



Settlements Express Exception Errors FAQs

Most Common Settlements Express Exception Errors	What does this mean?	Action Steps
SBA requires pages 5 through 17 to be present before settlement can take place.	Previously, the boilerplate language of the old 1086 form were on pages 5-17. The current 1086 form boilerplate language are on pages 6-21. This error could mean: 1. Any pages of the 1086 form are missing during the time of submission. Or 2. This is a forced blanket exception that is a Miscellaneous Exception.	<ol style="list-style-type: none"> Review 1086 form submission to see if any pages are missing. Contact FTA for further explanation.
25 years maturity date approval was not performed.	This could either mean: 1. Maturity date does not match SBA’s loan records. And/Or 2. The ETRAN use of proceeds does not imply construction, improvements or renovations. And/Or 3. Loan Authorization form is not present and the maturity exceeds 25 years.	<ol style="list-style-type: none"> If maturity date does not match SBA’s loan records, Lender must adjust maturity date in ETRAN. If ETRAN does not imply construction, improvements, or renovations, Broker must submit Loan Authorization modification approved by the SBA. If Loan Authorization is not present, Broker must submit form to FTA.
1086 Variable Rate[1.625] and Note Variable Rate[2.75] disagree.	The Note Variable Rate is the Note Spread; the Note Spread is not calculated correctly into the Certificate Interest Rate(1086 Variable Rate).	<p>The 1086 Variable Rate (Certificate Interest Rate) must be calculated using the following formula:</p> <p>Note Spread <i>less</i> SBA annual fee (if applicable) <i>less</i> Lender fee <i>less</i> FTA fee.</p> <p><i>Example:</i> If the Certificate Interest Rate equals 1.075, the calculation would be as follows:</p> <p>2.75(Note Spread)- .55 (SBA Fee) – 1.0 (Lender Fee) -</p>

		.125(FTA fee) = 1.075 (Certificate Interest Rate/1086 Variable Rate).
1086 Date of Note [09/12/2022] and the Note Date [09/23/2022] disagree.	The Note Date (found on the Note) and 1086 Date of Note do not match. Or Note Date/Date of Note is missing.	The Note Date and 1086 Date of Note must match. 1. If the 1086 Date of Note is incorrect, a correction of the page will need to be submitted to the FTA. 2. If the Note Date found on the Note is incorrect, a Note modification with a certified stamp and Borrower's signature will need to be submitted to the FTA. A revised Note will not be accepted.
Note- Field required: peg id Note- Peg ID cannot be blank or 0.	A peg identifies the rate and frequency adjustment of the loan. A peg needs to be setup by the FTA.	No further action is needed by the Broker. Once the peg is setup by the FTA, loan approval will be sent via email.
Field required: lender address - city Field required: lender address - state Field required: lender address - street Field required: lender address - zip Field required: lender name.	A new bank record needs to be created or address needs to be updated by the FTA.	No further action is needed by the Broker. If address needs to be updated or W9 is needed, FTA will reach out to the Broker to confirm.
Purchaser Confirmation of Sale Note Date [Mar 15 2022 12:00AM] and Note Date [Jan 15 2022 12:00AM] disagree.	Purchaser Confirmation of Sale Note Date and Note Date do not match.	Purchaser Confirmation of Sale Note Date and Note Date must match. A correction of the Purchaser Confirmation of Sale must be submitted to the FTA.
Purchaser Confirmation of Sale maturity date [12/15/32] and Note maturity date conflict [10/07/32].	The Purchaser Confirmation of Sale maturity date is the 15th of the following month of the maturity date listed on the Note.	Purchaser Confirmation of Sale maturity date must be adjusted to the 15th of the following month of the maturity date stated on the Note. <i>Example: If the Note maturity date is 10/07/32; the Purchaser Confirmation of Sale maturity date is 11/15/32.</i>