sblf | small business lending fund

INSTRUCTIONS for the Initial Supplemental Report for Banks Participating in the Small Business Lending Fund

GENERAL INSTRUCTIONS

The sections below constitute the Initial Supplemental Report.
Initial Baseline Calculation
Initial Adjusted Baseline Calculation
Initial Quarter-End Qualified Small Business Lending
Dividend Rate Calculation

WHO MUST REPORT ON WHICH FORMS
Every bank participating in the Small Business Lending Fund (SBLF) of the U.S. Department of the Treasury (Treasury) is required to submit an Initial Supplemental Report **no later than five business days before the closing date of the SBLF funding**.

The bank must also submit Quarterly Supplemental Reports, beginning in the quarter in which the funding occurs, as described in the separate Instructions for the Quarterly Supplemental Report for Banks Participating in the Small Business Lending Fund.

DEFINITIONS AND RULES OF PRACTICE
Unless otherwise stated, the Initial Supplemental Report and the Instructions for the Initial Supplemental Report incorporate the definitions and general rules of practice embodied in the Consolidated Reports of Condition and Income for Banks, as well as the instructions pertaining thereto.

ORGANIZATION OF THE INSTRUCTION BOOK
This instruction book is divided into two sections:
(1) The General Instructions describing overall reporting requirements.
(2) The Line Item Instructions for each section of the Initial Supplemental Report.

PREPARATION OF THE REPORT
Banks are required to prepare and file the Initial Supplemental Report in accordance with these instructions. All reports shall be prepared in a consistent manner.

The bank's financial records shall be maintained in such a manner and scope so as to ensure that the Initial Supplemental Report can be prepared and filed in accordance with these instructions and will reflect a fair presentation of the bank's small business lending.

If you have general questions regarding this form, please contact the information line for the Small Business Lending Fund at 888-832-1147 (Monday-Friday, 9:00 AM-7:00 PM ET).

SIGNATURES
The cover (signature) page of the Initial Supplemental Report shall be used to complete the signature and attestation requirement. The bank may use digital or handwritten signatures; however, the choice will impact how the form is submitted. For details, see SUBMISSION OF THE REPORT instruction below.

Chief Executive Officer and Chief Financial Officer Declarations
Both the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the bank (or the individuals performing equivalent functions) shall sign the respective declarations on the cover (signature) page attesting to the correctness of the Initial Supplemental Report that the bank has filed with Treasury and the appropriate supervisory agency.

Director Attestation

National and state member banks – The correctness of the Initial Supplemental Report shall be attested to by no fewer than three directors of the reporting bank, other than the officers signing the CEO or CFO declarations, as indicated on the cover (signature) page.

State nonmember banks – The correctness of the Initial Supplemental Report shall be attested to by no fewer than two directors of the reporting bank, other than the officers signing the CEO or CFO declarations, as indicated on the cover (signature) page.

SUBMISSION OF THE REPORT

Each bank must file its Initial Supplemental Report five (5) days prior to closing by electronically entering the report data directly into the Report and emailing the completed copy, along with the cover (signature) page, to Treasury at SBLFSuppRpt@treasury.gov.

For banks using digital signatures, the completed electronic report is submitted as a single document. For banks using handwritten signatures, both the completed electronic report and a scanned copy of the cover (signature) page must be submitted.

One additional copy should be sent to the bank's primary federal regulator using the following addresses, as appropriate:

FDIC	State nonmember institutions should submit supplemental reports to their appropriate regional office or electronically through FDIC*connect*.
Federal Reserve	Applicants should provide supplemental reports to the appropriate regional Federal Reserve Bank using existing procedures for filing report-related documentation.
OCC	National banks should submit supplemental reports electronically via OCC secure mail. Please contact your OCC District Office for instructions on how to securely submit the supplemental reports.
OTS	Please contact your OTS Regional Office for instructions on how to securely submit the supplemental reports.

State-chartered institutions must also provide a copy of the Initial Supplemental Report to their state regulator using the applicable email address listed below:

Alabama ..... plans.sblf@banking.alabama.gov
Alaska ..... katrina.mitchell@alaska.gov
Arizona ..... sblprogram@azdfi.gov
Arkansas ..... asbd@banking.state.ar.us
California ..... scameron@dfi.ca.gov
Colorado ..... banking.treasuryapps@dora.state.co.us
Connecticut ..... ctdob.treasury@ct.gov
Delaware ..... robert.glen@state.de.us
District of Columbia . christopher.weaver@dc.gov
Florida ..... florida.sblp@flofr.com
Georgia ..... dbfcorp@dbf.state.ga.us
Guam ..... jpcamacho@revtax.gov.gu
Hawaii ..... dfi@dcca.hawaii.gov
Idaho ..... mary.hughes@finance.idaho.gov
Illinois ..... idfpr.banksandtrustapps@illinois.gov
Indiana ..... jcooper@dfi.in.gov
Iowa ..... smallbusiness@idob.state.ia.us
Kansas ..... smallbusinesslendingapplication@osbckansas.org
Kentucky ..... kathy.stewart@ky.gov
Louisiana ..... laofisblp@ofi.la.gov
Maine ..... robert.b.studley@maine.gov
Maryland ..... tlouro@dllr.state.md.us
Massachusetts ..... alexis.leahy@massmail.state.ma.us
Michigan ..... deleg-bizfundappsmi@michigan.gov
Minnesota ..... maryjo.wall@state.mn.us
Mississippi ..... inbox@dbcf.ms.gov
Missouri ..... debra.hardman@dof.mo.gov
Montana ..... banking@mt.gov
Nebraska ..... ray.pont@nebraska.gov
Nevada ..... sblp@fid.state.nv.us
New Hampshire ..... twells@banking.state.nh.us
New Jersey ..... smallbuslp1@dobi.state.nj.us
New Mexico ..... william.verant@state.nm.us
New York ..... yolanda.ford@banking.state.ny.us
North Carolina ..... jfye@nccob.gov
North Dakota ..... dfi@nd.gov
Ohio ..... kevin.allard@dfi.com.state.oh.us
Oklahoma ..... crg1@onenet.net
Oregon ..... ustreasury.sblpapps@state.or.us
Pennsylvania ..... ra-ustreasuryprog@state.pa.us
Rhode Island ..... sblf@dbr.ri.gov
South Carolina ..... renee.dzek@banking.sc.gov
South Dakota ..... roger.novotny@state.sd.us
Tennessee ..... tdfi.smallbiz@tn.gov
Texas ..... dennis.lebo@dob.texas.gov
Utah ..... dfi@utah.gov
Vermont ..... tom.candon@state.vt.us
Virginia ..... business.plan@sccvirginia.gov
Washington ..... banks@dfi.wa.gov
West Virginia ..... smbuslendpro@wvdob.org
Wisconsin ..... dfidob-sblp@wisconsin.gov
Wyoming ..... lendingapps@wyaudit.state.wy.us

State-chartered banks in the following territories should contact their appropriate state regulator directly for submission instructions: American Samoa, Puerto Rico, and the Virgin Islands.

Submission Date
A bank's completed Initial Supplemental Report must be filed with the federal bank supervisory authorities and Treasury within five business days prior to the closing date. The Call Report used to pull data should be from the second preceding quarter. For example, if the submission date is May 1, use the Call Report from December 31 of the previous year.

RETENTION OF REPORTS
In general, a bank should maintain in its files a signed and attested record of its completed Initial Supplemental Report, including any amended reports, for five years after the report date, unless any applicable state requirements mandate a longer retention period.

MISCELLANEOUS GENERAL INSTRUCTIONS

Rounding
All dollar amounts must be reported in thousands with the figures rounded to the nearest thousand. Items less than $500 must be reported as zero.

Verification
All fields must be completed. All addition and subtraction should be double-checked before reports are submitted. Totals and subtotals in supporting materials should be cross-checked to corresponding items elsewhere in the reports.

RELEASE OF INDIVIDUAL BANK REPORTS
All sections of the Initial Supplemental Report submitted by each reporting bank may be made available to the public by the federal bank supervisory agencies or Treasury.

LINE ITEM INSTRUCTIONS

Initial Baseline Calculation

If your institution's Qualified Small Business Lending increased as a result of mergers and acquisitions or loan purchases from 10/1/09 through 6/30/10, complete Worksheet A on the following page to calculate pro forma balances reported on line items 1 – 4 (pro forma balances in 3a – 3d are entered into 1a – 1d; pro forma balances in 6a – 6d are entered into 2a – 2d; pro forma balances in 9a – 9d are entered into 3a – 3d; and pro forma balances in 12a – 12d are entered into 4a – 4d).

Item No.	Caption and Instructions
1a – 1d	Balances of commercial and industrial loans (as reflected on Call Report Schedule RC-C, Part I, item 4), complete for each of the four quarters
2a – 2d	Balances of loans secured by owner-occupied nonfarm nonresidential properties (as reflected on Call Report Schedule RC-C, Part I, item 1.e.(1)), complete for each of the four quarters
3a – 3d	Balances of loans to finance agricultural production and other loans to farmers (as reflected on Call Report Schedule RC-C, Part I, item 3), complete for each of the four quarters
4a – 4d	Balances of loans secured by farmland (as reflected on Call Report Schedule RC-C, Part I, item 1.b), complete for each of the four quarters

Worksheet A

	9/30/09				12/31/09				3/31/10				6/30/10			
		Bil	Mil	Thou		Bil	Mil	Thou		Bil	Mil	Thou		Bil	Mil	Thou
1. Balances of commercial and industrial loans (as reflected on Call Report Schedule RC-C, Part I, item 4)	1a				1b				1c				1d			
2. Dollar value of such loans either gained through an acquisition of, or merger with, another institution or purchased from another institution during the quarter					2b				2c				2d			
3. Pro forma balances including such loans gained through an acquisition, merger, or purchase (line item 3a equals line items 1a+2b+2c+2d; line item 3b equals line items 1b+2c+2d; line item 3c equals line items 1c+2d; line item 3d equals line item 1d)	3a				3b				3c				3d			
4. Balances of loans secured by owner-occupied nonfarm nonresidential properties (as reflected on Call Report Schedule RC-C, Part I, item 1.e.(1))	4a				4b				4c				4d			
5. Dollar value of such loans either gained through an acquisition of, or merger with, another institution or purchased from another institution during the quarter					5b				5c				5d			
6. Pro forma balances including such loans gained through an acquisition, merger, or purchase (line item 6a equals line items 4a+5b+5c+5d; line item 6b equals line items 4b+5c+5d; line item 6c equals 4c+5d; line item 6d equals line item 4d)	6a				6b				6c				6d			
7. Balances of loans to finance agricultural production and other loans to farmers (as reflected on Call Report Schedule RC-C, Part I, item 3)	7a				7b				7c				7d			
8. Dollar value of such loans either gained through an acquisition of, or merger with, another institution or purchased from another institution during the quarter					8b				8c				8d			
9. Pro forma balances including loans gained through an acquisition, merger, or purchase (line item 9a equals line items 7a+8b+8c+8d; line item 9b equals line items 7b+8c+8d; line item 9c equals line item 7c+8d; line item 9d equals line item 7d)	9a				9b				9c				9d			
10. Balances of loans secured by farmland (as reflected on Call Report Schedule RC-C, Part I, item 1.b)	10a				10b				10c				10d			
11. Dollar value of such loans either gained through an acquisition of, or merger with, another institution or purchased from another institution during the quarter					11b				11c				11d			
12. Pro forma balances including loans gained through an acquisition, merger, or purchase (line item 12a equals line items 10a+11b+11c+11d; line item 12b equals line items 10b+11c+11d; line item 12c equals line item 10c+11d; line item 12d equals line item 10d)	12a				12b				12c				12d			

Item No.	Caption and Instructions
5a – 5d	Subtotal (sum lines 1 – 4 for each column)
6a – 6d	Dollar portion of any such loans or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million
7a – 7d	Dollar portion of such loans to businesses with more than $50 million in revenues, unless included in line 6
	Include loans made to a business with more than $50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
8a – 8d	Dollar portion of line 5 guaranteed by the U.S. government, unless included in lines 6 or 7
	Include only the portion of the loan which is guaranteed by the U.S. government
9a – 9d	Dollar portion of line 5 where a third party has assumed an interest, unless included in lines 6, 7, or 8
	Include only the portion where a third party has assumed an interest
10a – 10d	Total qualified loans (line 10 equals line 5 minus lines 6, 7, 8 and 9 for each date column)
11	Total of four quarters' qualified loans (sum line items 10a through 10d)
12	Initial Small Business Lending Baseline (line 12 equals line 11 divided by 4)
	Include four quarters of qualified business loans divided by four to determine the average qualified lending baseline

Initial Adjusted Baseline Calculation

This section is used to adjust an institution's Initial Small Business Lending Baseline for increases in qualified loan balances resulting from mergers, acquisitions, or purchases of such loans on or after 7/1/2010. Amounts should reflect increases from 7/1/2010 through the quarter-end prior to the quarter in which the closing date occurs. Therefore, data shown should be as of two quarters prior to the quarter in which the closing date occurs (e.g. if closing occurs on 4/1/2011, the information reflected should be as of 7/1/1/2010 through 12/31/2010).

Item No.	Caption and Instructions
13	Initial Small Business Lending Baseline (line 12)
14	Balance increases in commercial and industrial loans resulting from an acquisition of, or merger with, another institution, and purchases of such loans on or after 7/1/2010
15	Balance increases in loans secured by owner-occupied nonfarm nonresidential properties resulting from an acquisition of, or merger with, another institution, and purchases of such loans on or after 7/1/2010
16	Balance increases in loans to finance agricultural production and other loans to farmers resulting from an acquisition of, or merger with, another institution, and purchases of such loans on or after 7/1/2010
17	Balance increases in loans secured by farmland resulting from an acquisition of, or merger with, another institution, and purchases of such loans on or after 7/1/2010
18	Subtotal (sum lines 14, 15, 16, and 17)
19	Dollar portion of any such loans or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million
20	Dollar portion of such loans to businesses with more than $50 million in revenues, unless included in line 19
	Include loans made to a business with more than $50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
21	Dollar portion of line 18 guaranteed by the U.S. government, unless included in lines 19 or 20
	Include only the portion of the loan which is guaranteed by the U.S. government
22	Dollar portion of line 18 where a third party has assumed an interest, unless included in lines 19, 20, or 21
	Include only the portion where a third party has assumed an interest
23	Qualified balance increases (line 23 equals line 18 minus lines 19, 20, 21, and 22)
24	Initial Adjusted Small Business Lending Baseline (line 24 equals line 13 plus line 23)

Initial Quarter-End Qualified Small Business Lending

All banks participating in the Small Business Lending Fund must complete this section. All figures are to be reported in thousands of dollars. Amounts should reflect information published in the quarter prior to the quarter in which the closing date occurs. Therefore, data shown should be as of two quarters prior to the quarter in which the closing date occurs (e.g. if closing occurs on 4/1/2011, the information reflected should be as of 12/31/2010).

Item No.	Caption and Instructions
25	Balances of commercial and industrial loans (as reflected on Call Report Schedule RC-C, Part I, item 4)
26	Balances of loans secured by owner-occupied nonfarm nonresidential properties (as reflected on Call Report Schedule RC-C, Part I, item 1.e.(1))
27	Balances of loans to finance agricultural production and other loans to farmers (as reflected on Call Report in Schedule RC-C, Part I, item 3)
28	Balances of loans secured by farmland (as reflected on Call Report Schedule RC-C, Part I, item 1.b)
29	Subtotal (sum lines 25, 26, 27, and 28)
30	Dollar portion of such loans or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million
31	Dollar portion of such loans to businesses with more than $50 million in revenues, unless included in line 30
	Include loans made to a business with more than $50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
32	Dollar portion of line 29 guaranteed by the U.S. government, unless included in lines 30 or 31
	Include only the portion of the loan which is guaranteed by the U.S. government
33	Dollar portion of line 29 where a third party has assumed an interest, unless included in lines 30, 31, or 32
	Include only the portion where a third party has assumed an interest
34	Total quarter-end qualified loans (line 34 equals line 29 minus lines 30, 31, 32, and 33)

Net Charge-off Adjustments

35	Net charge-offs on commercial and industrial loans on or after 7/1/2010
36	Net charge-offs on loans secured by owner-occupied nonfarm nonresidential properties on or after 7/1/2010
37	Net charge-offs on loans to finance agricultural production and other loans to farmers on or after 7/1/2010
38	Net charge-offs on loans secured by farmland on or after 7/1/2010
39	Subtotal (sum lines 35, 36, 37, and 38)
40	Dollar portion of net charge-offs on any such loans or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million
41	Dollar portion of net charge-offs on loans to businesses with more than $50 million in revenues, unless included in line 40
42	Dollar portion of net charge-offs on loans guaranteed by the U.S. government, unless included in lines 40 or 41
43	Dollar portion of net charge-offs on loans where a third party has assumed an interest, unless included in lines 40, 41, or 42
44	Total net charge-offs (line 44 equals line 39 minus lines 40, 41, 42, and 43)
45	Quarter-End Adjusted Qualified Small Business Lending (line 45 equals line 34 plus line 44)

Dividend Rate Calculation

This section is only applicable if the institution is not part of a bank holding company. The dividend rate for those institutions will be determined using the Initial Supplemental Report for Bank Holding Companies Participating in the Small Business Lending Fund form.

Item No. Caption and Instructions

46 Dollar value of funding from the Small Business Lending Fund

47 Dollar value of Initial Adjusted Small Business Lending Baseline (line 24)

48 Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 45)

49 Dollar value of increase in Qualified Small Business Lending from baseline (line 49 equals line 48 minus line 47)

50 Percent increase in Qualified Small Business Lending (line 50 equals line 49 divided by line 47)

51 If line 46 is greater than line 49, enter the amount from line 49. If line 49 is greater, enter the amount from line 46.

52 Applicable Dividend Rate

Refer to the dividend table below to locate the applicable dividend rate associated with the growth percentage shown in line 50.

Increase from Baseline	Dividend Rate
Less than 2.5%	5%
2.5% or more, but less than 5%	4%
5% or more, but less than 7.5%	3%
7.5% or more, but less than 10%	2%
10% or more	1%

This is the rate that will be applied to the amount in line 51. Any unused portion of the SBLF funding amount is subject to a 5% dividend rate.

53 If line 46 is greater than line 49, enter the difference (line 46 minus line 49). Otherwise, not applicable.

54 Applicable Dividend Rate for the amount in line 53, if needed (5%)

55 Weighted Average Dividend Rate for SBLF capital amount for the quarter in which funding occurs.
Calculate as follows:

a. Multiply line 51 and line 52
b. Multiply line 53 and line 54
c. Sum the results from steps a and b
d. Divide the results from step c by line 46 (the capital amount) and enter the resulting rate, going out seven decimal points

Example:
ABC Bank:

- Receives $10 million from the Small Business Lending Fund on 4/1/2011.
- Reports an Initial Adjusted Small Business Lending Baseline of $200 million.
- Reports a Quarter-End Adjusted Qualified Small Business Lending balance of $209.9 million. This includes the impact of changes in loan balances due to new loans made, payments/maturations, and charge-offs, plus an adjustment to add back charge-offs.

ABC Bank's Initial Supplemental Report – Dividend Rate Determination would appear as follows:

Dollar amounts in thousands		Bil	Mil	Thou
46. Dollar value of funding from the Small Business Lending Fund	46		10	000
47. Dollar value of Initial Adjusted Small Business Lending Baseline (line 24)	47		200	000
48. Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 45)	48		209	900
49. Dollar value of increase in Qualified Small Business Lending from baseline (line 49 equals line 48 minus line 47)	49		9	900

50. Percent increase in Qualified Small Business Lending (line 50 equals line 49 divided by line 47)	50	4.95	%

51. If line 46 is greater than line 49, enter the amount from line 49; if line 49 is greater, enter the amount from line 46	51	9,900,000	$
52. Applicable Dividend Rate (from table in Instructions for Initial Supplemental Report) for amount in line 51	52	4.0	%
53. If line 46 is greater than line 49, enter the difference (line 46 minus line 49); otherwise, not applicable	53	100,000	$
54. Applicable Dividend Rate for amount in line 53, if needed	54	5.0	%
55. Weighted Average Dividend Rate for SBLF capital amount for the quarter in which funding occurs (must go out seven decimal points; see Instructions for Initial Supplemental Report for details)	55	4.0100000	%

For an example illustrating the calculation in subsequent quarters, refer to the Instructions for the Quarterly Supplemental Report.