

SBA ONE

LOAN ORIGINATION SOLUTION

LOS February 2017 Release 3.0 Highlights

Borrower Information

- Borrower's *Race*, which is an optional attribute, can be specified in *The Basics*.
- *Small Business Borrower Legal Name (Applicant)*
 - Commas are now being included in the E-TRAN XML.
 - Enhanced validations to enforce E-TRAN's 80 character field limit.

Size Standard

- *NAICS Code* values will now be validated against the 2017 NAICS available on <http://www.census.gov/eos/www/naics/>. If the *SBA Size Standard value* is unavailable for the entered code, you must select the *Alternative Size Standard* for determining eligibility.

About the Principals / Guarantors

- *% Owned* is required to be inputted before the principal's *Details Window* (☐☐☐) becomes available for completion.
- The Principal Type's *Spouse* row will be inserted if a value greater than or equal to "0" is entered in *% Owned by Spouse*. Otherwise, leave the field 'blank'.
- A controlling interest *Capacity*, not including "Manager" or "Guarantor", is required to be selected within the principal's *Details Window* (☐☐☐) if the principal's *% Owned* is greater than "0". Only one such controlling interest *Capacity* may be chosen, but "Manager" and "Guarantor" capacities may continue to be additional selections.
- An eligible controlling interest *Capacity* may be selected for a principal with 0 *% Owned*.
 - Principals with 0 *% Owned* cannot have a controlling interest *Capacity* which represents an 'Owner of the Concern'. These capacities representing ownership are:
 - "Sole Proprietor"
 - "General Partner"
 - "Shareholder"
 - "Managing Member"
 - "Trustee"
 - "Individual"
- An additional controlling interest *Capacity* may be optionally selected for a principal with 0% ownership and being identified as a "Manager" or "Guarantor".
- Controlling interest capacities of "President", "CEO", and "Chairman of the Board" have been added for Corporation, S-Corp, and LLC legal entities.
- If the combined ownership interest of both spouses is 20% or more, any spouse with a *% Owned* less than "5" can provide a limited guaranty.
- Principals with combined ownership of 90% or more in the business must now be included in the E-TRAN XML.

Financial Needs

- If the requested loan amount is \$350K or less, SBA One will require the lender to select a loan program type in response to “How is the loan being proposed to be submitted?” The provided drop down list will only include eligible loan program types based on the application responses provided prior to Financial Needs.
 - *E-TRAN Credit Score* will now be requested upon selection of a proposed loan program type.
 - × *E-TRAN Credit Score* will not be requested for “SBA Express”.
 - × Lender will not be prompted to propose a loan program type and the *E-TRAN Credit Score* will not be requested for applications where the lender responded “Yes” to “Is the lender aware if the application was previously submitted to SBA under any SBA program, including SBA Express, Export Express, PLP, CLP, 7(a) Small Loan, Community Advantage or standard 7(a)?” in *About the Business*.
- If the aggregate of the requested loan amount and any amount(s) listed in the *Other SBA Loans* grid exceeds \$5MM, SBA One will display a warning message that E-TRAN may return a validation error upon submission. A help link will also be provided to instructions outlining potential steps to follow to resolve an aggregate loan balance error when attempting to refinance existing SBA debts.
- Use of proceeds *Amount* (\$) can now be entered in decimals. However, the overall requested loan amount should still be in multiples of hundreds.
- *Refinancing of Existing Debt* use of proceeds for *Pay Notes Payable – not Same Institution Debt* may also be submitted under 7a PLP if:
 - The reason for debt refinancing is “If none of the above reasons for debt refinancing apply, does Lender believe that the debt no longer meets the needs of the Small Business Applicant?” or
 - If the response to “Are you refinancing Seller Take-back financing?” is “Yes”.
- If the loan request is for financing the sale of the participating lender's Other Real Estate Owned (OREO), then at least one commercial real estate property should be identified as an OREO property in the *Collateral Details*. In addition, an OREO property appraisal report should be uploaded in Tab 9.

Terms & Conditions

- If the lender previously selected SBA Express in response to “*How is the loan being proposed to be submitted?*” in *Financial Needs* and a different selection is made to “Select a Loan Program Type” in *Terms & Conditions*, the user will be required to revise the *Financial Needs* response to prompt an *E-TRAN Credit Score* request for a requested loan amount of \$350K or less.
- If the lender responded “Yes” to “Is the lender aware if the application was previously submitted to SBA under any SBA program, including SBA Express, Export Express, PLP, CLP, 7(a) Small Loan, Community Advantage or standard 7(a)?” in *About the Business* and *Terms & Conditions’ Underwriting By* is “SBA”, then the application submission will be marked for reconsideration.

- The *Maximum maturity period cannot exceed (months)* is now based on the blended or largest asset class percentage of the use of proceeds. For the following real estate construction or improvements use of proceeds, the loan maturity (inclusive of interest only period) can be greater than 25 years even if the blended loan maximum maturity is less than 25 years:
 - *Purchase Land and Improvements*
 - *Purchase Improvements only*
 - *Construct a Building*
 - *Add an Addition to an Existing Building*
 - *Make Renovations to an Existing Building*
- For *Interest Rate* selection “Variable Rate – Multiple Fluctuation Periods”, the following *Second Period Details* must now also be provided for a selected *Base Rate Index* of “Lender’s Variable Base Rate”:
 - *Lender’s Variable Base Rate Index*
 - *Base Rate Source*
 - *Base Rate (%)*

Collateral Details

- If the response to “Is the business/collateral located on leased premises?” is “Yes”, then lender may now “Add New Address” or select from an available collateral or borrower address for *Leased Premises Address*.

Documents

- The system generated *Schedule of Collateral* now lists the *Business Legal Name* and *SBA One Ref #* in the Footer.
- Application transaction history can be viewed on the *Documents* menu by selecting *View Date Logs* (LOG). Dates for application creation, submission, approval, screen out or improper score are captured as applicable.
- The business valuation listed in the *Draft Authorization* will populate with the value entered for *Appraiser’s Conclusion or Summary of Value*, instead of *Total Amount Paid to Seller*, from the *Change of Ownership* section within *Financial Needs*.

E-TRAN XSD 5.0

- Upgraded *Submit to E-TRAN* standards to SBA’s XSD 5.0 schema.

Expert Path

- Resolved issue preventing Community Advantage – Delegated loans from being processed via the *Expert Path*.

PARRiS

- Scorecard was updated with Fiscal Year 2017 First Quarter data.