

# **SBA's E-Tran**

## **Electronic Loan Processing/Servicing**



# What is E-Tran?

E-Tran is an SBA loan guaranty origination/servicing solution that:

- Leverages internet technology to reduce the turnaround time on loan guaranty requests
- Is integrated into your SBA software products and enables you to submit electronically from your existing screens
- Provides increased efficiency and decreased costs in the loan guaranty origination and servicing processes



# Who is Eligible to Use E-Tran?

All delegated loan program lenders are eligible for loan origination (SBAExpress, PLP, Community Express, Patriot Express, and Export Express)

**All** loan programs are eligible for loan servicing.



# Information Required for E-Tran

Apply on-line at <https://eweb.sba.gov/gls> or contact:

Stephen Kucharski (202)205-7551 [stephen.kucharski@sba.gov](mailto:stephen.kucharski@sba.gov)

Glenn Hannon (202)205-7122 [glenn.hannon@sba.gov](mailto:glenn.hannon@sba.gov)

Jihoon Kim (202) 205-6024 [jihoon.kim@sba.gov](mailto:jihoon.kim@sba.gov)

You will also be receiving information from our Servicing Centers on training assistance.

**The following lender information will be required to issue a user id/password to a lender for E-Tran:**

First Name, Middle Initial, Last Name of User

Lender Name:

Location Id (an electronic lookup is provided)

Complete Mailing Address:

Title:

Telephone Number:

E-mail address:



# Scenario A: Direct File Transfer

Loan origination or servicing data is exchanged with the SBA via your software vendor product, or directly from your proprietary system. The data format is XML (industry standard)

The data transmission is kept confidential through the use of 128-bit encryption to secure the information being transmitted to the SBA and locally encrypting the URL to which the information is being sent. If an application is missing key information, or has other problems, the loan submission may be returned. An approved request is assigned a loan number and the loan number is sent to the loan processor.



# Scenario B: Web Application

**Scenario B:** Lender has internet capability, but does not use a software vendor product or is not inclined to modify their proprietary system :

Lenders must log into the system with their user names and passwords, which are entered into SBA's security system and authenticated against SBA's Partner Identification Management System (PIMS).

The security system and PIMS serve as the gatekeepers to E-Tran. The integration of these three systems prevents a lender with an inactive SBAExpress agreement from processing a SBAExpress loan electronically.



# The E-Tran Web Application



- Reports
- Search
- Admin
- New App
- Copy
- Exit
- Help
- E-Tran
- Credit Report
- Chron
- Validate

Read

## Electronic Lending Export Express

American Business Corp comp loan Portland OR Amount \$150,000 Status Funded App 2642 Loan 10801550-05

### Lender Information , Application

[Expand](#) [Collapse](#)

#### American Business Corp comp

- Lender Info
- Application Info
- Use of Proceeds
- Collateral Register
- Lender Comments
- Eligibility
- Project Info
- Borrowers
- Guarantors
- Business Financials

SBA Partner ID 582  
SBA Partner Location ID 7470  
FIRS 5534715  
Partner Name Bank of America, National Association  
Street1 100 N Tryon St  
Street2 -  
City / State / Zip CHARLOTTE, NC 28255 -

**Contact Name** Jonathan Kay  
(first) (m.i.) (last) (suffix)  
**Title** SBA  
**Phone** (800) 274-7280 999-999-9999  
**Fax** (503) 790-9226 999-999-9999  
**E-Mail** dileep.chanda@sba.gov

## Electronic Lending

### Export Express

[Expand](#) [Collapse](#)

American Business Corp comp

Lender Info

Application Info

Use of Proceeds

+ Collateral Register

Lender Comments

Eligibility

Project Info

+ Borrowers

+ Guarantors

Business Financials

# The E-Tran Web Application Navigation

While working through an individual application, a navigation tree appears in the left frame of the screen, like the one shown here.

The tree navigates to specific sections of the loan application and contains links to specific data already entered for the current application. It consists of a series of links for the current application that will save the data on the current screen and take you to the item that you selected. Folders and subfolders are used when multiple entries are possible, (e.g. Borrower, Principals and Previous Government Financing).



# The E-Tran Web Application: Search Function

From the Search Results page a user can start a new application or select an existing application for update or viewing.

Applications that are funded can only be viewed. Applications in a review status can only be updated by the assigned reviewer. All other access is view only.

The following screen is an example of what a lender might see when performing a search.

# The E-Tran Web Application Search Results



- [Reports](#)
- [Search](#)
- [Admin](#)
- [New App](#)
- [Copy](#)
- [Exit](#)
- [Help](#)
- [E-Tran](#)
- [Application](#)

## Electronic Lending

App Number	Loan Name	State	Processing Method	Requested Amount	Entry Date	Status	Loan Number	Loan Source
<a href="#">2652</a>	Tasha's, Inc. DBA Youngberg Hill Vineyard & Inn	OR	SBA Express	\$250,000.00	2007-02-21 13:06:51.036	FD	10802450-08	XML
<a href="#">2651</a>	Galaxy Granite, Inc.	UT	Preferred Lenders	\$18,100.00	2007-02-08 13:42:17.7	FD	10802350-05	XML
<a href="#">2650</a>	Martin D. Bailey	MO	Preferred Lenders	\$798,000.00	2007-02-08 13:20:29.126	FD	10802250-02	XML
<a href="#">2649</a>	Exodus Moving and Storage, Inc.	CO	SBA Express	\$100,000.00	2007-02-06 10:47:14.086	FD	10802150-10	WEB
<a href="#">2648</a>	Sheri's Accounting Service	WA	Export Express	\$250,000.00	2007-02-06 10:42:00.893	FD	10802050-07	XML
<a href="#">2647</a>	Jill realtors	MT	SBA Express	\$250,000.00	2007-02-06 10:40:14.186	FD	10801950-06	XML
<a href="#">2646</a>	Exodus Moving and Storage, Inc.	CO	SBA Express	\$100,000.00	2007-02-05 18:44:01.723	FD	10801850-03	XML
	CAMBIO ENTERPRISES							

# The E-Tran Web Application



[Reports](#)
[Search](#)
[Admin](#)
[New App](#)
[Copy](#)
[Exit](#)
[Help](#)
Ready

[E-Tran](#)
[Credit Report](#)
[Chron](#)
[Validate](#)

Electronic Lending

Export Express

[Expand](#) [Collapse](#)

- American Business Corp comp
- Lender Info
- Application Info
- Use of Proceeds
- + Collateral Register
- Lender Comments
- Eligibility
- Project Info
- + Borrowers
- + Guarantors
- Business Financials

American Business Corp comp loan Portland OR Amount \$150,000 Status Funded App 2642 Loan 10801550-05

## Use of Proceeds , Application

Code	Description	Amount	Comments
A01	Purchase Land		
A02	Purchase Land and Improvements		
A03	Purchase Improvements		
A04	Construct a Building		
A05	Add an Addition to a Building		
A06	Make Renovations to a Building		
A07	Pay Off Interim Construction Loan		
A08	Pay Off Lender's Interim Loan		
A09	Make Leasehold Improvements to a Building		
A13	Pay Trade or Accounts Payable		
A14	Pay Notes Payable		
A15	Pay Outstanding Debt		
A16	Purchase a Business		
A17	Purchase All Outstanding Stock		
A18	Pay SBA Loan		
A19	Working Capital	\$150,000.00	
A20	Pay the Guaranty Fee		
A21	Other		
	<b>Total:</b>	\$150,000.00	

[Reset](#)
[Clear](#)
[Next](#)
Last modified: 12/05/2005 4:33:00 PM SBA Processing: 1.309 seconds Version: 3.3

[First Gov](#)
[E-Gov](#)
[Regulations.gov](#)
[White House](#)

\* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA

Additional information such as **Use of Proceeds** can easily be completed with the web format.



Electronic Lending

Export Express

Expand Collapse

- American Business Corp comp
- Lender Info
- Application Info
- Use of Proceeds
- Collateral Register
- Lender Comments
- Eligibility
- Project Info
- Borrowers
  - 1. \* American Business Corp
    - Principals
      - 1. Constance Claridon
        - Prev Govt Financing
- Guarantors
- Business Financials

American Business Corp comp loan Portland OR Amount \$150,000 Status Funded App 2642 Loan 10801550-05

Principal Person Information, Application

Ownership in the Primary Business:

Borrower	Percentage	If < 20%, is this principal guaranteeing the loan?
American Business Corp	100%	Yes (required, because >= 20%)

Tax ID: 479-51-2598

First Name

Middle Initial

Last Name

Suffix

Title

Date of Birth  mm/dd/yyyy

Place of Birth

City State if USA Country

Citizenship

Ethnic

Gender

Veteran

Select 1 or more race categories

- Race
- Black or African American
  - American Indian or Alaska Native
  - Asian
  - Unanswered
  - White
  - Native Hawaiian or Other Pacific Islander

Involved in Bankruptcy/Insolvency?  Yes  No

Involved in Pending Lawsuit?  Yes  No

Number of Years Professional Experience in Primary Business Field

Did you obtain an external credit score on this person?  Yes  No

Physical Address

If same as Project Address:

Country:

Zip+4 code  -

Choose State/County/City

Street 1

(Number) (Street Name) (Suffix)

Street 2

City Name (if not in drop-down)

Mailing Address

If same as Physical Address:

Country:

# The E-Tran Web Application

Information will be collected on each 20% owner of the business.

When more than one owner has 20%, a second screen will open allowing SBA to capture that information.

# Completing an Application

The screenshot displays the SBA Electronic Lending application interface. At the top, the SBA logo and "Your Small Business Resource" are visible. A navigation bar contains buttons for Reports, Search, Admin, New App, Copy, Exit, and Help. Below this, a secondary bar includes E-Tran, Credit Report, Chron, and Validate. The main header area shows "Electronic Lending" and "Export Express" with a status bar indicating "American Business Corp comp loan Portland OR Amount \$150,000 Status Funded App 2642 Loan 10801550-05". The central content area is titled "Lender Comments , Application" and contains a text box with the following instructions:

- For a **existing business** comments generally describe management's character and the Financial Strength of the business, including repayment ability and projections.
- For a **new businesses and purchases** comments generally cover management's qualifications, business location, competitive factors and feasibility of the business plan.

Below the text box is a large empty text area for input. At the bottom of the interface, there are buttons for "Reset", "Clear", and "Next", along with system information: "Last modified: 01/06/2006 5:24:00 PM SBA Processing: 0.652 seconds Version: 3.3". A footer contains links for "FirstGov", "E-Gov", "Regulations.gov", and "White House", and a disclaimer: "\* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA".

Lenders will get a screen allowing for additional comments on the loan application. Once an application is complete, the lender can validate and submit the application. A message will indicate that the application was approved.

# Credit Score

- ◆ Liquid Credit
- ◆ Hybrid Business Score
  - ◆ Consumer Credit Information
  - ◆ Business Credit Information
- ◆ SBA will obtain (and pay for) credit score
- ◆ High and Low Score Cut-Offs
- ◆ All borrowers must have a DUNs number to obtain a credit score
- ◆ There is a high and low “liquid credit score” cut-off that SBA has established within E-tran. If the borrower’s liquid credit score (that SBA generates from the information the lender submits through E-tran) falls outside of the high or low score limits, the lender will receive a message that the application has been referred to the 7(a) Loan Guaranty Processing Center. The message will also include the fax number for the additional information that the Center requires. If the loan is referred because the credit score exceeds the limit established, Lenders must provide documentation on the financial hardship being experienced by the business.



# E-Tran

- ◆ The following slides show the additional E-Tran screens required for ARC Loans.
  - ❖ Use of Proceeds
  - ❖ Financial Hardship
  - ❖ Eligibility/Credit Criteria Certification

# E-Tran – Use of Proceeds

SBA Loan Origination System - Microsoft Internet Explorer provided by SBA

Address: https://eweb.sba.gov/eland/applications/dataentry/dsp\_frames.cfm?GoToAuditIdx=0&GoToPageType=lend

U.S. Small Business Administration  
**SBA**  
 Your Small Business Resource

Reports Search Admin New App Copy Exit Help  
 E-Tran Credit Report

Electronic Lending  
 Americas Recovery Capital (ARC) Stabilization Loan

Expand Collapse

INNOVATIVE EXCAVATION, INC.

- Lender Info
- Application Info
- Use of Proceeds
- Lender Comments
- Project Info
- Eligibility
- Borrowers

INNOVATIVE EXCAVATION, INC. SOUTH JORDAN UT Amount \$35,000 Status Approved Pending Funds App 10298936

Use of Proceeds , Application

Code	Description	Amount	Comments
R01	Pay Notes Payable - Trade, etc.*		
R02	Pay Notes Payable - Mortgage - not Same Institution Debt (SID)		
R03	Pay Notes Payable - Mortgage - Same Institution Debt (SID)		
R04	Pay Notes Payable - Secured Lender Debt - not SID		
R05	Pay Notes Payable - Secured Lender Debt - SID		
R06	Pay Notes Payable - Unsecured Lender Debt (except credit card debt) - not SID	\$35,000.00	
R07	Pay Notes Payable - Unsecured Lender Debt (except credit card debt) - SID		
R08	Pay Credit Card Debt		
R09	Pay Capital Lease		
R10	Pay SBA Loan made on or after 2/17/09		
R11	Pay Home Equity Loan		
<b>Total:</b>		\$35,000.00	

Reset Clear Next

Last modified: 04/06/2009 12:00:00 AM SBA Processing: 0.375 seconds Version: 3.81  
[FirstGov](#) [E-Gov](#) [Regulations.gov](#) [White House](#)  
 \* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA

Local intranet 12:53 PM



# E-Tran – Financial Hardship

SBA Loan Origination System - Microsoft Internet Explorer provided by SBA

File Edit View Favorites Tools Help

Address [https://eweb.sba.gov/elend/applications/dataentry/dsp\\_frames.cfm?GoToAuditIdx=0&GoToPageType=lend](https://eweb.sba.gov/elend/applications/dataentry/dsp_frames.cfm?GoToAuditIdx=0&GoToPageType=lend)

U.S. Small Business Administration  
**SBA**  
Your Small Business Resource

Reports Search Admin New App Copy Exit Help  
E-Tran Credit Report

Electronic Lending  
Americas Recovery Capital (ARC) Stabilization Loan  
Expand Collapse

INNOVATIVE EXCAVATION, LLC, SOUTH JORDAN UT Amount \$35,000 Status Approved Pending Funds App 10298936

Eligibility check list complete and filed in Loan Folder?  Yes  No

Lender hereby certifies that above information is true and correct, to the best of its knowledge, and that it has exercised due diligence to obtain the true and correct information.

**ARC Reasons**  
(You may select more than one box)

- Loss/Reduction of customer base (or loss/reduction of revenue of 20% or more over the preceding 6 months)
- Loss/Reduction of Working Capital
- Loss/Reduction of Credit Facilities
- Loss/Reduction of Employees (intellectual capital)
- Increase in Costs of doing business of 20% or more in the preceding 6 months. (again the numbers are arbitrary as well a
- Inability to restructure existing debts due to credit restrictions within the preceding 6 months
- Loss/Reduction of Major Suppliers (major suppliers out of business)

Reset Clear Next

Last modified: 06/11/2009 12:00:00 AM SBA Processing: 0.394 seconds Version: 3.81

[First Gov](#) [E-Gov](#) [Regulations.gov](#) [White House](#)  
\* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA

Done

Start 11 W 20 M 4 N 5 L Win... GFA... Calc... 12 M Micr... Micr... Local intranet 12:53 PM

# E-Tran – Eligibility/Credit Criteria

The screenshot displays the SBA Loan Origination System interface in a Microsoft Internet Explorer browser. The address bar shows the URL: [https://eweb.sba.gov/elend/applications/dataentry/dsp\\_frames.cfm?GoToAuditId=0&GoToPageType=lend](https://eweb.sba.gov/elend/applications/dataentry/dsp_frames.cfm?GoToAuditId=0&GoToPageType=lend). The page header includes the SBA logo and navigation buttons for Reports, Search, Admin, New App, Copy, Exit, and Help. Below the header, the user is logged in as 'E-Tran' with a 'Credit Report' button. The main content area shows the loan details for 'INNOVATIVE EXCAVATION, IINC. SOUTH JORDAH UT' with an amount of \$35,000 and a status of 'Approved Pending Funds'. The application number is 10298936. The page title is 'Eligibility , Application'. A text box states: 'The ARC Loan being submitted meets the following criteria:'. Below this, a list of criteria is provided:

1. The ARC Loan borrower meets the eligibility requirements established in the ARC Loan Procedural Guide.
2. The Qualifying Small Business Loans to be paid with the ARC Loan meet the eligibility requirements established in the ARC Loan Procedural Guide.
3. The borrower:
  - Has been operational for at least two years;
  - Is a Going Concern and has provided evidence of profitability or positive cash flow in at least one of the past two years;
  - Has provided quarterly cash flow projections for two years from the time the ARC Loan was made based on reasonable growth projections that indicate there will be sufficient cash flow to meet current and future debt service obligations (including the ARC loan);
  - Has certified on SBA Form 2315 that the requested loan proceeds will not be used to pay QSBL debt that is more than 60 days past due; and
  - Has certified on SBA Form 2315 that it is suffering an immediate financial hardship, identified the hardship being experienced and provided supporting documentation.

Below the list, there is a question: 'Eligibility check list complete and filed in Loan Folder?' with radio buttons for 'Yes' and 'No'. A text box below that contains the statement: 'Lender hereby certifies that above information is true and correct, to the best of its knowledge, and that it has exercised due diligence to obtain the true and correct information.' At the bottom of the page, there are links for 'First Gov', 'E Gov', 'Regulations.gov', and 'White House', along with a footer containing 'Privacy & Security', 'Information Quality', 'FOIA', 'No Fear Act', and 'ADA'. The Windows taskbar at the bottom shows the Start button, several open applications, and the system clock displaying 12:38 PM on July 10, 2009.

# What Lenders Say about E-Tran

- Instant assignment of SBA number (decreased turnaround time and convenience)
- Competitive advantage: Ability to respond in the market place and close loans faster
- Automated report features
- Confidence that eligibility compliance is being maintained due to system design of the data entry and Validation
- Automatic calculation of fees



# What Lenders Say about E-Tran

- Access to technical support (very responsive)
- Drafts can be created and stored to return to at a later date
- Overall programming very “user-friendly” and easy to train
- Instant validation provides comfort that there are no errors in data entry
- Improves transparency

# E-Tran Servicing

- E-Tran lenders now have the ability to handle unilateral servicing actions electronically (for example reporting cancellations of approved, fully undisbursed loans using E-Tran Servicing)
- E-Tran lenders have the ability to view the status of their loans post-origination (maturity date, loan payments, etc.). E-Tran servicing includes all SBA loans.
- Guaranty Fee calculator built into E-Tran Servicing
- Expedites the purchase process...
- Reduces 1502 errors
- Ultimate goal is to enable lenders to handle all unilateral Servicing actions (address changes, name changes, maturity extensions, etc.) via E-Tran



# http://www.sba.gov/aboutsba/sbaprograms/elending/ clc/servicing/index.html



2/27/2009

## 7(A) UNILATERAL ACTION MATRIX

	Etrans? YES	Unilateral Actions		Requires prior SBA Approval	Lenders can use handy Form 2237 <sup>5</sup>
		Notify SBA? NO	Notify SBA? YES		
<b>Prior to Initial Disbursement</b>					
Maturity extensions (PLP/Express = Notify; GP = Prior Approval)	X		X	X	X
Initial disbursement date (PLP/Express = Notify; GP = Prior Approval)			X	X	X
Legal name /trade name change	X		X		X
Change in Tax ID# or Social Security #			X		X
Increase/Decrease in int rate (PLP/Express = Notify; GP = Prior Approval)			X	X	X
Increase/Decrease to loan amount				X	X
Increase/Decrease the guaranty percentage				X	X
Reinstatement of loan				X	
Cancellation of loan	X		X		X
Environmental Reviews <sup>1</sup> (GP loans only)				X	
Environmental Reviews (PLP and Express only)		X			
Changes to loan authorization (GP loans only)				X	

### After Initial Disbursement (13 CFR § 120.535 and 13 CFR §120.536)

<b>Miscellaneous</b>	Any action that confers a Preference on the Lender				X	
	Transferring a loan between two Participant Lenders				X	
	Transfers, sells or pledges more than 90% of a loan				X	
	Any action for which prior written consent is required by a Loan Program Requirement (e.g. Emergency Repurchase from Secondary Market, see Chapter 5 of SOP 50-50-4)				X	
<b>Payments</b>	Payment Modification/Deferments <sup>2</sup>		X			
	Provide Payoff figures to borrowers		X			
	Rate Changes <sup>2</sup>			X		X
	Determination of Involuntary Prepayment/Subsidy Recoupment Fee				X	
	Accept prepayments		X			
<b>Changes/Edits</b>	Adjust management covenants		X			
	Assumption/Change in borrower's form <sup>3</sup>		X			
	Change of legal name, trade name, or address	X		X		X
	Correct obvious typographical errors		X			
<b>Loan Terms</b>	Compromises				X	
	Increases to the principal amount of a loan				X	X
	Decrease in loan amounts			X		X
	Changes to loan authorization		X			
	Extend final disbursement period			X		X
	Decreasing guaranty percentage			X		X
	Maturity extensions <sup>2</sup>	X		X		X
	Reinstating the guaranty				X	
Termination of guaranty (pre-purchase)			X		X	



# E-Tran Servicing

- What lenders are saying about E-Tran Servicing:
  - ❖ *Eliminates the headaches associated with faxing documents back and forth to the Servicing Center - depending on the number of items (Servicing Requests) that we need to fax, we constantly receive incomplete fax notifications and/or do not receive a response from the Servicing Center - this generates another fax request.*
  - ❖ *Expedite the process by getting immediate cancellations - this in turn places the funds back into the SBA General Account to be loaned to another applicant and gets our refund of the cancelled loan processed immediately.*
  - ❖ *Streamlines our internal process - one person will be able to handle the cancellation process from start to finish*





# Software Vendors and SBA's E-Tran

Many Software vendors have expressed interest in working with SBA on E-Tran servicing. Lenders currently using a software vendor are encouraged to contact their vendor to find out about their development efforts.

Likewise, Lenders with robust systems development groups are encouraged to contact SBA if they are interested in a direct file transfer implementation for origination and servicing.

