

e504 guide

version 2 // 1/13/11

What is e504?

With e504, CDCs now have a completely electronic loan application process available for their use. Rather than sending physical files to the Sacramento Loan Processing Center (SLPC), CDCs are able to submit paperless loan requests directly from their computers.

Who can use e504?

The e504 process will be available to all CDCs that are eligible to submit ASM (Abridged Submission Method) loan applications to SBA.

Advantages of using e504

- It saves time: Applications are received by the SLPC within hours instead of days and resubmissions are automatically logged back in
- It saves money: Mailing and copying expenses are eliminated.
- It's safe and secure: The e504 technology ensures the highest level of security for all submissions.

How e504 works

The CDC will send electronic loan applications to a centralized SBA computer using specialized software, an e504 user name, and password. (See the "Getting Started" section of this guide to learn how to obtain the necessary user name/password and for information regarding the software requirements.)

The CDC will receive an automated email indicating that either the transmission to SBA was successful or that the transmission failed. (See Exhibit #1 for a sample email.)

If the transmission fails, the CDC will need to resolve the problem and resubmit the file. Once the transmission is successful, the file will be automatically transferred to an SLPC computer. This two-step process ensures the safety and integrity of all submissions.

Once the file is received by the SLPC, the CDC will receive a second automated email. This second email will be sent directly from the SLPC. This email will identify the individual documents received by the SLPC and will serve as a receipt acknowledgment. (See Exhibit #2 for a sample email.) This email will also provide a unique e504 Tracking Number. The e504 Tracking Number is very important as it is unique to each Project and must be included with all future documentation and communication related to that same Project.

If the e504 loan application does not include all of the required documents, the CDC will need to submit the missing documents before the file will be processed by an SBA loan officer. Once the automated process determines that a complete loan application package has been received by the SLPC, the loan request will enter the processing queue for review by an SBA loan officer.

If the SBA loan officer determines that additional information, documentation, or explanation is necessary, an email will be sent to the CDC loan contact. All CDC responses to these SBA loan officer requests must be sent using the e504 process and must include the e504 Tracking Number for that Project.

All submissions will go through the same two-step verification process. After the information is transmitted successfully to the centralized SBA computer, the CDC will receive the first automated email (Exhibit 1) and the file will be forwarded to the SLPC. Once the information is received by the SLPC, the CDC will receive the second automated email (Exhibit 2). At this point, the loan application will automatically return to processing, if submitted correctly.

Upon approval of the loan request, a signed loan authorization will be emailed to the CDC Authorization contact. It is through this email that the CDC will receive the loan number from SBA.

Documentation that is sent to the SLPC after loan approval (such as servicing requests, closing requests, environmental reports, and appraisal reports) must also be sent through the e504 process utilizing the e504 Tracking Number for that Project.

What documents must be included in an e504 loan request?

The documentation requirements for e504 are identical to the requirements for paper applications, with three exceptions.

- The draft loan authorization wizard prepared by the CDC must be included in the e504 electronic loan application. It cannot be emailed separately to the SLPC. This is the only document that must be in Microsoft Word (docx.) format, all other e504 submissions must be in PDF format.
- The CDC must utilize a credit memorandum which includes the required elements contained in the Standardized Credit Memorandum developed jointly by the SLPC, the CDCs, and the major CDC loan application software vendors.
- Another benefit of e504 is that all the Contacts for email notifications (i.e. Loan Officer contact, Authorization contact, etc) can be updated anytime via an e504 submission. This process is entirely automated and no form/document needs to be submitted.

Important considerations

An e504 loan application will not be reviewed by an SBA loan officer until the system verifies that all mandatory documents have been received. CDCs are responsible for ensuring that all mandatory loan application documents are received by the SLPC. For this reason, CDCs should pay careful attention to the automated verification emails.

When using the e504 loan application process, **all documents** related to a loan request must be submitted via the e504 process. This includes any pre-application franchise or environmental documents, the loan application itself, and any servicing or closing requests.

The CDCs must continue to obtain a 912 clearance using current methods – the e504 process is not available for pre-application review of 912s. After a CDC receives a 912 clearance, a copy of the cleared 912 and any supporting documentation must be included in the e504 loan application.

The CDCs must continue to obtain alien verification using current methods - the e504 process is not available for alien verification. If alien verification is required, it must be completed prior to the submission of the loan application. The e504 loan application must include the verification of status as well as all supporting documentation.

It is important that documents are not submitted multiple times. When submitting additional documentation related to a loan application, please be sure to submit only new or revised documents. The receipt of duplicate documents may cause delays in processing.

If your application is screened out, you must send the “SCREEN OUT CHECKLIST” for the system to log it back in for review.

The CDC should not use “placeholder” documents when submitting loan files through the e504 application process. An example of a placeholder is a page that states “Appraisal Pending” or “Environmental Report has not yet been ordered.” The automated system will treat these placeholders as though they are the actual documents and the documents will show in the system as being received when, in fact, they were not.

Franchise documents and environmental reports are the only documents that may be sent via e504 for “pre-application” review. The submission of these documents will generate the e504 Tracking Number for that Project. This e504 Tracking Number must be used when submitting the subsequent loan application for that Project.

All communications and approvals from the SLPC will be sent via email (e.g. receipt confirmations, loan numbers, franchise reviews, appraisal reviews, and environmental reviews).

Do not send excessive documentation that is not necessary for a 504 review. (i.e. 1,200 pages of Cost Documents)

Finally, one last tip as your transition to electronic submissions, do not send in hard copies “just in case” the e504 is not received. You should get your e504 receipt within hours. Any paper submissions on e504 loans will not be processed and will only cause delays.

Getting Started

Before you can begin sending electronic loan applications through the e504 process, you will need:

- Specialized software
- An SBA GLS (General Login System) account
- An e504 user name and password

Specialized software: The “behind-the-scenes” technical specifications related to e504 are demanding and exacting. The use of specialized software is highly recommended. A separate document detailing the technical requirements is available for software developers. Several software vendors have products available which support the e504 process.

An SBA GLS (General Login System) account: The SBA GLS is the entry point for access to the SBA Computer Network. Some users already have a GLS account. If you do not already have a GLS account, you must obtain one because you must be registered with GLS in order to request an e504 account. See Step #1 for instructions on obtaining a GLS account.

An e504 user name and password: You will use your e504 user name and password whenever you submit documents through the e504 process. You must have a GLS Account first. If you already have a GLS Account, you can skip to Step #2 for instructions on how to obtain an e504 user name and password.

You may be wondering how many accounts you will need. Most CDCs prefer to have separate e504 accounts for each user who would be submitting documents to the SLPC.

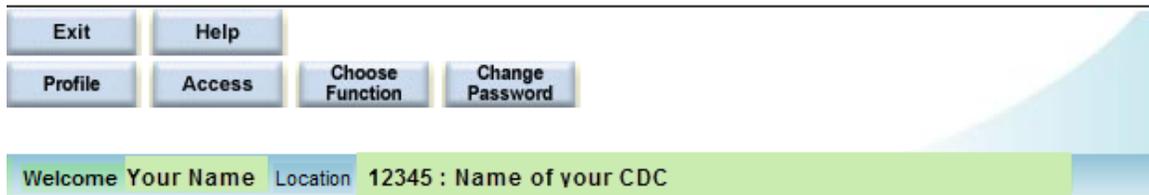
How to Register with GLS/ETRANS for e504 Submissions

1. If you already have a GLS account, you can skip to Step 2 because you can use that GLS account to request access to e504. If you do not have a GLS account with the SBA, or if you want to create a new GLS account just for this program, you will need to follow the steps listed below.
 - a. Go to <http://www.sba.gov/banking> and click on the E-Tran link on the right-hand menu.
 - b. Click on the link that reads "Search for Location I.D. and to reset password" (or access directly by copying the following website address into your browser - https://eweb.sba.gov/public/dsp_lendlookup.cfm). Search for your CDC using the CDC name and state, at a minimum. Write down this Location I.D.
 - c. Go back to the E-Tran Banking webpage and click on the link that reads "Request for E-Tran User I.D. and password" (or access directly by copying the following website address into your Internet browser - https://eweb.sba.gov/gls/dsp_addcustomer.cfm?IMAppSysTypNm=Elend). Fill in this page.

- d. You will need to make up a User I.D. You must use a business email address. Note: You cannot fill in the city and state, use the ZIP CODE LOOKUP to complete this section. The rest of the fields are self-explanatory, except you will need the Location I.D. that you looked up in Step b above. If you are having trouble finding your Location I.D., you can contact schwab.amin@sba.gov.
- e. Once you submit your account request, you will receive an email with a temporary password (which should only take a minute). The login to GLS (General Login System) at <https://eweb.sba.gov/gls> and you are now ready to proceed with Step 2 below.

2. If you already have a GLS account with the SBA, follow the steps below to add the ability to submit e504 applications (request an ftp account):

- a. Go to the GLS Login page: <https://eweb.sba.gov/gls/> and login.
- b. Click **OK** on the Welcome screen.
- c. On the main page, you should see a Welcome banner with <your name> followed by Location <Location I.D. # & CDC Name>. If you don't see a Location I.D. # listed, you will need to resolve this first by contacting schwab.amin@sba.gov. He can update your account profile with your Location I.D. Please provide the User I.D. you need to update in your email.



- d. If your account shows a Location I.D., click on the **Access** button.
- e. Scroll down to the **Electronic Lending – Origination (ETRAN)** folder.



- f. Check the box for **SFTP Submission of E504 Documents by CDC**.
- g. You will get a browser pop-up asking if you have prior authorization to “request access to a Federal System.” If you are an ASM CDC, click on **OK**.
- h. The system requires you to look up your Location I.D. (for YOUR CDC). This should also be listed next to your name as noted above in item c.

- i. Scroll down to the bottom of the webpage and click **Submit**.
- j. You should immediately get an email confirming that your request was received. This does not mean your account has been created. A **second email may take 48 hours or longer**. Once your account has been approved and set up, you will get that second email from IT Security which will provide a SFTP/UNIX login name (this user ID will always begin with e5) and a password. *This is your e504 user name and password.*
- k. You can now use this ftp account to submit your zip files via third-party software.

Exhibit #1

Sample email from the centralized SBA computer which receives submissions from the CDC.
Note: This email will be sent to the email address associated with the GLS account.

-----Original Message-----

From: e504@sba.gov [mailto:e504@sba.gov]
Sent: Tuesday, March 09, 2010 2:00 PM
To: CDC User (GLS Account Email Address)
Subject: Results of E504 Processing

This is an automatically generated e-mail. DO NOT REPLY.

Since your last e-mail, the following e504 upload file(s) were processed:
(1) File 'CoolCarWash03092010.zip', 03/09/2010 at 16:01:41, failed.
(2) File 'ABCCorp03092010.zip', 03/09/2010 at 16:01:41, success: 'FTP Successful'.

Exhibit #2

Sample email from the SLPC computer confirming the individual documents received.
Note: This email, along with error messages, will be sent to the contact type "Submission Confirmation/Receipt Notifications Contact" for the relevant Project.

From: <E504Processing@sba.gov>
Date: Tue, Mar 09, 2010 at 2:05 PM
Subject: 504 Loan Application for ABC Corp. is being forwarded for review
To: CDC Loan Contact *(specified in each zip, can be different for every project)*

Please find the status of your electronic transmission of 504 loan:
Loan Transmission Sequence Number 300

SBA - Sacramento Loan Processing Center (SBA-SLPC)

This is an automated message from an unmonitored email account. Please do not reply to this email.

The Center has received your electronic loan application file(s) for Trade/Loan Name: ABC Corp.

The following documents were just received:

Authorization from CDC:	Received
CDC Checklist:	Received
Supplemental Datasheet:	Received
SLPC Credit Memorandum:	Received
Form 1244:	Received
Eligibility Checklist:	Received
912:	Received
Cost Document(s):	Received
Appraisal:	Received
Bank Letter:	Received

This will be your "Appraisal Receipt"

This is your e504 Tracking Number. It must always be included for any documents related to this project

Your e504 Tracking Number is: **178001**. We will use the loan application number as an identifier in all communications with you while the loan application is being processed. You should also include the loan application number when communicating with us about this loan application.

SBA-SLPC

For questions related to user accounts and the e504 process please contact
Schwab Amin @ the SLPC
schwab.amin@sba.gov
916-735-1193

For questions on how to submit a package using the software of your choice,
you must contact your vendor.