

## LOAN SERVICING SOFT Odd Days Interest:

This document will guide you through the process of setting up and managing Odd Days Interest for your loans in LOAN SERVICING SOFT.

For additional information and/or questions please feel free to contact our support group at support@loanservicingsoft.com or 1-800-993-1839 x2.

The technique of using Odd Days Interest is employed so all borrower payments come in on the same day of the month – on the 1<sup>st</sup> for example. This will make several monthly processes consistent over time, including sending out bills, processing ACH payments, processing payments, etc.

### Understanding How the System Calculates and Displays Odd Days Interest Information

For demonstration purposes, let's assume it is 12/2/2016 (in the example below) and you want make a loan today but you do not want your borrower's payments to be due on the 2<sup>nd</sup> of the subsequent months (1/2/2017, 2/2/2017, so on...). Instead, you want to roll forward the borrowers first payment due date to 2/1/2017, creating Odd Days Interest. All you need to do is change the "First Payment Date" to 2/1/2017 and the system will automatically calculate your Odd Days for you and display the number in the "Odd Days" box.

The screenshot shows the 'Loan L Terms' window. The 'Signed Date' is 12/2/2016, 'Origination Date' is 12/2/2016, 'First Payment Date' is 2/1/2017, and 'Maturity Date' is 1/1/2018. The 'Odd Days' field is set to 30. A tooltip over the 'Odd Days' field shows: Daily Rate: 0.0333055556%, Daily Interest: 45.2960000000, Periodic Rate: 0.999%, and Calculated Odd Days: 30.

## Modify or Waive the Odd Days Interest for a Particular Loan

Some lenders calculate Odd Days differently. For this reason, LSS allows the user to override the default value in the Odd Days field. To modify the Odd Days Interest calculated, simply change the number inside the “Odd Days” box to the amount of days you wish to be calculated. Click “OK” to save the changes. The yellow box in the top right will still display the auto-calculated Odd Days Interest, however, the system will now use the number entered in the “Odd Days” box to calculate the amount due.

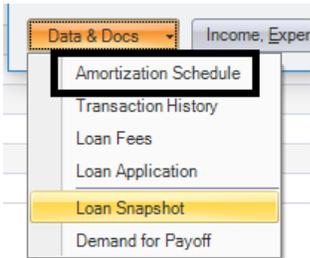
To waive the Odd Days Interest, simply enter the number zero in the “Odd Days” box.

The screenshot shows the 'Terms' window for 'Loan L'. The 'Odd Days' field is set to 25. A yellow box in the top right corner displays the following calculated values: Daily Rate 0.0333055556%, Daily Interest 45.2960000000, Periodic Rate 0.999%, and Calculated Odd Days 30. The 'OK' button at the bottom right is highlighted with a red box.

If the user is unable to save the changes made to the “Odd Days” box, double check if the “Loan Status” is currently in “auto-calculate” mode (for example, the “Application” or “Entered” status). If it is, the system will prevent users from modifying “Odd Days” box. For more information on Loan Statuses, please visit the document titled “Loan Status”.

## Viewing the Total Odd Interest Amount Due

To view the total calculated Odd Days Interest amount, navigate to the Amortization Schedule located in the “Data & Docs” menu at the bottom of the Loan Terms screen.



The total calculated Odd Days Interest amount due will be displayed on the Pay # 0 line on the “Payment” column.

Pay #	Due Date	Eff. Date	Rate %	Beginning Balance	Payment	To Principal	To Interest	To Other	Ending Balance
0	1/1/2017		11.990	136,000.00	1,132.40	0.00	1,132.40	0.00	136,000.00
1	2/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
2	3/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
3	4/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
4	5/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
5	6/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
6	7/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
7	8/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
8	9/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
9	10/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
10	11/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
11	12/1/2017		11.990	136,000.00	1,358.87	0.00	1,358.87	0.00	136,000.00
12	1/1/2018		11.990	136,000.00	137,358.87	136,000.00	1,358.87	0.00	0.00

Totals Payments	153,438.84	Principal	136,000.00	Interest	17,438.84
Other	0.00				

Show Posted Payments

## Processing Odd Days Interest Payments

Processing an Odd Days Interest payment can be done two ways. By entering an “Irregular Payment” or along with one of the regular “Scheduled” payments. Both of these methods will be covered below (Also, please refer to our How To Document on Payment Processing, for more information on posting payments).

### Irregular Payment

To post the Odd Days Interest payment as an Irregular Payment, select the radio button for “Irregular”. Confirm that when Irregular is selected, the “Payment Number” box is set to 0.1 to represent the Payment #0 in the Amortization Schedule and the “Amount Due” reflects the number under “Payment” for the Payment #.

The screenshot displays the 'Loan Payment' window with three main sections: Loan Information, Payment Information, and Payment Distribution.

- Loan Information:** Loan Number: L, Funded Amount: 136,000.00, Current Payment: 1,358.87, Borrower: [blank], Trust Account: [blank].
- Payment Information:** Payment Type:  Irregular (highlighted with a red box), Payment Number: 0.1 (highlighted with a red box), Status: Entered, Payment Due: 1/1/2017, Effective Date: 12/19/2016, Deposit Date: 12/19/2016, Hold To Date: 1/2/2017, Interest Paid To: 1/1/2017, Payment Method: Check, Reference #: [blank], Notes: [blank].
- Payment Distribution:** A table showing Due Amount and Pay Amount for various categories.

	Due Amount	Pay Amount
Past Due Impound	0.00	0.00
Past Due Interest	0.00	0.00
Past Due Late Fee	0.00	0.00
Past Due Fees	0.00	0.00
Past Due Principal	0.00	0.00
Current Impound Due	0.00	0.00
Current Interest Due	1,132.40	1,132.40
Current Late Fee	0.00	0.00
Current Fees	0.00	0.00
Current Principal Due	0.00	0.00
Unbilled Principal	136,000.00	0.00
Unbilled Fees	0.00	0.00
Return to Borrower	0.00	0.00
Other Income	0.00	0.00
- Past Due Data:** Principal Balance: 136,000.00, Unpaid Principal: 0.00, Unpaid Interest: 0.00, Unpaid Impound: 0.00, Unpaid Late Fee: 0.00, Unpaid Fees: 0.00, Unpaid Collection: 0.00, Old Interest Paid To: 12/7/2016.
- Summary:** Amount Due: 1,132.40, Total Due: 1,132.40, Amount Received: 1,132.40.
- Buttons:** Waive Current Late Fee, Is Payoff, Using Default Interest Rate, Unapplied Funds (0.00), Reserve Funds (0.00), View / Add Loan Fees, View Splits, Post Next, Post, Cancel.

**Scheduled Payment**

To post the Odd Days Interest payment as a regular Scheduled payment (probably along with regular scheduled payment 1), click on the “Scheduled” button (this should be selected by default). In the screenshot below, you can see the system added the Odd Days amount due to the regular amount due for scheduled payment 1, on this interest only loan example. At this point, please confirm that the amounts are correct. If correct, click “Post”.

Loan Payment

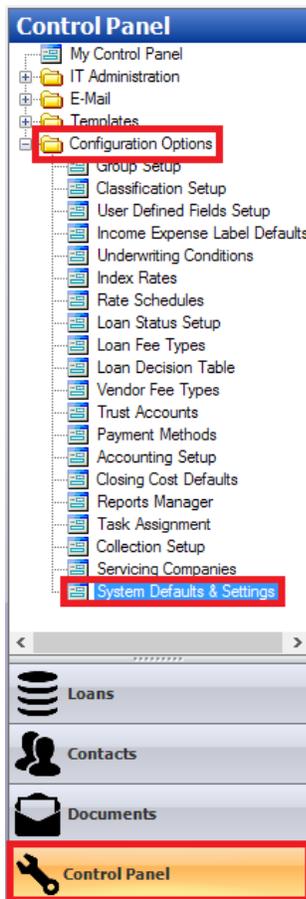
Loan Information		Payment Information		Payment Distribution	
Loan Number	L	Payment Type	<input checked="" type="radio"/> Scheduled <input type="radio"/> Irregular	<b>Due Amount</b>	<b>Pay Amount</b>
Funded Amount	136,000.00	Payment Number	1.00 Status Entered	Past Due Impound	0.00 0.00
Current Payment	1,358.87	Payment Due	2/1/2017	Past Due Interest	0.00 0.00
Borrower		Effective Date	12/19/2016	Past Due Late Fee	0.00 0.00
Trust Account		Deposit Date	12/19/2016	Past Due Fees	0.00 0.00
		Hold To Date	1/2/2017	Past Due Principal	0.00 0.00
		Interest Paid To	2/1/2017	Current Impound Due	0.00 0.00
		Payment Method	Check	<b>Current Interest Due</b>	2,491.27 2,491.27
		Reference #		Current Late Fee	0.00 0.00
		Notes		Current Fees	0.00 0.00
				Current Principal Due	0.00 0.00
				Unbilled Principal	136,000.00 0.00
				Unbilled Fees	0.00 0.00
				Return to Borrower	0.00 0.00
				Other Income	0.00 0.00
		Amount Due	2,491.27	View Splits	
		Total Due	2,491.27		
		Amount Received	2,491.27		
<input type="checkbox"/> Waive Current Late Fee <input type="checkbox"/> Is Payoff		Unapplied Funds	0.00	View / Add Loan Fees	
<input type="checkbox"/> Using Default Interest Rate		Reserve Funds	0.00		
Loan Data		<input type="button" value="Post Next"/> <input type="button" value="Post"/> <input type="button" value="Cancel"/>			

**Advanced Settings**

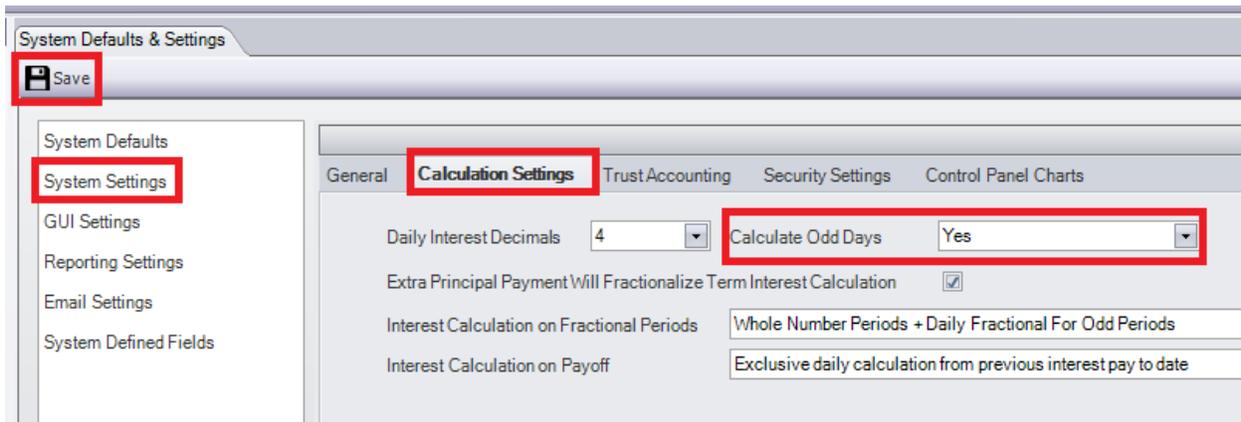
LOAN SERVICING SOFT comes with many options to customize the Odd Days Interest functionality. Options include enabling/disabling Odd Days Interest calculation system wide, determining the rounding of daily interest decimals, or determining the days in the date range to be calculated.

**Enabling/Disabling Odd Days Interest System Wide**

LOAN SERVICING SOFT calculates Odd Days Interest by default. To disable (or enable) Odd Days Interest calculation, from the “Control Panel” tab on the left, navigate into the “System Defaults & Settings” found inside the “Configuration Options” folder.



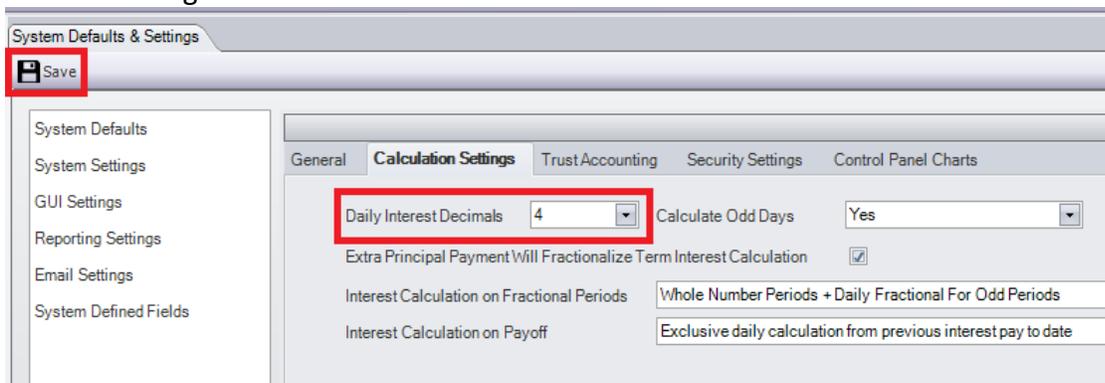
Within the “System Defaults & Settings”, select “System Settings”, select the “Calculation Settings” tab, choose either “Yes” or “No” on the “Calculate Odd Days” to enable (or disable) the Odd Days Interest calculation system wide. Click “Save” to save the changes made.



If you would like to disable Odd Days Interest calculation for only a particular loan and do not wish to disable it system wide, see the section titled “Modify or Waive the Odd Days Interest for a Particular Loan”.

## **Daily Interest Decimals**

By default, LOAN SERVICING SOFT utilizes two decimal places when incorporating Bankers Rounding. To modify the number of decimals the software uses, navigate to the “Calculation Settings” as in the previous section. From there, select the number of decimals to consider in the daily interest calculation by clicking the “Daily Interest Decimals” dropdown and selecting the desired number. Set it to “Not set” to utilize all numbers behind the decimal. Click “Save” to save the changes.



## Determining the Type of Days

There are two methods that LOAN SERVICING SOFT uses to calculate days: Actual Days or 30 Day Months.

To change the method that the software uses, go to the loan terms screen, then change the dropdown box of “Calculate days in date range based on” to either “Actual Days” or “30 Day Month”. Click “OK” to save the changes.

The screenshot shows the loan terms configuration screen. The 'Calculate days in date range based on' dropdown menu is highlighted with a red box, showing options for '30 Days Month', 'Actual Days', and '30 Days Month'. The '30 Days Month' option is currently selected.

Loan Type	Term / One Draw Loan	Signed Date	/ /
Funded Amount	6,000.00	Origination Date	7/26/2018
Principal Balance	6,000.00	Credit Limit	0.00
Interest Method	Regular Periodic	First Payment Date	8/26/2018
Interest Rate	18.000 % / year	Maturity Date	7/26/2020
Rate will be adjustable every	0 month(s) starting / /	Odd Days	0
From that point on the interest rate will be determined by		Use Deferred First Payment	None
Margin Rate	0.000 Plus CMT	Negative Amortization	Add To Unpaid Interest
Floor	0.000 Ceiling 0.000	Calculate daily rate based on	360 days in year or 30 days in month
Use Rate Schedule		Calculate days in date range based on	30 Days Month
Use Same as Cash	None	Use Late Fee	After
Amortized	Amortized	Late Fee Amount	150.00 Fixed Amount
Charge Interest on Unpaid Interest		Pre Payment Penalty	If paid before 0 Term Periods
Interest Charged in Advance			0.00 Fixed Amount
Term Period	Monthly	Use Default Rate	Rate 0.000 % After 0 days
Payment Period	Monthly	Servicing Account	Servicing Account - 287960967091
Term	24	Assigned To	User: Administrator
Term Due	24		