

**COVID-19 Central Servicing Agent Frequently Asked Questions  
March 25, 2020**

**Funding**

**Q: Will all loans that are funding in April, May and June automatically be placed on 3-month Deferments?**

A: Yes

**Q: With all loans that are funding in April, May and June automatically being placed on 3-month Deferments, will the Note Amortization Schedules on CDC Online reflect this?**

A: No, the Note Amortization schedules on CDC Online will still reflect the first three monthly payments. However, once the Deferment and Catch-up plan is processed in the month following funding, the CSA will send all Catch-up plans, which include a new amortization schedule, to the CDCs via email.

**Q: Will the newly funded loans have a “Deferred” status on CDC Online?**

A: The Status of Portfolio report that generates the month after the loan funds will initially show the loan in “Active” status. However, as soon as the CSA processes the Deferment/Catch-up, the status will update on the Loan Detail report. These loans will not reflect as delinquent.

**Q: Do I need to include the newly funding loans on the batch list of deferments that will be sent to the CSA?**

A: No, all loans funded in April, May, and June will automatically be deferred for 3 months, unless the CDC emails the CSA at [sba504csafunding@wellsfargo.com](mailto:sba504csafunding@wellsfargo.com) to instruct the CSA to debit the borrower as scheduled. Please submit this request to the CSA by the Pulled Loan Deadline.

**Q: Are there any changes to the deadlines for April funding?**

A: No, the CSA Cut-off date will still be 3/26 and the Pulled Loan Deadline is 4/6.

**Q: Are there any additional documents that need to be sent to the CSA for funding?**

A: No, only the standard documents need to be sent to the CSA for funding (Servicing Agent Agreement, Note, Debenture, W9 Form, ACH Form, SBA Approval email).

## **Deferments**

**Q: What is the monthly deadline to submit deferment requests?**

A: The cutoff every month is the 20<sup>th</sup> of the month, or the business day prior if the 20<sup>th</sup> is not a business day. If the deadline is missed, please do not submit your deferment request until first business day of the following month.

**Q: If I submitted my deferment request prior to the deadline of March 20<sup>th</sup>, was the request completed?**

A: All requests that did not require additional information or follow-up and were submitted by the deadline have been processed. For those requests that the CSA needed more information on but did not receive a response were not completed. In those instances borrowers should have their April 1<sup>st</sup> ACH payment rejected and a retroactive deferment can be completed.

**Q: How do I know if my deferment request was completed?**

A: There are several ways to know if your deferment request was completed. For completed requests, CDC's were sent proposed catch-up plans to sign and return to the CSA. Also, the Loan Detail Report will not show ACH information for full deferments. Lastly, the loan status shown on the Loan Detail Report will reflect a deferment status approximately 5 business days prior to the end of the month.

**Q: If a borrower successfully made their March payment and would like to be placed on a retroactive deferment starting March 1<sup>st</sup> and be refunded their March payment is that possible?**

A: No, payments already made will not be refunded. In these circumstances, the CDC should request a deferment starting the following month.

**Q: If I missed the March 20<sup>th</sup> deadline for a deferment request for the April 1<sup>st</sup> payment what should I do?**

A: The CDC should instruct the borrower to work with its bank to reject the April 1<sup>st</sup> ACH debit. They must reject the transaction within 48 hours. Payments will not be refunded if the April 1 ACH debit is successful, so CDCs should reach out to borrowers if a deferment request was not submitted by March 20<sup>th</sup>.

**Q: If my borrower does not have their April 1<sup>st</sup> payment rejected will they be issued a refund if they are placed on a retroactive deferment beginning April 1<sup>st</sup>?**

A: No, payments will not be refunded. In these circumstances, the CDC should submit a deferment request to start the following month.

**Q: What is the process for submitting batch deferment requests? What data do I need to provide to the Central Servicing Agent team? Are there certain criteria the CSA team is checking for?**

A: The CDC should complete the first four columns of the data tab in the deferment spreadsheet and send it to the CSA on a weekly basis. These include listing the 10 digit SBA loan number, the first month of deferment, the last month of deferment, and the last month of Catch-Up. Refer to the instructions tab in the spreadsheet for direction. Among other things, the CSA will be checking that the loan is active and in “regular servicing” status, Catch-up payments are higher than regular payments, the Catch-up period is less than 10 years, and the Catch-up period ends before the loan’s maturity date.

**Q: Should I submit the batch deferment request spreadsheet daily for individual loans?**

A: No, to the extent possible, please consolidate your batch deferral requests. Sending a weekly file at the end of each week with all deferrals received that week is preferred.

**Q: On the batch deferment request spreadsheet submitted in April, which months can I submit requests for?**

A: When submitting the batch request spreadsheet in April, the start dates for Deferment can either be 03/01/2020, 04/01/2020 or 05/01/2020. Any deferment requests for June 1<sup>st</sup> or beyond will not be processed in April.

**Q: What type of deferments and catch-up plans can I request through the batch process? How do I handle deferment requests for loans that do not fit the batch process criteria?**

A: Only Full Deferments that are followed by a Standard Catch-Up plan should be submitted on the batch request spreadsheet. Deferments that do not fit the guidelines of the batch request spreadsheet should be submitted using the standard request form that can be found on the homepage of CDC Online.

**Q: When would I request a deferment for a deferment starting in June 2020?**

A: Deferment requests should be submitted to the CSA by the deferment deadline in the month prior to the deferment beginning. In this case it would be by May 20<sup>th</sup>.

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

A: Signed Catch-up plans must be received no later than the 15th calendar day of the month, or the business day prior, in the month immediately preceding the start of the Catch-up plan.

**Q: Do you need a signed catch-up plan for the loan to go on deferment?**

A: The catch-up period is required in the request form. However, we do not need a signed plan for the loan to go on deferment status. It is needed no later than the 15th calendar day of the month, or the business day prior, to be effective for the upcoming month to go on catch-up status.

**Q: How do you place a borrower on ACH when they are starting their partial deferment or catch-up plan in the following month?**

A: Please submit the request using the current ACH process on Electronic Lending – Servicing (ETRAN), no later than the 15th calendar day of the month or the business day prior. If the borrower is going on a full deferment the following month, do not submit an ACH request through Electronic Lending – Servicing (ETRAN).

**Q: How should I submit a partial deferment request?**

A: Partial deferment requests or deferments with step-up catch-up plans should be submitted in the same manner as previous months; they should **not** be submitted via the batch deferment spreadsheet.

**Q: Where should I tell my borrower to submit their payment while on partial deferment?**

A: Methods of accepting borrower payments have not changed. Borrowers can remit payments electronically to the same DDA account as before via ACH or wire or mail a physical check to the lockbox.

## **Customer Service**

**Q: What is the preferred method to contact the Central Servicing Agent team?**

A: Currently email is the preferred communication method. Please contact the CSA at [sba504csa@wellsfargo.com](mailto:sba504csa@wellsfargo.com)