



COVID-19 Loan Deferrals Process and FAQ

Q: How do I request a loan deferral?

Use the form at prudentlenders.com/covid19deferrals to submit a request. Be prepared with the following information:

- ✓ Borrower name (legal name and dba, if applicable)
- ✓ Contact information (Owner(s) name, email address and phone number)
- ✓ SBA loan number
- ✓ Type of business
- ✓ Length of deferment requested (in months)
- ✓ Has the borrower contacted other creditors/debtors for payment relief? If yes, detail outcome.
- ✓ Summary of impact on business due to COVID-19

Q: As a lender, what do I do when asked to provide a note modification?

First, develop an understanding of exactly what is going on with the borrower. Be sure to obtain all missing and expired information from the borrower, including all financials and interim statements.

Q: How long can I defer a payment?

The length of time that a payment can be deferred depends on whether or not the loan has been sold. If the loan has been sold, you as the lender has a one-time, unilateral authority to defer the loan for 90 days (principal or principal and interest). Any alternate deferral arrangement requires investor approval. If the loan has not been sold, you may defer payments for up to 6 months. Any additional length of time requires SBA approval.

Q: How do I obtain investors' approval to defer a loan?

Email info@colsonservices.com or go through the Colson portal

Q: Can you add the deferred payments to the end of a loan?

No, you cannot add deferred payments to the end of the loan; there cannot be a balloon payment at the end of the term.

Q: Can I extend the loan maturity?

Per SBA policy, you can extend the maturity of a loan for up to 10 years from the originally maturity date. The benefit of extending the loan maturity is a reduction in monthly payments.

Q: What status code do I use on SBA 1502?

Status code 4

Q: Do I have to update E-Tran?

E-Tran needs to be updated when you extend the maturity date on a loan.