

WARNING

**This software will not work
for computer experts!**

It works only for individuals who
read the manual and study the tutorial.

Do not make up trial data just to see what happens

Inconsistent data produces inconsistent results

This is a loan accounting system. It makes extensive use of several different dates. If you do not understand exactly what these dates are and how the system uses them, you cannot produce meaningful results.

Do not attempt to enter real data or produce real loan reports without first reading the sections of the manual which explain the meaning and uses of the dates. Pay special attention to the section on setting up new and existing loans.

LOANMASTER™

Loan Accounting System

Simple Interest

Graphical Tutorial

Version 6.00

Date 01-01-2006

Copyright 2005, 06
Bottom Line Software, Inc.
P.O.Box 118826
Carrollton, TX 75011-8826

972-394-4087

Table of Contents

Lesson 01 Finding Loans	7
Filter the List	8
Smart Seek	11
Unexpected Results	11
Lesson 02 Updating Loans	13
Running the Daily Loan Update	14
Interest Calculation	19
Lesson 03 Posting Payments	21
Prerequisites	21
Payment Allocation Code	24
Posting Comments	29
Posting and Printing the Receipt	31
Viewing the Receipt On Screen	33
Lesson 04 - Reversing Payments	37
Prerequisites	37
Returned Check Charge	39
Lesson 05 Reversing Transactions	41
Lesson 06 Viewing Loans	49
Mortgage With Origination Fees	49
Customer Tab	49
Loan Tab	50
Dates Tab	51
Terms Tab	52
Status Tab	53
Misc Tab	54
Misc2 Tab	54
Hist Tab	56
Trans Tab	57
Comment Tab	57
Print Tab	57
Lesson 07 Viewing Loans	59
IRS Installment Sale with Deferred Gain and Delinquent Status	59
Lesson 10 Creating Customer Records 101	65
Individual Customer (Borrower)	65
Set up Insurance Agency Record	68
Set up Investor Record	68
Lesson 12 Editing Customers/Borrowers	69
Finding a Customer	69
Editing Customer Data	70
Creating and Editing Phone Numbers	73
Creating and Editing Addresses	76
Lesson 21 Creating New Loans 101	79

Lesson 22 Creating Loans 201	87
IRS Installment Sale	87
Deferred Gain	89
Lesson 23 Creating Loans 401	95
Construction Loan - Multiple Draws	95
Construction Loan - Interest Only	99
Lesson 27 Creating Collateral Records	107
Lesson 31 Posting Individual Transactions	113
Interest Payment	114
Late Charge Payment	115
Escrow Disbursement	118
Lesson 42 System Options	121
Introduction to all Options	121
Lender Tab	122
Servicer Tab	123
Loan Defaults Tab 1	123
Loan Defaults Tab 2	132
System Options Tab 1	135
Visual Update	138
System Options Tab 2	138
New System Setup - REQUIRED Options	140
Lesson 61 Loan Participations	143
Finding Participation Loans	143
Viewing Loan Participation Information	144
Lesson 62 Creating Loan Participations	147
Creating a New Participation	147
Creating Investors	147
Creating New Participations	148
Lesson 63 Servicing Loan Participations	151
Updating Participation Loans	151
Paying Participants / Investors	151
Lesson 71 Accessing Microsoft Excel Directly	157
Exporting Directly to Excel	157

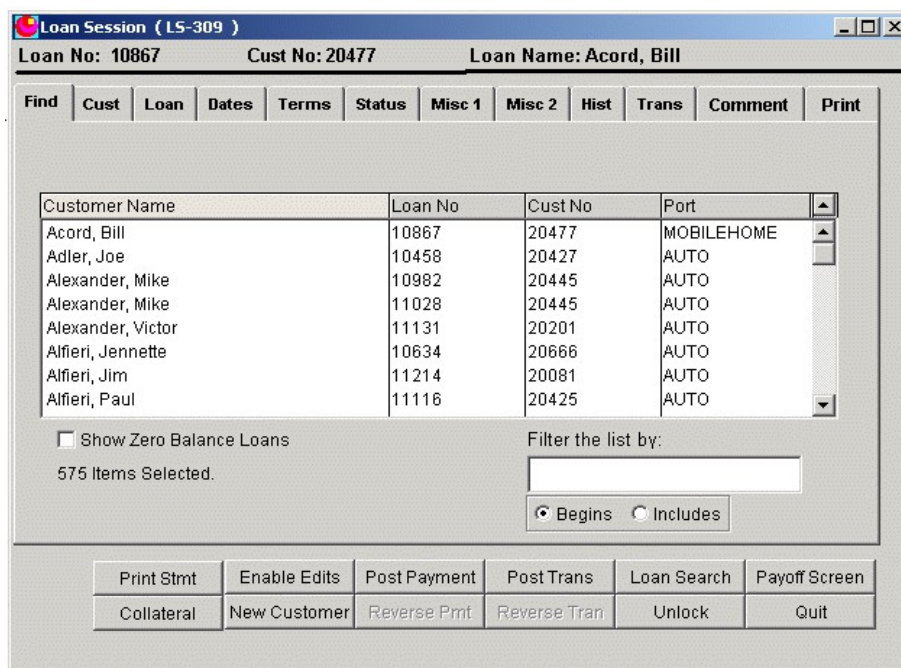
Lesson 01 Finding Loans

Prerequisite (None)

Before you can do anything with a loan, you must be able to find it. The LoanMaster system uses the “Find Tab” to find loans.

With the LoanMaster program running, select “Loans” then “View Edit Post” from the main menu.

You will see the following screen:



viewloans_01.png

This is the front door. This is where all loan servicing operations begin. The Tabs across the top of the dialog are clickable and each tab displays different data about the currently selected loan.

At the Top of the page, directly below the blue Windows title bar, you will see the loan number, customer number and name of the currently selected loan. Changing the tab will not change the currently selected loan and the top line display will remain there so you will be able to instantly determine the currently selected loan even after an interruption. (If you change your Windows desktop colors, the “blue” title bar may not be blue on your machine.)

The grid on the find tab will be referred to as the “Find Grid”. The “Find Tab” has several features for helping you find the loan you need.

Note the following:

Page Heading

The heading across the top of the grid displays the column names, Customer Name, Loan Number, Customer Number, and Portfolio. Notice that the background of the Customer Name column is slightly lighter in color than the other headers. This means that the current sort order is set to customer name. (There is a distinction between customer name and loan name that you will learn later. This actually displays the loan name, not the customer name.)

You can change the sort order of the display by clicking on the column header. You can sort by customer name, loan number, or customer number. You cannot sort by portfolio.

Click now on each of the column headings and watch the contents of the grid change order. When you finish, set the sort order back to customer name so the following lessons will work properly.

Filter the List

With the sort order set to customer name. The customer name column heading will be slightly lighter in color. Click on the text box titled "Filter the list by:" Type the letter "F". Case does not matter. Lower case characters are automatically converted to upper case. Note that the contents of the list change. Next type an "A" so that the box contains "FA". The list now looks like this"

Customer Name	Loan No	Cust No	Port
Farr, Susan	10856	20051	AUTO
Farr, Susan	11098	20051	AUTO
Farr, Wanda	10933	20903	R/E

☐ Show Zero Balance Loans
3 Items Selected.

Filter the list by:
FA

☒ Begins ☐ Includes

Filter Options

Note the two dots labeled "Begins" and "Includes". Windows calls this an options group. This options group contains only the two options.

When the option "Begins" is selected. The list will display all loans that meet the following criteria.

- The name begins with "FA"
- The loan number begins with "FA"
- The customer number begins with "FA"

Now click on the white dot beside "Includes". Its center will turn black and the other dot's center will turn white. The list contents will change again.

Note that the list now looks like:

Customer Name	Loan No	Cust No	Port
Farr, Susan	10856	20051	AUTO
Farr, Susan	11098	20051	AUTO
Farr, Wanda	10933	20903	R/E
Westfall, John	10564	20140	AUTO

☐ Show Zero Balance Loans

4 Items Selected.

Filter the list by:

FA

☐ Begins ☒ Includes

When the option “Includes” is selected. The list will display all loans that meet the following criteria.

- The name includes “FA”
- The loan number includes “FA”
- The customer number includes with “FA”

Select all the text in the filter box and replace it by typing 119. Note that the list changes with each keystroke. After the 119 is entered, the list will look like this:

Customer Name	Loan No	Cust No	Port
Barclay, Jack	11193	20204	UNSE
Bennett, Lynn	11198	20171	AUTO
Booker, Dave 119th Street Apts	10957	20996	AUTO
Bosko, Allan	11192	20686	UNSE
Bosko, Allan	11195	20686	AUTO
Caton, Marsha	11194	20388	AUTO
Davis, Alton	11199	20284	AUTO
Garner, Mario	10862	20119	AUTO

☐ Show Zero Balance Loans

14 Items Selected.

Filter the list by:

119

☐ Begins ☒ Includes

Note:

- The name includes “119”
- Or the loan number includes “119”
- Or the customer number includes with “119”

Scroll Bar

Note the scroll bar on the right of the grid is active. This means the list contains more items than you can see.

Items Selected

Note that the Items Selected counter informs you there are fourteen items that meet the filter criteria. The list only displays eight so you must use the scroll bar to see the rest of them

Zero Balance Loans

Zero balance loans are normally filtered out - not displayed. If you need to find one of them, click on the check box titled "Show Zero Balance Loans."

With the "Show Zero Balance Loans" checkbox unchecked. Type "HU" into the filter box. you will receive the following display:

Customer Name	Loan No	Cust No	Port
Hughes, John	10763	20829	AUTO
Hughes, Ron	10887	20793	AUTO
Hurlst, Chambers	11250	20031	R/E
Hurlst, Chambers	11364	20031	DEFERREDGAIN
Hutchinson, Bill	10440	20176	MOBILEHOME
Hutchinson, Carolyn	10561	20222	AUTO

☐ Show Zero Balance Loans

6 Items Selected.

Filter the list by:

HU

☒ Begins ☐ Includes

Now click on and place a check mark in the Show Zero balance Loans check box. The display will change to the following:

Customer Name	Loan No	Balance	Port
Hughes, John	10763	4759.74	AUTO
Hughes, Ron	10887	3167.01	AUTO
Hurlst, Chambers	11250	31947.17	R/E
Hurlst, Chambers	11364	63628.55	DEFERREDGAIN
Hutchinson, Bill	10440	24946.36	MOBILEHOME
Hutchinson, Carolyn	10561	3783.68	AUTO
Hutchinson, Carolyn	11164	0.00	AUTO

☒ Show Zero Balance Loans

7 Items Selected.

Filter the list by:

HU

☒ Begins ☐ Includes

Note two things. There are now seven loans displayed instead of six and one of Carolyn Hutchinson's car loans is paid off.

Smart Seek

The grid is also capable of performing a “Smart Seek” on the customer name. If you click on the grid and type characters, it will seek those characters at the beginning of the name.

If you type the “S”, it will seek to Sadler, Jack. If you then type the “M” It will seek to Marlow, Pat. If you type “SM” in succession, it will seek to Smith, Aka.

Unexpected Results

Customer Name	Loan No	Cust No	Port
Waldrip, Greg	10484	20911	MOBILEHOME
Waldrip, Greg	11215	20911	MOBILEHOME
Waldrip, Jim	10898	20715	AUTO
Waldrip, Tom	10477	20105	AUTO
Walker, John	11491	20750	R/E
Walker, Charles	11475	20273	DEFERREDGAIN
Walker, John	10755	20750	AUTO
Walker, Steve	10964	20931	MOBILEHOME

☐ Show Zero Balance Loans
8 Items Selected.

Filter the list by:
WAL

☒ Begins ☐ Includes

Computers have a very annoying habit. They always do exactly what you tell them to do. Not what you THOUGHT you told them.

On the find tab, type in “WAL”. You should see the above display.

Note the highlighted loan -

Walker, John 11491.

Now note two loans lower, below Walker, Charles:

Walker, John 10755

How did John sort before Charles?

Take a look at the first John. There are three spaces after the comma. It is almost undetectable visually but the computer knows. The space sorts before any alpha or numeric character so [space][space][space]John sorts before [space]Charles.

If this doesn't make sense, think of it like this. Substitute “A” for [space] and it looks like this

Walker,AAAJohn
Walker,ACharles
Walker,AJohn

All nice and alphabetical.

You can verify this by pulling up the John Walker loan 11491, clicking on the “Loan” tab. Edit the Loan Name field to remove the extra spaces and then return to the find tab and try it again.

Customer Name	Loan No	Cust No	Port
Waldrip, Greg	10484	20911	MOBILEHOME
Waldrip, Greg	11215	20911	MOBILEHOME
Waldrip, Jim	10898	20715	AUTO
Waldrip, Tom	10477	20105	AUTO
Walker, Charles	11475	20273	DEFERREDGAIN
Walker, John	10755	20750	AUTO
Walker, John	11491	20750	R/E
Walter, Steve	10964	20931	MOBILEHOME

☐ Show Zero Balance Loans

8 Items Selected.

Filter the list by:

WAL

☒ Begins
 ☐ Includes

Lesson 02 Updating Loans

Prerequisite
Lesson 01

The daily update procedure is run daily by the operator. This procedure is the key to the operation of the system. This procedure performs these functions:

- Calculate late charges due
- Calculate accrued interest
- Calculate interest due and unpaid
- Calculate principal due
- Calculate escrow payment due
- Calculate amortization of origination fees
- Calculate amortization of credit insurance premiums
- Calculate amortization of purchase discount
- Calculate amortization of
- Calculate days past due
- Calculate date next due
- Calculate number of payments matured
- Calculate number of payments paid
- Calculate Interest paid YTD
- Calculate Late Charges Paid YTD
- Calculate accrual rate for variable rate loans
- Calculate number days 10,30,60,90,120 days past due
- Calculate default date
- Recalculate payment amount for credit card billings
- Check for final maturity

To access the daily loan update function, select "Administration / Daily Loan Update".
Only the system supervisor can access this function.

These calculations are done for every calendar day of the year including Sundays and holidays.

You do not have to run the program every day to accomplish this result. When the update cycle is run, it detects if days have been skipped. If they have, it catches up automatically. The daily update is a manual process. The System Administrator must run this process manually from the menu.

Running the Daily Loan Update

Assuming you have already done the earlier lessons on finding loans, locate Craig Bell's loan number 11042.

Customer Name	Loan No	Cust No	Port
Bell, Craig	11042	20080	AUTO
Bell, Craig	11261	20080	MOBILEHOME
Bell, J.D.	10954	20042	AUTO

☐ Show Zero Balance Loans

3 Items Selected.

Filter the list by:
BELL

Update_11042_01

With loan no 11042 highlighted, click on the Status tab. You will see the following screen:

Loan No: 11042		Cust No: 20080		Loan Name: Bell, Craig																					
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comme															
Balance	6,242.87	Date Update	09/01/2005	Scheduled Balance	5,916.51	Payment Due For	08/23/2005	Date Last Tran	08/18/2005	Current Interest Rate	29.0000	Servicing Officer	EM	Unapplied Credits	0.00	Penalty Due, Unpaid		Penalty Paid		Penalty Paid YTD		Partial Payment Due	59.93	Days Past Due	9
Interest Accrued	148.45																								
Interest Due	103.81																								
Principal Due	245.69																								
Interest YTD	1,070.17																								
Interest paid	1,070.17																								
Interest Deferred																									
Late Charge Due	0.00																								
Late Charges Paid	75.00																								
Late Charges YTD	75.00																								
Escrow Due, Unpaid	0.00																								
Escrow Balance	0.00																								

Status

Update_11042_02.png

The status tab displays information about the current status of the loan. This loan is currently nine days past due. If you remember from a prior screen it gets a late charge at day 11 so this loan is only two days away from a late charge.

Also note that no late charge is currently due and that \$75.00 in late charges has been paid since the loan was funded.

Next, Hist tab. You will see the following screen:

Loan No: 11042		Cust No: 20080		Loan Name: Bell, Craig							
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Pri
Servicing Officer	EM							Past Due 10 Days		5	
Principal Due		245.69						Past Due 30 Days		1	
Interest Due		103.81						Past Due 60 Days			
Capital Expenses								Past Due 90 Days			
Collection Expenses								Past Due 120 Days			
Legal Expense								Late Charge At Day		11.00	
Scheduled Bal		5.916.51						Late Charge Due		0.00	
Pmt Due For		08/23/2005						Late Charge Paid		75.00	
Date Default		08/24/2005						Late Charge YTD		75.00	
Date Statute Expires		/ /						Late Chg No Assd		5	
No Pmts Matured		7						Collection priority		1	
No Pmts Paid		5.79						Delinquent Rate Index			

Update_11042_03

Notice that Craig has been ten days past due - five time. He has been past due 30 days once. The terms of his loan call for a 10 day grace period, so he gets a late charge at day 11. Also note that he has had 5 late charges assessed.

This screen displays a significant amount of information relating to the timeliness of the payments on the loan.

Click on the Dates tab:

Loan No: 11042		Cust No: 20080		Loan Name: Bell, Craig							
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Date Note	01/11/2005	Date Update	09/01/2005								
First Payment Due	02/20/2005	No Int Before	01/11/2005								
Final Maturity	01/23/2008	Date Default	08/24/2005								
Last Transaction	08/18/2005	Date Statute	/ /								
Next Payment Due	09/22/2005	Date Ins Expires	/ /								
Payment Due For	08/23/2005	Next Past Due Notice	09/02/2005								
Previous Maturity Date	08/23/2005	Deferral Ends	/ /								
Last Payment	08/18/2005	Date Last Bill	/ /								
		Date Next Bill	/ /								
		Date Last Pst Notice	/ /								

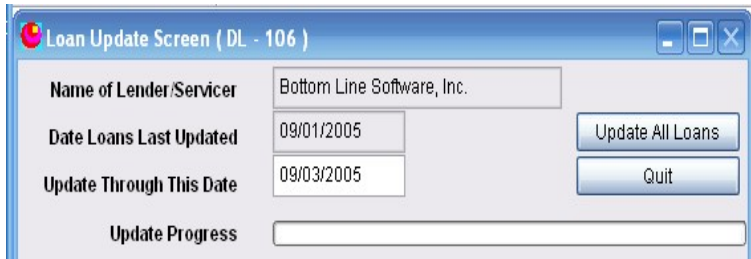
Update_11042_04.png

Not in the upper right corner, the date update is 09/01/YY. This means that September first was the last time this loan was updated.

Close the Loan Session window by clicking on the Quit button. Then from the main menu, select Administration, then Daily Loan Update.

Note that the Date Loans Last Updated was 09/01/YY and that the system is assuming you want to update one day - through 09/02/YY. In this case we want to update two days because we want to see the late charge appear on this loan.

Change the Update Through This Date to 09/03/YY



Update_11042_05.png

Click on the Update All Loans button. Note the time required to complete the update. On a 1.6 GH Pentium 4 it takes less than 20 seconds. That is 1150 daily loan updates - two each for 575 loans. For greater perspective refer back to the list of that happens during the daily update. It is at the top of this lesson.

Close the Daily Update dialog and return to the Status tab for the Craig Bell Loan 11042. It should look like this:

Loan No: 11042		Cust No: 20080		Loan Name: Bell, Craig	
Find	Cust	Loan	Dates	Terms	Status
				Misc 1	Misc 2
				Hist	Trans
				Comment	Print

Balance	6,242.87	Date Update	09/03/2005
Interest Accrued	158.37	Scheduled Balance	5,916.51
Interest Due	103.81	Payment Due For	08/23/2005
Principal Due	245.69	Date Last Tran	08/18/2005
Interest YTD	1,070.17	Current Interest Rate	29.0000
Interest paid	1,070.17	Servicing Officer	EM
Interest Deferred		Unapplied Credits	0.00
Late Charge Due	15.00	Penalty Due, Unpaid	
Late Charges Paid	75.00	Penalty Paid	
Late Charges YTD	75.00	Penalty Paid YTD	
Escrow Due, Unpaid	0.00	Partial Payment Due	59.93
Escrow Balance	0.00	Days Past Due	11

Status Report

Update_11042_06.png

Note the changes. The loan is now 11 days past due instead of 9 and a \$15.00 late charge is due.

Note the interest carefully. This one is confusing for new users.

Interest Accrued has changed from \$148.45 to \$158.37.

Interest due has not changed. It is still \$103.81.

There is a significant distinction between interest due and interest accrued. When you think about interest on a loan, you usually think about interest accrued. How much interest has accrued through today. In the above case, it is 158.37. That is the total amount of interest the loan has earned since it was funded - MINUS the total amount of interest the borrower has already paid..

Interest due is a different concept. Think of an amortization schedule. If you were looking at an amortization schedule, it would show an amount of interest AS-OF the most recent payment date. That would be the amount of "interest due" as of that most recent payment date. It would be the amount of interest the borrower would be expected to pay on the most recent payment date - assuming - all prior payments were paid on time. LoanMaster is designed to keep up with loans where the payments are NOT paid on time. Interest due then, is the amount of interest the borrower would have been expected to pay on the most recent payment date - assuming - he paid the payment on that date.

Interest due is calculated like this:

On the payment date, all interest accrued is due. The amount in the interest due field is replaced by the amount in the interest accrued field. It sets there waiting for a payment to be made. If an interest payment is paid, it is subtracted from interest accrued and from interest due. If a payment is made on the due date, interest due will be zero.

Interest due in summary is the amount of interest accrued as of the most recent payment date minus any interest payments since that date. It will start over on each payment date.

Interest accrued is calculated one day at a time and has no relation to individual payment dates.

Interest Calculation

You can't see it on the status tab, but before the update, the interest accrued on this loan is \$148.4510. Accrued interest is calculated to .01 cents or .0001 dollars. You can see this number on the loan status report. The loan status report is accessible by clicking on the "Status Report" button on the Status tab.

Look on the Terms tab for the loan 11042. You will see that the interest rate "Interest Rate Current" is 29.00% and the Interest Basis is 365.

Interest on this loan is calculated like this:

$$\text{Per diem} = 6242.87 * 0.2900 / 365 = 4.9609$$

$$\text{Two days} = 9.920176$$

Beginning interest due	148.4510
Per diem	4.960088
Interim Total	153.4111
Second per diem	4.960088
Ending accrual	158.371188
Rounds to	158.3712
Status report says	158.3712

Lesson 03 Posting Payments

Prerequisites

Lesson 01 Finding Loans

Lesson 02 Updating

This lesson uses the same loan as lesson 2 and picks up where lesson 2 quit. If you are not following lesson 2, in order to see the same data in the screens, you must:

Import new test data

Do the daily update described in lesson 2

Start the LoanMaster Program. Locate loan number 11042 and click on the status tab. You will see the following screen:

Loan No: 11042		Cust No: 20080		Loan Name: Bell, Craig																																									
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print																																		
Balance	6.242.87	Date Update	09/03/2005	Scheduled Balance	5.916.51	Interest Accrued	158.37	Payment Due For	08/23/2005	Interest Due	103.81	Date Last Tran	08/18/2005	Current Interest Rate	29.0000	Interest YTD	1.070.17	Servicing Officer	EM	Unapplied Credits	0.00	Interest paid	1.070.17	Penalty Due, Unpaid		Penalty Paid		Penalty Paid YTD		Partial Payment Due	59.93	Interest Deferred		Days Past Due	11	Late Charge Due	15.00	Late Charges Paid	75.00	Late Charges YTD	75.00	Escrow Due, Unpaid	0.00	Escrow Balance	0.00

Status Report

post_11042_01.png

Note:

Days Past Due: 11 days

Date Update: 09/03

This is the last date the loan system was updated. This is "today" for the system. In "real life", if this date is in the past, you should not be posting payments until you update the system to the current date.

Payment due for: 08/23

The payment due on 08/23 has not been paid. Today (09/03) minus (08/23) is 11 days. The loan is 11 days past due. For future reference remember:

Days past due = Date Update minus Date Payment Due For

Late Charge Due: \$15.00

Servicing Officer: EM - Edward Martinez If you have any questions about this loan, This is the person to ask.

Interest Due: 103.81

Interest Accrued: 158.37

It is crucial that you understand the difference in these two amounts. It is described in detail in lesson 2.

Principal Due: 245.69

This was calculated on the most recent payment date, 08/23. It calculated just like an amortization schedule. Total Payment Amount minus Interest accrued..

On 08/23 the interest accrued was 103.81. The principal due would be: $289.57 - 103.81$, or 185.76. But - the screen says 245.69? What's up?

Notice the Partial Payment Due - \$ 59.93. This amount represents partial payment amounts unpaid from all the partial payments in the past. Since it is part of past payments it is already due.

The sum of the principal due from the 08/23 payment and the partial payments due is the total principal due. $\$185.76 + 59.93 = \245.69

Click on the “Post Payment” button. There is also a “Post Trans” button. That is another lesson. The Post Payment Button will display the Post Regular Payment screen.

Post Regular Payment (PP-309)	
Post Regular Payment	
Customer No	20080
Loan No	11042
Loan Name	Bell, Craig
Telephone	
Port	AUTO
Date Update	09/03/2005
Prin Due Unpaid	245.69
Regular Pmt Amount	289.57
Interest Accrued	158.3712
Int Due Unpaid	103.81
LC Amount Due	15.00
Escrow Due, Unpaid	0.00
Payment Due For	08/23/2005
Unapplied Credits	0.00
<input type="checkbox"/> Backdate To:	
Transaction Date	09/03/2005
Unapplied Credits	0.00
Total Amount Received	289.57
Principal Payment	116.20
Interest Payment	158.37
Late Charge Payment	15.00
Escrow Payment	0.00
Comment:	
<input type="button" value="Apply Unapplied Cr"/> <input type="button" value="Add Customer Comment"/>	
Temporary Allocation Code:	0 LC, Int, Esc, Prin
<input checked="" type="checkbox"/> Cash Payment	<input type="button" value="Print Receipt"/> <input type="button" value="Post"/> <input type="button" value="Exit"/> <input type="button" value="Cancel"/>

post_11042_02.png

This screen displays a lot of information. Everything at the top and the left hand column is there for computers with small monitors. In some cases, this screen covers up the underlying status tab so you can't see the information about the loan. Everything you would normally need to see to post a payment is repeated here.

The text boxes with grey backgrounds cannot be changed. The five at the top and the left column will always be grey. The others will change from grey to white depending on the allocation code selected for the loan.

In the right hand column, you will see the amount the system thinks you want to post. This is a “guess” based on the regular payment amount, the current status of the loan, and the payment allocation code you set for this individual loan. There are several options that influence what the program expects here. Review the Payment Allocation Option, page 124.

If the payment amounts are not allocated correctly, you can change them in any way that makes sense and remains in balance. The total of all the payment components must equal the “total Amount Received”

Payment Allocation Code

This option may be set for each individual loan.

This option allows the user to specify how a normal payment is to be allocated to interest and principal.

LOANMASTER knows the normal payment amount. It assumes the payment will be a normal payment and allocates that payment amount to interest, principal, and late charge according to your choice of several preset rules. If the loan has matured, it assumes the total amount due is received.

Payment allocation option definitions can be viewed on the screen by opening the pick list that contains the payment allocation code on any screen where it is visible. They can be viewed in more detail from the Utilities menu.

Code 0, "Late Charge, Int Accrued, Escrow, Principal ", means apply the amount received in this order, as far as it will go.

Take late charge first (If any is due). If there is not enough payment, apply it all to late charge.

Take Interest accrued next. If there is not enough payment, apply the remaining amount to interest.

Take escrow payment next. If there is not enough payment, apply the remaining amount to escrow.

If any amount is remaining, apply it to principal.

Code 2, "Interest through pmt due date, Escrow, Prin, (Ignore LC)" means apply the amount received in this order, as far as it will go.

First take interest to the nearest payment date. (If the payment is three days early, compute interest to the payment date three days later. If the payment is n days late, take the interest as of the payment date n days ago, but never past the most recent payment date. If the payment is three months late, it will use the most recent due date.

If there is not enough payment, apply the remaining amount to interest.

Take escrow payment next. If there is not enough payment, apply the remaining amount to escrow.

If any amount is remaining, apply it to principal.

Payment allocation codes apply the payment amount in the order the amounts are listed in the code description.

The payment allocation options are:

Option	Description:
0	Late Charge, Int Accrued, Escrow, Principal
1	Interest Accrued, Escrow, Principal, (Ignore LC)
2	Interest through pmt due date, Escrow, Prin, (Ignore LC)
3	Interest through pmt due date, Escrow, Prin.
8	Late Charge, Interest for one month (Period), Escrow, Prin
9	Interest for one month (Period), Escrow, Prin (Ignore LC)
12	Take escrow, then late charge, then interest accrued, then principal.
11	Chapter 11 loan. Allocate manually according to instructions from trustee.
13	Chapter 13 loan. Allocate manually according to instructions from trustee.
21	Calculate interest to nearest payment date. Take interest only.
22	Principal Only.
23	Interest only, interest accrued
31	This is a rental property. Apply the entire payment amount to the principal.
98	Allocate nothing. Wait for operator entry. Adjust principal as operator changes the other components
99	Allocate nothing. Wait for operator entry. Reject if not balanced.

In the field to the right of the "Temporary Allocation Code" label you will find a brief message describing the manner in which the current payment allocation option allocates the payment amount to interest, principal, late charge, etc. This allocation can be changed by clicking on the down pointing triangle to the right of the "Temporary Allocation Code". Changing the allocation code here, changes it **ONLY** for this payment. It can be permanently changed for each loan in the loan session dialog on the "Misc 1" tab.

Changing the Payment Allocation Code - Temporarily

In the above screen image, note:

Allocation code:	0
Payment Amount Received	289.50
Principal Payment	116.20
Interest Payment	158.37
Late Charge Payment	15.00

Note that the interest, principal and late charge equals the Payment Amount Received.

Now change the Temporary Allocation Code to 1

Post Regular Payment (PP-309)

Post Regular Payment

Customer No: 20080 Loan Name: Bell, Craig
Loan No: 11042 Telephone: Port: AUTO

Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	131.20
LC Amount Due	15.00	Interest Payment	158.37
Escrow Due, Unpaid	0.00	Late Charge Payment	0.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment:	

Temporary Allocation Code: 1 Int, Esc, Prin

Buttons: Apply Unapplied Cr, Add Customer Comment

In the above screen image, note:

Allocation code: 1
Payment Amount Received 289.57
Principal Payment 131.20
Interest Payment 158.37
Late Charge Payment 0.00

Note that the interest, principal and late charge (0) equals the Payment Amount Received.

Post Regular Payment (PP-309)

Post Regular Payment

Customer No: 20080 Loan Name: Bell, Craig
 Loan No: 11042 Telephone: Port: AUTO

Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	185.76
LC Amount Due	15.00	Interest Payment	103.81
Escrow Due, Unpaid	0.00	Late Charge Payment	0.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment:	

Temporary Allocation Code: 2 Int to Pmt Date, Esc, Prin

post_11042_04.png

Now change the allocation code to 2.

The numbers change again.
 In the above screen image, note:

Allocation code:	2
Payment Amount Received	289.57
Principal Payment	185.76
Interest Payment	103.81
Late Charge Payment	0.00

Notice that interest payment allocation! How can the accrued interest change on the same payment on the same loan on the same day?

The simple answer is it can't, but the amount of interest you require the borrower to pay can change depending on your company's lending policies. Compare the descriptions of the payment allocation codes.

Allocation Codes 0 and 1 allocate the amount of interest accrued. This number will change every day. In the current example that amount is 158.37. It will increase by 4.960088 (Lesson 2) every day.

Allocation Code 2 allocates "Interest to Pmt Date". This is the interest that was accrued through 08/23. See lesson 2 for a detailed description of interest accrued and interest due.

Change the allocation code again. This time select 22 Principal Only

Post Regular Payment (PP-309)

Post Regular Payment

Customer No Loan Name
 Loan No Telephone Port

Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	<input type="text"/>
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	289.57
LC Amount Due	15.00	Interest Payment	0.00
Escrow Due, Unpaid	0.00	Late Charge Payment	0.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment :	<input type="text"/>

Temporary Allocation Code:

post_11042_05.png

This time the entire payment allocation is allocated to principal.

Post Regular Payment (PP-309)

Post Regular Payment

Customer No Loan Name
 Loan No Telephone Port

Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	<input type="text"/>
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	0.00
LC Amount Due	15.00	Interest Payment	274.57
Escrow Due, Unpaid	0.00	Late Charge Payment	15.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment :	<input type="text"/>

Temporary Allocation Code:

Once again, change it to 23, Interest Accrued Only
 Change the allocation code back to 0.

Posting Comments

Notice that at the bottom of the right hand column, there is a space for a short comment about this payment. This comment is stored with the payment transaction(s) and will be displayed anywhere the transactions are printed or displayed.

Note below this payment comment there is a button labeled Add Customer Comment. Click it, You will see the "Add Customer Comment" dialog. You can type a lengthy comment here. This comment will be appended to the bottom of the customer comment. This is the same comment that appears on the comment tab in lesson 4, Viewing Loans.

The screenshot displays the LoanMaster software interface. At the top, a header bar shows 'Loan No: 11042', 'Cust No: 20080', and 'Loan Name: Bell, Craig'. Below this, a 'Find' button is visible. A modal dialog box titled 'Add Customer Comment' is open in the center, featuring a large text area for a comment and an 'OK' button. In the background, the main window shows customer information: 'Customer Name: Bell, Craig', 'Telephone', and 'Port: AUTO'. A table of payment details is visible, including 'Transaction Date: 09/03/2005', 'Unapplied Credits: 0.00', 'Total Amount Received: 289.57', 'Principal Payment: 116.20', 'Interest Payment: 158.37', 'Late Charge Payment: 15.00', and 'Escrow Payment: 0.00'. At the bottom, there is a 'Comment:' text field and an 'Add Customer Comment' button. Other buttons like 'Apply Unapplied Cr' and 'Print Stmt' are also present.

Item	Amount
Escrow Due, Unpaid	0.00
Escrow Balance	
Payment Due For	08/23/2005
Unapplied Credits	0.00

Item	Amount
Transaction Date	09/03/2005
Unapplied Credits	0.00
Total Amount Received	289.57
Principal Payment	116.20
Interest Payment	158.37
Late Charge Payment	15.00
Escrow Payment	0.00

post_11042_07.png

If it not already selected, set the payment allocation code to 0.

Notice that the payment is allocated like before.

Click on the “Post” button. The payment will be posted and the “Print Receipt” button will be activated.

Post Regular Payment (PP-309)

Post Regular Payment

Customer No: 20080 Loan Name: Bell, Craig
Loan No: 11042 Telephone: Port: AUTO

Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	116.20
LC Amount Due	15.00	Interest Payment	158.37
Escrow Due, Unpaid	0.00	Late Charge Payment	15.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment:	

Temporary Allocation Code: 0 LC, Int, Esc, Prin

☒ Cash Payment

post_11042_08.png

Click on the “Print Receipt” button. The receipt will be previewed on the screen in the preview menu.

Select payment allocation code 3 observe the allocation again. It will look like this:

Posting and Printing the Receipt

Click on the "Post" button. The payment will be posted and the "Print Receipt" button will be activated.

Post Regular Payment			
Customer No	20080	Loan Name	Bell, Craig
Loan No	11042	Telephone	
		Port	AUTO
Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	170.76
LC Amount Due	15.00	Interest Payment	103.81
Escrow Due, Unpaid	0.00	Late Charge Payment	15.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment :	
	<input type="button" value="Apply Unapplied Cr"/>		<input type="button" value="Add Customer Comment"/>
Temporary Allocation Code:	3	LC, Int to Pmt Date, Esc, Prin	
<input checked="" type="checkbox"/> Cash Payment	<input type="button" value="Print Receipt"/>	<input type="button" value="Post"/>	<input type="button" value="Exit"/>
			<input type="button" value="Cancel"/>

post_11042_09.png

9

Post Regular Payment

Customer No 20080

Loan Name Bell, Craig

Loan No 11042

Telephone

Port AUTO

Date Update	09/03/2005	<input type="checkbox"/> Backdate To:	
Prin Due Unpaid	245.69	Transaction Date	09/03/2005
Regular Pmt Amount	289.57	Unapplied Credits	0.00
Interest Accrued	158.3712	Total Amount Received	289.57
Int Due Unpaid	103.81	Principal Payment	170.76
LC Amount Due	15.00	Interest Payment	103.81
Escrow Due, Unpaid	0.00	Late Charge Payment	15.00
Payment Due For	08/23/2005	Escrow Payment	0.00
Unapplied Credits	0.00	Comment :	

Apply Unapplied Cr

Add Customer Comment

Temporary

Allocation Code: 3 LC, Int to Pmt Date, Esc, Prin

☒ Cash Payment

Print Receipt

Post

Exit

Cancel

Viewing the Receipt On Screen

Report Designer - paymentreceipt_02.frx - Page 1

Print Preview

Bottom Line Software, Inc.
P.O. Box 118826
Carrollton, TX 75011-8826
Customer Service:

Received of:

Bell, Craig
240 WEST 6TH AVE.
SUN VALLEY, NV 89433

Payment Receipt
Payment received this date in the amounts and on the loan described below:

Date Paid	09/03/2005
Customer No	20080
Loan No	11042
Amount Paid	289.57
Applied to:	
Principal	170.76
Interest	103.81
Late Charge	15.00
Escrow	0.00
Reserve	0.00

Unapplied Credits: [] Comment: []

Apply Unapplied Cr Add Customer Comment

Print Stmt Collateral Temporary Allocation Code: 3 LC, Int to Pmt Date, Esc, Prin

☒ Cash Payment Print Receipt Post Exit Cancel

post_11042_09b.png

Using the preview window will be covered in the lesson on printing reports. For now, clicking on the door icon will close it. You can maximize it or resize it like any other window. Click on the printer icon to print the receipt. You will have to expand the window down and to the right to see as much of the receipt as is showed above.

Close the Posting screen and click on the status tab.

Notice the interest due is zero, the principal due is back to 77.93, the amount of the partial payment due. Late charges paid has increased from 75.00 to 90.00

Loan Session (LS-309)

Loan No: 11042 Cust No: 20080 Loan Name: Bell, Craig

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
------	------	------	-------	-------	--------	--------	--------	------	-------	---------	-------

Balance	6.072.11	Date Update	09/03/2005
Interest Accrued	54.56	Scheduled Balance	5.916.51
Interest Due	0.00	Payment Due For	09/20/2005
Principal Due	74.93	Date Last Tran	09/03/2005
Interest YTD	1.173.98	Current Interest Rate	29.0000
Interest paid	1.173.98	Servicing Officer	EM
Interest Deferred		Unapplied Credits	0.00
Late Charge Due	0.00	Penalty Due, Unpaid	
Late Charges Paid	90.00	Penalty Paid	
Late Charges YTD	90.00	Penalty Paid YTD	
Escrow Due, Unpaid	0.00	Partial Payment Due	74.93
Escrow Balance	0.00	Days Past Due	0

Status Report

post_11042_11.png

Click on the Trans tab.

The last three transactions in the list are the transactions related to the payment you just posted. Note that the date may not be 09/03/2005 but it will be 09/03/YYYY.

Loan Session (LS-309)

Loan No: 11042 Cust No: 20080 Loan Name: Bell, Craig

Find Cust Loan Dates Terms Status Misc 1 Misc 2 Hist **Trans** Comment Print

TranDate	TCode	Tran Amt	Comment	PostDate
08/18/2005	21	293.00	MO# 79891469911	09/15/2004 09:34:04 AM
08/18/2005	52	15.00	MO# 79891469911	09/15/2004 09:34:04 AM
09/03/2005	51	15.00	System Assessed LC	09/19/2005 09:08:49 PM
09/03/2005	1	170.76		09/19/2005 09:18:29 PM
09/03/2005	21	103.81		09/19/2005 09:18:29 PM
09/03/2005	52	15.00		09/19/2005 09:18:29 PM

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen
 Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

The left column, TranDate is the system date on which the payment was posted. The PostDate column on the right contains the actual calendar date and time the payment was posted.

Lesson 04 - Reversing Payments

Prerequisites

Lesson 1

Lesson 3

This example uses the payment posted in lesson 3. If you have not just finished that lesson, you may need to go back and rebuild that data and repost that payment to see the same screen images as displayed in this lesson

Select Craig Bell's loan number 11042. Select the Trans tab.

You should see:

TranDate	TCode	Tran Amt	Comment	PostDate
08/18/2005	21	293.00	MO# 79891469911	09/15/2004 09:34:04 AM
08/18/2005	52	15.00	MO# 79891469911	09/15/2004 09:34:04 AM
09/03/2005	51	15.00	System Assessed LC	09/19/2005 09:08:49 PM
09/03/2005	1	170.76		09/19/2005 09:18:29 PM
09/03/2005	21	103.81		09/19/2005 09:18:29 PM
09/03/2005	52	15.00		09/19/2005 09:18:29 PM

Buttons at the bottom: Print Stmt, Enable Edits, Post Payment, Post Trans, Loan Search, Payoff Screen, Collateral, New Customer, Reverse Pmt, Reverse Tran, Unlock, Quit.

reverse_11042_1.png

The payment you just posted is represented by three transactions. In this case they are the last three in the list. That is because nothing else has been done in this entire system since this payment was posted. In some cases you may have to scroll up to find the transaction to be reversed. In the extreme case that you discover you posted a payment to the wrong account six months ago, there could be as many as six to more than twenty transactions posted after the one you want to reverse.

The transactions will be sorted twice. First on the transaction date and then on the transaction code. The list will always be in order on transaction date, then transaction code.

Notice that the two buttons labeled "Reverse Payment" and "Reverse Tran" are disabled, greyed out. They are not clickable.

Place your mouse pointer on the first transaction in the group of transactions you want to reverse. In this case it is the principal payment - Tran Code 1, amount 170.76.

Click anywhere on that row. In the example, the click was on the date in the left hand column. Any column is OK.

The field you clicked on will display a darker border and the little triangle pointer will appear in the left hand border of the grid to indicate that row is selected.

The two buttons, labeled “Reverse Payment” and “Reverse Tran” are now enabled. They are now clickable. For this lesson, ignore the “Reverse Tran” button, That will be another lesson.

Loan Session (LS-309)

Loan No: 11042 Cust No: 20080 Loan Name: Bell, Craig

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
TranDate	TCode		Tran Amt		Comment				PostDate		
08/03/2005	51		15.00		System Assessed LC				08/30/2004 04:57:12 PM		
08/18/2005	21		293.00		MO# 79891469911				09/15/2004 09:34:04 AM		
08/18/2005	52		15.00		MO# 79891469911				09/15/2004 09:34:04 AM		
09/03/2005	51		15.00		System Assessed LC				09/19/2005 02:33:53 PM		
09/03/2005	1		170.76						09/20/2005 01:54:08 PM		
09/03/2005	21		103.81						09/20/2005 01:54:08 PM		
09/03/2005	52		15.00						09/20/2005 01:54:08 PM		

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen

Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

reverse_11042_2.png

After selecting the Principal payment or any other transaction from the group that was posted on 09/03, click on the Reverse Pmt button.

Auto-Reverse Complete Payment, (AR - 309)

Loan No	Tran Date	Tran Code	Amount	Comment
11042	09/03/05	51	15.00	System Assessed LC
11042	09/03/05	1	170.76	
11042	09/03/05	21	103.81	
11042	09/03/05	52	15.00	

25.00

☒ Post Check Charge

Reverse Payment Transaction

Cancel

Returned Check Charge

The auto reverse function selects all the transactions posted on the date of the highlighted transaction. Every transaction in this list that is part of a payment transaction will be reversed when you click on the Reverse Payment Transaction button.

IN this case the late charge was assessed on the same day the payment was posted. The late charge assessment will not be reversed but the late charge payment will be reversed.

Since this payment is being reversed due to a bounced check, you will place a check in the "Post Check Charge" box. You can also change the amount of the check charge on this screen before you click "Reverse". The \$25.00 amount is a system default that you can change in the system defaults (another lesson)

Click on the Reverse Payment Transaction button, the "Done"

Lesson 05 Reversing Transactions

Prerequisites

Lesson 1

Select Loan No 10982, Mike Alexander.

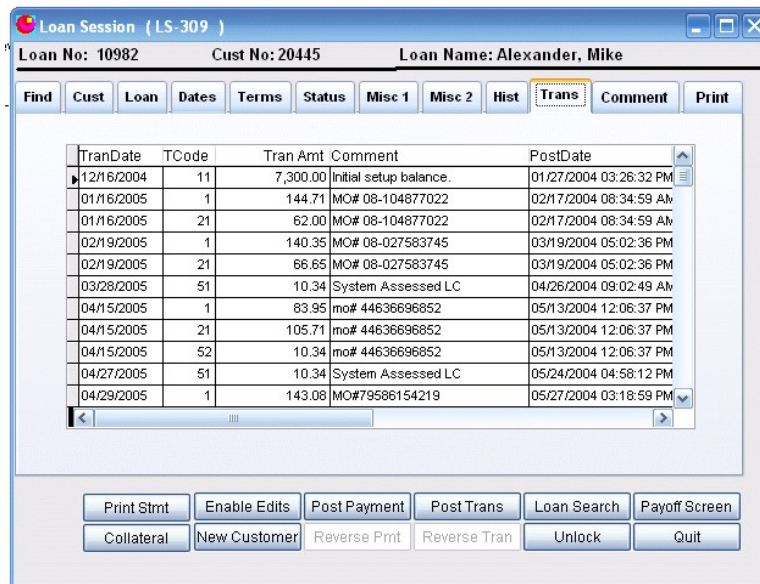
Select the Status tab and make a note of the late charges paid and the current balance.

Late Charges Paid: 20.68

Balance: 6138.37

Select the Trans Tab

Notice that the transactions are listed by date and by transaction code within each date.



Reverse_10982_1.png

This is the list of transactions. Note that no transaction has been selected and the "Reverse Pmt" and the "Reverse Tran" buttons are disabled

We have discovered we made an error and posted his April payment late. It was our fault and he should not have been charged a late charge. On April 27, the system assessed a late charge of 10.34. The late charge assessment transaction is indicated by the small triangle marker on the left side of the following display.

TranDate	TCode	Tran Amt	Comment	PostDate
12/16/2004	11	7,300.00	Initial setup balance.	01/27/2004 03:26:32 PM
01/16/2005	1	144.71	MO# 08-104877022	02/17/2004 08:34:59 AM
01/16/2005	21	62.00	MO# 08-104877022	02/17/2004 08:34:59 AM
02/19/2005	1	140.35	MO# 08-027583745	03/19/2004 05:02:36 PM
02/19/2005	21	66.65	MO# 08-027583745	03/19/2004 05:02:36 PM
03/28/2005	51	10.34	System Assessed LC	04/26/2004 09:02:49 AM
04/15/2005	1	83.95	mo# 44636696852	05/13/2004 12:06:37 PM
04/15/2005	21	105.71	mo# 44636696852	05/13/2004 12:06:37 PM
04/15/2005	52	10.34	mo# 44636696852	05/13/2004 12:06:37 PM
04/27/2005	51	10.34	System Assessed LC	05/24/2004 04:58:12 PM
04/29/2005	1	143.08	MO#79586154219	05/27/2004 03:18:59 PM

Reverse_10982_2.png

Click anywhere on the line containing the transaction to be deleted. IN the case we clicked on the 51 in the Tcode column. The triangle moves to the selected row and the two “Reverse Buttons” become active.

In this case we only want to reverse the late charge assessment and the late charge payment, not the entire payment. With the transaction 51 for 04/27 selected, click on the “Reverse Tran” button.

This screen will appear.

Reverse This Transaction ?

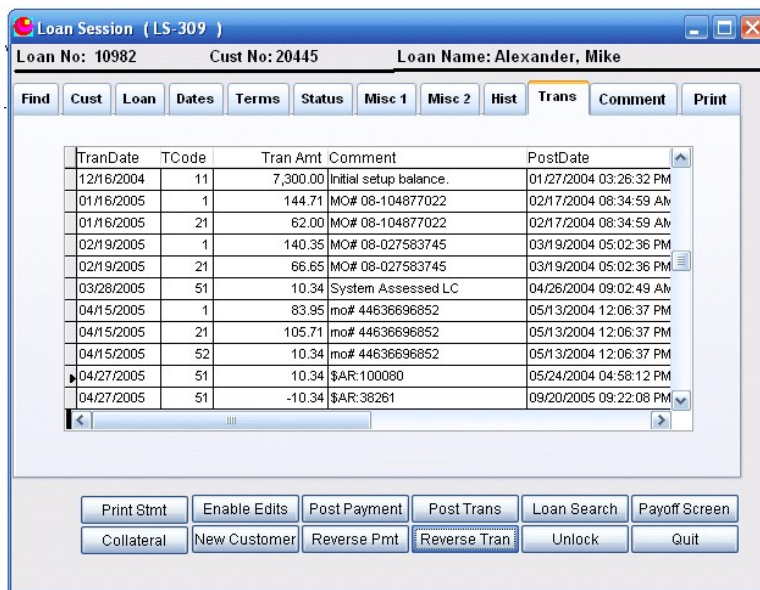
Loan Name	Alexander, Mike	Tran Date	04/27/2005
Customer No	CORONADO_J	Tran Code	51
Loan No	10982	Amount	10.34
Portfolio	AUTO	Sequence	38261
		Comment	System Assessed LC

Reverse This Transaction
Cancel

Reverse_10982_3.png

This screen displays all the details stored by the system relating to this transaction. This is for information and identification only. You cannot change anything. If you accidentally select the wrong transaction, click on the “Cancel” button. In this case we have selected the correct transaction. Click on the “Reverse this Transaction” button.

When the above screen closes, you will see the following:

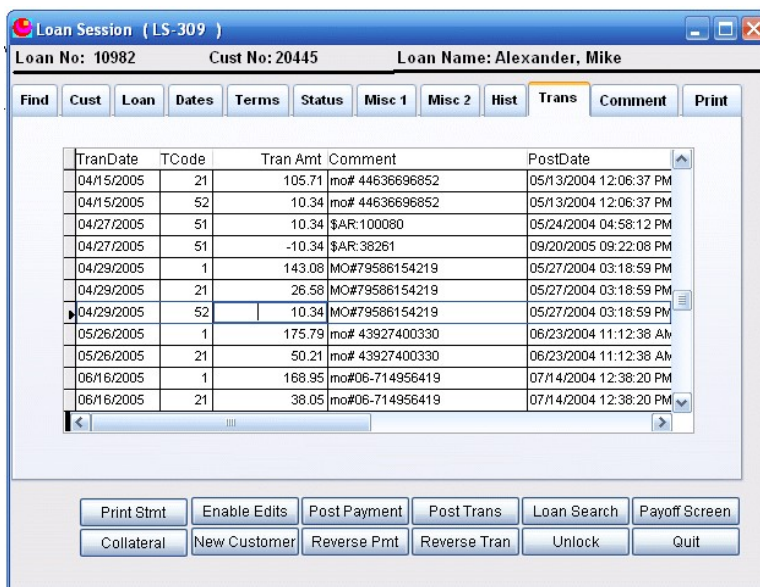


Reverse_10982_4.png

Note that the transaction is still there but the comment has been changed to \$AR: followed by a number. That number is assigned to the system and is unique to each transaction. Each comment contains the sequence number of the other transaction so if necessary, you can trace which reversal reversed which transaction.

Next select the transaction with the Tcode 52 for April 29. This is the actual late charge. Remember, the late charge was assessed on the 27th but the payment was not posted until the 29th.

Repeat the above procedure.



Reverse_10982_5.png

Click on "Reverse Tran".

Review the following screen to verify that you have the transaction you thought you had.

Auto-Reverse Single Transaction (AR - 310)

Reverse This Transaction ?

Loan Name	Alexander, Mike	Tran Date	04/29/2005
Customer No	CORONADO_J	Tran Code	52
Loan No	10982	Amount	10.34
Portfolio	AUTO	Sequence	38400
		Comment	MO#79586154219

Reverse This Transaction

Cancel

Reverse_10982_6.png

Click again on "Reverse this Transaction"

When the reversal screen closes you will see the transaction listing again. Note that the same thing has happened to the 04/29 late charge transaction. This is the transaction with Tcode 52.

Loan Session (LS-309)

Loan No: 10982 Cust No: 20445 Loan Name: Alexander, Mike

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
TranDate	TCode	Tran Amt	Comment	PostDate							
04/15/2005	21	105.71	mo# 44636696852	05/13/2004 12:06:37 PM							
04/15/2005	52	10.34	mo# 44636696852	05/13/2004 12:06:37 PM							
04/27/2005	51	10.34	\$AR:100080	05/24/2004 04:58:12 PM							
04/27/2005	51	-10.34	\$AR:38261	09/20/2005 09:22:08 PM							
04/29/2005	1	143.08	MO#79586154219	05/27/2004 03:18:59 PM							
04/29/2005	21	26.58	MO#79586154219	05/27/2004 03:18:59 PM							
04/29/2005	52	10.34	\$AR:100081	05/27/2004 03:18:59 PM							
04/29/2005	52	-10.34	\$AR:38400	09/20/2005 09:25:20 PM							
05/26/2005	1	175.79	mo# 43927400330	06/23/2004 11:12:38 AM							
05/26/2005	21	50.21	mo# 43927400330	06/23/2004 11:12:38 AM							
06/16/2005	1	168.95	mo#06-714956419	07/14/2004 12:38:20 PM							

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen

Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

Reverse_10982_7.png

While this screen is displayed (Or any time later, if you like). Click on the button labeled "Print Stmt". Select the "Print Preview" check box and then click "Print"

the screen preview will look like this:

Mike Alexander
First City Bank Orange
1 WEBB CIR
RENO, NV 89506

Ending Date: 09/20/05

Date	Transaction	Comment	Amount	Balance
12/16/04	11P Adv	Initial setup balance.	7,300.00	7,300.00
01/16/05	1P Pmt	MO# 08-104877022	144.71	7,155.29
01/16/05	211 Pmt	MO# 08-104877022	62.00	7,155.29
02/19/05	1P Pmt	MO# 08-027583745	140.35	7,014.94
02/19/05	211 Pmt	MO# 08-027583745	66.65	7,014.94
03/28/05	51L Acd	System Assessed LC	10.34	7,014.94
04/15/05	1P Pmt	mo# 44636696852	83.95	6,930.99
04/15/05	211 Pmt	mo# 44636696852	105.71	6,930.99
04/15/05	52LC Pmt	mo# 44636696852	10.34	6,930.99
04/29/05	1P Pmt	MO#79586154219	143.08	6,787.91
04/29/05	211 Pmt	MO#79586154219	26.58	6,787.91
05/26/05	1P Pmt	mo# 43927400330	175.79	6,612.12
05/26/05	211 Pmt	mo# 43927400330	50.21	6,612.12
06/16/05	1P Pmt	mo#06-714956419	168.95	6,443.17
06/16/05	211 Pmt	mo#06-714956419	38.05	6,443.17
07/27/05	1P Pmt	MO# 08-110427842	137.63	6,305.54
07/27/05	211 Pmt	MO# 08-110427842	72.37	6,305.54
08/26/05	1P Pmt	mo# 08-094242674	167.17	6,138.37
08/26/05	211 Pmt	mo# 08-094242674	51.83	6,138.37

Reverse_10982_9.png

Note that the late charge assessment of 04/27 and the late charge payment of 04/29 are not there.

No go back to the Status tab. Notice two things:

First, the late charges paid has been reduced to 10.34. That is 10.34 less than the notation you made at the beginning of this lesson.

Second: The interest and balance numbers have not changed. We have removed the late charge from his record but we have not yet given him credit for it.

Reverse_10982_10.png

The system does not automatically post a credit for the late charge refunded because it cannot know how you want to apply the credit. You could apply it to:

- Interest
- Principal
- Escrow
- Unapplied credits

Penalty or returned check charges due
Collection expenses

IN this case we are going to credit it to the principal paid. (This is really another lesson so it will not be covered here in great detail)

Click on the "Post Trans Button"

Post Transaction (PT-309)

Post Transaction

Customer No: 20445
Loan No: 10982
Loan Name: Alexander, Mike

Transaction Date: 09/03/2005
Transaction Code: [dropdown] Transaction Description:
Transaction Amount: 0.00
Comment: [text box]

☐ Cash Payment

Post Cancel

Reverse_10982_11.png

Select Transaction Code 1 from the pull down list. Windows calls this a Combo Box.
Enter the amount in the Transaction Amount field. Enter a comment in the comment field.

Next - NOTICE THE CASH PAYMENT CHECK BOX.

Normally a principal payment would be a cash payment. In this case it is not. We are not receiving cash for this principal payment. Uncheck the Cash Payment checkbox or the \$10.34 will be added to today's cash receipts and your cash receipts report will not balance with your actual receipts.

Post Transaction (PT-309)

Post Transaction

Customer No: 20445
Loan No: 10982
Loan Name: Alexander, Mike

Transaction Date: 09/01/2005
Transaction Code: 1 (Principal payment)
Transaction Amount: 10.34
Comment: Refund 04/29 LC

☐ Cash Payment

Post Cancel

Reverse_10982_12.png

Click on Post and then return to the status tab. Note that the balance has been reduced by 10.24 to 6,128.03

Loan Session (LS-309)

Loan No: 10982 Cust No: 20445 Loan Name: Alexander, Mike

Find Cust Loan Dates Terms **Status** Misc 1 Misc 2 Hist Trans Comment Print

Balance	6,128.03	Date Update	09/03/2005
Interest Accrued	13.45	Scheduled Balance	6,098.38
Interest Due	-15.55	Payment Due For	09/16/2005
Principal Due	23.87	Date Last Tran	04/29/2005
Interest YTD	473.40	Current Interest Rate	10.0000
Interest paid	473.40	Servicing Officer	EM
Interest Deferred		Unapplied Credits	0.00
Late Charge Due	0.00	Penalty Due, Unpaid	
Late Charges Paid	10.34	Penalty Paid	
Late Charges YTD	10.34	Penalty Paid YTD	
Escrow Due, Unpaid	0.00	Partial Payment Due	8.32
Escrow Balance	0.00	Days Past Due	0

Status Report

Print Stmt Enable Edits Post Payment **Post Trans** Loan Search Payoff Screen
Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

Reverse_10982_13.png

Next check the Trans tab. You will have to scroll down to the bottom of the transaction list. Notice the final transaction will be the correction you just posted.

TranDate	TCode	Tran Amt	Comment	PostDate
06/16/2005	1	168.95	mo#06-714956419	07/14/2004 12:38:20 PM
06/16/2005	21	38.05	mo#06-714956419	07/14/2004 12:38:20 PM
07/27/2005	1	137.63	MO# 08-110427842	08/24/2004 12:09:58 PM
07/27/2005	21	72.37	MO# 08-110427842	08/24/2004 12:09:58 PM
08/26/2005	1	167.17	mo# 08-094242674	09/23/2004 08:36:37 AM
08/26/2005	21	51.83	mo# 08-094242674	09/23/2004 08:36:37 AM
09/01/2005	1	10.34	Refund 04/29 LC	09/22/2005 01:16:42 PM

Reverse_10982_14.png

One more thing. You have removed the late charge assessment. You have removed the late charge payment and given the borrower credit on his principal balance for the amount of his late charge but you are not competed yet.

You owe the borrower interest on \$10.34 for two days. This is a ten percent loan with a 365 day basis. In this case that comes out to \$0.00566. That is about 1/20th of one cent. In This case you would probably just ignore it. (you couldn't fix it anyway because you can't make an entry that small.)

What if the late charge had been \$50.00 and you discovered it nine months later? That would amount to \$3.75. Would you correct it? Or ignore it? That is a policy decision and if you want to correct it that is another lesson.

Lesson 06 Viewing Loans

Prerequisite
01 Finding Loans

Mortgage With Origination Fees

This is the primary lesson on viewing loans. It will cover all the tabs. All following lessons will show only the tabs relevant to the features being shown.

Select the John Walker loan 11491
Click on the Cust Tab

Customer Tab

The screenshot shows a software window titled "Loan Session (LS-309)". At the top, it displays "Loan No: 11491", "Cust No: 20750", and "Loan Name: Walker, John". Below this is a tabbed interface with tabs: Find, Cust (selected), Loan, Dates, Terms, Status, Misc 1, Misc 2, Hist, Trans, Comment, and Print. The "Cust" tab is active, showing a form with the following fields:

Customer No	20750	Taxpayer ID	816-21-0593
Last Name	Walker	Customer Type	IND
First Name	John	Credit Rating	B
Middle Initial		Cr Lim Sec	
Company Name	Wolfe & Associates	Cr Limit Unsec	
Address	393 PENNY WAY	Home Phone	686-267-3110
Address		Work Phone	896-173-1317
City	SPAKS	Cell Phone	719-570-3688
State	NV	FAX Phone	842-584-4755
Zip	89431		

Below the form is a "Customer Comment" field containing the text: "John is the Governor's grandson!". At the bottom of the window is a grid of buttons:

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_1.png

This tab contains information about the customer / borrower. The system uses the term customer rather than borrower because not everyone you do business with is a borrower.

Items on this tab that are not immediately self explanatory are:

Customer Type.

There are several customer types and more can be added if needed.

There are types for individuals, companies, tax authorities, insurance agencies, investors, and others. To see them all, select Utilities, then View Customer Types from the main menu. You must close the View/Edit/Post dialog before you can use the main menu.

Credit Rating

This is user defined and the system doesn't use it. It means whatever you say it means. To see the defaults select Utilities, the View Credit Ratings from the main menu.

Credit Limit Secured
Credit Limit Unsecured

These are not used by the system. They are for your reference only.

Loan Tab

Loan Session (LS-309)	
Loan No: 11491 Cust No: 20750 Loan Name: Walker, John	
Find Cust Loan Dates Terms Status Misc 1 Misc 2 Hist Trans Comment Print	
CustomerNo	20750
Loan Number	11491
Portfolio	R/E
LoanName	Walker, John
Comment1	
Comment2	
Alpha1	
Alpha2	
Collateral	R/E
Original Face Amount	125,000.00
Balance	120,030.20
Date Note	01/01/2005
Officer	FJ
System Status	20
Lender Status	
Date Last Statement	09/01/2005
Last Statement Balance	120030.20

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_loan.wpg

This tab contains information about the loan. This is descriptive information to help you identify the loan

Items on this tab that are not immediately self explanatory are:

Comment1, Comment2, Alpha1, Alpha2. These are comment fields that are user defined. Use them for whatever you like.

System Status

Normally 20. Don't mess with it. There are other uses for it but they are not tutorial level features.

Lender Status

This is your status field. The system does not use it. It means whatever you say it means.

Dates Tab

Loan Session (LS-309)			
Loan No: 11491 Cust No: 20750 Loan Name: Walker, John			
Find Cust Loan Dates Terms Status Misc 1 Misc 2 Hist Trans Comment Print			
Date Note	01/01/2005	Date Update	09/01/2005
First Payment Due	02/01/2005	No Int Before	01/01/2005
Final Maturity	01/01/2015	Date Default	//
Last Transaction	08/02/2005	Date Statute	//
Next Payment Due	10/01/2005	Date Ins Expires	//
Payment Due For	09/01/2005	Next Past Due Notice	08/11/2005
Previous Maturity Date	09/01/2005	Deferral Ends	//
Last Payment	08/02/2005	Date Last Bill	//
		Date Next Bill	//
		Date Last Pst Notice	//

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_dates.png

These are mostly self explanatory.

Payment due For

Most new users have trouble with this date.

This is the most recent date for which a payment was due but not yet made.

This is the date that keeps up with the past due or prepaid status of the loan. If this date is in the future, the loan is current or prepaid. If this date is in the past, the loan is past due.

Today is June 20. A payment was due on April 15, May 15, and June 15. The April payment was made on time. The May and June payments have not yet been made. The date due (date of payment due) is May 15. We say "The loan is due for may 15th." It is 36 days past due. (May 15th to June 20.) The date next due is July 15. Another payment is due on that date whether or not the prior payments have been made.

Today is September 5. A payment was due June, July, August, and September first. They were all made on time. The loan is "Due for Oct. 1". The date payment due is 10-01-xx. the date next due is also 10-01-xx

Date Update

This is the date of the last update. It is the date the operator entered as the date of the last update. It may or may not be the same as the actual calendar date the update was done.

It is the latest date through which interest has been calculated and for which past due status has been checked.

It is very important to update the file before posting payments or printing past due notices or past due reports.

Date Statute

This is the date that the statute of limitations runs out on this loan. The system makes no attempt to enter or update this date. If you want it and want to keep up with it, you must put it in and keep it updated.

Date Deferral Ends

One of the loan statuses is Deferred. (That is another lesson and will not be covered in the tutorial)
A loan in deferred status is TOTALLY ignored by the system. It does not calculate interest, late charges or anything else. It does not get notices.

Terms Tab

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print																																								
Loan Session (LS-309)																																																			
Loan No: 11491			Cust No: 20750			Loan Name: Walker, John																																													
<table border="0"> <tr> <td>Original Face Amount</td> <td>125000.00</td> <td>Int Rate Original</td> <td>7.7500</td> </tr> <tr> <td>Origination Fee</td> <td>1250.00</td> <td>Int Rate Current</td> <td>7.7500</td> </tr> <tr> <td>Original Advance</td> <td>125000.00</td> <td>Interest Basis</td> <td>365</td> </tr> <tr> <td>Regular Payment Amount</td> <td>1500.13</td> <td>Purpose of Loan</td> <td></td> </tr> <tr> <td>Final Payment Amount</td> <td>1500.13</td> <td>Adjustable Rate Index</td> <td></td> </tr> <tr> <td>Payment Frequency</td> <td>12</td> <td>Floating Rate Index</td> <td></td> </tr> <tr> <td>Escrow Total Pmt</td> <td></td> <td>Int Rate Differential</td> <td></td> </tr> <tr> <td>Late Charge Rate</td> <td>0.0000</td> <td>Official Fees</td> <td>0.00</td> </tr> <tr> <td>Payment Type</td> <td></td> <td>Number Payments</td> <td>120</td> </tr> <tr> <td>Collateral</td> <td>R/E</td> <td>Int Only Pmts Remaining</td> <td></td> </tr> </table>												Original Face Amount	125000.00	Int Rate Original	7.7500	Origination Fee	1250.00	Int Rate Current	7.7500	Original Advance	125000.00	Interest Basis	365	Regular Payment Amount	1500.13	Purpose of Loan		Final Payment Amount	1500.13	Adjustable Rate Index		Payment Frequency	12	Floating Rate Index		Escrow Total Pmt		Int Rate Differential		Late Charge Rate	0.0000	Official Fees	0.00	Payment Type		Number Payments	120	Collateral	R/E	Int Only Pmts Remaining	
Original Face Amount	125000.00	Int Rate Original	7.7500																																																
Origination Fee	1250.00	Int Rate Current	7.7500																																																
Original Advance	125000.00	Interest Basis	365																																																
Regular Payment Amount	1500.13	Purpose of Loan																																																	
Final Payment Amount	1500.13	Adjustable Rate Index																																																	
Payment Frequency	12	Floating Rate Index																																																	
Escrow Total Pmt		Int Rate Differential																																																	
Late Charge Rate	0.0000	Official Fees	0.00																																																
Payment Type		Number Payments	120																																																
Collateral	R/E	Int Only Pmts Remaining																																																	
<table border="0"> <tr> <td>Print Stmt</td> <td>Enable Edits</td> <td>Post Payment</td> <td>Post Trans</td> <td>Loan Search</td> <td>Payoff Screen</td> </tr> <tr> <td>Collateral</td> <td>New Customer</td> <td>Reverse Pmt</td> <td>Reverse Tran</td> <td>Unlock</td> <td>Quit</td> </tr> </table>												Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen	Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit																												
Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen																																														
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit																																														

view_11491_terms.png

This tab needs LOTS of description. Much more than would be appropriate for t tutorial lesson. All these are covered in detail in the manual and in the help file.

For the purpose of this lesson, we are going to cover only a few of them.

Origination Fee.

The origination fee is frequently referred to as "Points" This fee is required as a condition of receiving the loan and is retained by the lender. That makes it part of the finance charge.

Interest Rate Current and Original

The current rate is the rate used to accrue interest. The original rate is for reference purposes only in the case of adjustable or variable rate loans.

Final Payment Amount

May or may not be a balloon payment. It is largely ignored by the system. When the final maturity date arrives, the system will mature the entire loan including interest, principal, late charges etc, regardless of what number is in this field.

Payment Type

Zero, Blank, and One all mean the same thing. Normal interest and principal. To see the other options, enable edits and then open the pull down list.

Status Tab

Loan Session (LS-309)		Loan No: 11491 Cust No: 20750 Loan Name: Walker, John	
Find	Cust	Loan	Dates
Terms	Status	Misc 1	Misc 2
Hist	Trans	Comment	Print
Balance	120,030.20	Date Update	09/01/2005
Interest Accrued	790.21	Scheduled Balance	119,330.38
Interest Due	790.21	Payment Due For	09/01/2005
Principal Due	709.93	Date Last Tran	08/02/2005
Interest YTD	5,531.11	Current Interest Rate	7.7500
Interest paid	5,531.11	Servicing Officer	FJ
Interest Deferred		Unapplied Credits	0.00
Late Charge Due	0.00	Penalty Due, Unpaid	
Late Charges Paid	0.00	Penalty Paid	
Late Charges YTD	0.00	Penalty Paid YTD	
Escrow Due, Unpaid	0.00	Partial Payment Due	0.01
Escrow Balance	0.00	Days Past Due	0
Status Report			
Print Stmt	Enable Edits	Post Payment	Post Trans
Collateral	New Customer	Reverse Pmt	Reverse Tran
		Unlock	Quit

view_11491_status.png

Interest Accrued

Interest Due

These are not the same. The detailed explanation can be found in lesson 1

Scheduled Balance

If you had an amortization schedule for this loan, using the original terms, This is the balance it would show. This is used as a reference point for loans that are significantly past due or prepaid.

Payment Due For

See Dates Tab, this lesson.

Unapplied Credits

Some lenders do not accept partial payments. Partial payments are accumulated until there is an amount large enough to make a complete payment.

Partial Payment Due.

This is calculated by adding up all the payment components that have been paid and subtracting the total from the total payments that should have been paid.

Days Past Due.

Days Past Due = Date_Upd minus Date Due For.

If today is 06/21 but you haven't updated since 06/15 and the borrower missed the payment due on 06/01. Days Past Due will report $06/15 - 06/01 = 14$ days past due. The loan is actually 20 days past due since the payment has not been paid. Since you have not updated the system, it doesn't know whether the payment has been paid or not so it makes no assumptions about what happened between 06/15 and 06/21.

Misc Tab

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
						Origination Fee	1250.00				
						FSB Yield to Maturity	7.980130				
						Org Fees Unamortized	1125.60				
						Org Fees Earned YTD	124.40				
						FSB Capitalized Costs					
						FSB Net Remaining Value	118204.79				
						Org Fee Amortization Method	91				
						Rate Adjusts	//				
						Disclosed APR	7.9801				
						Maximum Late Charge	0.00				
						Minimum Late Charge	0.00				
						Mail Code	A				
						Payment Allocation Option	3				
						Loan Grade					
						Guaranteed By					
						Late Charge at Day	0				
						Profit Share Pct Int	0.0000				
						Profit Share Pct Pm	0.0000				
						Profit Share Pct LC	0.0000				
						Cost Recovery Percent					
						Remaining Cost					

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

This is a very important tab for this type of loan.

Origination Fee has already been covered in this lesson.

FSB yield to maturity.

The origination fee is handled according to FSB rule 91. Since the origination fee is part of the interest, the actual yield earned on the loan is greater than the stated interest rate. This is the yield to maturity calculated by amortizing the origination fees over the expected life of the loan.

Org Fees Unamortized

As the origination fee is amortized, the amortization amounts are deducted from this amount. It starts out at the origination fee amount and decreases to zero over the life of the loan.

Org Fees Earned YTD.

Corresponds to interest earned YTD. This is the amount of the origination fees that have been earned and are income for the lender this year. The sum of all these amounts for all loans as of 12/31 is the amount of origination fee income you should report to the IRS at the end of the year.

Everything else on this tab will provide several more lessons.

Misc2 Tab

Loan Session (LS-309)

Loan No: 11491 Cust No: 20750 Loan Name: Walker, John

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Purchase Discount											
Unearned Purchase Discount											
Discount Net Remaining Value										125000.00	
Discount Yield to Maturity											
Discount YTD											
Discount Book Value						120030.20					
Price Paid (%)											
Send Form 1098?						N					
Sale Price											
Down Payment											
Original Face Amount											
Cost Basis											
Deferred Gain											
Percent Gain											
Totalgain											
Partial Pmt Calculation											
User Field 1											
User Field 2											

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_misc2.png

These items relate to loans purchased at a discount or IRS Installment sales and will be covered in later lessons.

Hist Tab

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Servicing Officer	FJ										
Principal Due	709.93										
Interest Due	790.21										
Capital Expenses											
Collection Expenses											
Legal Expense											
Scheduled Bal	119,330.38										
Pmt Due For	09/01/2005										
Date Default	//										
Date Statute Expires	//										
No Pmts Matured	8										
No Pmts Paid	7.00										
Past Due 10 Days											
Past Due 30 Days											
Past Due 60 Days											
Past Due 90 Days											
Past Due 120 Days											
Late Charge At Day	0.00										
Late Charge Due	0.00										
Late Charge Paid	0.00										
Late Charge YTD	0.00										
Late Chg No Assd											
Collection priority	0										
Delinquent Rate Index											

view_11491_hist.png

Items needing explanation:

Number of Payments Matured

Every payment date, 1.00 is added to this number.

Number of Payments Paid. Each time a payment is paid, the total paid to interest and principal, is divided by the regular payment amount and the result is added to this number. Late charges and escrow are not counted,

Late Chg No Assd.

Number of late charges assessed on this loan.

Delinquent Rate Index.

If this is set to in index, the index rate will be used to accrue interest any time the loan is past due. When the loan becomes current again it reverts back to the current rate.

Do not use this unless your notes specifically provide for it.

This makes it almost impossible to manually compute the interest accruals over a long period of time to check the system manually.

Trans Tab

TranDate	TCode	Tran Amt	Comment	PostDate
01/01/2005	11	125,000.00	Calculator Setup	09/21/2005 03:53:15 PM
02/01/2005	71	15.66	Origination Fee Accrual	09/21/2005 03:54:04 PM
02/02/2005	1	677.36		09/21/2005 03:55:06 PM
02/02/2005	21	822.77		09/21/2005 03:55:06 PM
03/01/2005	71	15.63	Origination Fee Accrual	09/21/2005 03:55:58 PM
03/01/2005	1	760.86		09/21/2005 03:56:54 PM
03/01/2005	21	739.27		09/21/2005 03:56:54 PM
04/01/2005	71	15.60	Origination Fee Accrual	09/21/2005 03:57:10 PM
04/02/2005	1	686.82		09/21/2005 03:57:39 PM
04/02/2005	21	813.31		09/21/2005 03:57:39 PM
05/01/2005	71	15.57	Origination Fee Accrual	09/21/2005 03:58:05 PM

view_11491_trans.png

Comment Tab

For more information on this comment field see the comment on loans 11028 and 10982

view_11491_comment.png

The comment tab displays and allows editing of the customer comment. This comment relates to the customer, not to the individual loan. This comment is visible on all loans for this customer. The loans listed in the comment field above have a more extensive example.

Print Tab

Loan Session (LS-309)

Loan No: 11491 Cust No: 20750 Loan Name: Walker, John

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
------	------	------	-------	-------	--------	--------	--------	------	-------	---------	-------

Past Due Notice 1.	pdnotice01.doc
Past Due Notice 10.	pdnotice10.doc
Past Due Notice 30	pdnotice30.doc
Past Due Notice 60	pdNotice60.doc
Past Due Notice 90	pdnotice90.doc
Past Due Notice 6	pdnotice06.doc

Print Selected Form

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_print.png

This dialog prints the selected document for the currently selected loan.

Lesson 07 Viewing Loans

Prerequisite
Lesson 01

IRS Installment Sale with Deferred Gain and Delinquent Status

Select the Mike Patterson Loan 11489

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print																																								
Loan Session (LS-309)																																																			
Loan No: 11489 Cust No: 20069 Loan Name: Patterson, Mike																																																			
<table border="0"><tr><td>Original Face Amount</td><td>125000.00</td><td>Int Rate Original</td><td>8.5000</td></tr><tr><td>Origination Fee</td><td></td><td>Int Rate Current</td><td>8.5000</td></tr><tr><td>Original Advance</td><td>125000.00</td><td>Interest Basis</td><td>365</td></tr><tr><td>Regular Payment Amount</td><td>1231.00</td><td>Purpose of Loan</td><td></td></tr><tr><td>Final Payment Amount</td><td>1231.00</td><td>Adjustable Rate Index</td><td></td></tr><tr><td>Payment Frequency</td><td>12</td><td>Floating Rate Index</td><td></td></tr><tr><td>Escrow Total Pmt</td><td></td><td>Int Rate Differential</td><td></td></tr><tr><td>Late Charge Rate</td><td>0.0500</td><td>Official Fees</td><td></td></tr><tr><td>Payment Type</td><td>1</td><td>Number Payments</td><td>180</td></tr><tr><td>Collateral</td><td>RE</td><td>Int Only Pmts Remaining</td><td></td></tr></table>												Original Face Amount	125000.00	Int Rate Original	8.5000	Origination Fee		Int Rate Current	8.5000	Original Advance	125000.00	Interest Basis	365	Regular Payment Amount	1231.00	Purpose of Loan		Final Payment Amount	1231.00	Adjustable Rate Index		Payment Frequency	12	Floating Rate Index		Escrow Total Pmt		Int Rate Differential		Late Charge Rate	0.0500	Official Fees		Payment Type	1	Number Payments	180	Collateral	RE	Int Only Pmts Remaining	
Original Face Amount	125000.00	Int Rate Original	8.5000																																																
Origination Fee		Int Rate Current	8.5000																																																
Original Advance	125000.00	Interest Basis	365																																																
Regular Payment Amount	1231.00	Purpose of Loan																																																	
Final Payment Amount	1231.00	Adjustable Rate Index																																																	
Payment Frequency	12	Floating Rate Index																																																	
Escrow Total Pmt		Int Rate Differential																																																	
Late Charge Rate	0.0500	Official Fees																																																	
Payment Type	1	Number Payments	180																																																
Collateral	RE	Int Only Pmts Remaining																																																	
<table border="1"><tr><td>Print Stmt</td><td>Enable Edits</td><td>Post Payment</td><td>Post Trans</td><td>Loan Search</td><td>Payoff Screen</td></tr><tr><td>Collateral</td><td>New Customer</td><td>Reverse Pmt</td><td>Reverse Tran</td><td>Unlock</td><td>Quit</td></tr></table>												Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen	Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit																												
Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen																																														
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit																																														

view_11489_1_terms.png

This is a loan to finance the purchase of a piece of real estate. This particular situation only occurs when the lender or investors sell the asset to the borrower and finance the purchase by accepting an installment loan.

For details of the tax treatment, contact your CPA.

This loan was funded on January first with payments due on the first of each month thereafter. The interest due on 08/01 was 887.76 (31 days at 8.5%)
That interest was not paid. Since that day, another 31 days has past and since the balance did not decrease on 08/01 like it should have, another 887.76 in interest has accrued. The interest due

Loan Session (LS-309)

Loan No: 11489 Cust No: 20069 Loan Name: Patterson, Mike

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance		122,972.24	Date Update		09/01/2005						
Interest Accrued		1,775.60	Scheduled Balance		122,165.81						
Interest Due		1,775.61	Payment Due For		08/01/2005						
Principal Due		809.49	Date Last Tran		08/03/2005						
Interest YTD		5,235.14	Current Interest Rate		8.5000						
Interest paid		5,235.14	Servicing Officer								
Interest Deferred			Unapplied Credits		0.00						
Late Charge Due		61.55	Penalty Due, Unpaid								
Late Charges Paid		123.10	Penalty Paid								
Late Charges YTD		123.10	Penalty Paid YTD								
Escrow Due, Unpaid		0.00	Partial Payment Due		123.10						
Escrow Balance		0.00	Days Past Due		31						

Status Report

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11489_2_status.png

Today is September first. A payment has matured and is due today but has not yet been paid. Notice the field called "Payment Due For" - 08/01. This means that the August payment has not been paid either.

The actual interest accrued is 1775.6083. You can verify that by viewing the "Statue Report" (Lesson 2). Since you can't bill fractions of a cent, the Interest Due is rounded to 1775.61.

Mike has paid two late charges totaling 123.10. Since late charges are not counted as part of the payment paid, the screen shows a partial payment due of 123.10.

Since the loan is 30 or more days past due, the background of the Days Past Due field is highlighted to catch your attention.

Loan Session (LS-309)

Loan No: 11489 Cust No: 20069 Loan Name: Patterson, Mike

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Purchase Discount							Sale Price		175000.00		
Unearned Purchase Discount							Down Payment		50000.00		
Discount Net Remaining Value							Original Face Amount		125000.00		
Discount Yield to Maturity							Cost Basis		120000.00		
Discount YTD							Deferred Gain		38,648.40		
Discount Book Value						122972.24	Percent Gain		31.4286		
Price Paid (%)							Totalgain		55000.00		
Send Form 1098?					N		Partial Pmt Calculation				
							User Field 1				
							User Field 2				

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11489_3_misc2.png

This loan was created as part of a sale of real estate to Mike. He paid 175,000 for the property and made a down payment of 50,000 leaving a not amount of 50,000.

The lenders cost basis in the property was 120,000. That means there was a profit of 55,000.00. The gain was $55,000/175,000 = 31.4286\%$ of the sale price. This means that 31.4286% of the principal payments is taxable income. The deferred taxable income is 31.4286% of the remaining balance or 39,285.75. The screen shows 38,648.40. This is the remaining deferred gain and it declines (amortizes) every month. Note that unlike most amortizations, this one will not necessarily be neat and smoothly declining because it occurs only on payment dates and is calculated only on the actual amount of the principal payment. Since this loan has had irregular payments the amortization amounts (Tran Code 1131) will be irregular.

Loan Session (15-309)

Loan No: 11489 Cust No: 20069 Loan Name: Patterson, Mike

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Servicing Officer											
Principal Due								Past Due 10 Days			3
Interest Due								Past Due 30 Days			1
Capital Expenses								Past Due 60 Days			
Collection Expenses								Past Due 90 Days			
Legal Expense								Past Due 120 Days			
Scheduled Bal								Late Charge At Day		10.00	
Pmt Due For								Late Charge Due		61.55	
Date Default								Late Charge Paid		123.10	
Date Statute Expires								Late Charge YTD		123.10	
No Pmts Matured								Late Chg No Assd		3	
No Pmts Paid								Collection priority		1	
								Delinquent Rate Index			

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen

Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

view_11489_4_hist.png

The history tab is where the performance history is gathered.

Mike has been ten days past due three times. He has been 30 days past due once. The scheduled balance is 122,165.81, The actual balance however is 122,972.24. This means that Mike is 122,974.24 minus 122,165.81 behind the amortization schedule. That includes principal only, no interest or late charges.

The number of payments that have matured is 8 but only 5.9 payments have been made. Actually he has made 6 payments but we deducted a 5% late charge from each one of them. That means 0.10 payment was not applied to the loan so the et number of payments actually applied to the loan is 5.9.

Loan Session (LS-309)										
Loan No: 11489			Cust No: 20069			Loan Name: Patterson, Mike				
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment
TranDate	TCode	Tran Amt	Comment		PostDate					
01/01/2005	11	125,000.00	Initial setup balance.		09/21/2005 01:28:37 PM					
01/01/2005	1131	15,714.30	Initial gain realized		09/21/2005 01:28:37 PM					
02/01/2005	1131	103.27			09/21/2005 01:31:03 PM					
02/01/2005	1	328.60			09/21/2005 01:31:03 PM					
02/01/2005	21	902.40			09/21/2005 01:31:03 PM					
03/02/2005	1131	131.40			09/21/2005 01:32:09 PM					
03/02/2005	1	418.08			09/21/2005 01:32:09 PM					
03/02/2005	21	812.92			09/21/2005 01:32:09 PM					
04/11/2005	51	61.55	System Assessed LC		09/21/2005 01:33:30 PM					
04/13/2005	1131	85.59			09/21/2005 01:34:38 PM					
04/13/2005	1	272.34			09/21/2005 01:34:38 PM					

view_11489_5_trans.png

This is similar to the transaction tabs you have seen before but it includes tran code 1131 for the deferred gain realized. The thing to notice here is that unlike most accruals which occur on the payment due dates, This entry occurs on the actual payment dates. If a payment is missed, this accrual does not happen at all.

Collateral Button

Loan Session (LS-309)										
Loan No: 11489			Cust No: 20069			Loan Name: Patterson, Mike				
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment
TranDate	TCode	Tran Amt	Comment		PostDate					
01/01/2005	11	125,000.00	Initial setup balance.		09/21/2005 01:28:37 PM					
01/01/2005	1131	15,714.30	Initial gain realized		09/21/2005 01:28:37 PM					
02/01/2005	1131	103.27			09/21/2005 01:31:03 PM					
02/01/2005	1	328.60			09/21/2005 01:31:03 PM					
02/01/2005	21	902.40			09/21/2005 01:31:03 PM					
03/02/2005	1131	131.40			09/21/2005 01:32:09 PM					
03/02/2005	1	418.08			09/21/2005 01:32:09 PM					
03/02/2005	21	812.92			09/21/2005 01:32:09 PM					
04/11/2005	51	61.55	System Assessed LC		09/21/2005 01:33:30 PM					
04/13/2005	1131	85.59			09/21/2005 01:34:38 PM					
04/13/2005	1	272.34			09/21/2005 01:34:38 PM					

view_11489_6_collateral.png

Click on the “Collateral” Button. Notice the message. This loan has no collateral record. Do you want to create one. Answer NO.

Since this is a real estate loan, it should have a collateral record. We will create one later in lesson 27.

Lesson 10 Creating Customer Records 101

Prerequisite
lesson 1

There are two ways to create customers. This lesson will cover only the quick customer setup. It does not allow you to do everything that is possible but it will give you everything you need 99% of the time with one fourth the work.

The quick customer setup dialog can be accessed two ways.

- 1 - From the Main Menu Bar - Customers / Customer Quick Setup.
- 1 - From the View edit post screen click on the New customer button.

Individual Customer (Borrower)

This is a very simple Windows dialog - (screen).

Customer ID Memo

Customer No 21001 Taxpayer ID 123-45-6789

Title

First Name Douglas Initial

Last Name Branson

Company Name Carrollton Home Improvements

Address 4356 North Josey Lane Cust Type IND

Address

City Carrollton State TS Zip 75007

Comment

Work Phone 972-123-4567 FAX Phone

Home Phone 214-444-0999 Cell Phone

Save Cancel

Create_21001_1.png

Fill in the customer data for your customer. Duplicate the example customer above. Be sure to set the customer type in the Cust Type combo box to IND for individual customer.

Click on Save.

Next pull up the view customer screen. This screen will not really be covered in this lesson but you will get a glimpse of part of it.

Custno	Lastname	Firstname	Company	Taxpayer
20996	Booker	Dave		712-64-7158
20997	Magers	Terry		278-01-7449
20998	Curtis	Tag		844-35-8108
20999	Ewing	Chris		065-98-9103
21000	Brooks	George		619-61-0921
21001	Branson	Douglas	Carrollton Home Improvements	123-45-6789
31777	Williamson	George	Williamson Insurance Agency	
41001	Walker (Rental 1)	John		

Create_21001_2.png

Select the Customer Number option in the Windows option box. Type the customer number into the filter text box and notice the small ► on the left side of the grid. It is pointing to your new customer.

Click on the Customer Data tab.

Customer Information (309)

Customer Records Branson, Douglas

Index Customer Data Customer Comment Telephones Addresses Log Reminders

Customer No 21001 Customer Type
Last Name Branson Work Phone 972-123-4567
First Name Douglas Home Phone 214-444-0999
Initial(s) Fax Phone
Title Cell Phone
Company Carrollton Home Improvements Credit Rating
Secured Limit
Unsecured Limit
Tax ID 123-45-6789

Enable Edits Search Quit

Create_21001_3.png

Next click on the Addresses Tab

Customer Information (309)

Customer Records Branson, Douglas

Index Customer Data Customer Comment Telephones Addresses Log Reminders

Line 1	Line 2	City	St	Zip	Location
4356 North Josey Lane		Carrollton	TS	75007	

Address 4356 North Josey Lane City Carrollton
Address State TS Zip 75007
Location ☐ M2_address

Delete Address Add Address

Enable Edits Search Quit

Create_21001_4.png

You will notice there is considerably more information here than appears on the Customer Quick Setup dialog.

Set up Insurance Agency Record

The setup is exactly like the example for customer 21001 above with one exception. Set the customer type to "IA"

Set up Investor Record

The setup is exactly like the example for customer 21001 above with one exception. Set the customer type to "IV"

Lesson 12 Editing Customers/Borrowers

Prerequisite (None)

First a short word about what a customer is. A customer is any person, company, organization, group, or other entity for which you need to store name and address and contact information.

A borrower is a customer.

An insurance agency is a customer.

A taxing authority is a customer.

An investor is a customer.

Finding a Customer

From the main menu, select Customers / View Customers

Customer Records Alexander, Mike

Index Customer Data Customer Comment Telephones Addresses Log Reminders

Custno	Lastname	Firstname	Company	Taxpayer
20441	McComie	Charles	Equity Shared Properties	417-55-4939
20442	Solomon	Richard	M&F Real Estate Company	124-67-5420
20443	O'Donnell	Steve	Union Chelsea American Company	838-45-9411
20444	Sunbloom	Gary	Britton Associates	465-96-9595
20445	Alexander	Mike	First City Company Orange	338-21-5192
20446	Hesselmann	O. C.	W. D. Moreland	396-81-8929
20447	Kingsley	Manny	Lender Support Systems	326-71-8833
20448	Ghornley	Lionel	First American Company	206-74-7662

☐ Customer Name
☐ Company
☒ Customer Number
☐ First Name
☐ Taxpayer ID

20445

Delete Customer Add Customer

Enable Edits Search Quit

Editing Customer Data

Notice the options on the left lower part of the screen. You can search for a customer by any of these options. First click on the option button, then type the search text into the text box at the lower right just above the "Delete Customer" button (greyed out)

In this case click on the Customer Number option then type 20445 into the text box. Note that the grid will seek to the customer with the customer number 20445. Click on the line which displays the information for customer 20445 and it will turn blue to indicate it is "Selected." The customer's name will also appear at the top of the screen.

The screenshot shows a software window titled "Customer Records" with a subtitle "Alexander, Mike". The window has several tabs: "Index", "Customer Data", "Customer Comment", "Telephones", "Addresses", "Log", and "Reminders". The "Customer Data" tab is currently selected. Below the tabs, there are two columns of input fields. The left column contains: "Customer No" (20445), "Last Name" (Alexander), "First Name" (Mike), "Initial(s)" (empty), "Title" (empty), and "Company" (First City Company Orange). The right column contains: "Customer Type" (dropdown), "Work Phone" (600-154-6609), "Home Phone" (106-777-2624), "Fax Phone" (611-864-5677), "Cell Phone" (156-655-5050), "Credit Rating" (B), "Secured Limit" (empty), "Unsecured Limit" (empty), and "Tax ID" (338-21-5192). At the bottom of the window, there are three buttons: "Enable Edits", "Search", and "Quit".

Click on the "Customer Data" tab. Notice that the text is displayed in a black font.

Customer Records Alexander, Mike

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
Customer No	20445		Customer Type	CA Collateral Location Address		
Last Name	Alexander		Work Phone	CORP Corporation		
First Name	Mike		Home Phone	IA Insurance Agency		
Initial(s)			Fax Phone	IND Individual		
Title			Cell Phone	IV Investor		
Company	First City Company Orange		Credit Rating	LTD Limited Partnership		
				ORG Organization		
			Secured Limit			
			Unsecured Limit			
			Tax ID	338-21-5192		

Enable Edits Search Quit

Next click on the “Enable Edits” button. Notice that the text font changes color to blue. The blue indicates it can be edited. (This is why we didn’t use green).

Next open the combo box to the right of the “Customer Type” prompt and select type “Individual”.

You have now edited the customer type from blank to “Individual” Customer type is not particularly important with individuals but it is very important for identifying investors, insurance agencies, etc.

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
-------	---------------	------------------	------------	-----------	-----	-----------

Comment:

Add new text to the comment - Always add it at the top so you will not need to scroll to the bottom so see the latest entry.

A virtually unlimited length text comment about Mike Alexander.
This comment is entered by you and occasionally by the system.

This comment is associated with Mike Alexander the customer, not to any individual loan. When all Mikes, loans are paid and deleted (If you delete them - we recommend you do not.) This comment will still exist..

If Mike has no loans, you will have to view his customer record to see it.

Note that Mike has two loans in this demo database. You can select either loan and get this same memo. You can test this assertion for yourself.

Enable Edits

Search

Quit

Click on the "Customer Comment" tab. This comment can contain virtually unlimited text. Click just to the left of the text "A virtually unlimited..." to place the Windows insertion point at the beginning of the comment.

Type in some new text. As much as you like. You should always add your text to the top of the file. The insures that it is visible when you display the tab. If you add text to the bottom of the file, it will soon scroll off the bottom of the display. This is perfectly ok as far as the computer is concerned but you will not be able to see it next time you bring up this comment. Actually you will be able to see it but you will have to scroll to the bottom of the memo display to do so. You can do so by using the scroll bar or by pressing the Control-End key combination.

Creating and Editing Phone Numbers

Customer Records Alexander, Mike

Index Customer Data Customer Comment **Telephones** Addresses Log Reminders

Location	Telephone	Ext	Comment
	123-456-7890		

Telephone Number 123-456-7890 Extension

Location Comment

Delete Phone Add Phone

Enable Edits Search Quit

Click on the telephones tab.

This is the “Telephone Archive” It allows you to store unlimited telephone numbers for the customer but they will not be displayed on the “normal” customer screens.

Each customer screen has a field for home, work, fax, and cell numbers. Those four numbers are considered the “normal” numbers and will be displayed on the customer’s customer screens.

These numbers are for all those numbers you need to remember for reluctant payers.

Click on the “Add Phone” button.

Enter the telephone number in the text box to the right of the Telephone Number prompt in the box with the “Add Phone” button. When you press enter or tab to the next field, the telephone number will appear in the grid of phone numbers above. Since this is the first, you see only one number in the grid. As you add phone numbers, the grid will display them all. If you have more than four, you will need to scroll down to see them.

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
-------	---------------	------------------	------------	-----------	-----	-----------

Location	Telephone	Ext	Comment
Office	123-456-7890	7777	

Telephone Number:

Extension:

Location:

Comment:

Fill in the rest of the data and watch it migrate to the grid above. Note in the above image the Comment has not yet appeared in the grid because the cursor is still in that field.

Customer Records Alexander, Mike

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
-------	---------------	------------------	------------	-----------	-----	-----------

Location	Telephone	Ext	Comment
▶ Office	123-456-7890	7777	Tue and Fri Only

Telephone Number:

Extension:

Location:

Comment:

Now the record is complete.

You can edit any information for any phone number by selecting the number in the grid and changing the data in the text boxes.

The next step is to delete a number:

Customer Information (309)

Customer Records Alexander, Mike

Index Customer Data Customer Comment **Telephones** Addresses Log Reminders

Location	Telephone	Ext	Comment

Telephone Number: 123-456-7890 Extension: 7777

Location: Office Comment: Tue and Fri Only

Delete Phone Add Phone

Enable Edits Search Quit

Click on the “Delete Phone” tab and the phone number will be deleted.

Creating and Editing Addresses

Click on the Addresses Tab.

Line 1	Line 2	City	St	Zip	Location
1 WEBB CIR		RENO	NV	89506	

Address	1 WEBB CIR	City	RENO
Address		State	NV
Location		Zip	89506

☐ M2_address

Delete Address Add Address

Enable Edits Search Quit

This tab works exactly like the phone number tab. You can add as many addresses as you need to remember but notices will be sent to the address on the “Customer Tab” on the Loans / View Edit Post screen.

Click on the “Log” Tab.

Customer Information (309)

Customer Records Alexander, Mike

Index Customer Data Customer Comment Telephones Addresses Log Reminders

Date	Comment
05/01/2006 02:21:14 PM	

Add Log Entry

Enable Edits Search Quit

The customer log is similar to the customer comment but it is much more structured. It is more useful for collection notes because it allows extraction and sorting by date.

The Detailed Report for Working Past Due Loans. Will print as much of this log as it can hold if there is a log entry for the customer. If there is no log entry, the report will strip off the top of the customer comment field.

Click on “Add Log Entry”

Customer Records Alexander, Mike

Index Customer Data Customer Comment Telephones Addresses Log Reminders

Date	Comment
05/01/2006 02:21:14 PM	This is the title or a summary of the comment. You can enter as much as you like below.

You can type as much as you want here. You can view it in the customer log and it will be printed on the past due loans call list. (Reports Menu)

Add Log Entry

Enable Edits Search Quit

The date comes from the system clock. You cannot enter it or edit it. Add a Title or summary line directly into the grid and as much text as you like in the comment field below. - This is NOT the same comment field as the customer comment tab previously discussed. This comment is attached to the log entry.

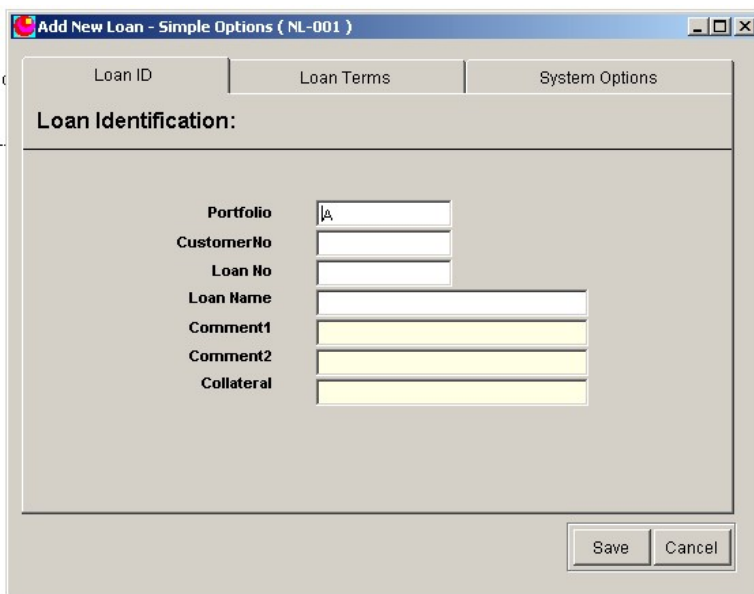
Lesson 21 Creating New Loans 101

Prerequisite Lesson 1

Loans are created from the loans menu. From the main menu, select Loan, then select New Loan Simple.

The Add New Loan - Simple Options dialog is displayed.

There are three tabs on this dialog. Loan ID, Loan Terms, and System Options. Only two of these is used to create a normal loan. The system options tab is used only when you want to do something unusual.



The screenshot shows a Windows-style dialog box titled "Add New Loan - Simple Options (NL-001)". It features three tabs: "Loan ID", "Loan Terms", and "System Options". The "Loan ID" tab is currently selected. Below the tabs is a section labeled "Loan Identification:". This section contains a list of labels on the left and corresponding input fields on the right: "Portfolio" (with the text "JA" entered), "CustomerNo", "Loan No", "Loan Name", "Comment1", "Comment2", and "Collateral". The input fields for "Comment1", "Comment2", and "Collateral" are highlighted in yellow. At the bottom right of the dialog, there are two buttons: "Save" and "Cancel".

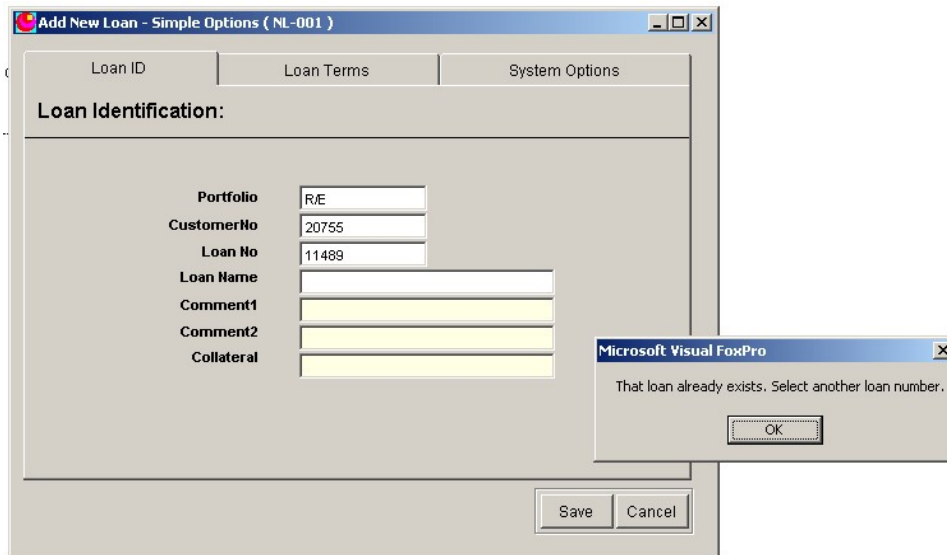
create_11492_1.png

Fill in the Loan ID tab partially. Like this:

Portfolio R/E
Customer No 20755
Loan No 11489

As soon as you enter the Loan Number and attempt to navigate to the Loan name Field, you will get a pop-up error message that informs you this loan number already exists in the system.

Reply to the error message by clicking on the OK button or by pressing the enter key.



create_11492_2.png

Now enter the correct number - 11492 and finish the data on the Loan ID dialog. Notice that some of the fields have white backgrounds and others are yellow. The white fields are required and the yellow fields are optional.

Loan Identification:	
Portfolio	R/E
CustomerNo	20755
Loan No	11492
Loan Name	Lewyn, Jim
Comment1	Optional Comment
Comment2	Another comment
Collateral	Auto

Save Cancel

create_11492_3.png

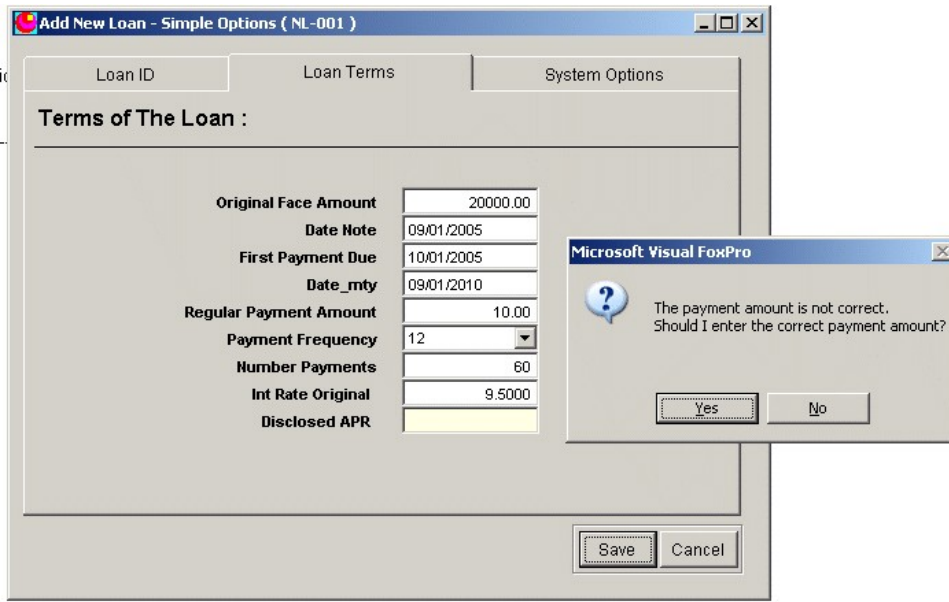
After finishing with the Loan ID tab, click on the Loan Terms tab and enter the data as displayed below. You will immediately notice that the loan payment amount of 10.00 is not correct but enter it only. It is part of the lesson.

Terms of The Loan :	
Original Face Amount	20000.00
Date Note	09/01/2005
First Payment Due	10/01/2005
Date_mty	09/01/2010
Regular Payment Amount	10.00
Payment Frequency	12
Number Payments	60
Int Rate Original	9.5000
Disclosed APR	

Save Cancel

create_11492_4.png

When the Loan Terms Tab is completed, click on the Save tab.



create_11492_6.png

Since the payment is not correct, you are warned. Notice the exact question. "Should I enter the correct payment amount"

If you answer "Yes", the program will calculate the correct payment amount and replace the amount you entered. If you answer "No", it will accept what ever payment amount you entered.

If you accidentally answer incorrectly, you can change the payment amount later on the View Edit Post screen.

In this case, click on Yes.

Loan Session (LS-309)

Loan No: 11492 Cust No: 20755 Loan Name: Lewyn, Jim

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Original Face Amount		20000.00		Int Rate Original		9.5000					
Origination Fee				Int Rate Current		9.5000					
Original Advance		20000.00		Interest Basis		365					
Regular Payment Amount		420.04		Purpose of Loan							
Final Payment Amount		420.04		Adjustable Rate Index							
Payment Frequency		12		Floating Rate Index							
Escrow Total Pmt				Int Rate Differential							
Late Charge Rate		0.0500		Official Fees							
Payment Type		1		Number Payments		60					
Collateral		Auto		Int Only Pmts Remaining							

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

create_11492_7.png

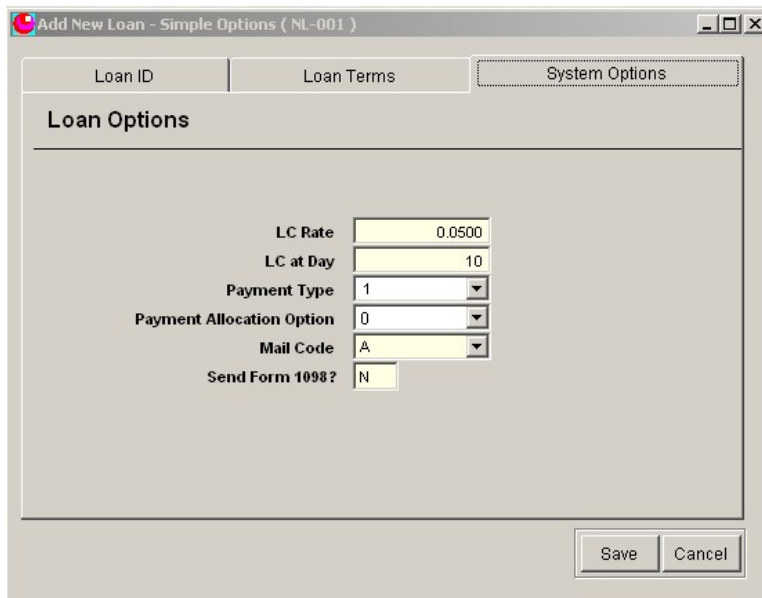
As soon as you click on Yes, the loan is saved and the Add New Loan - Simple Options dialog is closed.

Now, from the main menu, select Loan / View-Edit-Post. Select the loan 11492 and click on the Terms tab. Note that the setup screen calculated the correct payment amount, \$420.04 and replaced your 10.00 entry.

A word about the final payment amount. This may or may not be a balloon payment amount. The point is that the final payment is never determinable at the time the loan is created. It is always a guess based on the unlikely assumption that every payment due on this loan is paid in the correct amount and on the exact due date. When the final payment date, maturity date, arrives, the system will pay no attention to this number. It will mature the entire amount due.

The System Options Tab

We did not use this tab in setting up the loan. In normal usage you will rarely use this tab but you need to be aware of it. Go back to the main menu and again select Loan, then select New Loan Simple.



The screenshot shows a software window titled "Add New Loan - Simple Options (NL-001)". It has three tabs: "Loan ID", "Loan Terms", and "System Options". The "System Options" tab is selected. Below the tabs is a section titled "Loan Options". Inside this section, there are several input fields and dropdown menus:

- LC Rate**: A text box containing "0.0500".
- LC at Day**: A text box containing "10".
- Payment Type**: A dropdown menu with "1" selected.
- Payment Allocation Option**: A dropdown menu with "0" selected.
- Mail Code**: A dropdown menu with "A" selected.
- Send Form 1098?**: A text box containing "N".

At the bottom right of the window, there are two buttons: "Save" and "Cancel".

create_11492_9.png

This tab allows you to adjust some of the system assigned defaults. This is setup information the loan requires but that the system remembers and fills in for you. In rare cases you might want to do something slightly different than normal.

The items on this screen are called loan defaults. (lesson 41).

Normally your late charge rate is 5% of the payment amount but occasionally you might want a fixed dollar amount.

If most of your loans are consumer loans, you will have the Send Form 1098 setting set to "N" but occasionally you might finance a property that requires a 1098. On this tab, you can change these settings and the changes made here will apply only to the loan currently being created.

Lesson 22 Creating Loans 201

Prerequisite
Lesson 1

IRS Installment Sale

Prerequisite
Lesson 1
Lesson 21

Related
Lesson 27

Lesson 21 covers creating a new loan with the simplest features and fewest possible options. This lesson will cover a slightly more complex loan situation with more features and data to enter. This is a loan to finance the sale of a piece of real estate we foreclosed on from a previous borrower and we now own it.

Mr. Branson is purchasing the property by giving us a down payment and a mortgage for the balance of the purchase price.

From the Main Menu, select Loan, New Loan - Installment Sale

This dialog has three tabs. They are similar to the New Loan - Simple dialog but considerably more detailed.

Note that some fields are White and others are yellow. The white fields are required fields. You cannot save a loan with an empty white field. The yellow fields are optional.

The screenshot shows a software window titled "Add New Loan - Installment Sale (NL-004)". It contains three tabs: "Loan ID", "Amounts", and "Terms". The "Loan ID" tab is selected and displays the following fields:

- Portfolio: A
- CustomerNo: (empty white field)
- Loan No: (empty white field)
- Loan Name: (empty white field)
- Comment1: (empty yellow field)
- Comment2: (empty yellow field)
- Collateral: (empty yellow field)
- Alpha1: (empty yellow field)
- Alpha2: (empty yellow field)
- Mail Code: A (dropdown menu)
- Send Form 1098?: N (checkbox)

At the bottom right of the dialog are "Save" and "Cancel" buttons.

create_11493_1.png

Begin the new loan setup on the Loan ID tab.

The screenshot shows a software window titled "Add New Loan - Installment Sale (NL-004)". It has three tabs: "Loan ID", "Amounts", and "Terms". The "Loan ID" tab is active. It contains a form with the following fields:

Portfolio	DEFERREDGAIN
CustomerNo	20680
Loan No	11493
Loan Name	Vaughter Investments #1
Comment1	Purchased Foreclosure
Comment2	
Collateral	
Alpha1	
Alpha2	
Mail Code	A
Send Form 1098?	N

At the bottom right of the form area are "Save" and "Cancel" buttons.

create_11493_2.png

Enter:

Portfolio DEFERREDGAIN
Customer No 20680
Loan Name Vaughter Investments #1
Comment 1 Purchased Foreclosure

Note that the customer, No 20680, is David Branson. His company name is Vaughter Investments

You may if you like experiment by entering other optional comments in the yellow fields.

When finished with the Loan ID tab, click on the Amounts tab. This tab is a new setup experience. Notice that it has three colors. Fields are white, grey, and yellow. You know by now what white and yellow mean. Grey means that the data is calculated by the system and displayed only. You cannot enter it or change it.

Loan ID		Amounts		Terms	
Sales Price	200000.00	Int Rate Original	8.5000		
Down Payment	25000.00	Disclosed APR	0.5800		
Original Face Amount	175000.00	Interest Basis	365		
Cost Basis	170000.00	LC Rate	0.0500		
Percent Deferred Gain	15.0000	LC at Day	10		
Total Gain	30000.00				
Deferred Gain	26250.00				

create_11493_3.png

Begin by entering the sale price - 200,000.00. Never, by the way enter the "\$" or the "," commas. The system will enter them for you. It is OK to enter the decimal point.

When you press the enter key after entering the sale price, the | (insertion point) moves to the down payment field. Enter the down payment amount - 25,000.00.

When you press the enter key after entering the down payment, the grey field Original Face Amount displays the amount \$175,000.00 and the insertion point jumps over it to the next field - Cost Basis.

After the foreclosure, your basis in this property was 170,000. Enter that in the Cost Basis field and press enter. The remaining fields in the left hand column will display the calculated results:

Deferred Gain

Percent Total Gain 15%
 Total Gain 30,000.00
 Deferred Gain 26,250.00

Since this is a tutorial on loan setups and not IRS tax code, we will not detail how the numbers are calculated in this lesson.

In the right hand column, enter the remaining data like the display above.

Click on the Terms tab.

Loan ID	Amounts	Terms
Regular Payment Amount	13,460.00	Date Note
Balloon Payment Amount	13,460.00	First Payment Due
Payment Frequency	12	Maturity Date
Payment Type	1	No Int Before
Number Payments	360	Date Ins Expires
No Payments Int Only		Payment Allocation Option
Maximum Late Charge	0.00	
Minimum Late Charge	5.00	

create_11493_4.png

Enter the data as per the display above. NOTE that we deliberately left the First Payment Due date blank (part of the lesson)

Click on Save.

You will see the following error message. Note that the missing field background has turned red to help you find it.

create_11493_5.png

Close the error message, enter the first payment date 10/01/YY. The example is 2005, you may be using a later year.

Click on save again.

Return to the Find tab and find the loan 11493

Customer Name	Loan No	Cust No	Port
Vaughter Investments #1	11493	20680	DEFERREDGAIN

☐ Show Zero Balance Loans
1 Items Selected.

Filter the list by:

☒ Begins ☐ Includes

create_11493_6.png

Click on the Customer tab and review the data.

Loan Session (LS-309)

Loan No: 11493 Cust No: 20680 Loan Name: Vaughter Investments #1

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
------	------	------	-------	-------	--------	--------	--------	------	-------	---------	-------

Customer No	<input type="text" value="20680"/>	Taxpayer ID	<input type="text" value="977-95-2755"/>
Last Name	<input type="text" value="Branson"/>	Customer Type	<input type="text"/>
First Name	<input type="text" value="David"/>	Credit Rating	<input type="text" value="B"/>
Middle Initial	<input type="text"/>	Cr Lim Sec	<input type="text"/>
Company Name	<input type="text" value="Vaughter Investment Property"/>	Cr Limit Unsec	<input type="text"/>
Address	<input type="text" value="1813 Balboa Place, Suite 204"/>	Home Phone	<input type="text" value="605-973-8190"/>
Address	<input type="text"/>	Work Phone	<input type="text" value="827-248-5254"/>
City	<input type="text" value="Dallas"/>	Cell Phone	<input type="text" value="510-805-0482"/>
State	<input type="text" value="TX"/> Zip <input type="text" value="75224"/>	FAX Phone	<input type="text" value="594-512-7880"/>
Customer Comment	<input type="text"/>		

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

create_11493_7.png

Loan Session (LS-309)		<input type="button" value="Print"/> <input type="button" value="F5"/> <input type="button" value="F7"/>									
Loan No: 11493		Cust No: 20680	Loan Name: Vaughter Investments #1								
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
		Purchase Discount				Sale Price		200000.00			
		Unearned Purchase Discount				Down Payment		25000.00			
		Discount Net Remaining Value				Original Face Amount		175000.00			
		Discount Yield to Maturity				Cost Basis		170000.00			
		Discount YTD				Deferred Gain		26,250.00			
		Discount Book Value				Percent Gain		15.0000			
		Price Paid (%)				Totalgain		30000.00			
		Send Form 1098?		N		Partial Pmt Calculation					
						User Field 1					
						User Field 2					

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

What does this mean?

15% of every principal payment received is gain on the sale of the property. 15% of the down payment is gained at closing 15% times 25,000.00 is 3,750.00. That amount is already realized gain. The total gain was 30,000.00 and 3,750.00 is already realized so the unrealized - deferred - gain is 26,250.

[illegible]

The system has created two entries for this loan. The first is the tran code 11 entry for the original setup balance. The second is the deferred gain realized on the down payment.

Since this is a real estate loan you need a collateral record. Click on the Collateral tab. You are informed that no collateral record exists for this loan and asked if you want to create one. Normally you would answer Yes but that would make the lesson too long. If you want to continue with the collateral record, see lesson 27. It is not for this loan but it will teach you how to do it.

Loan Session (LS-309)

Loan No: 11493 Cust No: 20680 Loan Name: Vaughter Investments #1

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
<div> <div> Customer No: 20680 Last Name: Branson First Name: David Middle Initial: Company Name: Vaughter Investment Property Address: 1813 Balboa Place, Suite 204 City: Dallas State: TX Zip: 75224 Customer Comment: </div> <div> Taxpayer ID: 977-95-2755 Customer Type: Credit Rating: B Cr Lim Sec: Cr Limit Unsec: Home Phone: 605-973-8190 Work Phone: 827-248-5254 Cell Phone: 510-805-0482 FAX Phone: 594-512-7880 </div> </div>											

Important Message.
 This loan has no collateral record.
 Do you want to create one?
 Yes No

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen
 Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

create_11493_9.png

Lesson 23 Creating Loans 401

Prerequisites

Lesson 1

Lesson 21

Lesson 22

Related

Lesson 27

Lesson 31

Construction Loan - Multiple Draws

LoanMaster allows a great number of options when creating a loan record. No loan will use them all. Some are mutually exclusive, others are for special interests.

This lesson will cover the creation of a relatively complex loan.

Mr. Branson is purchasing another foreclosed property but this time it is not from us and there will be no deferred gain for us to keep up with. The property was bought at the foreclosure sale by Mr Branson. For a small sum. He paid cash because the property was in bad shape and there were few bidders.

Since the property was severely neglected, it will need some significant improvement. Approximately 200,000.00

From the Main menu, select Loan, then New Loan - All Options.

Enter the portfolio R/E. Remember that portfolios are defined by you. R/E is the name of the real estate portfolio in the demo data. You can call yours anything you like. (Lesson 44, Creating New Portfolios)
Enter Mr Branson's customer number, 20680

Enter the loan number 11493.

The system will immediately complain that the number you entered has already been used. Click on OK and change the loan number to 11494

Add New Loan - Maximum Options (NL-309)

Loan ID | Amounts | Payments | Dates | Fees | Reserved | Misc | Dealer

Loan Identification:

Portfolio	R/E
CustomerNo	20680
Loan No	11493
Loan Name	
Comment1	
Comment2	
Collateral	
Guaranteed By	
Guaranteed (%)	
Investor	

Microsoft Visual FoxPro

That loan already exists. Select another loan number.

OK

Save Cancel

create_11494_1.png

Continue with the information on the Loan ID tab. To be consistent with future examples and lessons, it is a good idea to enter the description exactly like shown because many example loans will be used in other lessons.

The screenshot shows a software window titled "Add New Loan - Maximum Options (NL-309)". It has a tabbed interface with the "Loan ID" tab selected. Other tabs include "Amounts", "Payments", "Dates", "Fees", "Reserved", "Misc", and "Dealer". The "Loan Identification:" section contains the following fields:

Portfolio	R/E
CustomerNo	20680
Loan No	11494
Loan Name	Vaughter Prop Rehab 1
Comment1	Rehab of 3465 Hampton
Comment2	(Smith Foreclosure)
Collateral	RE
Guaranteed By	
Guaranteed (%)	
Investor	

At the bottom right of the window are "Save" and "Cancel" buttons.

create_11494_2.png

Continue to the Amounts Tab.

Enter the following data:

Add New Loan - Maximum Options (NL-309)

Loan ID Amounts Payments Dates Fees Reserved Misc Dealer

Terms of The Loan :

Original Face Amount	200000.00	Adjustable Rate Index	
Original Advance		Floating Rate Index	6
Balance		Int Rate Differential	2.0000
Int Rate Current	8.5000	LC Rate	50.0000
Int Rate Original	0.0000	LC at Day	10
Disclosed APR			
Int Basis	365		

Save Cancel

create_11494_3.png

This is a floating rate construction loan. We don't know what the final amount will be, just that it can't exceed 200,000.00. We will not advance actual funds until after work has been done and inspected so the original balance is zero.

The rate is New York Prime as reported in the Wall Street Journal plus 2.00%. The current value of prime is 6.50 so the initial rate is 8.5%. You can check the floating rate indexes by selecting Administration, System Data Maintenance , Variable Rate indexes. You cannot do it now however. It will not be available while the new loan is being created. We will not cover indexes in this lesson. They are covered in detail in the manual.

Set the Floating Rate index to 6.

Since this is not a regular consumer type installment loan and the payment amount is indeterminate at this time, we will set a flat fee late charge of \$50.00 at day10.

Continue to the Payments Tab

The screenshot shows a software window titled "Add New Loan - Maximum Options (NL-309)". It has a tabbed interface with tabs for "Loan ID", "Amounts", "Payments", "Dates", "Fees", "Reserved", "Misc", and "Dealer". The "Payments" tab is selected. Below the tabs, the "Loan Payments :" section contains several input fields and dropdown menus. The "Regular Payment Amount" is set to 1.00, "Final Payment Amount" is 1.00, "Escrow Total Pmt" is 200.00, "Payment Frequency" is 12, and "Payment Type" is 4. The "Payment Allocation Option" is set to 23, "Late Charge Method" is 0, "Maximum Late Charge" is 0.00, and "Minimum Late Charge" is 5.00. The "Number Payments" is set to 24, and "No Payments Int Only" is an empty field. At the bottom right, there are "Save" and "Cancel" buttons.

Field	Value
Regular Payment Amount	1.00
Final Payment Amount	1.00
Escrow Total Pmt	200.00
Payment Frequency	12
Payment Type	4
Payment Allocation Option	23
Late Charge Method	0
Maximum Late Charge	0.00
Minimum Late Charge	5.00
Number Payments	24
No Payments Int Only	

create_11494_4.png

Construction Loan - Interest Only

This loan will be interest only until maturity. Since we don't know what the balance will be or for that matter what the interest rate will be, we can't have any idea at this time what the payment amount will be. Enter 1.00 since the field is a required field.

We do need to be sure the taxes are paid on the property and we are allowing two years for the improvement phase so we will require an escrow payment of 200.00 per month.

Payments are interest only, monthly. Set the Payment frequency to 12 and the payment type to 4. When you open these combo boxes, you will see a description of what the codes mean. Set the payment allocation option to 23 - all interest accrued to the posting date. Payment allocation code 21 is also interest due but it collects interest as of the payment due date. Which to use is a policy issue. Either is fine. If you don't use 23, any future lessons using this example will not agree with what your system shows.

Continue to the Dates Tab and enter the following dates:

The screenshot shows a software window titled "Add New Loan - Maximum Options (NL-309)". It has a tabbed interface with tabs for "Loan ID", "Amounts", "Payments", "Dates", "Fees", "Reserved", "Misc", and "Dealer". The "Dates" tab is selected. Below the tabs, the text "Loan Dates :" is displayed. The form contains several date fields arranged in two columns. The left column includes "Date Note" (09/01/2005), "First Payment Due" (10/01/2005), and "Date_mty" (09/01/2007). The right column includes "No Int Before" (//), "Date Ins Expires" (09/01/2006), "Escrow Analysis Date" (11/25/1999), and "Rate Adjusts" (//). At the bottom right of the window are "Save" and "Cancel" buttons.

Field	Value
Date Note	09/01/2005
First Payment Due	10/01/2005
Date_mty	09/01/2007
No Int Before	//
Date Ins Expires	09/01/2006
Escrow Analysis Date	11/25/1999
Rate Adjusts	//

create_11494_5.png

The Escrow analysis date is a system default that you can change or not as you like. The system does not use it. It is there for your reference only. Since this is only a two year loan, you will probably never do an escrow analysis.

Continue to the Fees Tab and enter the Official Fees.

The screenshot shows the same software window, but with the "Fees" tab selected. The text "Loan Fees :" is displayed. The form is divided into two columns of fee-related fields. The left column includes "Origination Fee", "Org Fees Unamortized", "FSB Net Remaining Value", "FSB Yield to Maturity", "FSB Capitalized Costs", and "Official Fees" (which has a value of 650.00). The right column includes "Expense Capital", "Expense Collection", and "Expense Legal". All these fields are currently empty except for "Official Fees". At the bottom right are "Save" and "Cancel" buttons.

Field	Value
Origination Fee	
Org Fees Unamortized	
FSB Net Remaining Value	
FSB Yield to Maturity	
FSB Capitalized Costs	
Official Fees	650.00
Expense Capital	
Expense Collection	
Expense Legal	

create_11494_6.png

This amount represents amounts you charged to the borrower but which you did not keep. Every cent of this money was paid out to another entity and is not included in the finance charge. Examples would be

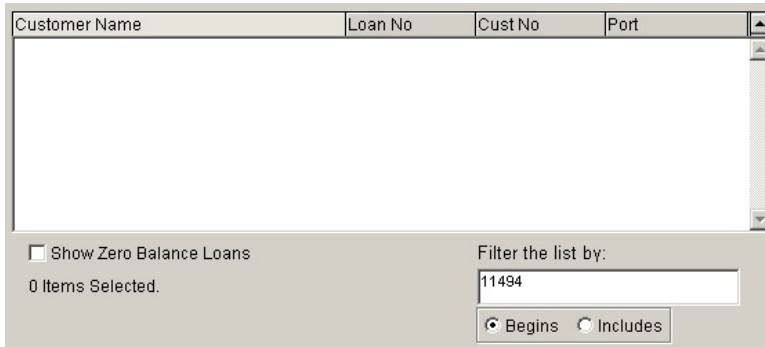
Title company fees for

Title Policy
Document preparation
Recording Fees

Nothing on the remaining tabs pertains to this loan so we will skip them.

Click on Save. Return to the Find tab and enter the loan number 11494 into the filter box.

Ooops. Where is it. You know you saved it but it isn't there



The screenshot shows the 'Find' tab interface. At the top, there is a table with four columns: 'Customer Name', 'Loan No', 'Cust No', and 'Port'. Below the table is a large empty rectangular area. At the bottom left, there is a checkbox labeled 'Show Zero Balance Loans' which is unchecked, and the text '0 Items Selected.' below it. At the bottom right, there is a section titled 'Filter the list by:' containing a text input box with the value '11494' and two radio buttons: 'Begins' (which is selected) and 'Includes'.

create_11494_7.png

Enter the first few characters of the loan name into the filter box - "Vaugh".

The borrower is there, but the only loan visible is loan number 11493. That was lesson 22.



The screenshot shows the 'Find' tab interface after filtering. The table at the top now contains one row: 'Vaughter Investments #1' under 'Customer Name', '11493' under 'Loan No', '20680' under 'Cust No', and 'DEFERREDGAIN' under 'Port'. Below the table, the 'Show Zero Balance Loans' checkbox remains unchecked, but the text now says '1 Items Selected.'. The 'Filter the list by:' section shows the text input box now containing 'VAUGH', with the 'Begins' radio button still selected.

create_11494_8.png

Do you remember that we did not enter a beginning balance for this loan? We did not and this loan has a zero balance. Since we are normally not interested in loans with zero balances because they are paid off, the system ignores them and does not display them.

Check the check box Show Zero Balance Loans and the new loan 11494 will appear in the list. Now you can select it.

Loan Session (LS-309)

Loan No: 10867 Cust No: 20477 Loan Name: Acord, Bill

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Customer Name		Loan No	Balance	Port							
Vaughter Investments #1		11493	175000.00	DEFERREDGAIN							
Vaughter Prop Rehab 1		11494		R/E							

☒ Show Zero Balance Loans Filter the list by: VAUGH

2 Items Selected. ☒ Begins ☐ Includes

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

create_11494_9.png

Select the new loan 11494 and display the Status tab

Loan Session (LS-309)				<input type="button" value="Print"/> <input type="button" value="X"/>																																																		
Loan No: 11494		Cust No: 20680		Loan Name: Vaughter Prop Rehab 1																																																		
Find	Cust	Loan	Dates	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print																																												
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Balance</td><td><input type="text"/></td></tr> <tr><td>Interest Accrued</td><td><input type="text"/></td></tr> <tr><td>Interest Due</td><td><input type="text"/></td></tr> <tr><td>Principal Due</td><td><input type="text"/></td></tr> <tr><td>Interest YTD</td><td><input type="text"/></td></tr> <tr><td>Interest paid</td><td><input type="text"/></td></tr> <tr><td>Interest Deferred</td><td><input type="text"/></td></tr> <tr><td>Late Charge Due</td><td><input type="text"/></td></tr> <tr><td>Late Charges Paid</td><td><input type="text"/></td></tr> <tr><td>Late Charges YTD</td><td><input type="text"/></td></tr> <tr><td>Escrow Due, Unpaid</td><td><input type="text"/></td></tr> <tr><td>Escrow Balance</td><td><input type="text"/></td></tr> </table> </div> <div style="width: 45%;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Date Update</td><td><input type="text" value="09/01/2005"/></td></tr> <tr><td>Scheduled Balance</td><td><input type="text" value="200,000.00"/></td></tr> <tr><td>Payment Due For</td><td><input type="text" value="10/01/2005"/></td></tr> <tr><td>Date Last Tran</td><td><input type="text" value="09/01/2005"/></td></tr> <tr><td>Current Interest Rate</td><td><input type="text" value="8.5000"/></td></tr> <tr><td>Servicing Officer</td><td><input type="text" value=""/></td></tr> <tr><td>Unapplied Credits</td><td><input type="text"/></td></tr> <tr><td>Penalty Due, Unpaid</td><td><input type="text"/></td></tr> <tr><td>Penalty Paid</td><td><input type="text"/></td></tr> <tr><td>Penalty Paid YTD</td><td><input type="text"/></td></tr> <tr><td>Partial Payment Due</td><td><input type="text" value="0"/></td></tr> <tr><td>Days Past Due</td><td><input type="text" value="0"/></td></tr> </table> </div> </div>					Balance	<input type="text"/>	Interest Accrued	<input type="text"/>	Interest Due	<input type="text"/>	Principal Due	<input type="text"/>	Interest YTD	<input type="text"/>	Interest paid	<input type="text"/>	Interest Deferred	<input type="text"/>	Late Charge Due	<input type="text"/>	Late Charges Paid	<input type="text"/>	Late Charges YTD	<input type="text"/>	Escrow Due, Unpaid	<input type="text"/>	Escrow Balance	<input type="text"/>	Date Update	<input type="text" value="09/01/2005"/>	Scheduled Balance	<input type="text" value="200,000.00"/>	Payment Due For	<input type="text" value="10/01/2005"/>	Date Last Tran	<input type="text" value="09/01/2005"/>	Current Interest Rate	<input type="text" value="8.5000"/>	Servicing Officer	<input type="text" value=""/>	Unapplied Credits	<input type="text"/>	Penalty Due, Unpaid	<input type="text"/>	Penalty Paid	<input type="text"/>	Penalty Paid YTD	<input type="text"/>	Partial Payment Due	<input type="text" value="0"/>	Days Past Due	<input type="text" value="0"/>	<input type="button" value="Status Report"/>	
Balance	<input type="text"/>																																																					
Interest Accrued	<input type="text"/>																																																					
Interest Due	<input type="text"/>																																																					
Principal Due	<input type="text"/>																																																					
Interest YTD	<input type="text"/>																																																					
Interest paid	<input type="text"/>																																																					
Interest Deferred	<input type="text"/>																																																					
Late Charge Due	<input type="text"/>																																																					
Late Charges Paid	<input type="text"/>																																																					
Late Charges YTD	<input type="text"/>																																																					
Escrow Due, Unpaid	<input type="text"/>																																																					
Escrow Balance	<input type="text"/>																																																					
Date Update	<input type="text" value="09/01/2005"/>																																																					
Scheduled Balance	<input type="text" value="200,000.00"/>																																																					
Payment Due For	<input type="text" value="10/01/2005"/>																																																					
Date Last Tran	<input type="text" value="09/01/2005"/>																																																					
Current Interest Rate	<input type="text" value="8.5000"/>																																																					
Servicing Officer	<input type="text" value=""/>																																																					
Unapplied Credits	<input type="text"/>																																																					
Penalty Due, Unpaid	<input type="text"/>																																																					
Penalty Paid	<input type="text"/>																																																					
Penalty Paid YTD	<input type="text"/>																																																					
Partial Payment Due	<input type="text" value="0"/>																																																					
Days Past Due	<input type="text" value="0"/>																																																					
<input type="button" value="Print Stmt"/>		<input type="button" value="Enable Edits"/>		<input type="button" value="Post Payment"/>		<input type="button" value="Post Trans"/>		<input type="button" value="Loan Search"/>		<input type="button" value="Payoff Screen"/>																																												
<input type="button" value="Collateral"/>		<input type="button" value="New Customer"/>		<input type="button" value="Reverse Pmt"/>		<input type="button" value="Reverse Tran"/>		<input type="button" value="Unlock"/>		<input type="button" value="Quit"/>																																												

create_11494_10.png

Note the balance due is zero.

Next click on the Trans Tab

[illegible]

create_11494_11.png

The tran code 11 for the initial setup balance is there but the amount is zero. This transaction is stored for future reference to show that you set it up like that deliberately

Click on the Post Trans button.

This is really lesson 31 but just in case you skip it we will cover setting up the initial advance here.

The screenshot shows the 'Loan Session (LS-309)' window with the 'Loan No: 11494', 'Cust No: 20680', and 'Loan Name: Vaughter Prop Rehab 1'. The 'Post Transaction (PT-309)' dialog box is open, displaying the following fields:

- Customer No: 20680
- Loan No: 11494
- Loan Name: Vaughter Prop Rehab 1
- Transaction Date: 09/01/2005
- Transaction Code: 11 (Principal advance)
- Transaction Amount: 10,000.00
- Comment: First Draw
- ☒ Cash Payment

Buttons at the bottom of the dialog include 'Post' and 'Cancel'. The background window shows a list of loan items with columns for Balance, Interest Accrued, Interest Due, Principal Due, Interest YTD, Interest paid, Interest Deferred, Late Charge Due, Late Charges Paid, Late Charges YTD, Escrow Due, Unpaid, and Escrow Balance.

create_11494_13.png

Enter the transaction date. This date should be the current system date. In the example data, the system date is 09/01/YY so set the transaction date to 09/01/YY. In real life this would be a few weeks after the loan date but the system date would have been advanced by daily system updates.

Select tran code 11 from the Transaction Code combo box. When you open the combo box list, you will see descriptions of the codes so you don't have to memorize them.

Enter the advance amount. In this case 10,000

Enter a comment - optional.

Note the Cash Payment check box. In this case, you are actually advancing cash so this box should be checked.

Click on Post

Return to the status ab and note that the balance is now 10,000.00

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance		10,000.00			Date Update		09/01/2005				
Interest Accrued					Scheduled Balance		200,000.00				
Interest Due					Payment Due For		10/01/2005				
Principal Due					Date Last Tran		09/01/2005				
Interest YTD					Current Interest Rate		8.5000				
Interest paid					Servicing Officer						
Interest Deferred					Unapplied Credits						
Late Charge Due					Penalty Due, Unpaid						
Late Charges Paid					Penalty Paid						
Late Charges YTD					Penalty Paid YTD						
Escrow Due, Unpaid					Partial Payment Due		0				
Escrow Balance					Days Past Due		0				

Print Stmt Enable Edits Post Payment **Post Trans** Loan Search Payoff Screen

Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

create_11494_14.png

Select the Trans tab and notice the first advance transaction.

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
TranDate	TCode	Tran Amt	Comment	PostDate							
09/01/2005	11	0.00	Initial setup balance.	09/23/2005 02:44:10 PM							
09/01/2005	11	10,000.00	First Draw	09/23/2005 02:51:27 PM							

Print Stmt Enable Edits Post Payment **Post Trans** Loan Search Payoff Screen

Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

create_11494_15.png

Lesson 27 Creating Collateral Records

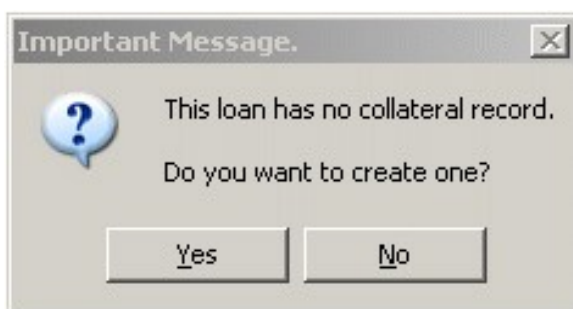
Prerequisites
Lesson 1

Collateral records are attached to but are not part of the loan record. If you do not create it, it does not exist and does not use any disk space

Find and display loan number 11491. You can click on any tab you like, or none. You Must however click on the loan in the find grid.

Click on the Collateral button.

You will receive this message:



Create_11491_01.png

Answer Yes.

The Collateral record screen will appear. It will be blank. Fill it in like the following example:

Customer Name	Loan No	Cust No	Port
Walker, John	11491	20750	R/E

☐ Show Zero Bal
1 Items Selected.

Print Stmt
Collateral

COLLATERAL

Loan No	11491	Collateral Code	RE
Collateral Location	41001	Insurance Exp Date	01/01/2006
Collateral Value:	1,500,000	Ins Agent No	31777
License:		Insurance Amt	150,000
Key Number:		Yr Taxes Paid	2004
VIN or S/N		Yr Tax Receipt on File	2004
Title Received	Y		

Select Description Options:

☒ Description
☐ Legal

Rent House on Auburn Trail. This is the house he bought from us after we foreclosed on it on the Jackson loan.

☒ Collateral Location
☐ Borrower Address
☐ Insurance Agency

John Walker (Rental 1)
4345 Auburn Trail
Spaks, NV 77005

Print Quit

Create_11491_02.png

Note the option blocks to the left of the two large display boxes at the bottom of the screen.

The top box will display either a description of the collateral or a legal description depending on what information you actually entered and on which of the option buttons is selected (black dot).

The bottom box will display address information for either the collateral location, the borrower's address, or the address of the insurance agent.

Look back to the fields at the top of the dialog. The second field on the page is called "Collateral Location". This field contains a "Customer Number" and the address displayed will be the address stored in the customer information under that customer number. If the Borrower's address and the collateral address are the same, simply place the borrower's customer number in this box. If they are different addresses, create a new customer record for the location of the collateral, You can use the same name as the customer's regular customer record. When you create this record, be sure to set the customer type to 'CA' (Collateral Location)

In the right column, note the field "Insurance Agent No" It works the same way. Set up your insurance agencies as customers in the customer records. When you do, be sure to set the customer type to "IA" (Insurance Agency)

This is a real estate loan. If it were an auto loan, your would have license numbers, vins, ignition key numbers, but no legal description.

Select Description Options:

☐ Description ☒ Legal

Lot 77A, block 77, Anderson Division, city of Smithville

Create_11491_03.png

Next select the “Legal” option button and fill in the legal description.

☒ Collateral Location
☐ Borrower Address
☐ Insurance Agency

John Walker (Rental 1)
4345 Auburn Trail
Spaks, NV 77005

Print Quit

Create_11491_04.png

Click on the Collateral Location

☐ Collateral Location
☒ Borrower Address
☐ Insurance Agency

John Walker
Wolfe & Associates
393 PENNY WAY
SPAKS, NV 89431

Print Quit

Create_11491_05.png

Click on the Borrower Address

☐ Collateral Location
☐ Borrower Address
☒ Insurance Agency

George Williamson
Williamson Insurance Agency
456 Forest Lane
Reno, NV 12345-6789

Print Quit

Create_11491_06.png

Click on the Insurance Agency

Close the Collateral dialog and pull up the customer record for customer number 31777. Not this is the insurance agency. This is a customer record just like any other customer record except the customer type is set to IA. That is important so the program will be able to pick out the insurance agencies from the borrowers and investors, etc.

The screenshot shows a software window titled "Customer Information { 309 }". Inside, there's a tabbed interface with the "Customer Records" tab selected. The tab title is "Williamson, George". Below the tabs, there are two columns of input fields. The left column contains: "Customer No" (31777), "Last Name" (Williamson), "First Name" (George), "Initial(s)" (empty), "Title" (empty), and "Company" (Williamson Insurance Agency). The right column contains: "Customer Type" (IA), "Work Phone" (123-456-7890), "Home Phone" (empty), "Fax Phone" (124-567-0987), "Cell Phone" (empty), "Credit Rating" (empty), "Secured Limit" (empty), "Unsecured Limit" (empty), and "Tax ID" (empty). At the bottom of the window, there are three buttons: "Enable Edits", "Search", and "Quit".

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
Customer No	31777		Customer Type	IA		
Last Name	Williamson		Work Phone	123-456-7890		
First Name	George		Home Phone			
Initial(s)			Fax Phone	124-567-0987		
Title			Cell Phone			
Company	Williamson Insurance Agency		Credit Rating			
			Secured Limit			
			Unsecured Limit			
			Tax ID			

Enable Edits Search Quit

Create_11491_07.png

Now pull up the Customer Record for customer number 41001. This is the collateral address for the loan 11491.

Customer Information (309)

Customer Records Walker (Rental 1), John

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
Customer No	41001		Customer Type	IND		
Last Name	Walker (Rental 1)		Work Phone			
First Name	John		Home Phone			
Initial(s)			Fax Phone			
Title			Cell Phone			
Company			Credit Rating			
			Secured Limit			
			Unsecured Limit			
			Tax ID			

Enable Edits Search Quit

Create_11491_08.png

Customer Information (309)

Customer Records Walker (Rental 1), John

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
Line 1	Line 2	City	St	Zip	Location	
4345 Auburn Trail		Spaks	NV	77005	Rent House	

Address 4345 Auburn Trail City Spaks
 Address State NV Zip 77005
 Location Rent House 1 ☐ M2_address

Delete Address Add Address

Enable Edits Search Quit

Create_11491_08.png

Lesson 31 Posting Individual Transactions

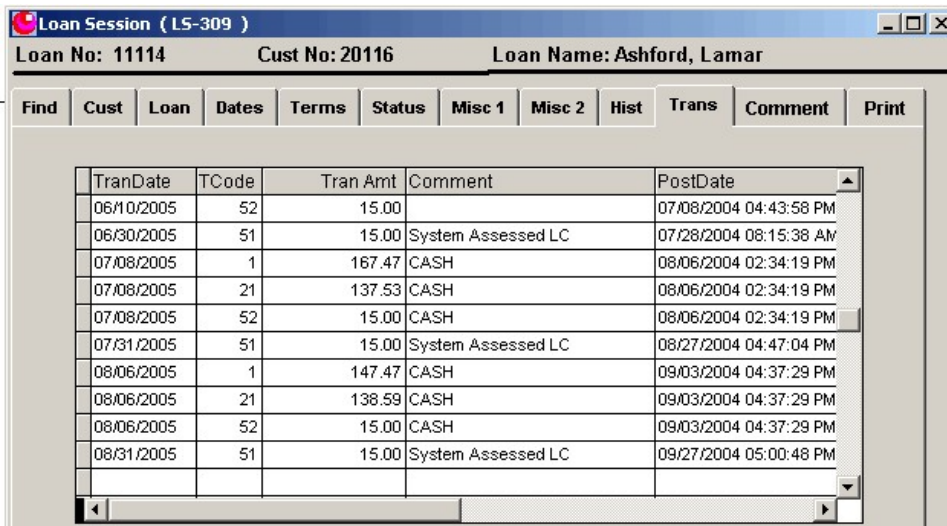
Pre requisite
Lesson 1

Related
Lesson 3
Lesson 5
Lesson 23

In lesson 3 you learned how to post multiple parts of a complete payment on a single screen. Servicing loans involves many events. Many of them call for posting a transaction that may have nothing to do with an actual payment.

In this lesson, you will learn how to post these individual transactions that may or may not be related to a payment and may or may not be related to each other.

Pull up the loan record for Lamar Ashford. Loan Number 11114 and display the transactions. Note that Lamar has been having considerable trouble meeting his payments.



The screenshot shows a software window titled "Loan Session (LS-309)". Inside, the loan details are: Loan No: 11114, Cust No: 20116, and Loan Name: Ashford, Lamar. Below this is a table with columns: Find, Cust, Loan, Dates, Terms, Status, Misc 1, Misc 2, Hist, Trans, Comment, and Print. The "Trans" column is selected, displaying a list of transactions with columns: TranDate, TCode, Tran Amt, Comment, and PostDate. The transactions are as follows:

TranDate	TCode	Tran Amt	Comment	PostDate
06/10/2005	52	15.00		07/08/2004 04:43:58 PM
06/30/2005	51	15.00	System Assessed LC	07/28/2004 08:15:38 AM
07/08/2005	1	167.47	CASH	08/06/2004 02:34:19 PM
07/08/2005	21	137.53	CASH	08/06/2004 02:34:19 PM
07/08/2005	52	15.00	CASH	08/06/2004 02:34:19 PM
07/31/2005	51	15.00	System Assessed LC	08/27/2004 04:47:04 PM
08/06/2005	1	147.47	CASH	09/03/2004 04:37:29 PM
08/06/2005	21	138.59	CASH	09/03/2004 04:37:29 PM
08/06/2005	52	15.00	CASH	09/03/2004 04:37:29 PM
08/31/2005	51	15.00	System Assessed LC	09/27/2004 05:00:48 PM

post_tran_11114_1.png

Lamar has called and informed you that he simply cannot make the entire payment this month but if you will accept it, he can pay the interest and late charge.

You view the status tab and not that the interest due is 65.25 and the late charge due is 15.00.

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance	5.867.38	Date Update	09/01/2005								
Interest Accrued	121.20	Scheduled Balance	5.600.17								
Interest Due	65.26	Payment Due For	08/20/2005								
Principal Due	246.86	Date Last Tran	08/06/2005								
Interest YTD	688.62	Current Interest Rate	29.0000								
Interest paid	688.62	Servicing Officer	EM								
Interest Deferred		Unapplied Credits	0.00								
Late Charge Due	15.00	Penalty Due, Unpaid									
Late Charges Paid	45.00	Penalty Paid									
Late Charges YTD	45.00	Penalty Paid YTD									
Escrow Due, Unpaid	0.00	Partial Payment Due	11.06								
Escrow Balance	0.00	Days Past Due	12								

Status Report

post_tran_11114_2.png

You have agreed to take the amount offered and have the check in hand. With the status tab displayed so you can see the amounts. Click on the "Post Trans" button. The Post Transaction dialog (PT 309) will appear. Move it to the right so you can see the left column of the status tab.

Interest Payment

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance	5.867.38	Date Update	09/01/2005								
Interest Accrued	121.20	Scheduled Balance	5.600.17								
Interest Due	65.26	Payment Due For	08/20/2005								
Principal Due	246.86	Date Last Tran	08/06/2005								
Interest YTD	688.62	Current Interest Rate	29.0000								
Interest paid	688.62	Servicing Officer	EM								
Interest Deferred		Unapplied Credits	0.00								
Late Charge Due	15.00	Penalty Due, Unpaid									
Late Charges Paid	45.00	Penalty Paid									
Late Charges YTD	45.00	Penalty Paid YTD									
Escrow Due, Unpaid	0.00	Partial Payment Due	11.06								
Escrow Balance	0.00	Days Past Due	12								

Print Stmt Enable Edits Post Payment
Collateral New Customer Reverse Pmt

Post Transaction (PT-309)

Customer No: 20116
Loan No: 11114
Loan Name: Ashford, Lamar

Transaction Date: 09/01/2005
Transaction Code: 21
Transaction Amount: 1
Comment: Interest payment

Transaction Code List:

- 21 IPmt Interest payment
- 22 IPmt Rev Interest payment reversal
- 23 Int Fg Interest forgiven
- 24 Int Fg R Interest forgiven reversal
- 28 I Def Interest deferred to future date
- 29 I Def Rev Interest deferred reversal
- 3 P ChgOff Principal charged off

post_tran_11114_3.png

From the Transaction Code combo box, select tran code 21. This box has a smart seek feature and if you press 21 it will seek to tran code 21. Note the brief description IPmt. This is the description that appears

on printed reports when it is necessary to describe the transaction. The complete description is Interest Payment. Also note that the complete description is displayed to the right of the tran code after the list is closed so you can reassure yourself you have the correct code selected..

Next enter the transaction amount, 65.26. - Remember. Never enter the \$ or the commas. When entering dollar amounts.

The screenshot shows the 'Loan Session (LS-309)' window with the following data:

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance		5,867.38									
Interest Accrued		121.20									
Interest Due		65.26									
Principal Due		246.86									
Interest YTD		688.62									
Interest paid		688.62									
Interest Deferred											
Late Charge Due		15.00									
Late Charges Paid		45.00									
Late Charges YTD		45.00									
Escrow Due, Unpaid		0.00									
Escrow Balance		0.00									

The 'Post Transaction (PT-309)' dialog box contains the following fields:

- Customer No: 20116
- Loan No: 11114
- Loan Name: Ashford, Lamar
- Transaction Date: 09/01/2005
- Transaction Code: 21 (Interest payment)
- Transaction Amount: 65.26
- Comment: Int Only this month
- ☒ Cash Payment
- Buttons: Post, Cancel

post_tran_11114_4.png

When the fields are all completed, including the optional note. Click on the Post button. You should always enter a comment when you post a transaction that is in any way out of the norm.

Late Charge Payment

When the Post Transaction dialog closes, click on the Post Trans button again to post the late charge amount. Not in the following image that the Interest due field has already been set to zero. That happened when you clicked the post button on the interest payment transaction

Loan Session (LS-309)

Loan No: 11114 Cust No: 20116 Loan Name: Ashford, Lamar

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance											
Interest Accrued											
Interest Due											
Principal Due											
Interest YTD											
Interest paid											
Interest Deferred											
Late Charge Due											
Late Charges Paid											
Late Charges YTD											
Escrow Due, Unpaid											
Escrow Balance											

Print Stmt Enable Edits Post Payr
Collateral New Customer Reverse

Post Transaction (PT-309)

Post Transaction

Customer No: 20116
Loan No: 11114
Loan Name: Ashford, Lamar

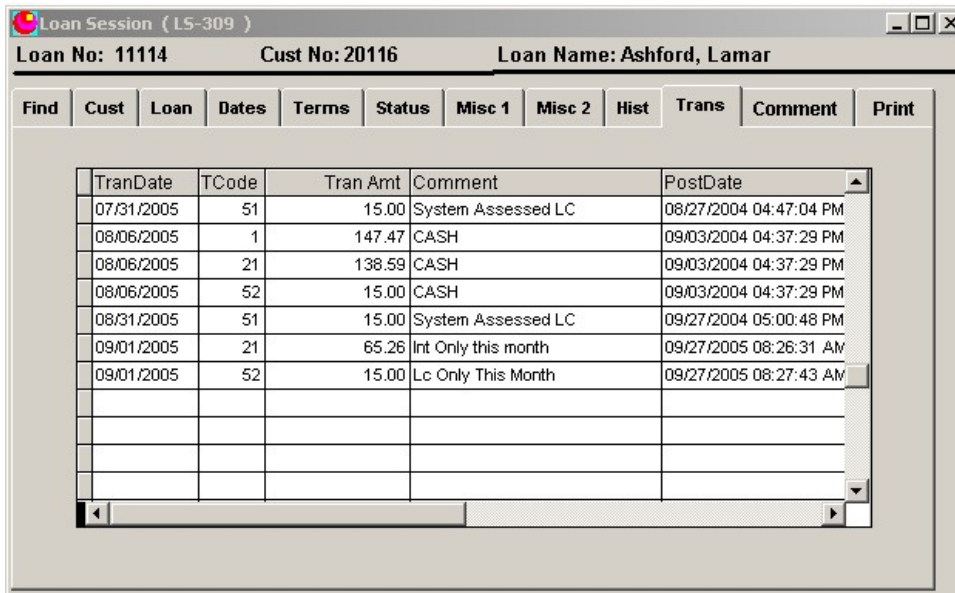
Transaction Date: 09/01/2005
Transaction Code: 52 Late charge paid
Transaction Amount: 15.00
Comment: Lc Only This Month
☒ Cash Payment

Post Cancel

post_tran_11114_5.png

Next post the late charge payment. Your transaction dialog should look like the above example. When you are ready click on the Post button.

When the Post Transaction dialog closes, display the transactions. This loan has many transactions so you must use the scroll bar to scroll to the bottom of the list. They are sorted in date order.

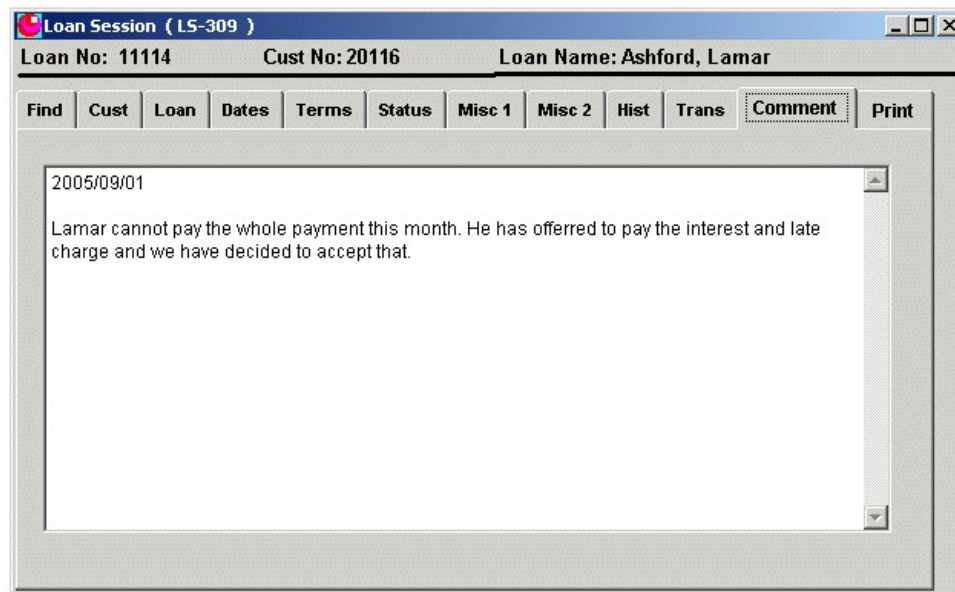


TranDate	TCode	Tran Amt	Comment	PostDate
07/31/2005	51	15.00	System Assessed LC	08/27/2004 04:47:04 PM
08/06/2005	1	147.47	CASH	09/03/2004 04:37:29 PM
08/06/2005	21	138.59	CASH	09/03/2004 04:37:29 PM
08/06/2005	52	15.00	CASH	09/03/2004 04:37:29 PM
08/31/2005	51	15.00	System Assessed LC	09/27/2004 05:00:48 PM
09/01/2005	21	65.26	Int Only this month	09/27/2005 08:26:31 AM
09/01/2005	52	15.00	Lc Only This Month	09/27/2005 08:27:43 AM

post_tran_11114_6.png

Note the final two transactions in the list are the two you just posted.

Select the Comment tab, click on the Enable Edits button and enter a comment explaining what you did and why.



2005/09/01

Lamar cannot pay the whole payment this month. He has offered to pay the interest and late charge and we have decided to accept that.

post_tran_11114_7.png

Take a careful look at the comment in the above comment box. It has a minor flaw. It is not complete. Think about it. Can you see what it is? (*)

Escrow Disbursement

Select the Joe Gothard 10486. This loan is secured by a mobile home and has an escrow account. Normally, you post escrow payments received from the borrower on the Post Payment tab but it is time to pay the quarterly installment on the mobile home insurance policy.

Display the status tab just in case you need to refer to it then click on the Post Trans button.

Loan Session (LS-309)											
Loan No: 10486		Cust No: 20756		Loan Name: Gothard, Joe							
Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance		25,740.55			Date Update		09/01/2005				
Interest Accrued		126.93			Scheduled Balance		25,563.44				
Interest Due		-53.03			Payment Due For		09/14/2005				
Principal Due		148.05			Date Last Tran		08/20/2005				
Interest YTD		2,941.46			Current Interest Rate		15.0000				
Interest paid		7,025.44			Servicing Officer		FJ				
Interest Deferred					Unapplied Credits		0.00				
Late Charge Due		0.00			Penalty Due, Unpaid						
Late Charges Paid		125.00			Penalty Paid						
Late Charges YTD		100.00			Penalty Paid YTD		0.00				
Escrow Due, Unpaid		0.00			Partial Payment Due		95.02				
Escrow Balance		210.00			Days Past Due		0				
Status Report											

post_tran_11114_8.png

Loan Session (LS-309)

Loan No: 10486 Cust No: 20756 Loan Name: Gothard, Joe

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance	25,740.55	Date Update	09/01/2005								
Interest Accrued	126.93	Scheduled Balance	25,563.44								
Interest Due	-53.03	Payment Due For	09/14/2005								
Principal Due	148.05	Date Last Tran	09/01/2005								
Interest YTD	2,941.46	Current Interest Rate	15.0000								
Interest paid	7,025.44	Servicing Officer	FJ								
Interest Deferred		Unapplied Credits	0.00								
Late Charge Due	0.00	Penalty Due, Unpaid									
Late Charges Paid	125.00	Penalty Paid									
Late Charges YTD	100.00	Penalty Paid YTD	0.00								
Escrow Due, Unpaid	0.00	Partial Payment Due	95.02								
Escrow Balance	210.00	Days Past Due	0								

Print Stmt Enable Edits Post Payment P
Collateral New Customer Reverse Print Re

Post Transaction (PT-309)

Post Transaction

Customer No: 20958
Loan No: 10591
Loan Name: Brooks, Carolyn

Transaction Date: 09/01/2005
Transaction Code: 34 Escrow disbursement
Transaction Amount: 115.00
Comment: Insurance
☒ Cash Payment

Post Cancel

post_tran_11114_9.png

The status tab indicates that there is \$210.00 available in the escrow account. The amount due to the insurance agency is \$115.00. Select the transaction code 34 for Escrow Disbursement.

Loan Session (LS-309)

Loan No: 10486 Cust No: 20756 Loan Name: Gothard, Joe

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance	25,740.55	Date Update	09/01/2005								
Interest Accrued	126.93	Scheduled Balance	25,563.44								
Interest Due	-53.03	Payment Due For	09/14/2005								
Principal Due	148.05	Date Last Tran	09/01/2005								
Interest YTD	2,941.46	Current Interest Rate	15.0000								
Interest paid	7,025.44	Servicing Officer	FJ								
Interest Deferred		Unapplied Credits	0.00								
Late Charge Due	0.00	Penalty Due, Unpaid									
Late Charges Paid	125.00	Penalty Paid									
Late Charges YTD	100.00	Penalty Paid YTD	0.00								
Escrow Due, Unpaid	0.00	Partial Payment Due	95.02								
Escrow Balance	95.00	Days Past Due	0								

Status Report

post_tran_11114_10.png

(*)

Lamar has two loans. The comment does not identify which loan. Remember this is a customer comment, not a loan comment.

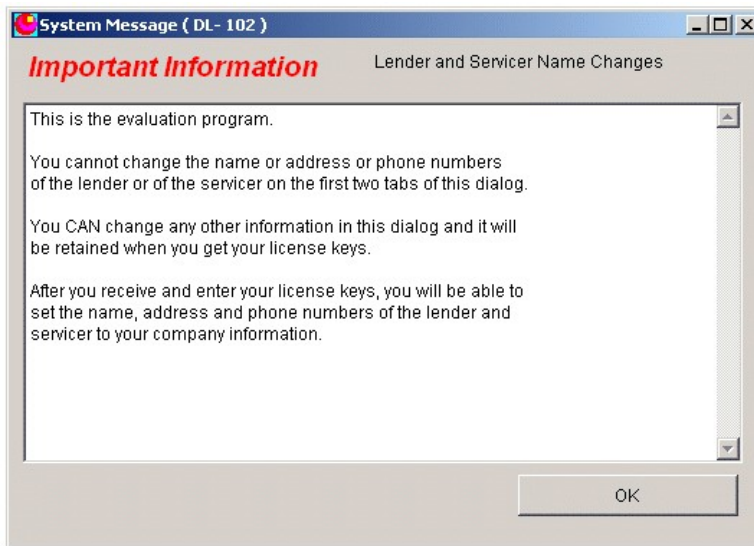
Lesson 42 System Options

Prerequisite
None.

Introduction to all Options

From the Main Menu, select Administration, Current System Options

Demo Options Message



system_options_1.png

If you are still evaluating the DEMO, you will see this message before the actual system options dialog is displayed. This message simply informs you that until you purchase the system, you will not be able to change the return address information on the first two tabs of the System Options dialog.

Once the key codes are entered on the System Options Tab 2, this message will no longer be displayed and the changes you make on the first two tabs will be saved when you close the dialog. The key codes will be mailed, or emailed to you when your payment is received.

Lender Tab

SYSTEM (S- 309)

Current System Options

Lender Servicer Loan Defaults 1 Loan Defaults 2 System Options 1 System Options 2

Lender: Bottom Line Software, Inc.
Address 1: P.O. Box 118826
Address 2:
City: Carrollton
State: TX
Zip Code: 75011-8826
Telephone: 972-394-4087
Fax:
Taxpayer ID:

Top Prev Next Bottom Find Print Add Edit Exit

system_options_2.png

The lender is the person or company that owns the loans. This information is used for reporting purposes if the lender name and address is needed. This is NOT the name and address that appears on statements or bills sent to the customer.

System ID
Lender Name
Address 1
Address 2
City
State
Zip (Postal) Code
Telephone
Fax
Taxpayer ID

Servicer Tab

SYSTEM (S- 309)

Current System Options

Lender **Servicer** **Loan Defaults 1** **Loan Defaults 2** **System Options 1** **System Options 2**

Servicer	Bottom Line Software, Inc.
Address 1	P.O. Box 118826
Address 2	
City	Carrollton
State	TX
Zip Code	75011-8826
Telephone	972-394-4087
Service Phone	
Fax Phone	

Top **Prev** **Next** **Bottom** **Find** **Print** **Add** **Edit** **Exit**

system_options_3.png

The Servicer is the person or company that services the loans. The servicer is responsible for the accounting and the collection of the loans. This information is used for reporting purposes if the servicer name and address is needed.

This is the name and address that appears on statements or bills sent to the customer.

It is the servicer “service phone” number that appears on notices to the borrowers.

Servicer Name
Address 1
Address 2
City
State
Postal Code
Telephone
Service Phone (This number appears on notices.)
Fax

Loan Defaults Tab 1

SYSTEM (S- 309)

Current System Options

Loan Defaults 1

Loan Type	Pers	Interest Basis	365
State Origin	TX	Payment Frequency	12
State Type		Payment Type	1
Pmt Allocation Option	0	Credit Quality Grade	B
Late Charge After Day	10	Mail Code	A
Late Charge Rate	0.0500	Officer	
Late Charge Method			
Late Charge Max \$	0.00		
Late Charge Min \$	5.00		

Top Prev Next Bottom Find Print Add Edit Exit

system_options_4.png

Loan Type

Loan types are optional and user defined.

State of Origin

State of origin is optional. Its intended use is for lenders who have offices in or make loans in more than one state to keep up with the state in which the loan was originated (and in which it is, or may be, regulated).

State Type

(See State of Origin)

These two fields are used together. If the loan is of a type regulated by the state in which it was originated, the lender may need to be able to report on these loans separately.

Payment Allocation Option

This option may be set for each individual loan. The setting in the parameter file will be used as a default when a new loan is created.

This option allows the user to specify how a normal payment is to be allocated to interest and principal.

LOANMASTER knows the normal payment amount. It assume the payment will be a normal payment and allocates that payment amount to interest, principal, and late charge according to your choice of several preset rules. If the loan has matured, it assumes the total amount due is received.

Payment allocation option definitions can be viewed on the screen by opening the pick list that contains the payment allocation code on any screen where it is visible. They can be viewed in more detail from the Utilities menu.

Code 0, "Late Charge, Int Accrued, Escrow, Principal ", means apply the amount received in this order, as far as it will go.

Take late charge first (If any is due). If there is not enough payment, apply it all to late charge.

Take Interest accrued next. If there is not enough payment, apply the remaining amount to interest.

Take escrow payment next. If there is not enough payment, apply the remaining amount to escrow.

If any amount is remaining, apply it to principal.

Code 2, "Interest through pmt due date, Escrow, Prin, (Ignore LC)" means apply the amount received in this order, as far as it will go.

First take interest to the nearest payment date. (If the payment is three days early, compute interest to the payment date three days later. If the payment is n days late, take the interest as of the payment date n days ago, but never past the most recent payment date. If the payment is three months late, it will use the most recent due date.

If there is not enough payment, apply the remaining amount to interest.

Take escrow payment next. If there is not enough payment, apply the remaining amount to escrow.

If any amount is remaining, apply it to principal.

Payment allocation codes apply the payment amount in the order the amounts are listed in the code description.

Note:

The payment allocation options are:

Option	Description:
0	Late Charge, Int Accrued, Escrow, Principal
1	Interest Accrued, Escrow, Principal, (Ignore LC)
2	Interest through pmt due date, Escrow, Prin, (Ignore LC)

- 3 Interest through pmt due date, Escrow, Prin.
- 8 Late Charge, Interest for one month (Period), Escrow, Prin
- 9 Interest for one month (Period), Escrow, Prin (Ignore LC)
- 12 Take escrow, then late charge, then interest accrued, then principal.
- 11 Chapter 11 loan. Allocate manually according to instructions from trustee.
- 13 Chapter 13 loan. Allocate manually according to instructions from trustee.
- 21 Calculate interest to nearest payment date. Take interest only.
- 22 Principal Only.
- 23 Interest only, interest accrued
- 31 This is a rental property. Apply the entire payment amount to the principal.
- 98 Allocate nothing. Wait for operator entry. Adjust principal as operator changes the other components
- 99 Allocate nothing. Wait for operator entry. Reject if not balanced.

Late Charge Options

LOANMASTER allows many options for calculating late charges. The default setup options are:

Charge Late Charge on Day	:	10.
Late Charge Rate \$ or %	:	0.0500
Minimum Late Charge (\$)	:	1.00
Maximum Late Charge (\$)	:	5.00
Calculation Method	:	0.0

Late Charge After Day

If a loan becomes this number of days past due, charge a late charge. The late charge amount is calculated according the settings of the other options listed immediately below.

Late Charge Rate

This option is used to calculate the amount of the late charge. It can mean two different things. If the number you enter in this option is 1.00 or more, it is interpreted as an absolute dollar amount. If it is 0.99 or less, it is interpreted as a decimal fraction which will be multiplied by the payment amount to calculate the late charge.

Examples:

Payment Amount	Late Charge Rate	Late Charge Amount
100	0.05	\$5.00
100	1	\$1.00
100	2.5	\$2.50
100	0.01	\$1.00
1000	1	\$1.00
1000	0.025	\$25.00

Late Charge Method

The only currently valid method is 0. (Zero)

The default calculation method is zero. This calculation is as follows:

If a late charge is due today...

Do this...

If the calculation method is zero...

If the late charge rate is greater than or equal to 1.00, the late charge is equal to the late charge rate.

If the late charge rate is less than 1.00, the late charge amount is the late charge rate multiplied by the payment amount. The rate is interpreted as a decimal fraction.

If the late charge amount is less than the minimum amount, change it to the minimum amount.

If the late charge is greater than the maximum amount, change it to the maximum amount.

If the calculation method is not zero...

Do something else.

Late Charge Minimum Dollar Amount

Regardless of the amount calculated, do not charge a late charge of less than this dollar amount. If the calculated amount is less than this amount, charge this amount instead.

Late Charge Maximum Dollar Amount

Regardless of the amount calculated, do not charge a late charge of more than this dollar amount. If the calculated amount is more than this amount charge this amount instead.

Interest Calculation Basis

This is the basis by which the interest is computed. The update always computes interest every calendar day during the life of the loan, one day at a time.

Each day the interest formula is computed for every loan. This is the formula:

$$\text{Daily accrual} = \frac{(\text{Current balance}) \times (\text{rate, current})}{(\text{Basis})}$$

The basis can be either 360 or 365. Most banks use 360. This practice increases your interest income by 1.3889%.

Basis 12:

For monthly amortizing loans. Interest on these loans is calculated as if every payment was made on time regardless of when the payments are actually made. Requires TRACKAM. When using basis 12, late payments will not increase the interest accrual and early payments will not reduce it. Loans that are prepaid enough to warrant credit for early payment must be manually adjusted.

WARNING:

If you do not know what you are doing, using the 360 day basis can cause you to run afoul of regulation Z and some state usury laws.

We recommend you always use the 365 day basis.

Payment Frequency

For loans with a structured repayment schedule, this is the number of payments per year.

NOTE:

Only commonly used schedules are supported. The data entry screen will display a pick list if an invalid number is entered.

Valid options are:

1, 2, 3, 4, 6, 12, 13, 26, 52

Payment Type

How are payments applied to the loan.

The payment type is a numeric code that gives the program information about how the payment amount is processed. Valid payment codes are:

- 1 Normal amortization. take all interest first, apply remainder of payment amount to principle.
- 4 Interest Only. (Don't forget to set the proper payment allocation code.)
- 6 Credit card billing. Adjust the payment monthly to an amount equal to a percentage of the outstanding balance. (See - Minimum Payment Percent)
- 7 Credit card billing. Adjust the payment amount each month to the amount required to amortize the balance in a specified number of months. (See - Months to Amortize)
- 31 Rent. This is a rental property. Set the Payment Allocation Code to 31 also.

Credit Quality Grade

Credit ratings are optional and user defined. The following are predefined but may be changed. If you plan to change them, do so before you start assigning them or you will have meaningless results.

Predefined credit ratings:

- A No discernable risk
 You would expect to get paid even if the borrower filed chapter 11 and the US Government failed.
- B Less than average risk
 Something disastrous might cause this customer to default on a loan.
- C Average risk
 80% of your customers are (should be) in this class. You feel comfortable with them but normal daily occurrences will result in losses of three to five percent of these customer's loans.
- D More than average risk
 You are not really comfortable with this customer. There is a significant probability (Greater than 50/50) that you will have to foreclose and sell the collateral to resolve any loans extended to this customer.
- E High risk
 You are decidedly uncomfortable with this customer. You are almost certain his loans will be delinquent on most payments and you are sure you will have to work very hard to collect any amounts advanced. The likelihood is that you will have 25% or greater losses on these customers.
- F Unacceptable risk
 User defined. Do not under any circumstances advance funds to customers with this rating.

User Defined Loan Status

The User Defined loan status is optional and user defined, There are no predefined status codes.

System Loan Status

This status code defines how the system treats loans. These status codes are predefined.

Status Code	Meaning
0	Incomplete setup
20	Funded and Accruing
40	Deferred indefinitely. Do not update
42	Bankruptcy Hold
80	Charged Off
90	Paid Off
97	Ready for Deletion
99	Delete Immediately

Mail Code

This code controls the mailing of notices and bills. See user options for more information.

Mail Code	Meaning
0	No restrictions. Print any notice that is due
1	Print will be due notices. Do not print Past due notices
2	Print past due notices. Do not print will be due notices.
3	Print no notices.

The mail code field is a four character field. It may contain any legal ASCII character codes. This field is only partially defined by LOANMASTER.

Predefined Mail Codes:
- indicates a blank space.

----	No restrictions on mailing
P---	Mail past due notices only

W--- Mail billing (will be due) notices

N--- Mail no notices

If the mail code for a loan is set to P. When past due notices are printed, if it is past due, it will receive a notice. It will not receive a notice when billing notices are printed. The following table details the possibilities:

Mail Code	Print Bills	Print Past Due
---- (Blank)	Y	Y
P---	N	Y
W---	Y	N
N---	N	N

Officer

Officer codes identify the employee of the lender who is responsible for the day to day servicing of the loan and normal contacts with the customer. Officer codes are optional and user defined.

Loan Defaults Tab 2

The screenshot shows a software window titled 'SYSTEM (5- 309)' with a tabbed interface. The 'Loan Defaults 2' tab is selected. The window contains two columns of input fields. The left column includes 'Portfolio' (A), 'Loan Status' (20), 'User Status' (0), 'Credit Card Min Pmt' (20.00), 'Credit Card Months Payout' (24), and 'Credit Card % of Balance' (0.00). The right column includes 'Discount Accrual Method' (blank), 'Collections Priority' (1), 'Escrow Analysis Date' (11/25/1999), and 'Dealer ID' (blank). At the bottom, there is a row of buttons: 'Top', 'Prev', 'Next', 'Bottom', 'Find', 'Print', 'Add', 'Edit', and 'Exit'.

Current System Options					
Lender	Service	Loan Defaults 1	Loan Defaults 2	System Options 1	System Options 2
Portfolio	A			Discount Accrual Method	
Loan Status	20			Collections Priority	1
User Status	0			Escrow Analysis Date	11/25/1999
Credit Card Min Pmt	20.00			Dealer ID	
Credit Card Months Payout	24				
Credit Card % of Balance	0.00				

Top Prev Next Bottom Find Print Add Edit Exit

system_options_5.png

Portfolio

The portfolio code you enter here will be automatically assigned to each new loan when you create it. Before you save it, you will have an opportunity to change it. If most of your loans are created in a specific portfolio and only a few in other portfolios, set this default to your most common portfolio code. If your loans are evenly distributed among several portfolios, just leave it blank.

A portfolio is a group of loans that share one common, important, distinguishing characteristic.

They all belong to company "A"

They all belong to company "B"

They are all home equity lines

They are all in California

Example:

The Acme Company is a holding company. It owns the Acme Used Car Company, the Acme Home Improvement Company, and the Acme Lawn Sprinkler Company.

The Acme Used Car Company sells and finances only the very finest and most exclusive pre-owned automobiles. The Acme Lawn Sprinkler Company installs the very latest, state of the art sprinkler systems. These systems are very expensive because they sprinkle your lawn with only the purest mountain spring water. The Acme Home Improvement Company Beautifies the most elegant homes in the country. This is accomplished by encasing the home in the most amazing, brand new, state of the art, cutting edge, space age material. It is a metallic substance that is so advanced, we can't even disclose its name.

All the Acme Companies offer financing to their clients. The accounting for these finance plans is done by the holding company. The Acme LOANMASTER system uses the portfolio system to identify the owner of each contract. This is accomplished by assigning the following portfolio identifiers:

Portfolio ID	Owner of Contract
UCC	Acme Used Car Company, Inc
HIPC	Acme Home Improvement Company, Inc
LSC	Acme Lawn Sprinkler Company, Inc

The Accountant responsible for the maintenance of the loan portfolios has only one single system with one single database to manage. Through the use of the portfolio system, the accountant can produce accounting reports for any individual subsidiary company or aggregate reports for the holding company.

NOTE:

Several reports are available for a range of portfolios. These range selections will not be meaningful unless your portfolio codes are sequential.

User Status

This field is user defined. It is not used by the system.

Credit Card Minimum Payment

If the payment amount calculated for this billing cycle is less than the minimum payment, Charge the minimum payment amount.

Credit Card Months to Payout

Calculate the payment amount necessary to amortize the current balance in this many months. Observes the minimum payment amount.

Credit Card Percent of Principal Balance

Calculate the payment amount by multiplying the current balance by this percentage. Observe the minimum payment amount.

Discount Amortization Method

The method used to amortize (accrue) purchase discount.

Currently only FASB91 is supported. Set value to 0. (Zero)

Collections Priority

Not currently used

Escrow Analysis Date

Not currently supported.

You can assign the date but the system does not yet perform the analysis.

Dealer ID

The dealer id of the dealer from which this loan was purchased. Dealer ID's are optional and user defined. If you want name address information for your dealers, set each dealer up as a customer then assign the dealer customer number as the dealer id.

Example:

Dealer	=	ABC Appliances, Inc
Dealer Customer No.	=	ABCI
Dealer Code	=	ABCI

System Options Tab 1

SYSTEM (5- 309)

Current System Options

Lender Servicer Loan Defaults 1 Loan Defaults 2 **System Options 1** System Options 2

Dateformat	MDY	Last Update Ended Normally	<input checked="" type="checkbox"/>
Pre Due Notice at Day	6	Visual	<input checked="" type="checkbox"/>
Pre Due Notice Option	P	Store Accrual Information	<input type="checkbox"/>
Past Due Notice at Day	10	Fourdigityear	<input checked="" type="checkbox"/>
Past Due Notice Option	P	Date Last File Update	09/01/2005
Past Due Notice Freq	7	Update in Process By	
Pmt Fraction for Credit	0.9400	Next Transaction Sequence No	100074
Years History	99	Coupons	1
Rolloveryear	60	<input checked="" type="checkbox"/> Portfolios	

Top Prev Next Bottom Find Print Add Edit Exit

system_options_6.png

Date Format

Current Date Formats are:

MDY	MMDDYY	MMDDYYYY
DMY	DDMMYY	DDMMYYYY
YMD	YYMMDD	YYYYMMDD
SHORT	Windows defined short date format.	

The number of digits in the year display is controlled by the four digit year option.

Four Digit Year

If this field is set to True, "T", all data entry fields requesting dates will require the entry of a four digit year. e.g.

06-15-2001

LOANMASTER now assumes that any two digit year less than 60 is in the next century. If you enter a two digit year of 12, e.g. 07-01-12, LOANMASTER assumes this is July first, 2012. If you want to be certain you can see all four digits by setting this option to "T".

Pre-Due Notice at Day

This field holds the number of days prior to the payment date at which the loan should receive a will be due notice.

If this field is set to 7, a loan with a payment due on the 20th, will receive a will be due notice on the 13th.

Do not set this limit very high. If a notice is received more than about 7 to 10 days early, it will be forgotten before the due date.

Past-Due Notice at Day

This is number of days past the due date that a loan will be marked to produce a past due notice. If this field is set to 10 (days), the loan will receive a past due notice when it becomes ten days past due.

Past Due Notice Frequency

Days. Send a new past due notice after this number of days.

Payment Fraction For Credit

Occasionally a borrower will pay the wrong amount. Perhaps the payment is late but the late charge is not included.

If the borrower pays 99% of the payment amount due, should the loan be considered past due or current?

This fraction tells the computer to credit the loan with a full payment if the payment amount posted is greater than or equal to this payment fraction. This does not mean to decrease the balance by more than was actually received. It does mean to consider the current monthly payment requirement to be met and to advance the calendar to show the next payment due next month.

If this fraction is set to 0.98, and the loan payment is \$100.00, a payment of \$98.00 will advance the maturity indicator to show the note to be paid current. A payment of \$97.99 or less will leave the loan status unpaid for this month.

Years History

Keep the year end history information for this number of years. Defaults to 99 years.

Rollover Year

If date years are entered as two digits. Assume numbers greater than this number refer to the twentieth century and numbers smaller than this number refer to the twenty first century.

The rollover year is set to 60. This is not optional.

Example:

Roll over year = 60

01/01/00	means	01/01/2000
01/01/01	means	01/01/2001
01/01/50	means	01/01/2050
01/01/59	means	01/01/2059
01/01/60	means	01/01/1960
01/01/99	means	01/01/1999

Coupons

The coupons option controls the creation of coupons. Creation of coupons does not mean printing of coupons. When a coupon is created, a record of the payment is added to a data file that records coupons. It is not printed until you request the system to print coupons.

Once printed, the coupon is retained in the coupons file until you purge the file. They can be reprinted an unlimited number of times until you purge them. Purging eliminates them forever. Purged coupons cannot be recovered. New coupons can be created for past payment dates.

Coupons Options

- 0 Never create coupons.
- 1 Create coupons for every new loan
- 2 Ask before creating coupons.

Visual Update

Many of the functions which read and update the files, have visual indicators which can be displayed on the screen. These indicators give the status of and track the progress of the update. These visual updates do slow the update process, and may be turned off.

Setting this flag to True, "T" means the visual screens will be displayed. If the flag is set to False, "F" they will not be displayed.

Date Last File Update

All loans in the system have been updated through this date.

If this is a past date, loans entered into the system after this date, which have note dates prior to this date, have not been updated at all.

Update in Process By

This field will contain a UserID. This user is currently updating the files and no one else can use them. This applies only to the daily loan file update procedure. It is not affected by normal daily posting and maintenance. You should never see any data in this field because it is only populated during the update procedure and you cannot access this file during the update procedure.

If you find a UserID in this field, the most recent update crashed and did not finish.

Next Transaction Sequence

All transactions are assigned a serial (sequence) number. This is the number that will be assigned next. You can (but should not normally) change the number.

Portfolios

If portfolio identifiers are not used. Un-checking this option will remove the field from loan forms and simplify data entry.

Checked	Observe and require the use of the portfolio identifier in each loans.
Un-Checked	Ignore the portfolio ID

Visual Update

Print the updated amounts on the update screen during the daily update procedure. This function is interesting to new users but is rarely used by “experts”.

System Options Tab 2

Current System Options

Lender Servicer Loan Defaults 1 Loan Defaults 2 System Options 1 **System Options 2**

Check Charge Penalty: 25.00 Fiscal Year End: //

Past Due List, Min Days: 9 Installdate: 12/20/1999

Keep Edit History, Days: 90 Data Structures Date: 09/17/2005

Days to Keep Coupons: 60 Pmt Receipt Style: 2

Serialno: EVAL

Users License Code:

☐ Livesystem

☐ Autonumber

☐ Strict Loan Due Dates

☐ Show Balance On Receipts

Remote Backup Folder:

Top Prev Next Bottom Find Print Save Revert Exit

system_options_7.png

Live System

A live system is a system that contains information about real loans that the user is actually using. This is information that should be protected against loss. Declaring a system "Live" removes the opportunity to do mass deletes and several other dangerous functions.

The opposite of a live system is a demo system which contains data that would cause no damage if it were lost.

Check Charge Penalty Amount

The dollar amount to be charged for returned check charges.

Days to Keep Data Edits

Automatically delete all records of data edits older than this number of days.

Days to Keep Coupons

Automatically delete all loan payment coupons older than this number of days. (Whether they have been printed or not.)

Check Charge Penalty

The dollar amount charged as a penalty for returned checks. This amount can be automatically posted by the payment reversal screen.

Past Due List Minimum Number of Days

Do not show loans on the past due report unless they are at least this many days past due. Defaults to 9.

Auto-Number New Loans

Automatically assign a loan number from the Loan Numbers database each time a new loan is created. If this check box is checked, the system will assign loan numbers. If it is not checked, the user must manually assign a loan number when each new loan record is created. See page 140 for more information about Auto-Number,

Serial Number

Must be entered by the user. This number unlocks the expiration date set by the Evaluation feature of the program.

Date Installed

Must be entered by the user. Enter only the date you received when you received your codes to unlock the Evaluation Mode.

Fiscal Year End

Close out on this fiscal year end date instead of 12/31.

Payment Receipt Style

Select the payment receipt style. Print all styles to see which you prefer.

Strict Loan Dates

This option controls the way payment due dates are advanced. If this option is turned on, a payment will be due next month, every month, even if the borrower pays two or more payments this month.

If this option is turned off, payment of two payments will advance the payment due date by two months.

New System Setup - REQUIRED Options

Lender Tab

Name and address is required, rest is optional.

Servicer Tab

This is where the return address information for all correspondence will be retrieved. If you want it to appear on your notices and customer correspondence, it must be present on this tab.

Loan Defaults Tab 1

Everything on this tab is optional. The defaults work fine for most lenders.

Loan Defaults Tab 2

If you are using portfolios, you might want to change the default portfolio from "A" to whatever the code is for your most used portfolio. If you do not use portfolios, blank it out.

System Options Tab 1

The defaults work fine for most lenders.

Date Last File Update

You MUST change this date to your system starting date BEFORE you do your first daily update with live data.. Failure to do so will totally trash your data.

System Options Tab 2

You must make several changes on this tab.

Enter your serial number.

Enter your Install date (this is the date assigned by Bottom Line Software, Inc. when they send you your key codes.

Check the Live System check box. This disables the evaluation feature that allows you to import and re-import new test data and delete all the loan and customer data.

All other items on this tab will default to values that are suitable for most small lenders.

Lesson 61 Loan Participations

Prerequisite

Lesson 1, 2, 3, 10,31

Finding Participation Loans

If you know the loan name or number, you can find a participation loan just like any other loan. See lesson 1 for details on finding loans.

If you do not know the name or number of a participation loan, you can see a list of all participation loans by checking the check box “Show Participated Loans Only”

Loan Session (LS-309)

Loan No: 11492 Cust No: 20247 Loan Name: Hurlst, Randal

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print																								
<table border="1"><thead><tr><th>Customer Name</th><th>Loan No</th><th>Cust No</th><th>Port</th></tr></thead><tbody><tr><td>Alfieri, Jim</td><td>11214</td><td>20081</td><td>AUTO</td></tr><tr><td>Christie, L.J.</td><td>11494</td><td>20351</td><td>A</td></tr><tr><td>Epperson, Frank</td><td>11495</td><td>20145</td><td>A</td></tr><tr><td>Hurlst, Randal</td><td>11492</td><td>20247</td><td>A</td></tr><tr><td>White, Mike</td><td>11493</td><td>20197</td><td>A</td></tr></tbody></table>												Customer Name	Loan No	Cust No	Port	Alfieri, Jim	11214	20081	AUTO	Christie, L.J.	11494	20351	A	Epperson, Frank	11495	20145	A	Hurlst, Randal	11492	20247	A	White, Mike	11493	20197	A
Customer Name	Loan No	Cust No	Port																																
Alfieri, Jim	11214	20081	AUTO																																
Christie, L.J.	11494	20351	A																																
Epperson, Frank	11495	20145	A																																
Hurlst, Randal	11492	20247	A																																
White, Mike	11493	20197	A																																

☐ Show Zero Balance Loans
☒ Show Participated Loans Only
5 Items Selected.

Filter the list by:

☒ Begins ☐ Includes

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit
Participants					

Viewing Loan Participation Information

After selecting a participated loan, Click on the participants tab.

Loan No:	11492	Loan Name:	Hurlst, Randal
Total Pct Sold	93.333335	Participation Comment	
Total Pct Unsold	6.666665	Investor Int Accrued	286.9822
Total Amount Sold	186,743.83	Investor Principal	44,462.81

Investor:	Investor ID	Percent owned
Samuel Smith	90001	22.222219
Smith's Investments	90002	33.333337
77734 Preston Lane	90003	11.111112
Plano, TX 75044	90004	26.666667

Pay One Investor All Loans	Add
Pay All Investors All Loans	Print

Quit

This dialog displays information on all participations sold in the currently selected loan.

The dialog displays:

Loan Number

The loan number of the currently selected loan. (Selected in the find grid on the Find tab before clicking on the Participants button..) You cannot change the selected loan from this dialog.

Total Pct Sold.

This is the total percentage of the loan that is sold to all investors. It is the sum of the percentages in the "Percent Owned" column in the list box on the right side of the dialog.

Total Pct Unsold.

This is the percentage of the loan still owned by the lead lender - your company. Total Pct Sold plus Total Pct Unsold will always be 100.00%

Total Amount Sold.

This is the dollar amount sold to all the investors listed in the list box on the right side of the dialog. If you do the math, Total Pct sold is calculated from the Total Amount Sold then rounded to six decimal places. You will occasionally find rounding errors if you multiply Total Pct Sold times the current balance. Rounding errors are always charged to the lead lender and never to the participants.

You sell a participant a dollar amount of the loan, not a percentage of the loan. When payments are posted, you pay the investor a dollar amount. There will never be rounding errors in the investor's balance but his percentage owned may change minutely as payments are collected.

Investor Interest Accrued

This is the amount of interest the investor has accrued on his balance. Rounding is handled exactly like it is handled on your unsold balance. Every day the investor accrues one day's interest rounded to four decimal places. If his balance is 100,000.00 and the rate is 7% the daily accrual will be $100000 * .07 / 365$ or 19.1780821917. That will be rounded to 19.1781 and added to the investors prior accrued interest. Two day's interest is 38.3561643835 but due to rounding this investor's accrued interest will show 38.3562.

Investor Principal

This is the dollar amount of the loan owned by the investor. Again this is not calculated using the percentage sold. The percentage sold is calculated using the Investor Principal. This is the Original amount sold to the investor minus any principal payments received.

Interest and Principal Payments.

This is where the percentage owned is used to calculate dollar amounts. When a payment is received from the borrower, the interest and principal payments are allocated to the various investors according to their percentages owned. Again, all rounding differences are charged to the lead lender so they will not show up in the investor's account. Due to rounding, an investor's percentage owned may change minutely after a payment is posted. See loan

Lesson 62 Creating Loan Participations

Prerequisite

Lesson 1, 2, 3, 10, 31, 61

Creating a New Participation

Before you can create a participation, you must have an investor. There are several investors in the demo data. Their customer numbers are 90001, 90002, 90003, 90004, and 90005. To create an investor, create a new customer record and set the customer type to IV.

Creating Investors

Customer Information (309)

Customer Records Samuelson, James d yet.

Index	Customer Data	Customer Comment	Telephones	Addresses	Log	Reminders
Customer No	90005		Customer Type	IV		
Last Name	Samuelson		Work Phone	345-987-2345		
First Name	James		Home Phone			
Initial(s)			Fax Phone			
Title			Cell Phone			
Company	Consumer Paper Depot		Credit Rating			

See lesson 10 for details of creating new customers.

It is not necessary to have an assigned range of loan numbers for investors but it is recommended. The computer doesn't care because it can't read but a system will help you.

Creating New Participations

You can create a participation for any loan. There are no special requirements for the loan. Select the loan in which you want to create a participation on the Find Tab. Then click on the Participants button. For this example, we select the loan number 11493. Then click on the Add button. Select a participant from the Select Investor list box.

The image shows two overlapping windows from a software application. The background window is titled 'Participations Sold' and contains the following data:

Participations Sold	
Loan No:	11493
Loan Name:	White, Mike
Total Pct Sold	41.116310
Participation Comment	
Total Pct Unsold	58.883690
Investor Int Accrued	377.0489
Total Amount Sold	54,994.27
Investor Principal	54,994.27

Below the table, there is an 'Investor' field with a dropdown menu showing 'Wesley Green, Irving Cash Flow Investors, LTD, 41335 Jackson Ave, Irving, TX 75080'. At the bottom are buttons for 'Pay One Investor All Loans', 'Pay All Investors All Loans', 'Add', and 'Print'.

The foreground window is titled 'Add Participant' and contains the following data:

Add Participant	
Loan No:	11493
Total Pct Sold:	41.116310
Loan Rate:	8.5000
Select Investor:	
Investor:	90001 Smith's Investments
Amount Sold:	90002 Dallas Cash Flow Investors
	90003 Plano Investments
	90004 Irving Cash Flow Investors, L1
	90005 Consumer Paper Depot
Comment:	

At the bottom of the 'Add Participant' window are 'Save' and 'Cancel' buttons.

Investor ID	Percent owned
90004	41.116310

Add Participant

Loan No:

11493

Total Pct Sold:

48.480791

Loan Rate:

8.5000

Select Investor:

90003

Investor:

Plano Investments

Amount Sold

10,000.00

Comment:

Save

Cancel

Enter the dollar amount and an optional comment if necessary.

Click Save.

Participations Sold

Loan No:

11493

Loan Name:

White, Mike

Total Pct Sold

48.480791

Participation Comment

Total Pct Unsold

51.519209

Investor Int Accrued

377.0489

Total Amount Sold

64,994.27

Investor Principal

54,994.27

Investor:

Wesley Green
Irving Cash Flow Investors, LTD
41335 Jackson Ave
Irving, TX 75080

Investor ID

Percent owned

90004

41.116310

90003

7.364481

Pay One Investor All Loans

Add

Pay All Investors All Loans

Print

Quit

Note that the original investor is selected (Red in the list box)

Click on the new investor in the list box and the dialog will change to display the new investors data.

Lesson 63 Servicing Loan Participations

Prerequisite
Lesson 1, 2, 3, 31, 61

Updating Participation Loans

What do you have to do different to update investor interest and principal on loan participations sold?

Nothing !

See lesson 2 for information about updating the entire system. This procedure updates the loan participation interest and principal accrued and due automatically.

See lesson 61 for information about viewing participation data.

Paying Participants / Investors

You will have some agreement with your investors about how and when they are to be paid. LoanMaster makes no assumptions about when to pay investors. You can pay one or all investors whenever you need to. This process is run by the operator whenever necessary. You can pay a single investor everything you owe or all investors all you owe.

You cannot make partial payments.

Start with fresh demo data. The loans are updated and payments are due on all the participation loans. Select loan number 11492 and click on the Post Payment Tab. Post the payment - lesson 3.

After the payment is posted and the payment dialog is closed, click on the Participants button.

Customer Name	Loan No	Cust No	Port
Alferi, Jim	11214	20081	AUTO
Christie, L.J.	11494	20351	A
Epperson, Frank	11495	20145	A
Hurlst, Randal	11492	20247	A

Participations Sold

Loan No: 11492

Loan Name: Hurlst, Randal

Total Pct Sold: 91.912655

Total Pct Unsold: 8.087345

Total Amount Sold: 183,737.58

Participation Comment:

Investor Int Accrued: 0.0000

Investor Principal: 43,747.04

Investor:

Samuel Smith

Smith's Investments

77734 Preston Lane

Plano, TX 75044

Investor ID

Percent Owned

90001: 21.883964

90002: 32.825951

90003: 10.941982

90004: 26.260758

90001

Pay One Investor All Loans

Add

Pay All Investors All Loans

Print

Quit

Before the payment was posted, it looked like this:

Customer Name	Loan No	Cust No	Port
Hurlst, Randal	11492	20247	A
White, Mike			

Participations Sold

Loan No: 11492

Loan Name: Hurlst, Randal

Total Pct Sold: 91.912655

Total Pct Unsold: 8.087345

Total Amount Sold: 186,743.83

Participation Comment:

Investor Int Accrued: 286.9822

Investor Principal: 44,462.81

Investor:

Samuel Smith

Smith's Investments

77734 Preston Lane

Plano, TX 75044

Investor ID

Percent Owned

90001: 21.883962

90002: 32.825951

90003: 10.941984

90004: 26.260758

90001

Pay One Investor All Loans

Add

Pay All Investors All Loans

Print

Quit

Note the small changes in percentages owned. These occur due to the rounding of the payment amounts allocated to each participant. This insures that no participant will see rounding errors in his balance and his balance will always be 0.00 when the loan is paid off.

Next post the payment on the loan 11494, L. J. Christie. Investor 9001 also owns a participation in this loan.

Click on the Participants button to return to the participants dialog

Loan No:	11494	Loan Name:	Christie, L.J.
Total Pct Sold	52.080854	Participation Comment	
Total Pct Unsold	47.919146	Investor Int Accrued	0.0000
Total Amount Sold	81,265.74	Investor Principal	15,374.60

Investor:	Investor ID	Percent Owned
Samuel Smith	90001	9.853135
Smith's Investments	90002	28.151802
77734 Preston Lane	90003	14.075917
Plano, TX 75044		

Buttons: Pay One Investor All Loans, Add, Pay All Investors All Loans, Print, Quit

This dialog displays the status of investor 90001's interest in the loan 11494.

You have now collected and posted two payments on 90001's loans and it is time to cut him (Mr Smith) a check.

You should be back to this screen. (same as before.)

Loan No:	11494	Loan Name:	Christie, L.J.
Total Pct Sold	52.080854	Participation Comment	
Total Pct Unsold	47.919146	Investor Int Accrued	0.0000
Total Amount Sold	81,265.74	Investor Principal	15,374.60

Investor:	Investor ID	Percent Owned
Samuel Smith	90001	9.853135
Smith's Investments	90002	28.151802
77734 Preston Lane	90003	14.075917
Plano, TX 75044		

Buttons: Pay One Investor All Loans, Add, Pay All Investors All Loans, Print, Quit

Get your check book and find the check number of the check you will issue to this investor, in this case it is 12345.

Click on the “Pay One Investor All Loans” button.

You will be asked for the check number. Then transactions for the amounts due to the selected investor will be generated and added to the participations transaction records. **DO NOT FORGET THE CHECK NUMBER.** You will need it to get the remittance report.

Loan No: 11494 Cust No: 20351 Loan Name: Christie, L.J.

Enter Check Number of Reference.

Check No. 12345

OK

Customer List:
Alfieri, Jim
Christie, L.J.
Epperson
Hurlst, R
White, M

Investor: Samuel Smith
Smith's Investments
77734 Preston Lane
Plano, TX 75044

Investor ID Percent Owned

90001	9.853135
90002	28.151802
90003	14.075917

90001

Pay One Investor All Loans Add Pay All Investors All Loans Print Quit

Participations Sold

Loan No: 11494 Loan Name: Christie, L.J.

Total Pct Sold: 52.080854 Participation Comment:

Total Pct Unsold: 47.919146 Investor Int Accrued: 0.0000

Total Amount Sold: 81,265.74 Investor Principal: 15,374.60

Investor: Samuel Smith
Smith's Investments
77734 Preston Lane
Plano, TX 75044

Investor ID Percent Owned

90001	9.853135
90002	28.151802
90003	14.075917

90001

Pay One Investor All Loans Add Pay All Investors All Loans Print Quit

Click the Print button again and select the “Print Investor Remittance Report” check box then click on “Print”

Print Participation Reports

Investor No: 90001 Loan No: 11494

☒ Print Preview
☐ Display Windows Printer Dialog
☐ List Investors In Current Loan
☐ Loan Report Current Loan and Investor
☒ Print Investor Remittance Report
☐ Print Participation Trial Balance

Print Cancel

Investor: Samuel Smith
 Smith's Investments
 77734 Preston Lane
 Plano, TX 75044

Investor ID Percent Owned

90001	9.853135
90002	28.151802
90003	14.075917

90001

Pay One Investor All Loans Add
 Pay All Investors All Loans Print Quit

Again you will be asked for the check number. The following report will be printed and previewed on the screen depending on which print options you selected.

Print Preview

Lender
 Bottom Line Software, Inc.
 P.O. Box 118826
 Carrollton, TX 75011-8826

Participant / Investor
 Samuel Smith
 Smith's Investments
 77734 Preston Lane
 Plano, TX 75044

Loan Number	Date	TranCode	Tran Amt	Tran Comment
11492	09/01/05	1221	266.98	
11492	09/01/05	1231	715.77	
11494	09/01/05	1221	116.51	
11494	09/01/05	1231	245.24	
Prin Advanced		0.00		
Prin Pmts Received	0.00	Total Prin Paid Investor	961.01	Total Prin Due Investor (Unpaid) 0.00
Int Pmts Received	0.00	Total Int Paid Investor	403.49	Total Int Due Investor (Unpaid) 0.00

Notice that tool bar. Windows places it at random. Most of the time it is very easy to find but some times when you have a lot of windows open on the screen, Windows will try to hide it from you.

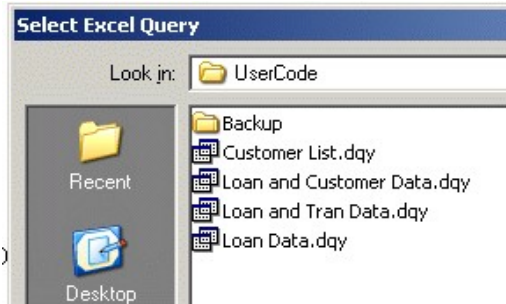
When this report is printed, the amounts will be marked as paid in the participation records so do not forget to mail the check.

Lesson 71 Accessing Microsoft Excel Directly

Prerequisite
Lesson N/A

Exporting Directly to Excel

Excel can be accessed directly from the Administrators menu - Administrator / Loan Data Procedures / Excel Query.

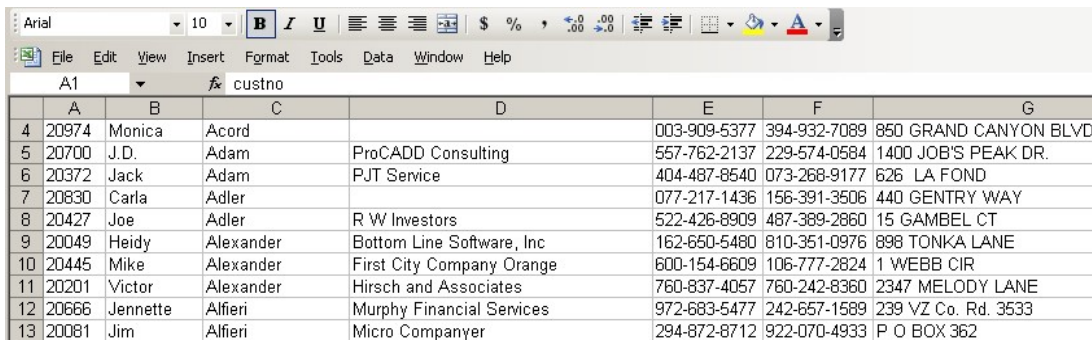


There are several provided Excel queries. These queries have a file type of “.dqy” and are stored in the usercode folder. In a default installation of the demo, they will be located at “C:\program files\loanmaster\usercode”.

You can use Excel to create your own queries and store them at this location for easy access.

When you see the above display, select the “Customer List” query and click on “Open”.

In a few seconds Excel will open and display the following customer data.



	A	B	C	D	E	F	G
4	20974	Monica	Acord		003-909-5377	394-932-7089	850 GRAND CANYON BLVD
5	20700	J.D.	Adam	ProCADD Consulting	557-762-2137	229-574-0584	1400 JOB'S PEAK DR.
6	20372	Jack	Adam	PJT Service	404-487-8540	073-268-9177	626 LA FOND
7	20830	Carla	Adler		077-217-1436	156-391-3506	440 GENTRY WAY
8	20427	Joe	Adler	R W Investors	522-426-8909	487-389-2860	15 GAMBEL CT
9	20049	Heidy	Alexander	Bottom Line Software, Inc	162-650-5480	810-351-0976	898 TONKA LANE
10	20445	Mike	Alexander	First City Company Orange	600-154-6609	106-777-2824	1 WEBB CIR
11	20201	Victor	Alexander	Hirsch and Associates	760-837-4057	760-242-8360	2347 MELODY LANE
12	20666	Jennette	Alfieri	Murphy Financial Services	972-683-5477	242-657-1589	239 VZ Co. Rd. 3533
13	20081	Jim	Alfieri	Micro Companyer	294-872-8712	922-070-4933	P O BOX 362

When you reach this point, Windows has opened Microsoft Excel and Excel and Windows are in charge. You can return to LoanMaster but LoanMaster has no control over Excel. If you want to format the data, save the spread sheet or close Excel, you must handle those details yourself.

Note: You must have Microsoft Excel and Microsoft Query installed to use this feature.

Microsoft Query is part of Microsoft Excel but if you do a minimal installation of Excel or Office, you will not get it. It is possible to have Excel installed but not MS Query.

