


INSTRUCTIONS for the Quarterly Supplemental Report for Savings and Loan Holding Companies 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 savings and loan holding company 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.

The savings and loan holding company must also submit an Initial Supplemental Report, no later than five (5) business days before the closing date, as described in the separate Instructions for the Initial Supplemental Report for Savings and Loan Holding Companies Participating in the Small Business Lending Fund.

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 Thrift Financial Reports (TFRs), as well as the instructions pertaining thereto, of the Savings and Loan Holding Company's insured depository institution subsidiaries.

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 schedule of the Quarterly Supplemental Report.

PREPARATION OF THE REPORT

Savings and loan holding companies are required to prepare and file the Quarterly Supplemental Report in accordance with these instructions. All reports shall be prepared in a consistent manner, aggregating data from all of the TFRs filed by the Savings and Loan Holding Company's insured depository institution subsidiaries, regardless of which ones received downstreamed funding.

The savings and loan holding company's financial records 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 savings and loan holding company'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 Quarterly Supplemental Report form shall be used to complete the signature and attestation requirement. The savings and loan holding company 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 Other Declarations

Both the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) (or the individuals performing equivalent functions) of the savings and loan holding company shall sign the respective declarations on the cover (signature) page attesting to the correctness of the Quarterly Supplemental Report that the savings and loan holding company has filed with Treasury and the primary regulator.

SUBMISSION OF THE REPORT

Each savings and loan holding company 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 savings and loan holding companies using digital signatures, the completed electronic report is submitted as a single document. For savings and loan holding companies using handwritten signatures, both the completed electronic report and a scanned copy of the entire report, including signature page, must be submitted.

An additional copy should be sent to the savings and loan holding company's primary federal regulator.

Submission Date

A savings and loan holding company's completed Quarterly Supplemental Report must be filed with the primary regulator and Treasury no later than 30 calendar days after the end of the quarter, which is the same date the TFR used to pull the data is due. For example, the report pertaining to the quarter ending June 30, 2011, must be filed by the following July 30, 2011. However, if the closing date (the date the savings and loan holding company receives the funds) occurs after the TRF(s) are due for the preceding quarter, the savings and loan holding company's first Quarterly Supplemental Report is due no later than five (5) business days before the closing date. For example, if the closing date occurs on August 19, 2011, the report must be received by August 11, 2011, using data reflected on the June 30, 2011, TFR(s).

RETENTION OF REPORTS

In general, a savings and loan holding company 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.

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 SAVINGS AND LOAN HOLDING COMPANY REPORTS

All sections of the Quarterly Supplemental Report submitted by each reporting savings and loan holding company may be made available to the public by the primary regulator or Treasury.

LINE ITEM INSTRUCTIONS

The Small Business Jobs Act defines small business lending as certain loans of up to \$10 million to businesses with up to \$50 million in annual revenues. Those loans include:

- 1) Commercial and industrial loans
- 2) Owner-occupied nonfarm, nonresidential real estate loans
- 3) Loans to finance agricultural production and other loans to farmers
- 4) Loans secured by farmland

The TFR captures this information as follows:

1) Commercial and industrial loans plus 3) Loans to finance agricultural production and other loans to farmers are captured in Schedule SC, line items SC300 and SC303, commercial loans: secured and unsecured.

2) Owner-occupied nonfarm, nonresidential real estate loans plus 4) Loans secured by farmland are captured in Schedule LD, line item LD530, owner-occupied nonresidential property (except land) permanent loans.

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, or purchases of such loans. If the savings and loan holding company has gained qualifying loans by merger, acquisition, or purchase on or after 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 10 of Initial Supplemental Report)
- 2 Prior quarter cumulative reported qualified small business lending increases resulting from an acquisition of, or merger with, another institution and purchases of such loans as were reported on line 10 of the prior quarter's submitted Quarterly Supplemental Report
- 3 Balance increases in commercial loans: secured and unsecured resulting from an acquisition of, or merger with, another institution, and purchases of such loans in the quarter being reported
- 4 Balance increases in owner-occupied nonresidential property (except land) permanent loans resulting from an acquisition of, or merger with, another institution, and purchases of such loans in the quarter being reported
- 5 Subtotal (sum lines 3-4)
- 6 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
- 7 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.
- 8 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.
- 9 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.
- 10 Total cumulative reported qualified business lending increases resulting from an acquisition of, or merger with, another institution and purchases of such loans (line 10 equals line 2 plus line 5 minus lines 6, 7, 8, and 9)
- 11 Quarter-End Adjusted Small Business Lending Baseline (line 11 equals line 1 plus lines 10)

Quarter-End Qualified Small Business Lending

<u>Item No.</u>	<u>Caption and Instructions</u>
12	Balances of commercial loans: secured and unsecured (as reflected on the totals of TFR Schedule SC, items SC300 and SC303) <u>Exclude</u> lease receivables.
13	Balances of owner-occupied nonresidential property (except land) permanent loans (as reflected on the totals of TFR Schedule LD, item LD530)
14	Subtotal (sum lines 12-13)
15	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
16	Dollar portion of such loans to businesses with more than \$50 million in revenues, unless included in line 15 <u>Include</u> 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.
17	Dollar portion of line 14 guaranteed by the U.S. government, unless included in lines 15 or 16 <u>Include</u> only the portion of the loan which is guaranteed by the U.S. government.
18	Dollar portion of line 14 where a third party has assumed an interest, unless included in lines 15, 16, or 17 <u>Include</u> only the portion where a third party has assumed an interest.
19	Total quarter-end qualified small business loans (line 19 equals line 14 minus lines 15, 16, 17, or 18)

Net Charge-Off Adjustments

For lines 20 – 28: if net charge-offs are negative, type a minus symbol (-) in the "Neg (-)" column that corresponds with that line.

<u>Item No.</u>	<u>Caption and Instructions</u>
20	Cumulative net charge-offs before this quarter (line 28 from prior quarter's report)
21	Net charge-offs on commercial loans: secured and unsecured
22	Net charge-offs on owner-occupied nonresidential property (except land) permanent loans
23	Subtotal (sum lines 20, 21, and 22)
24	Dollar portion of net charge-offs on 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
25	Dollar portion of net charge-offs on such loans to businesses with more than \$50 million in revenue, unless included in line 24
26	Dollar portion of net charge-offs on loans guaranteed by the U.S. government, unless included in lines 24 or 25
27	Dollar portion of net charge-offs on loans where a third party has assumed an interest, unless included in lines 24, 25, or 26
28	Total cumulative net charge-offs (line 28 equals line 23 minus lines 24, 25, 26, and 27)
29	Quarter-End Adjusted Qualified Small Business Lending (lines 29 equals line 19 plus line 28)

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
<i>Quarterly Supplemental Reports</i>			
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
End of calendar quarter of closing date	First calendar quarter after closing date (30th day of quarter)	Second calendar quarter after closing date	For S-Corps and Mutuals: Between 1.5% and 7.7%, as determined from the Rate Chart
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 closing 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

- 30 Dollar value current balances with Small Business Lending Fund
- 31 Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 11)
- 32 Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 29)
- 33 Dollar value of increase in Qualified Small Business Lending from baseline (line 33 equals line 32 minus line 31)
If the amount in line 33 is less than or equal to \$0, your institution will pay 5% (for C-Corps) or 7.7% (for S-Corps and Mutuals) on the full amount of SBLF funding. Enter the amount of SBLF funding you received into line 35 and enter 5% or 7.7% into line 36. No further calculation is required.
- 34 Percent increase in Qualified Small Business Lending (line 34 equals line 33 divided by line 31)
- 35 If line 30 is greater than line 33 (i.e. the increase in lending is less than the current existing SBLF balance), enter the amount from line 33; if line 33 is greater (i.e. the increase in lending is greater than existing SBLF balance), enter the amount from line 30
- 36 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 34

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 35. Any unused portion of the SBLF funding amount is subject to a 5% dividend rate or a 7.7% interest rate.

- 37 If line 30 is greater than line 33, enter the difference (line 30 minus line 33); otherwise, not applicable
- 38 Applicable Dividend or Interest Rate for amount in line 37, if needed (5% for C-Corps or 7.7% for S-Corps and Mutuals)

Item No. Caption and Instructions

- 39 Weighted Average Dividend or Interest Rate for SBLF capital amount for the following quarter; calculate as follows:
- Multiply line 35 and line 36
 - Multiply line 37 and line 38
 - Sum the results from steps a and b
 - Divide the results from step c by line 30 (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 34 is greater than zero, that rate calculated in line 39 applies until four-and-one-half years following funding. Otherwise, a Dividend Rate of 7% for C-Corps or an Interest Rate of 10.8% for S-Corps and Mutuals applies. After the 10th quarter, disregard lines 35 through 38 and instead enter the rate in line 39 that was shown on the previous quarter's report.

Example

ABC Savings Corporation:

- 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 ABC Savings Corporation is a C-Corp, its Quarterly Supplemental Report – Dividend Rate Calculation would appear as follows for 12/31/2011:

		Bil	Mil	Thou	Hund
30. Dollar value of current balances with the Small Business Lending Fund	30		10	000	000
31. Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 11)	31		200	000	000
32. Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 29)	32		219	900	000
33. Dollar value of increase in Qualified Small Business Lending from baseline (line 33 equals line 32 minus line 31; if negative, refer to the Instructions for the Quarterly Supplemental Report)	33		19	900	000
34. Percent increase in Qualified Small Business Lending (line 40 equals line 33 divided by line 31)	34	9.95			%
		Bil	Mil	Thou	Hund
35. If line 30 is greater than line 33 (i.e. the increase in lending is less than the current existing SBLF balance), enter the amount from line 33; if line 33 is greater (i.e. the increase in lending is greater than existing SBLF balance), enter the amount from line 30	35		10	000	000
36. Applicable Dividend or Interest Rate (from tables in the Instructions for the Quarterly Supplemental Report) for amount in line 35	36	2.0			%
		Bil	Mil	Thou	Hund
37. If line 30 is greater than line 33, enter the difference (line 30 minus line 33); otherwise, not applicable (if not applicable, leave lines 37, 38, and 39 blank)	37				
38. Applicable Dividend or Interest Rate for amount in line 37, if needed	38				%
39. Weighted Average Dividend or Interest Rate for SBLF capital amount for the following quarter (must go out seven decimal points; see Instructions for the Quarterly Supplemental Report for details)	39	2.0000000			%

If ABC Savings Corporation is an S-Corp or Mutual, its Quarterly Supplemental Report – Interest Rate Calculation would appear as follows for 12/31/2011:

		Bil	Mil	Thou	Hund
30. Dollar value of current balances with the Small Business Lending Fund	30		10	000	000
31. Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 11)	31		200	000	000
32. Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 29)	32		219	900	000
33. Dollar value of increase in Qualified Small Business Lending from baseline (line 33 equals line 32 minus line 31; if negative, refer to the Instructions for the Quarterly Supplemental Report)	33		19	900	000
34. Percent increase in Qualified Small Business Lending (line 40 equals line 33 divided by line 31)	34	9.95			%
		Bil	Mil	Thou	Hund
35. If line 30 is greater than line 33 (i.e. the increase in lending is less than the current existing SBLF balance), enter the amount from line 33; if line 33 is greater (i.e. the increase in lending is greater than existing SBLF balance), enter the amount from line 30	35		10	000	000
36. Applicable Dividend or Interest Rate (from tables in the Instructions for the Quarterly Supplemental Report) for amount in line 35	36	3.1			%
		Bil	Mil	Thou	Hund
37. If line 30 is greater than line 33, enter the difference (line 30 minus line 33); otherwise, not applicable (if not applicable, leave lines 37, 38, and 39 blank)	37				

38. Applicable Dividend or Interest Rate for amount in line 37, if needed	38		%
39. Weighted Average Dividend or Interest Rate for SBLF capital amount for the following quarter (must go out seven decimal points; see Instructions for the Quarterly Supplemental Report for details)	39	3.1000000	%