LOAN SERVICING SOFT ACH Setup and Running

This document will guide you through the process of setting up and running ACH 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.

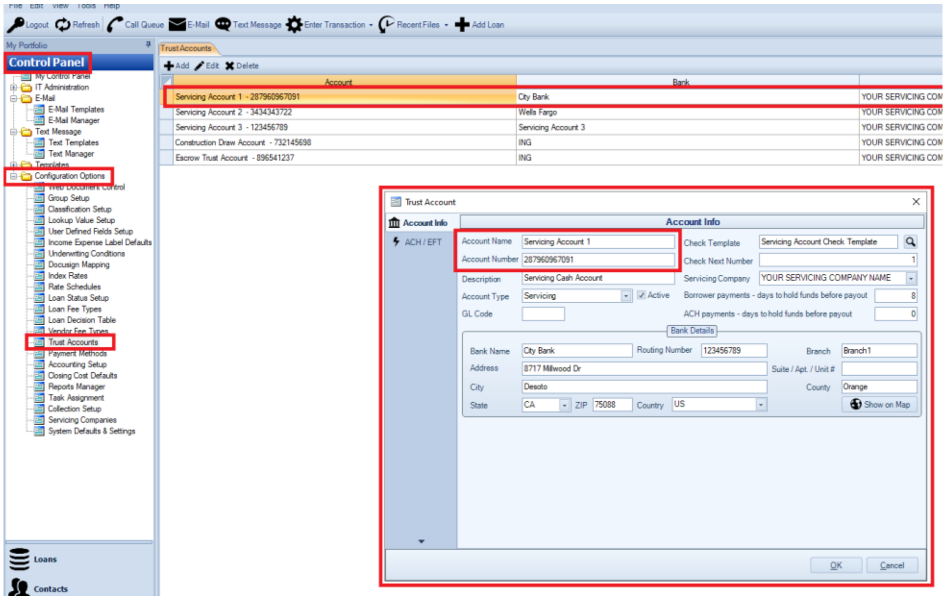
ACH Setup

LOAN SERVICING SOFT allows you to ACH money in and out via NACHA file. In order to set up ACH you will need to enter setting information in two or three areas in LSS.

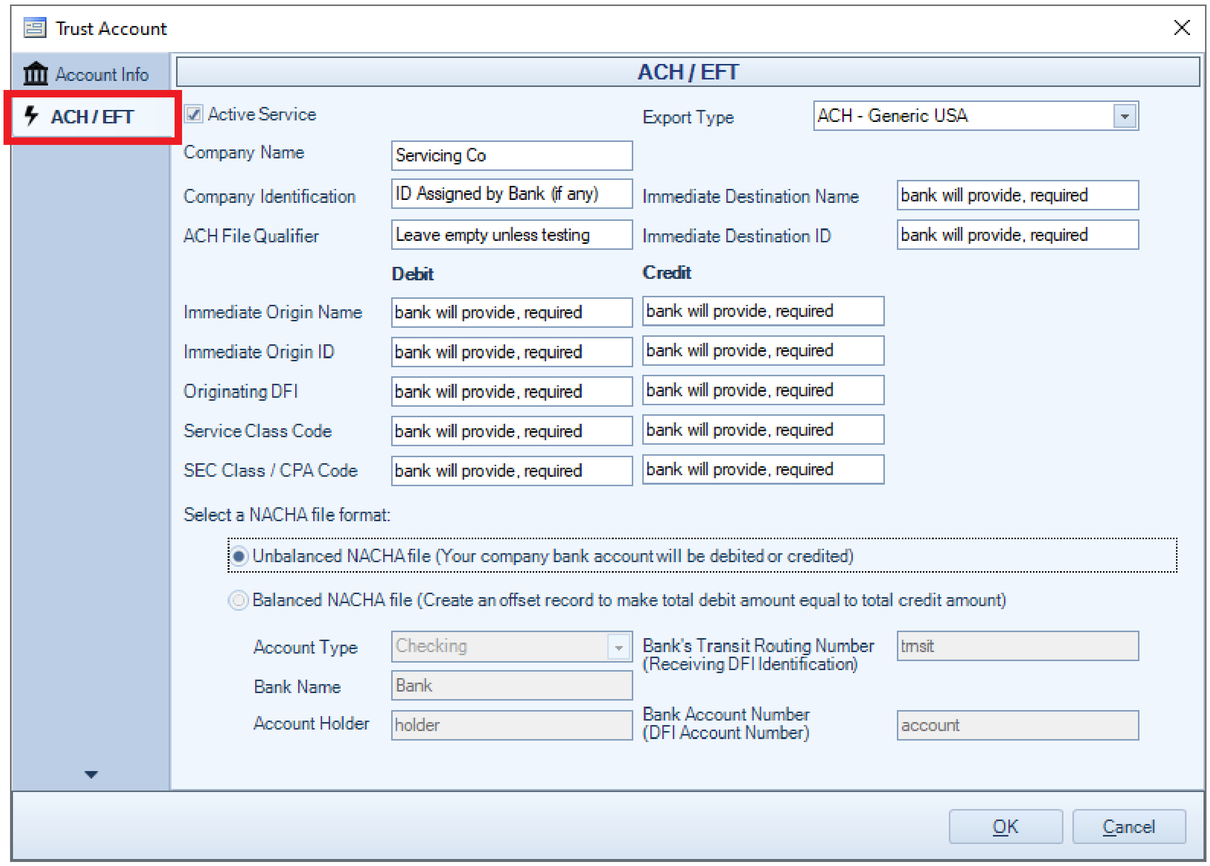
Trust Accounts

First you will want to make sure that the Trust Accounts you are ACH'ing in and out of are set up. To do this navigate to Control Panel, Configuration Options, Trust Accounts, and then select the Trust Account you would like to use.

On the Account Info screen be sure to fill out the top two fields on the left of your screen – Account Name and Account Number.

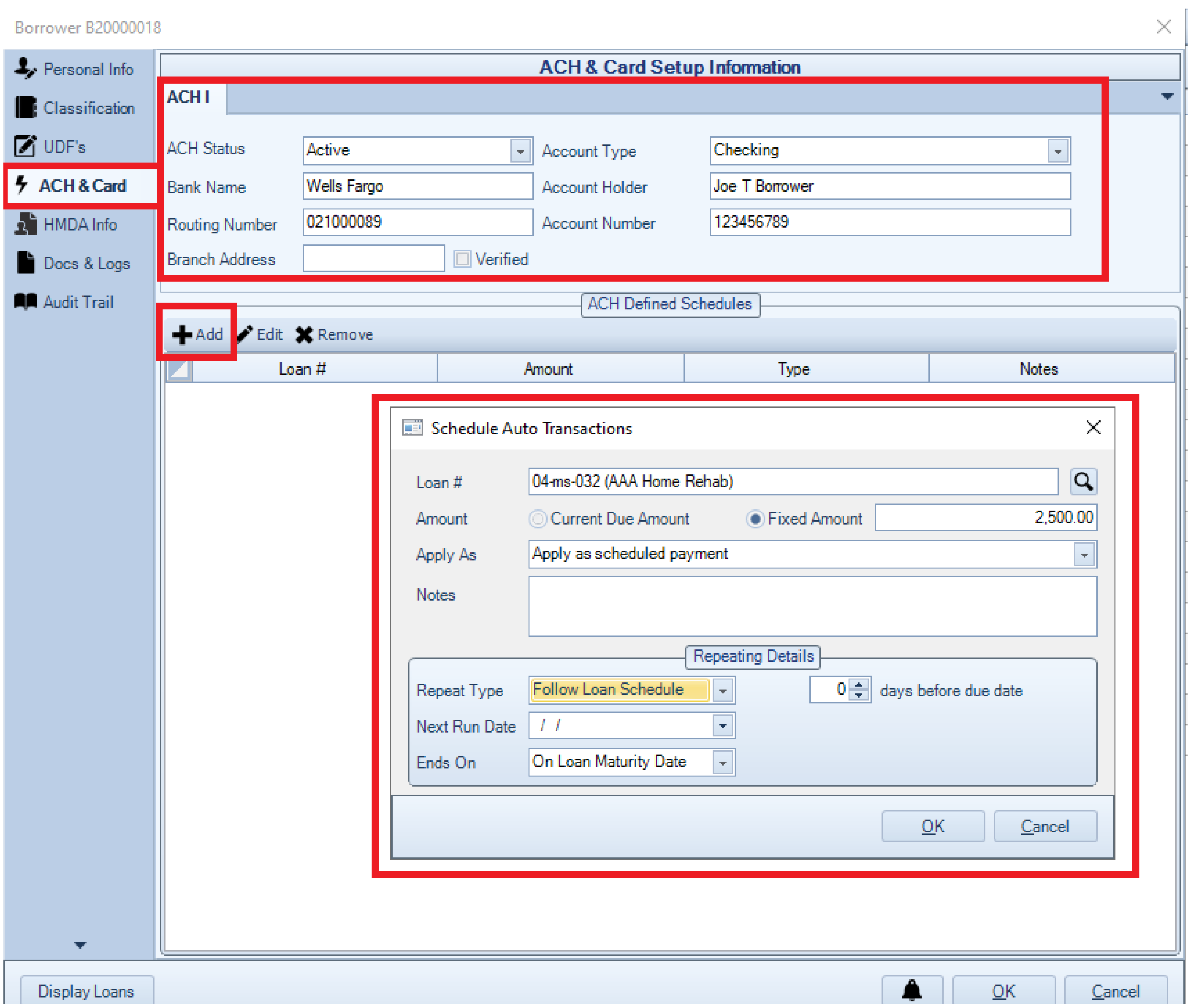


On the ACH/EFT tab first be sure to check the Active Service check box. Then be sure to fill out the Company Name field and select your Export Type from the drop down. In most cases you will want to select "ACH – Generic USA". For Company Identification field, if your bank assigns a number to you, please enter here, and if they don't leave blank. All other field data will be provided by your bank. At the bottom of the screen you will need to Select a NACHA file format. Select Unbalanced NACHA file unless you are instructed to use the Balanced option by your LSS tech or your bank.



Borrowers

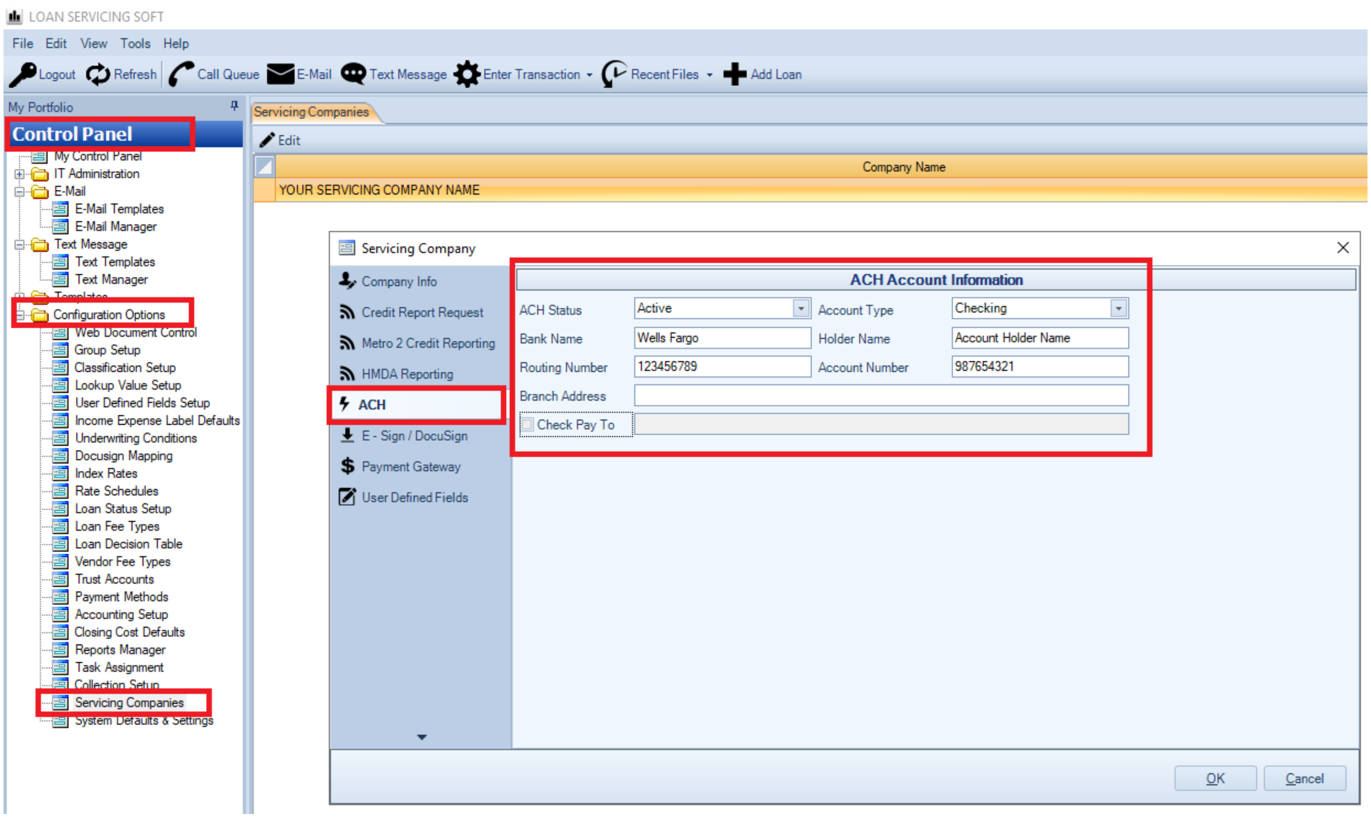
Next you will want to set up your Borrows on their ACH & Card screen. To navigate to this screen go to Contacts, Borrowers, ACH & Card tab. On this screen you will want to fill out the entire top section, everything but the Branch Address and the Verified check box. Then on the bottom section of the screen, under the ACH Defined Schedules section click the Add button. Once the Schedule Auto Transactions screen pops up, make sure the Loan # is set correctly, then in the Amount section select either Current Due Amount or Fixed Amount. We would recommend setting Apply As to Apply as scheduled payment, and then under the Repeating Details section we would recommend setting the Repeat Type to Follow Loan Schedule. Feel free to play with the other options if you like.



Servicing Company

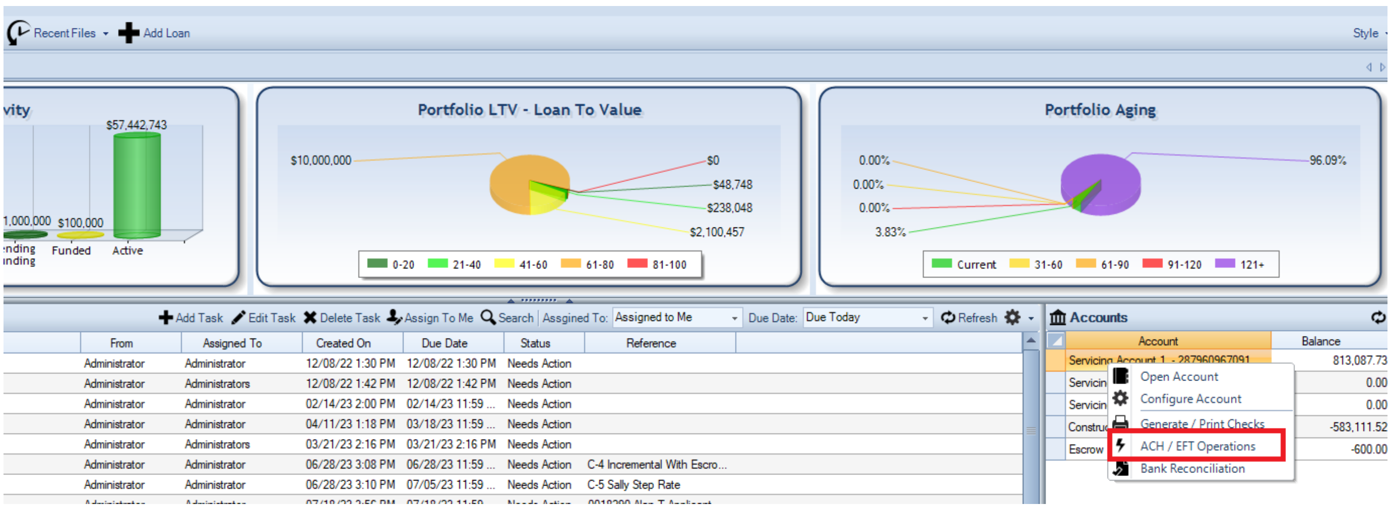
Only required if you plan to ACH your servicing company for fees collected from your servicing account, or you are paying your escrow impound payments out via ACH.

To set up your servicing company for ACH go to Control Panel, Configuration Options, Servicing Companies, ACH tab. On the ACH screen first set ACH Status to Active, then select Checking or Savings in the Account Type drop down, enter your bank name in the Bank Name field, name of the account holder in the Holder Name field, Routing Number and Account Number. Branch Address can be left blank and you don't need to do anything with the Check Pay To box.

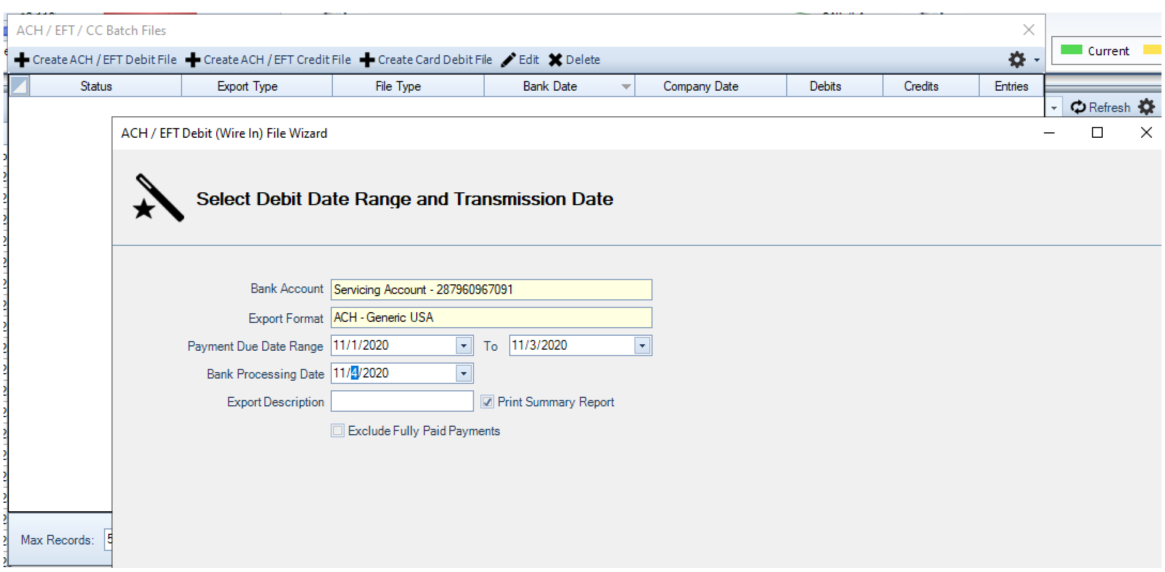


Running ACH for Payments In (Debit)

To begin your ACH In or ACH Debit process, goto your My Control Panel, Accounts, and right click on the Trust Account you wish to use, and select ACH / EFT Operations.



On the next screen, click on Create ACH / EFT Debt File and the ACH / EFT Debit File Wizard will pop up. On this screen enter your settings and click Next in bottom right corner of the screen. Bank Account and Export Format will be auto filled for you. Export Description can be left blank unless you want to include a description for your Borrower. Print Summary Report check box should be default checked. Leave Exclude Fully Paid Payments unchecked.



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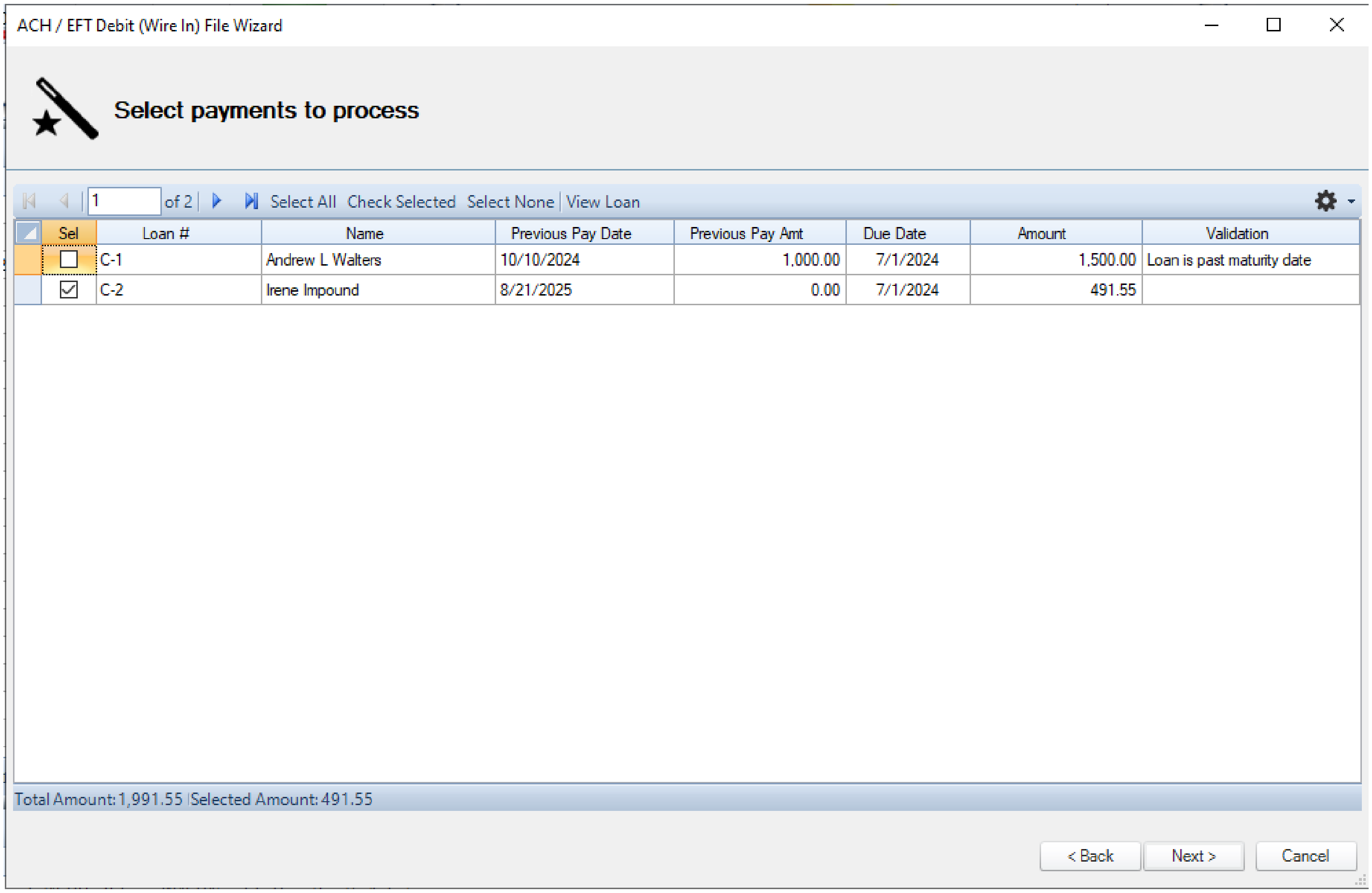
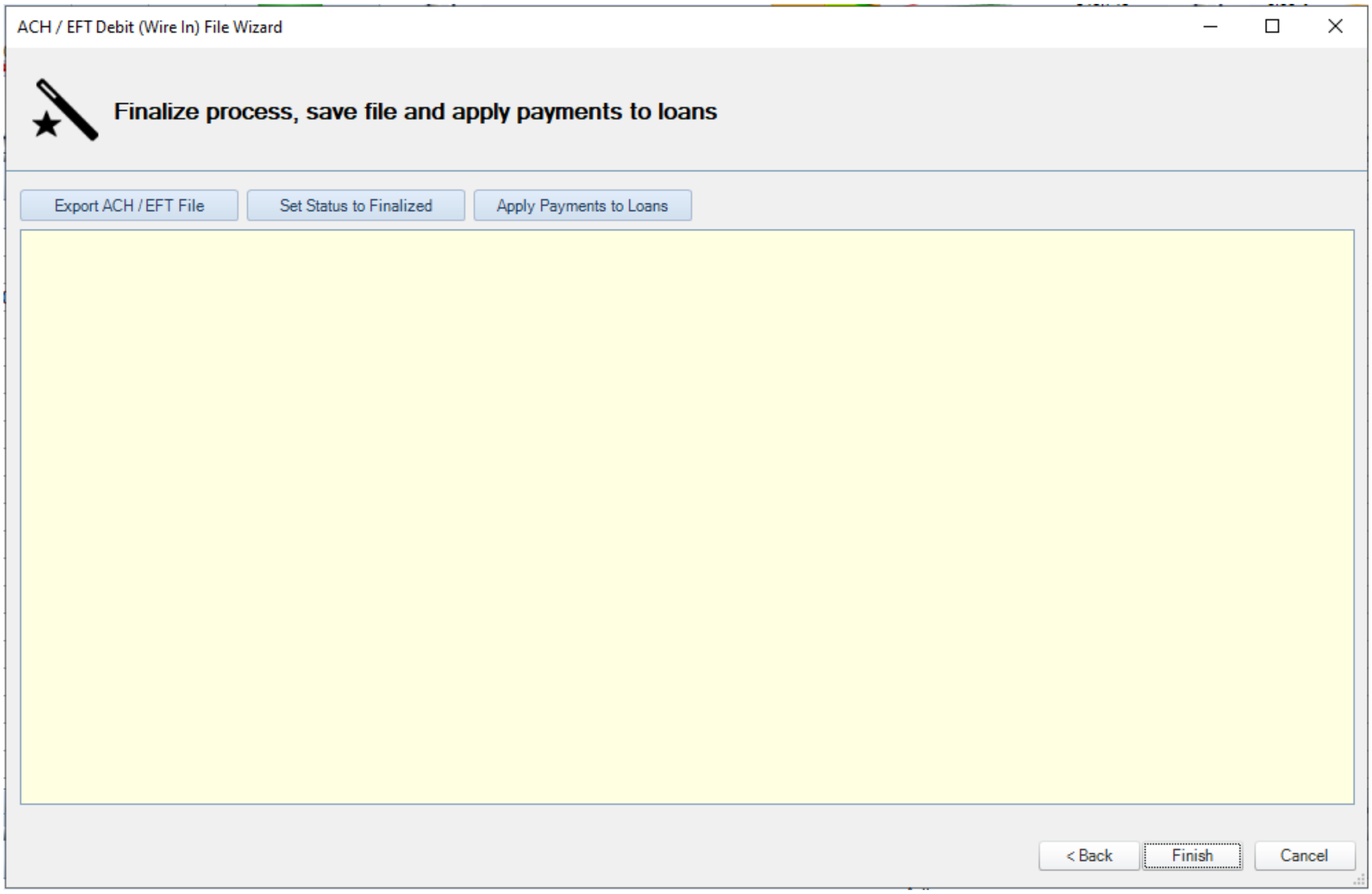
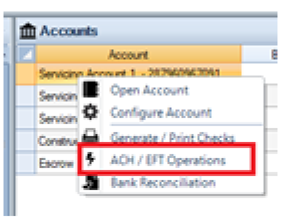
On the next screen you will be presented with a list of all payments that are due. Go ahead and check the check box of all the payments that you wish to include on your ACH /EFT File and click Next.



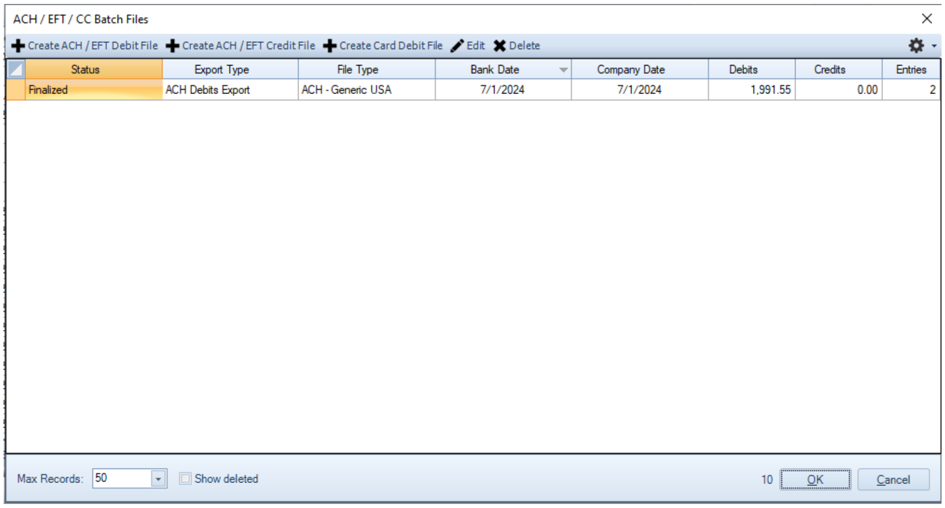
You are then presented with the Finalize process screen where you can Export your ACH / EFT File, Set your status to Finalized and Apply Payments to Loans.



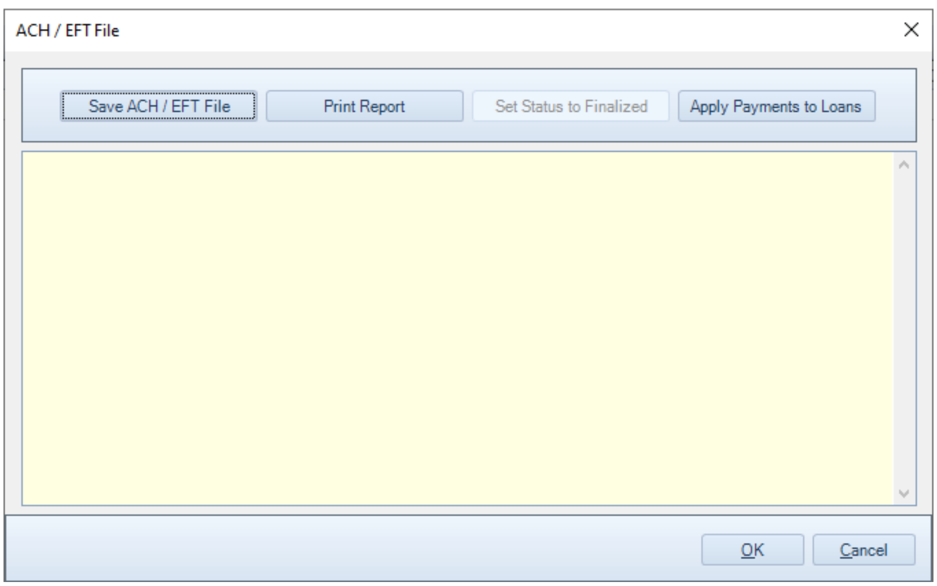
You will most likely want to Export your ACH / EFT file at this point and send it to your bank. Go ahead and click the Export button to do this and then click the Finish button at the bottom right corner of the screen. You will be able to come back and continue your process when you are ready by right clicking on the Trust Account again and selecting ACH / EFT again.



Select your last batch from your list.



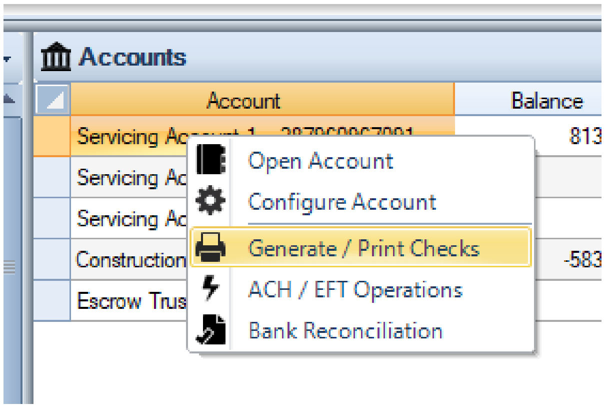
And now you are back on a screen where you can Finalize, Print Reports, Apply Payments to Loans.



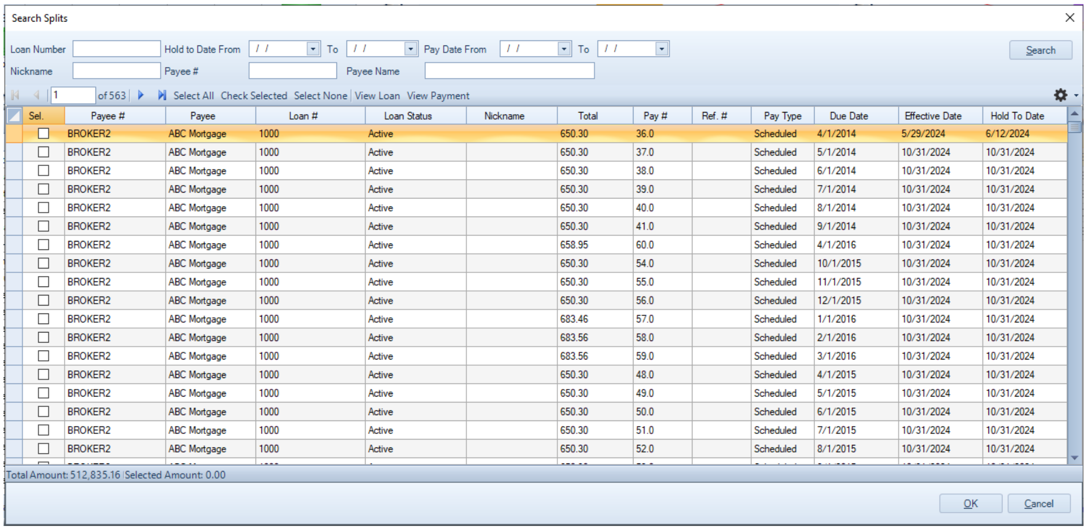
For more on the Apply Payments process we will need to go over the Lockbox Batch Payment Processing process.

Running ACH for Payments Out (Credit)

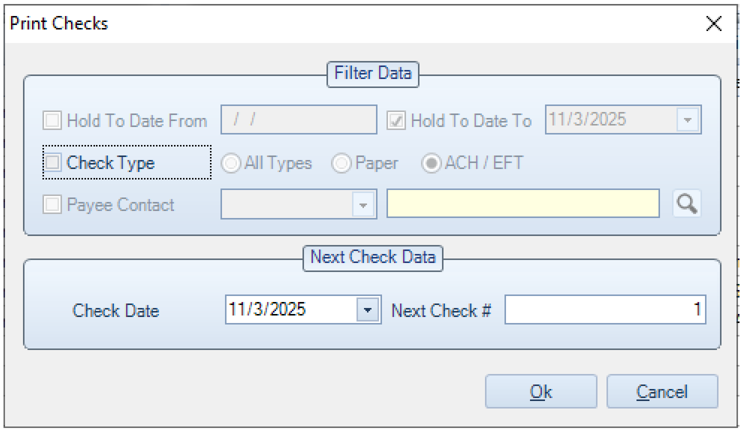
To begin your ACH Out or ACH Credit process, first you will need to make sure all of your Checks are created. In LSS we use the term checks for all payments out, including actual checks and eChecks or ACH payments. So to do this first step goto your My Control Panel, Accounts and then right click on the Account you wish to send out from, and select Generate / Print Checks.



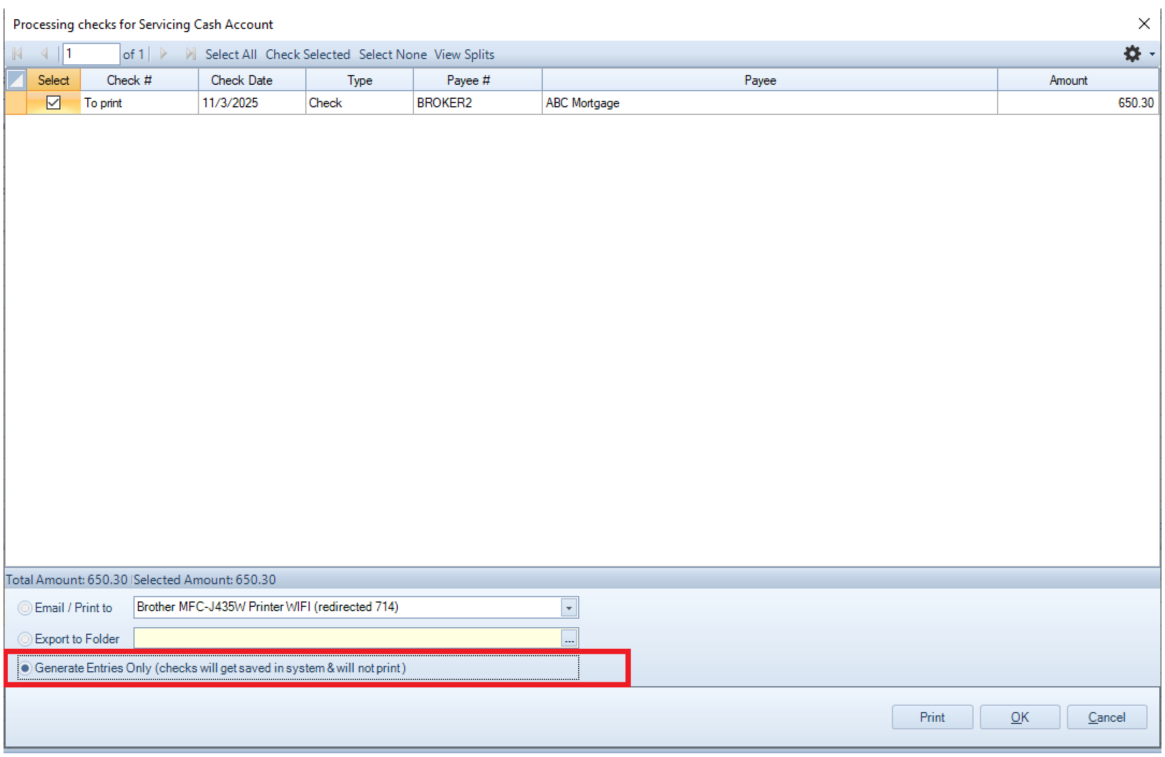
You will then be presented with a list of available split payments to be sent out. You can select all with the Select All button, or you can select a sub-set of the payments to be sent. You have several controls to select and filter your list. Once you have your sections configured click the OK button at the bottom right corner of your screen.



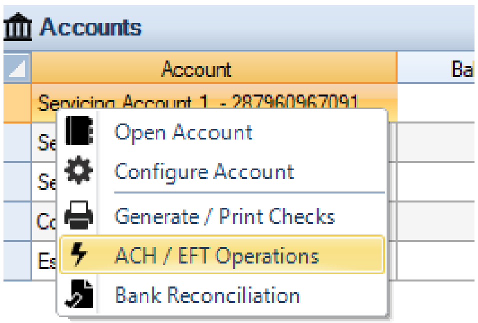
You will then be presented with the Print Checks screen. You don't need to do anything on this screen, just click the Ok button.



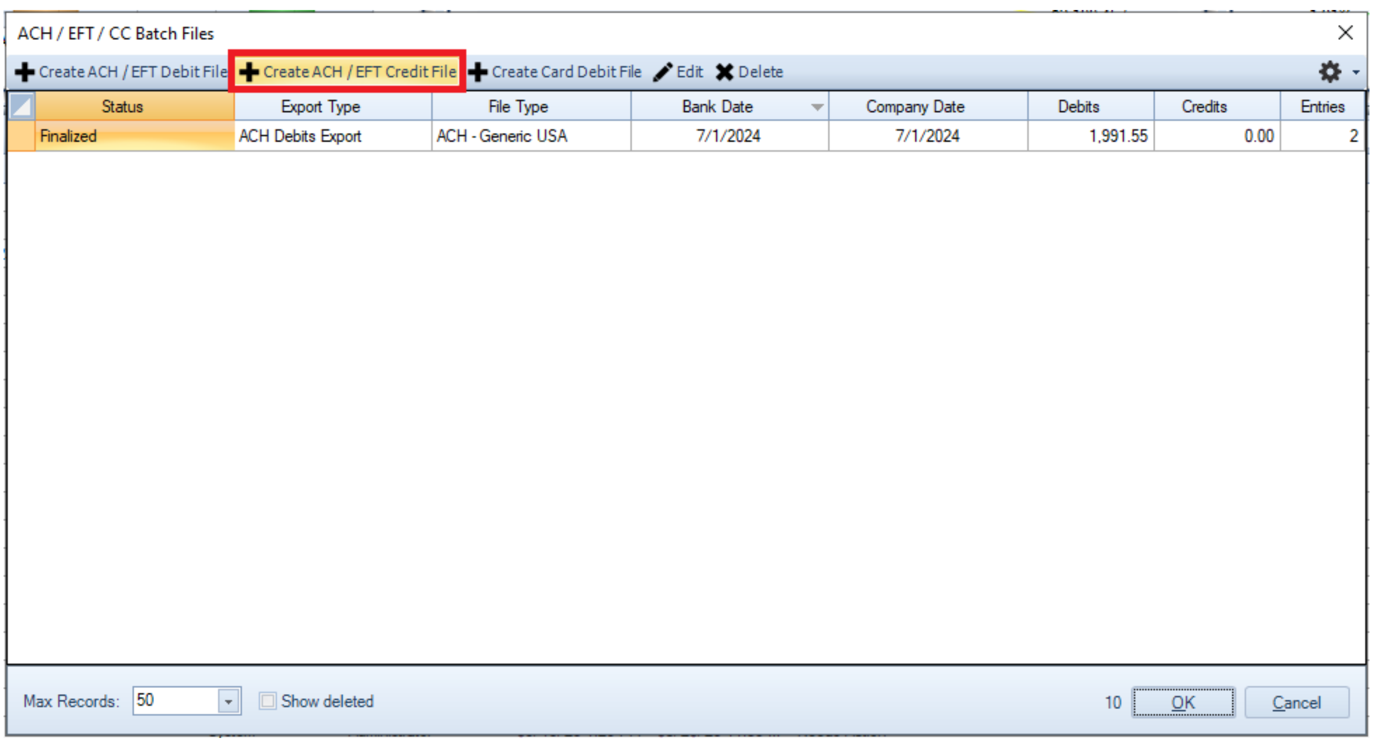
And then you just need to print your checks. Select the Generate Entries Only option unless you wish to email or mail out paper copies of the Non Negotiable check stubs as an ACH payment receipt.



Once your checks have been created you are now ready to run your ACH Out or ACH Credit process and create a NACHA file. For this next step go to your My Control Panel, Trust Accounts and right click on ACH / EFT Operations.

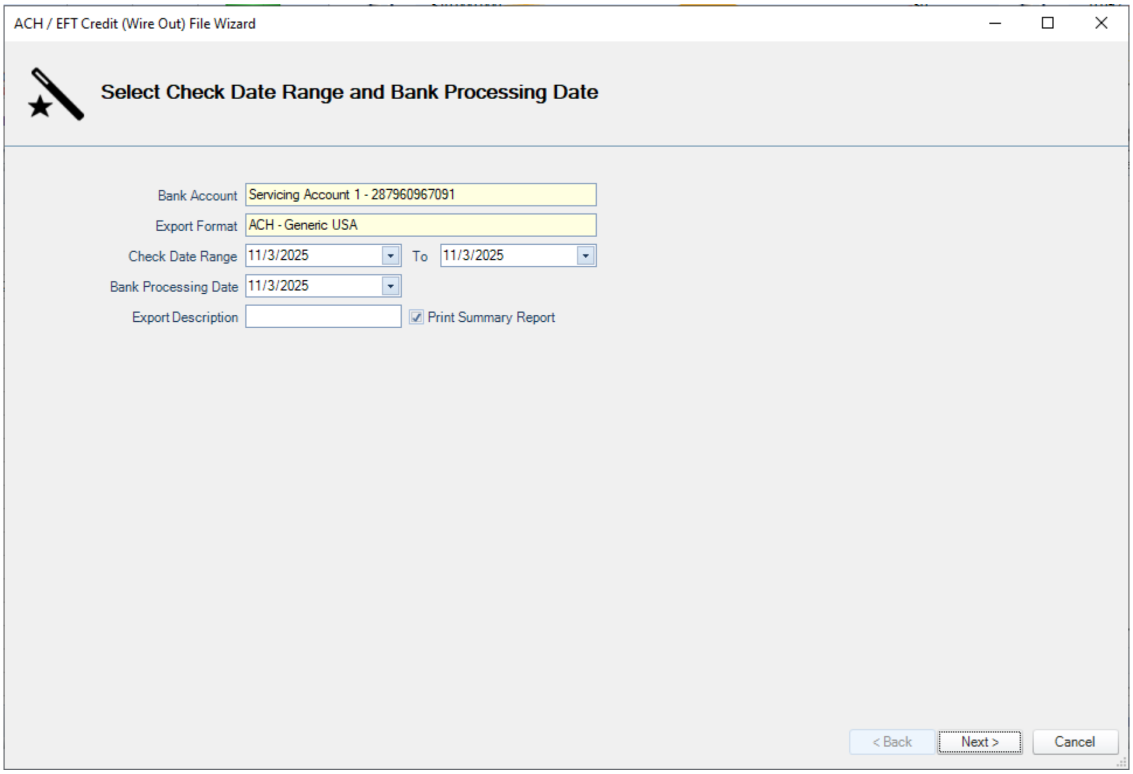


Then on the next screen click the Create ACH / EFT Credit File button.



You will then be presented with a wizard that will walk you through the final steps.

The ACH / EFT Credit File Wizard will then pop up. Confirm that you are in the correct Bank Account and your Export Format is set correctly, then set your Check Date Range, Bank Processing Date, and click the Next button. The Export Description field is optional.



On the next screen a list of all available ACH payments will be displayed. Check the check boxes of all payments you want to include on your NACHA file and click the Next button. Then on the Finalize process and save file screen, you can save your NACHA file and set your status to finalized.