sblf | small business lending fund

INSTRUCTIONS for the Quarterly Supplemental Report for Banks and Savings Associations Participating in the Small Business Lending Fund

GENERAL INSTRUCTIONS

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

WHO MUST REPORT ON WHICH FORMS
Every bank and savings association participating in the Small Business Lending Fund (SBLF) is required to submit a Quarterly Supplemental Report no more than 30 calendar days after the quarter in which SBLF funding is received and in each of the following quarters until all SBLF securities have been redeemed.

DEFINITIONS AND RULES OF PRACTICE
Unless otherwise stated, the Quarterly Supplemental Report and the Instructions for the Quarterly Supplemental Report incorporate the definitions and general rules of practice embodied in the Consolidated Reports of Condition and Income (Call Report), 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 Quarterly Supplemental Report.

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

The financial records of the bank or savings association shall be maintained in such a manner and scope so as to ensure that the Quarterly Supplemental Report can be prepared and filed in accordance with these instructions and will reflect a fair presentation of the institution'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-5:00 PM ET).

SIGNATURES
The cover (signature) page of the Quarterly Supplemental Report shall be used to complete the signature and attestation requirement. The bank or savings association may use digital or handwritten signatures; however, the choice will impact how the form is submitted. For details, see SUBMISSION OF THE REPORT instructions 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 savings association (or the individuals performing equivalent functions) shall sign the respective declarations on the cover (signature) page attesting to the correctness of the Quarterly Supplemental Report that the bank or savings association has filed with the Treasury and the appropriate supervisory agency.

Director Attestation

National banks, state member banks, and savings associations – The correctness of the Quarterly Supplemental Report shall be attested to by no fewer than three (3) directors of the reporting bank or savings association, other than the officers signing the CEO or CFO declarations, as indicated on the cover (signature) page.

State nonmember banks – The correctness of the Quarterly Supplemental Report shall be attested to by no fewer than two (2) 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 and savings association must file its Quarterly Supplemental Report no more than 30 calendar days after the quarter 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 and savings associations using digital signatures, the completed electronic report is submitted as a single document. For banks and savings associations using handwritten signatures, both the completed electronic report and a scanned copy of the entire report, including signature page, must be submitted.

One additional copy should be sent to the bank's or savings association'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 and savings associations 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.
- State-chartered institutions must also provide a copy of the Quarterly Supplemental Report to their state regulator.

Submission Date

Completed Quarterly Supplemental Report must be filed with the federal bank supervisory authorities and Treasury no later than 30 calendar days after the end of the quarter, which is the same date the Call Report used to pull the data is due. For example, the report pertaining to the quarter ending March 31, 2012 must be filed by the following April 30, 2012.

RETENTION OF REPORTS

In general, a bank or savings association should maintain in its files a signed and attested record of its completed Quarterly Supplemental Report, including any amended reports, for five (5) years after the report date, unless any applicable state requirements mandate a longer retention period.

MISCELLANEOUS GENERAL INSTRUCTIONS

Rounding

Dollar amounts must be reported in thousands with the figures rounded to the nearest thousand. Items less than $500 must be reported as zero. The only exception is when reporting the whole dollar value of funding from the SBLF and the related dividend/interest rate calculations.

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. Before a report is submitted, all amounts should be compared with the corresponding amounts in the previous report. If there are any unusual changes from the previous report, a brief explanation of the changes should be attached to the submitted report.

RELEASE OF INDIVIDUAL BANK AND SAVINGS ASSOCIATION REPORTS

All sections of the Quarterly Supplemental Report submitted by each reporting bank or savings association may be made available to the public by the federal bank supervisory agencies or Treasury.

LINE ITEM INSTRUCTIONS

Please note that some lines on the Supplemental Report are automatically calculated for ease of use. These lines are pre-populated with zeros and will not accept manual entry.

Quarter-End Adjusted Baseline Calculation

This section is used to adjust an institution's Small Business Lending Baseline for increases in qualified loan balances resulting from mergers, acquisitions, and/or purchases of such loans. If the bank or savings association has gained qualifying loans by merger, acquisition, and/or purchase since 7/1/2010 through the report date, the amount must be added to the baseline.

Item No.	Caption and Instructions
1	Initial Small Business Lending Baseline (line 12 of the Initial Supplemental Report)
2	Prior quarter cumulative reported qualified small business lending increases resulting from an acquisition of, or merger with, another institution, and/or purchases of such loans as were reported on line 12 of the prior quarter's submitted Quarterly Supplemental Report
3	Balance increases in commercial and industrial loans resulting from an acquisition of, or merger with, another institution, and/or purchases of such loans in the quarter being reported
4	Balance increases in loans secured by owner-occupied nonfarm, nonresidential properties resulting from an acquisition of, or merger with, another institution, and/or purchases of such loans in the quarter being reported
5	Balance increases in loans to finance agricultural production and other loans to farmers resulting from an acquisition of, or merger with, another institution, and/or purchases of such loans in the quarter being reported
6	Balance increases in loans secured by farmland resulting from an acquisition of, or merger with, another institution, and/or purchases of such loans in the quarter being reported
7	Subtotal (sum lines 3, 4, 5, and 6)
8	Dollar portion of any such loan or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million
9	Dollar portion of such loans to businesses with more than $50 million in revenues, unless included in line 8 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.
10	Dollar portion of line 7 guaranteed by the U.S. government, unless included in lines 8 or 9 Include only the portion of the loan which is guaranteed by the U.S. government.
11	Dollar portion of line 7 where a third party has assumed an interest, unless included in lines 8, 9, or 10 Include only the portion where a third party has assumed an interest.
12	Total cumulative reported qualified business lending increases resulting from an acquisition of, or merger with, another institution, and/or purchases of such loans (line 12 equals line 2 plus line 7 minus lines 8, 9, 10, and 11)
13	Quarter-End Adjusted Small Business Lending Baseline (line 13 equals line 1 plus line 12)

Quarter-End Qualified Small Business Lending

Item No.	Caption and Instructions
14	Balances of commercial and industrial loans (as reflected on Call Report Schedule RC-C, Part I, item 4)
15	Balances of loans secured by owner-occupied nonfarm, nonresidential properties (as reflected on Call Report Schedule RC-C, Part I, item 1.e.(1))
16	Balances of loans to finance agricultural production and other loans to farmers (on Call Report RC-C, Part I, item 3)
17	Balances of loans secured by farmland (on Call Report Schedule RC-C, Part I, item 1.b)
18	Subtotal (sum lines 14, 15, 16, and 17)
19	Dollar portion of any such loan or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million

Item No.	Caption and Instructions
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	Total quarter-end qualified small business loans (line 23 equals line 18 minus lines 19, 20, 21, and 22)

Net Charge-Off Adjustments

For lines 24 – 34: if net charge-offs are negative (i.e., recoveries exceed charge-offs), type a minus symbol (-) in the "Neg (-)" column that corresponds with that line.

Item No.	Caption and Instructions
24	Cumulative net charge-offs before last quarter (line 34 from prior quarter's report)
25	Net charge-offs on commercial and industrial loans
26	Net charge-offs on loans secured by owner-occupied nonfarm, nonresidential properties
27	Net charge-offs on loans to finance agricultural production and other loans to farmers
28	Net charge-offs on loans secured by farmland
29	Subtotal (sum lines 24, 25, 26, 27, and 28)
30	Dollar portion of net charge-offs on any such loans or group of loans (from lines 25, 26, 27, and 28) to the same borrower and its affiliates with an original principal or commitment amount greater than $10 million
31	Dollar portion of net charge-offs on such loans (from lines 25, 26, 27, and 28) to businesses with more than $50 million in revenues, unless included in line 30
32	Dollar portion of net charge-offs on loans (from lines 25, 26, 27, and 28) guaranteed by the U.S. government, unless included in lines 30 and 31
33	Dollar portion of net charge-offs on loans (from lines 25, 26, 27, and 28) where a third party has assumed an interest, unless included in lines 30, 31, and 32
34	Total cumulative net charge-offs (line 34 equals line 29 minus lines 30, 31, 32, and 33)
35	Quarter-End Adjusted Qualified Small Business Lending (line 35 equals line 23 plus line 34)

Dividend or Interest Rate Calculation

Calculate applicable Dividend or Interest Rates as follows under Quarterly Supplemental Reports:

Report Date	Submission Date	Rate Effective Period	Dividend or Interest Rate
Quarterly Supplemental Reports			
End of first calendar quarter preceding closing date	Calendar quarter of closing date (30th day of quarter or closing date, whichever is later)	First calendar quarter after closing date	For C-Corps: Between 1% and 5%, as determined from the Rate Chart For S-Corps and Mutuals: Between 1.5% and 7.7%, as determined from the Rate Chart
End of calendar quarter of closing date	First calendar quarter after closing date (30th day of quarter)	Second calendar quarter after closing date	
End of first through seventh calendar quarters after closing date	Second through eighth calendar quarters after closing date (30th day of quarter)	Third through ninth calendar quarters after closing date	
End of eighth calendar quarter after closing date	Ninth calendar quarter after closing date (30th day of quarter)	Tenth calendar quarter after investment date until end of four-and-one-half year period after closing date	If the Supplemental Report shows any increase in qualified lending, between 1% and 5% for C-Corps or between 1.5% and 7.7% for S-Corps and Mutuals, as determined from the Rate Chart
			If the Supplemental Report shows no increase in qualified lending, 7% for C-Corps or 10.8% for S-Corps and Mutuals

Item No. Caption and Instructions

36 Dollar value of current balances with the Small Business Lending Fund

37 Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 13)

38 Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 35)

39 Dollar value of increase in Qualified Small Business Lending from baseline (line 39 equals line 38 minus line 37)

40 Percent increase in Qualified Small Business Lending (line 40 equals line 39 divided by line 37; must be calculated to two decimal points; if line 39 is 0, enter 0 on line 40)

41 If line 36 is greater than line 39 (i.e. the increase in lending is less than the current existing SBLF balance), enter the amount from line 39; if line 39 is greater (i.e. the increase in lending is greater than existing SBLF balance), enter the amount from line 36. If Line 39 is equal to 0 due to negative loan growth, then insert in line 41 the amount from line 36, insert in line 42 either 5% if a C-Corp or 7.7% if an S-Corp or Mutual, and leave lines 43, 44, and 45 blank

42 Applicable Dividend or Interest Rate

Refer to the table below to locate the applicable dividend or interest rate associated with the growth percentage shown in line 40. C-Corps refer to the "Dividend Rate" column, while S-Corps and Mutuals refer to the "Interest Rate" column.

Increase from Baseline	Dividend Rate	Interest Rate
Less than 2.5%	5%	7.7%
2.5% or more, but less than 5%	4%	6.2%
5% or more, but less than 7.5%	3%	4.6%
7.5% or more, but less than 10%	2%	3.1%
10% or more	1%	1.5%

This is the rate that will be applied to the amount in line 41. Any unused portion of the SBLF funding amount is subject to a 5% dividend rate or 7.7% interest rate.

For the 8th quarter following the quarter in which funding occurred, if line 39 is equal to 0, then add 2% if a C-Corp or 3.1% if a S-Corp or Mutual to the rate in line 42.

43 If line 36 is greater than line 39, enter the difference (line 36 minus line 39); otherwise, not applicable (if not applicable, leave lines 43, 44, and 45 blank)

44 Applicable Dividend or Interest Rate for amount in line 43, if needed (5% for C-Corps, 7.7% for S-Corps and Mutuals)

Item No.	Caption and Instructions
45	Weighted Average Dividend or Interest Rate for SBLF capital amount for the following quarter; calculate as follows: a. Multiply line 41 and line 42 b. Multiply line 43 and line 44 c. Sum the results from steps a and b d. Divide the results from step c by line 36 (the capital amount) and enter the resulting rate, going out seven decimal points For the 10th quarter following the quarter in which funding occurred, if line 40 is greater than zero, the rate calculated in line 45 applies until four-and-one-half years following funding. Otherwise, a Dividend Rate of 7% applies for C-Corps or an Interest Rate of 10.8% applies for S-Corps and Mutuals. After the 10th quarter, disregard lines 41 through 44 and instead enter the rate in line 45 that was shown on the previous quarter's report.

Example:

ABC Bank or Savings Association:

- Receives $10 million from the Small Business Lending Fund on 7/1/2011
- Reports an Adjusted Small Business Lending Baseline of $200 million
- Reports a Quarter-End Adjusted Qualified Small Business Lending balance of $219.9 million. This includes the impact of changes in loan balances due to new loans made, payments, and charge-offs plus an adjustment to add back charge-offs.

If the institution is a C-Corp, its Quarterly Supplemental Report – Dividend Rate Determination would appear as follows for 12/31/2011:

		Bil	Mil	Thou	Hund
36. Dollar value of current balances with the Small Business Lending Fund	36		10	000	000
37. Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 13)	37		200	000	000
38. Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 35)	38		219	900	000
39. Dollar value of increase in Qualified Small Business Lending from baseline (line 39 equals line 38 minus line 37, if negative, enter 0 on line 39)	39		19	900	000

40. Percent increase in Qualified Small Business Lending (line 40 equals line 39 divided by line 37; must be calculated to two decimal points; if line 39 is 0, enter 0 on line 40)	40	9.95	%

		Bil	Mil	Thou	Hund
41. If line 36 is greater than line 39 (i.e. the increase in lending is less than the current existing SBLF balance), enter the amount from line 39; if line 39 is greater (i.e. the increase in lending is greater than existing SBLF balance), enter the amount from line 36. If Line 39 is equal to 0 due to negative loan growth, than insert in line 41 the amount from line 36, insert in line 42 either 5% if a C-Corp or 7.7% if an S-Corp or Mutual, and leave lines 43, 44, and 45 blank	41		10	000	000

42. Applicable Dividend or Interest Rate (from tables in Instructions for Quarterly Supplemental Report) for amount in line 41. For the 8th quarter following the quarter in which funding occurred, if line 39 is equal to 0, then add 2% if a C-Corp or 3.1% if a S-Corp or Mutual to the rate in line 42.	42	2.0	%

		Bil	Mil	Thou	Hun
43. If line 36 is greater than line 39, enter the difference (line 36 minus line 39); otherwise, not applicable (if not applicable, leave lines 43, 44, and 45 blank)	43				

44. Applicable Dividend or Interest Rate for amount in line 43, if needed	44		%
45. Weighted Average Dividend or Interest Rate for SBLF capital amount for the following quarter (must be calculated to seven decimal points; see Instructions for the Quarterly Supplemental Report for details)	45	2.0000000	%

If the institution is an S-Corp or a Mutual, its Quarterly Supplemental Report – Interest Rate Determination would appear as follows for 12/31/2011:

		Bil	Mil	Thou	Hund
36. Dollar value of current balances with the Small Business Lending Fund	36		10	000	000
37. Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 13)	37		200	000	000
38. Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 35)	38		219	900	000
39. Dollar value of increase in Qualified Small Business Lending from baseline (line 39 equals line 38 minus line 37; if negative, enter 0 on line 39)	39		19	900	000

40. Percent increase in Qualified Small Business Lending (line 40 equals line 39 divided by line 37; must be calculated to two decimal points; if line 39 is 0, enter 0 on line 40)	40	9.95	%

		Bil	Mil	Thou	Hund
41. If line 36 is greater than line 39 (i.e. the increase in lending is less than the current existing SBLF balance), enter the amount from line 39; if line 39 is greater (i.e. the increase in lending is greater than existing SBLF balance), enter the amount from line 36. If Line 39 is equal to 0 due to negative loan growth, then insert in line 41 the amount from line 36, insert in line 42 either 5% if a C-Corp or 7.7% if an S-Corp or Mutual, and leave lines 43, 44, and 45 blank	41		10	000	000

42. Applicable Dividend or Interest Rate (from tables in Instructions for Quarterly Supplemental Report) for amount in line 41. For the 8th quarter following the quarter in which funding occurred, if line 39 is equal to 0, then add 2% if a C-Corp or 3.1% if a S-Corp or Mutual to the rate in line 42.	42	3.1	%

		Bil	Mil	Thou	Hun
43. If line 36 is greater than line 39, enter the difference (line 36 minus line 39); otherwise, not applicable (if not applicable, leave lines 43, 44, and 45 blank)	43				

44. Applicable Dividend or Interest Rate for amount in line 43, if needed	44		%
45. Weighted Average Dividend or Interest Rate for SBLF capital amount for the following quarter (must be calculated to seven decimal points; see Instructions for the Quarterly Supplemental Report for details)	45	3.1000000	%