

LOAN SERVICING SOFT Trust Accounting Settlement Accounts

This document will guide you through the process of using a Regular Escrow/Settlement Trust Account, one of three different Trust Accounts with-in LOAN SERVICING SOFT (Servicing, Impound, Regular Escrow/Settlement).

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

LOAN SERVICING SOFT "Regular Escrow/Settlement" trust accounts provide solutions to both simple and complex loan origination and funding scenarios.

Each loan in the LSS system has a subsidiary ledger (or a sub bucket) created for it in each of your bank accounts. This subsidiary ledger for a loan is created upon the creation of a loan.

Here are three different scenarios of how you can use a Regular Escrow/Settlement Trust Account in LSS:

The screenshot displays the 'Trust Account' window in the LOAN SERVICING SOFT application. The window is divided into two main sections: 'Account Info' and 'Bank Details'.
Account Info Section:
- Account Name: Regular Escrow/Settlement
- Account Number: 1234512345
- Description: Settlement Trust Account
- Account Type: A dropdown menu is open, showing options: Impound, Servicing, Impound, Regular Escrow / Settlement (highlighted), and Other.
- Check Template: Escrow Account Check Template
- Check Next Number: 2038
- Servicing Company: YOUR SERVICING COMPANY NAME
- Active: Active
- Borrower payments - days to hold funds before payout: 0
- ACH payments - days to hold funds before payout: 0
Bank Details Section:
- Bank Name: City Bank
- Routing Number: 732145698
- Branch: Branch2
- Address: 33 NW 7th St
- Suite / Apt. / Unit #:
- City: Youtown
- County:
- State: CA, ZIP: 96172, Country: US
- A 'Show on Map' button is located at the bottom right of the Bank Details section.
At the bottom of the window, there are 'OK' and 'Cancel' buttons.

1) Purchase/Sale Settlement Closing

- Borrowers deposit down payment and fees.
- Lenders deposit loan funds into the settlement/funding account.
- Pay commissions and fees.
- Pay seller.
- Zero out and close (any surplus to borrower).

2) Interest Reserves Taken at Closing

- Loan is funded but with a hold back, for example 6 months interest (30K).
- 30K is then put in the loans subsidiary ledger.
- And then servicer simply makes the loan payment on behalf of the borrower out of their subsidiary ledger every month.
- Subsidiary Ledgers can then be “charged back up” or refunded as their balances drop under certain thresholds.

3) Construction Reserves

- Loan is cleared for funding.
- All Lenders deposit loan funds into the settlement/funding account.
- If acting as the settlement party, the settlement company withdraws commissions and fees.
- The initial draw is financed to the borrower.
- The servicing company transfers the remaining funds into a Construction Reserve account.
- The servicing company can finance the borrower for additional funds from the construction reserve account at any time.
- Additionally, the servicing company can choose to make draws payable to the borrower or a vendor directly to ensure the loan is business purpose and not a consumer loan.

Trust Accounting Regular Escrow/Settlement Accounts

Follow these steps to setup and manage your Trust Accounts.

1. To access your Trust Accounts (or bank accounts) go to **Control Panel > Trust Accounts**
2. From here you can **Add, Edit, and Delete** an unlimited number of Trust Accounts
3. By clicking the **Add** or **Edit** button the Trust Account screen will pop up. Here you can enter/change your bank account information.
4. Be sure to click the **Active** check box in order for your accounts to be displayed on your users Control Panels.

The screenshot displays the 'LOAN SERVICING SOFT' application interface. On the left is the 'Control Panel' navigation tree, with 'Trust Accounts' highlighted. The main window shows a 'Trust Accounts' table with columns for 'Account' and 'Bank'. A red box labeled '2' highlights the '+ Add', 'Edit', and 'Delete' buttons. A red box labeled '3' highlights the 'Trust Accounts' table. A red box labeled '4' highlights the 'Active' checkbox in the 'Trust Account' form. The form includes fields for 'Account Name', 'Account Number', 'Description', 'Account Type', 'Check Template', 'Check Next Number', 'Servicing Company', 'Bank Name', 'Routing Number', 'Branch', 'Address', 'City', 'State', 'ZIP', and 'Country'. The 'Active' checkbox is checked.

Account	Bank
Servicing Account 2 - 1234567890	Wells Fargo
Servicing Account 1 - 0987654321	City Bank
Regular Escrow/Settlement - 1234512345	City Bank
Impound - 5432154321	ING

Trust Account

Account Info

ACH / EFT

Account Name: Servicing Account 2 Check Template: Servicing Account Check Template

Account Number: 1234567890 Check Next Number: 1

Description: LS 2 Servicing Company: YOUR SERVICING COMPANY NAME

Account Type: Servicing Active

Borrower payments - days to hold funds before payout: 0

ACH payments - days to hold funds before payout: 0

Bank Details

Bank Name: Wells Fargo Routing Number: 1234567890 Branch:

Address: Suite / Apt. / Unit #:

City: County:

State: ZIP: Country: US

Show on Map

OK Cancel