

LOAN SERVICING SOFT Payment Entry

This document will cover the various ways of processing payments into the LOAN SERVICING SOFT system.

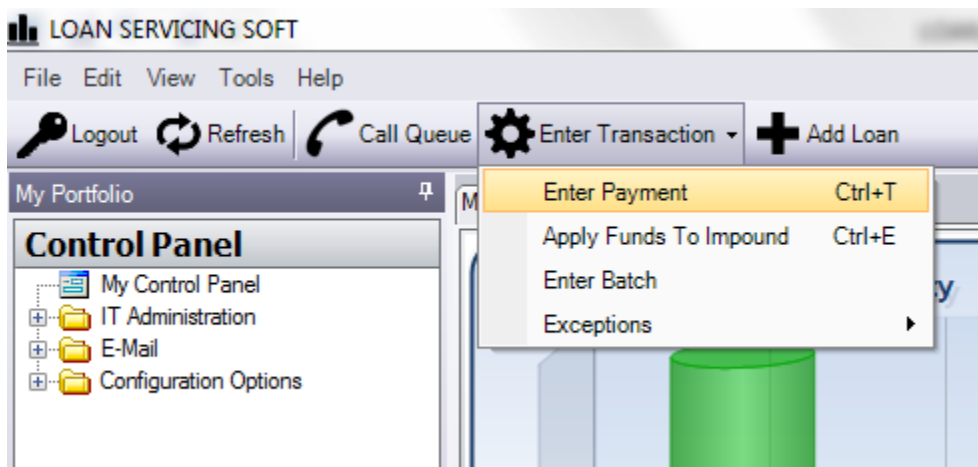
For additional information and/or questions please feel free to contact our support group at support@loanservicingsoft.com or 1-800-993-1839 x2.

Odd Days Interest

First, we will discuss Odd Days Interest. Here is an example. If a loan is funded on 1/7/2010, but the first payment is not due until 3/1/2010, the technique of collecting the 25 “odd days” of interest between 1/7/2010 and 1/31/2010 is called “Odd Days Interest.” This technique is used in order to ensure that all loan payments are due on the same day of the month (on the 1st of the month for this example) instead of having various due dates all across the month in the loan portfolio.

When a loan is entered into the system with odd days interest, the system automatically expects this extra interest payment, or odd days interest payment, to be made and will allow for the user to enter it in two different ways.

The first method is used if you want to enter the odd days interest separately from the rest of the first payment. To do this, select Enter Transaction and then Enter Payment.



Select the loan that you want to process the odd days interest payment for.

On the Transaction Details screen, select the “Irregular” option. The Payment Number will change from 1.0 to 0.1.

Loan Payment

Loan Information

Loan Number: FOR PROCEDURE

Borrower: TEST BORROWER

Regular Payment: 8,931.73

Past Due Data

Principal Balance: 100,000.00

Unpaid Principal: 0.00

Unpaid Interest: 0.00

Unpaid Impound: 0.00

Unpaid Late Fee: 0.00

Unpaid PPP: 0.00

Unpaid Collection: 0.00

Old Interest Paid To: 1/7/2010

Payment Information

Payment Type: ☐ Scheduled ☒ Irregular

Payment Number: 0.1 Status: Entered

Payment Due: 2/1/2010

Effective Date: 2/1/2010

Deposit Date: 2/1/2010

Hold To Date: 2/15/2010

Interest Paid To: 2/1/2010

Payment Method: Check

Reference #:

Notes:

Amount Due: 890.41

Total Due: 890.41

Amount Received: 890.41

Payment Distribution

	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	890.41	890.41
Current Late Fee	0.00	0.00
Current Fees	0.00	0.00
Current Principal Due	0.00	0.00
Unbilled Principal	100,000.00	0.00
Unbilled Fees	0.00	0.00
Return to Borrower	0.00	0.00
Past Due Collection	0.00	0.00
Current PPP Due	0.00	0.00
Collection	0.00	0.00
Other Income	0.00	0.00

Configure Distribution

View Investors Splits

☐ Waive Late Fee ☐ Is Payoff

Unapplied Funds: 0.00

☐ Use Default Rate

Data & Docs View / Add Fees All Accounts

Post Next Post Cancel

Set the various dates appropriately if the default dates are not correct. We will go over a “Payment Screen Glossary” in a bit for an explanation of all fields, and how each is used.

The odd days interest amount should automatically populate in the ‘Current Interest Due’ box. If the amount is correct, click the ‘Post’ button.

The second way to process an odd days interest payment is to process this amount along with the first scheduled payment. To do this, click on the 'Enter Transaction' button, then choose 'Enter Payment,' then locate the loan that you will process the payment for, adjust any necessary dates and amounts on the payment screen by tabbing through each field. Enter a check or reference number if you like.

Loan Payment

Loan Information

Loan Number

FOR PROCEDURE

Borrower

TEST BORROWER

Regular Payment

8,931.73

Past Due Data

Principal Balance

100,000.00

Unpaid Principal

0.00

Unpaid Interest

0.00

Unpaid Impound

0.00

Unpaid Late Fee

0.00

Unpaid PPP

0.00

Unpaid Collection

0.00

Old Interest Paid To

1/7/2010

Payment Information

Payment Type

☒ Scheduled
 ☐ Irregular

Payment Number

1 - 0

Status

Entered

Payment Due

3/1/2010

Effective Date

3/1/2010

Deposit Date

3/1/2010

Hold To Date

3/15/2010

Interest Paid To

3/1/2010

Payment Method

Check

Reference #

Notes

Amount Due

8,931.73

Total Due

8,931.73

Amount Received

8,931.73

Payment Distribution

	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	1,973.74	1,973.74
Current Late Fee	0.00	0.00
Current Fees	0.00	0.00
Current Principal Due	6,957.99	6,957.99
Unbilled Principal	93,042.01	0.00
Unbilled Fees	0.00	0.00
Return to Borrower	0.00	0.00
Past Due Collection	0.00	0.00
Current PPP Due	0.00	0.00
Collection	0.00	0.00
Other Income	0.00	0.00

Configure Distribution

View Investors Splits

☐ Waive Late Fee
 ☐ Is Payoff

Unapplied Funds

0.00

☐ Use Default Rate

Data & Docs

View / Add Fees

All Accounts

Post Next

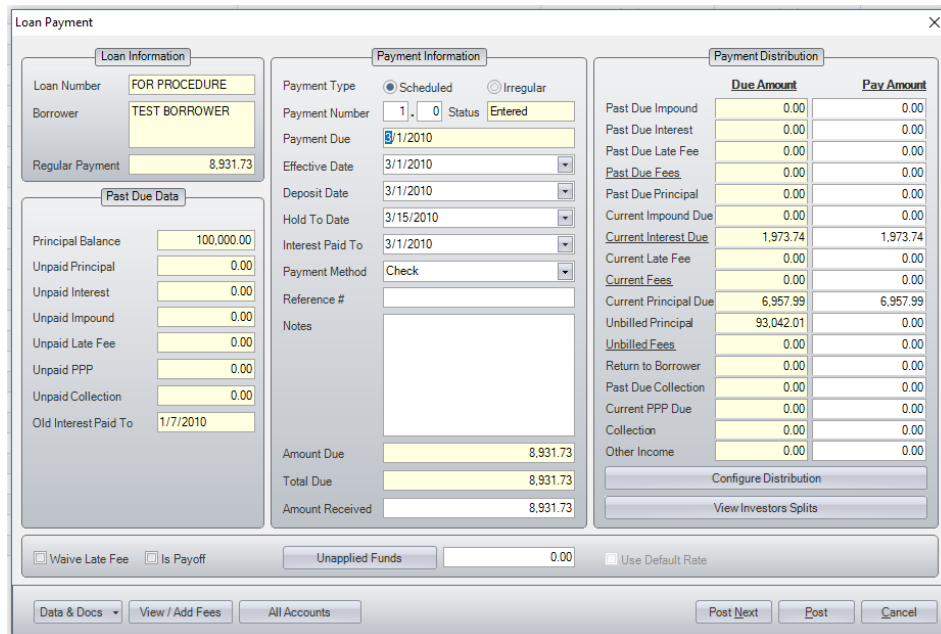
Post

Cancel

To see the distribution between the odd days interest amount and the rest of the payment, refer to the Amortization Schedule by clicking on the 'Data & Docs' button in the bottom left corner of the screen. The Amortization Schedule will show the odd day interest amount as payment zero.

Data & Docs

To process a regularly scheduled payment, select 'Enter Transaction,' then select 'Enter Payment.'



If the payment is late, and the loan is set up for late fees, the system will automatically add on a late fee. If you would like to waive that late fee, you may do so by clicking the 'Waive Late Fee' check box in the bottom left corner of the screen.

Regularly scheduled payments will be numbered in chronological order. For example, 1.0, 2.0, 3.0, etc.. and irregular or extra payments will be numbered in the following sequence, 1.1, 1.2, 1.3, etc.. Irregular payments are used for transactions like principal pay downs and payment reversals.

Unapplied Funds

The LOAN SERVICING SOFT system provides the option of leaving a portion of a payment or the full amount of a payment in an "Unapplied Funds" ledger bucket when processing a payment.

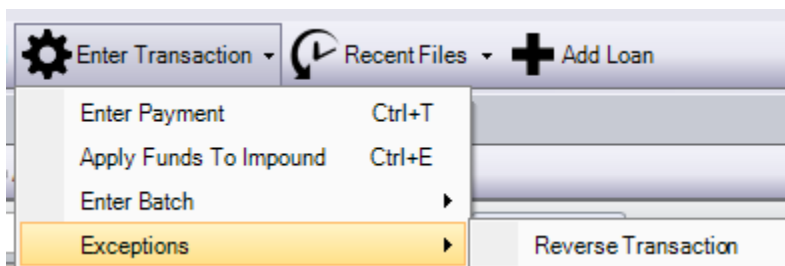


A screenshot of the 'Unapplied Funds' field in the software. It consists of a button labeled 'Unapplied Funds' and a text input box containing the value '0.00'.

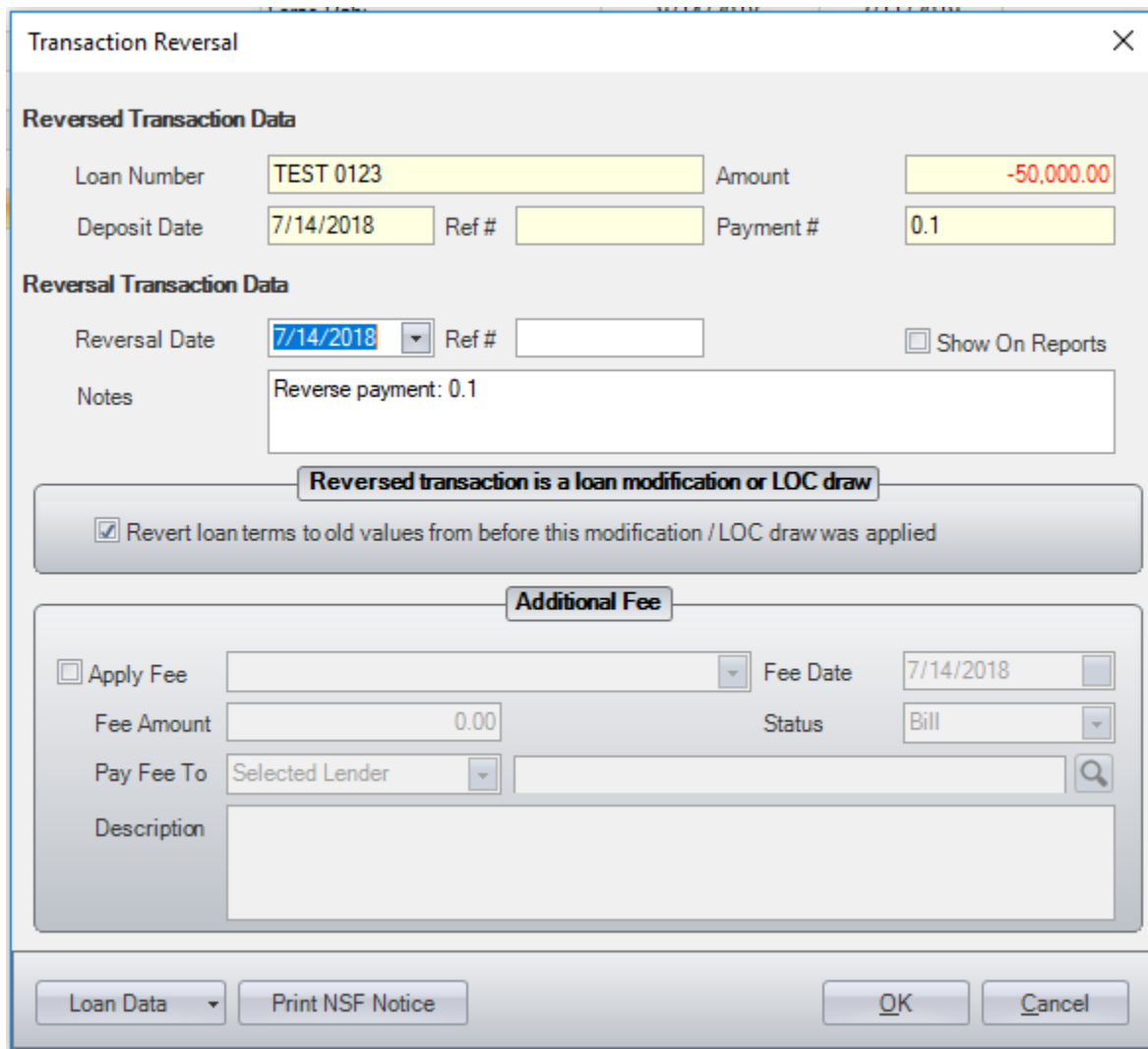
Using the Unapplied feature is as simple as placing a positive or negative amount in the Unapplied Funds field. This feature will allow the user to bring in multiple partial payments and then use those funds for one complete posted transaction. Another use would be taking a single payment in and then applying those funds to multiple posted transactions.

Payment Reversals

Payment reversals may be entered by clicking the 'Enter Transaction' button, then selecting 'Exceptions,' and then 'Reverse Transaction.'



Once the appropriate loan is selected, a payment reversal window will appear for the most recent payment that was posted. From here, a reference number and notes can be entered along with the reversal. There is also the ability to add a fee or penalty amount along with a description, such as an NSF Fee or a Bounced Check Fee.



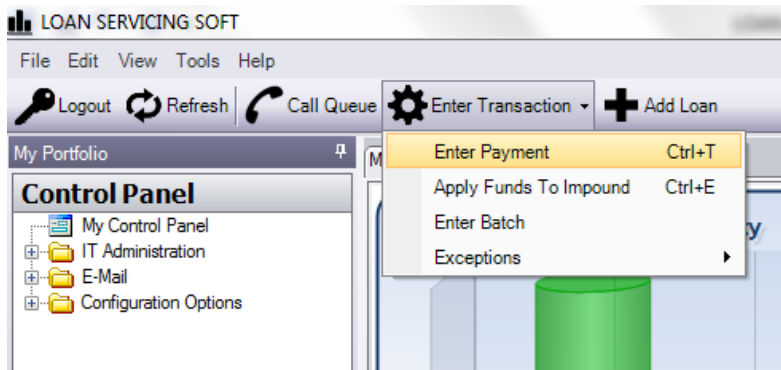
The screenshot shows a 'Transaction Reversal' window with the following fields and options:

- Reversed Transaction Data:**
 - Loan Number: TEST 0123
 - Amount: -50,000.00
 - Deposit Date: 7/14/2018
 - Ref #: (empty)
 - Payment #: 0.1
- Reversal Transaction Data:**
 - Reversal Date: 7/14/2018 (dropdown)
 - Ref #: (empty)
 - ☐ Show On Reports
 - Notes: Reverse payment: 0.1
- Reversed transaction is a loan modification or LOC draw:**
 - ☒ Revert loan terms to old values from before this modification / LOC draw was applied
- Additional Fee:**
 - ☐ Apply Fee
 - Fee Date: 7/14/2018 (dropdown)
 - Fee Amount: 0.00
 - Status: Bill (dropdown)
 - Pay Fee To: Selected Lender (dropdown)
 - Description: (empty text area)
- Buttons:**
 - Loan Data (dropdown)
 - Print NSF Notice
 - OK
 - Cancel

Irregular Payments

Irregular/extra payments, will be numbered in the following sequence: 1.1, 1.2, 1.3, etc..

To enter an irregular or extra payment, select 'Enter Transaction,' then select 'Enter Payment.'



Next, select the appropriate loan. Once the payments screen appears, click on the 'Irregular' circle, and the system will automatically change the numbering to whatever the last scheduled payment was plus '.1' for you. If multiple irregular or extra payments will be entered between scheduled payments the numbering will be .1, .2, .3, etc.

Loan Information

Loan Number

FOR PROCEDURE

Borrower

TEST BORROWER

Regular Payment

8,931.73

Past Due Data

Principal Balance

92,151.60

Unpaid Principal

0.00

Unpaid Interest

0.00

Unpaid Impound

0.00

Unpaid Late Fee

0.00

Unpaid PPP

0.00

Unpaid Collection

0.00

Old Interest Paid To

9/16/2018

Payment Information

Payment Type

☐ Scheduled
 ☒ Irregular

Payment Number

1.1

Status

Entered

Payment Due

9/16/2018

Effective Date

9/16/2018

Deposit Date

9/16/2018

Hold To Date

9/30/2018

Interest Paid To

9/16/2018

Payment Method

Check

Reference #

Notes

Amount Due

0.00

Total Due

0.00

Amount Received

0.00

Payment Distribution

	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	0.00	0.00
Current Late Fee	0.00	0.00
Current Fees	0.00	0.00
Current Principal Due	0.00	0.00
Unbilled Principal	92,151.60	0.00
Unbilled Fees	0.00	0.00
Return to Borrower	0.00	0.00
Past Due Collection	0.00	0.00
Current PPP Due	0.00	0.00
Collection	0.00	0.00
Other Income	0.00	0.00

Configure Distribution

View Investors Splits

☐ Waive Late Fee
 ☐ Is Payoff

Unapplied Funds

0.00

☐ Use Default Rate

Irregular/extra payments do not get applied to the normal payment distribution schedule. Instead, funds are applied to 'Unbilled Principal' by default. If the irregular amount is not to go to unbilled principal, the amount can be manually assigned to other buckets.

Payment Screen Glossary

Effective Date = This is the date of when the payment was received. This date also controls whether there is a late fee charged on regularly scheduled payments.

Deposit Date = This is the date that this payment amount will be deposited to the bank. This date has no effect on calculations and will be used for reconciliation and reporting.

Hold To Date = This date controls how long the distribution amounts will be held before they are disbursed to Lenders or Vendors.

Interest Paid To date = This is the date to which interest will be paid to for the current transaction. Notice on the screen, to the left and down, Past Interest Paid To. This is for the previous transaction.

Payment Method = Allows you to define the payment method (example: Check, Cash, ACH, Credit Card, etc.). Additional methods can be added to this drop down from the Configuration Options section in the Control Panel area, along with the ability to control which payment methods are included on the Deposit Sheet report.

Reference # = Is for a check number or any other tracking number you would like to use.

Notes = Used for any note you would like to add to the transaction detail. This information can be used to flow through to reporting.

Amount Due = Current amount due only.

Total Due = Current amount due plus any outstanding unpaid amounts.

Amount received = Total amount received by the borrower. Or the amount being used from Unapplied Funds.

Unapplied Funds = Any amount of a payment can be saved or left 'unapplied' on behalf of the borrower. When an amount is added to 'Unapplied Funds' it can be stored there to pay for things like future payments, principal payments, fees, escrow, etc.. One common use for

Unapplied Funds is to store multiple partial payments that a borrower sends in. Once enough partial payments are collected to make a full payment, the funds can then be used for a full regular payment. To add an amount to the Unapplied Funds, enter the amount in the Unapplied Funds box as a positive value. For example 100.00. To pull money from the Unapplied Funds, use a negative value. For example -100.00.

The **'Payment Distribution' column** on the right side of the payment screen can be adjusted on a loan by loan basis by clicking the Configure Distribution button.

The **'View Splits'** button shows the splits of how much each investor and/or vendor will be paid after posting.