



1502 Reporting: Tips & Guidance for Zero Balance Reporting

This email is intended to provide guidance and clarification on 1502 reporting for specific zero balance scenarios.

Revolving Lines of Credit

Do I report Status Code 6, Paid in Full, or Status Code 9, Fully Undisbursed, when a revolving line of credit is temporarily paid down to \$0.00?

No, do not report Status Code 6 or Status Code 9 for a revolving line of credit when the borrower temporarily pays the loan balance to \$0.00. Leave the Status column blank.

You should also not add principal repayments back to the Amount Undisbursed reported on the 1502.

Secondary Market Payoff or Prepayments

How should I submit my secondary market payoff or prepayment 1502 form required by SBA Form 1086?

Secondary market payoff or prepayment 1502 reports can be submitted in the 1502 Gateway under the Reporting Folder, New Reporting. Separately, prepayments certificates should be sent to 10daynotice@sba.gov.

Related secondary market payoff or prepayments funds must be sent to the CTCNA FBO 7a Payoffs account.

Account Name	Account Number	Routing Number (Wire)	Routing Number (ACH)
CTCNA FBO 7a Payoffs	7253190214	121000248	091000019

Note: Per Nacha (National Automated Clearing House Association), the ACH Network offers the choice to process ACH credits as either “same-day,” “next-day,” or “2-day” payments. The Same Day ACH option is currently capped by dollar amount but will rise to \$1MM in March 2022. If a transaction is not eligible for Same Day ACH or the originating lender does not select a Same Day ACH transaction, the receipt of funds by the FTA will be affected by a day or two and potentially incur a secondary market lender late penalty or increase the interest obligation on a loan payoff. Lender is responsible for any additional funds due to the secondary market for late receipt of funds by the FTA as defined by SBA Form 1086.

After a loan is paid off from the secondary market (whether by borrower repayment or lender purchase), do I need to report the loan on my month-end 1502?

Yes, the guaranty loan status must be reported on your month-end 1502 following secondary market payoff. If the loan guaranty was paid in full by the borrower, you should report the loan with a Status Code 6, Guar.

Portion Principal, Interest Period To date and Guar. Portion Closing Balance of \$0.00. Otherwise, continue to report the loan monthly following all standard 1502 policies and procedures for unsold loans.

Status Code 6, Paid in Full

Do I have to separate my loans with Status Code 6, Paid in Full, reporting from the rest of my month-end report?

No, you can include loans with Status Code 6, Paid in Full reporting with the rest of your month-end 1502 report. The first loan reported on your 1502 may include Status 6 reporting but should not be for a loan that was previously updated to an inactive guaranty loan status (Paid in Full, Cancelled, et al) in ETRAN. This initial loan check is part of system validations to associate your reporting to the correct SBA location id.

If you encounter a message that the first SBA loan number is not associated with a location id, the inactive loan should be removed from your 1502 before attempting to upload again.

If you have questions relating to 1502, please email 1502@sba.gov. For general questions, please contact the FTA Customer Service Team at FTA@sba.gov or via the toll-free hotline at (877) 470-0722.

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