deferment Agreement is optional but highly recommended. All dates must match the above mentioned emails.
- Catch-up plan specifying catch-up start and end dates and the monthly payment amount
- Updated ACH form for a partial deferment or catch-up plan

Q: The catch-up plan has ended and the loan is now current. Why is the total monthly payment amount greater than the monthly payment on the amortization schedule?

A: Fees are recalculated at the five (5) year anniversary date based on the outstanding principal balance of the Note. If a borrower is not current (either due to a deferment, catch-up or ongoing delinquency) at the five (5) year anniversary date, the servicing fees must be recalculated based on the actual outstanding principal balance on that date. As a result, the borrower will pay higher fees for the next five year period compared to the original 504 Note Amortization Schedule. This is explained in the Servicing Actions section of the CSA Manual (available at DCF LLC website).

MATURITIES, PREPAYMENTS AND ACCELERATIONS

Loan Maturity

Q: Will the borrower be debited for a full last payment or the amount listed on CDC Online?

A: The borrower will typically be debited for a full last payment. This is explained in Appendix -2 Amortization Difference within the CSA Manual (available at DCF LLC website).

Q: When will I receive the loan maturity release letter?

A: Loan maturity release letters will be emailed to CDC's by the third week of the month, and is also sent to the Commercial Loan Service Center offices.

Prepayments

Q: How do I know if my prepayment wire has been received? *

A: CDC Online will reflect prepayment status within 1 business day following the payment being posted.

Q: When does a loan need to be scheduled in order to prepay?

A: A loan may be scheduled up to 8 calendar days prior to the 3rd Thursday of each month.

Q: What is the deadline for the CSA to receive prepayment wires?

A: The CSA can receive prepayment wires from the 6th business day of the month until 5:00pm EST on the 3rd Thursday of the month.

Q: Can a loan be prepaid via Check or ACH?

A: Prepayments must be made by wire transfer only.

Q: When can I pull the prepayment actual?

A: The actual is available on CDC Online from the 6th business day of the month until 5:00pm EST on the 3rd Thursday of the month.

Q: Why am I unable to schedule a prepayment, or get an estimate?

A: Prepayment data is unavailable the first 3 business days of every month.

Q: When will the prepayment release letter be available? *

A: Release letters will be available on CDC Online within 48 hours of the CSA processing the prepayment wire.

Q: Why am I unable to get my prepayment release letter if my loan is over \$1 million?

A: If a prepayment wire is \$1 million or more, there will be an additional delay to post due to system parameters.

Q: What happens if I schedule a loan to prepay and the borrower doesn't send the wire?

A: The loan will remain scheduled on CDC Online until the CDC updates the prepayment date.

Q: How far in advance can I schedule a prepayment / get an estimate?

A: 6 Months

**Note: There are scenarios where the aforementioned time frame does not apply.*

Accelerations

Q: Why is there no information available when I click the debenture link in CDC Online?

A: The SBA updates the loan detail in the debenture link typically within 30 days.

Q: Where do I send a borrower's payment when a loan is accelerated?

A: Payments need to be sent to the SBA via <https://pay.gov>.

Q: Why can't I see the borrower's accelerated payment posted to CDC Online?

A: Please contact your SBA Commercial Loan Service Center for assistance.

Q: How do I obtain a 1098 or Annual Statement for an accelerated loan?

A: Please contact the SBA Commercial Loan Service Center for assistance.

GENERAL QUESTIONS

Address Changes

Q: When are address changes processed, is there a cut off time to send requests?

A: There is no cut off time to send an address change. Address change requests received throughout the month are processed by month-end.

Secure Email

Q: What should I do if I cannot remember my password or get locked out of my account when opening a secured email from the CSA?

A: Please follow the on screen instructions to reset your password. More information can be found on <https://www.wellsfargo.com/help/secure-email> . If you continue to have issues, please call our customer service team at 1-855-572-1637, option 4.

CDC Online

Q: How can I get access to CDC Online?

A: The CDC Online Enrollment Form, located on the CDC Online homepage, must be completed and sent to the CSA at SBA504CSA@wellsfargo.com

Q: Who do I contact to unlock my account?

A: For CDC Online account support, please contact the CTSLink team at 1-855-572-1637 and select option 2, or email the support team at CTSLink.customerservice@wellsfargo.com

Q: How often is the Status of Portfolio report updated?

A: It is generated on the 1st calendar day, or next business day, of each month.

Q: How often is the 45 Day Delinquent report updated?

A: It is generated on the last business day of each month.

Q: How often is the 65 Day Default report updated?

A: It is generated on the 20th calendar day, or next business day, of each month.

Q: Can I request a copy of a previous month 'Status of Portfolio' report?

A: No, previous copies are not available on CDC Online.

Manual Check Request

Q: If I request a refund to be sent by check to a borrower, how long will it take for the check to arrive?

A: The check will arrive within 7 to 10 business days from the time the request is processed.

Q: Can the check be overnighted?

A: The check cannot be sent overnight.

Q: What information does the CDC need to provide to the CSA for a new manual check request?

A: The borrower's name, the borrower's address, and the refund amount verified by the CDC.