

SBA 7(a) Payoffs – Lender Guide

Best Practices and FAQs

10 Day Notice Submission

- Lender must give FTA ten (10) business day's notice of intent to fully prepay the loan.
- Notice is remitted through *10 Day Notice Application* on the FTA Portal – no email submissions.
- Notice remains active for thirty (30) calendar days after lender-provided Prepayment Date.
- Only one partial or full 10 Day Notice may be active at once – full notices override partials.

SBA Form 1502 & Wire Remittance

- Lender must submit SBA Form 1502 via the *1502 Gateway* same day as payoff wire is sent.
- Lender is responsible for remitting per diem interest through the day before FTA receives funds. Per diem interest accrues on weekends and holidays.
- Final monthly payment and payoff funds should be sent together as one wire – not separately.
- Loan should be reported as Status 6 'Paid Off' only after final wire has been remitted. Pre-mature paid off indication will prevent lender from submitting additional SBA 1502 forms.
- If loan is paid short, an *Underpayment Claim Letter* will be sent via email.

SBA Repurchase (SBA Demands)

- The decision to repurchase a loan 60+ days in arrears rests at the sole discretion of the SBA.
- Lender is notified of repurchase via email letter: *SBA FTA Demand Notice*. Once notified, all further payments must be remitted directly to SBA (not FTA) via pay.gov using SBA Form 172.
- All requested documentation must be sent to: SBADemands@sba.gov.

Payoffs DDA

Wire Instructions

Account #: 7253190172

Routing #: 121000248

Text: GP #, Bank Name,
and P&I Breakdown

All Payoffs, Prepayments,
Prepayment Penalties,
Lender Repurchases &
Underpayment Claims

FTA Wiki Resources

- [CAFS Account Setup](#)
- [10 Day Notice App User Guide](#)
- [1502 Gateway Submission Guide](#)
- [SBA Form 1086](#)
(August 2024 Edition)