

Overall:

1. Transfer from Internal to External, Internal to Internal, External to Internal, External to External Investor
2. Transfer a percent of balance to one or to multiple investors
3. Maintain old investor transaction history (IREM), original investor owned name, sold and purchase dates
4. Book interest and principal GL entries based on the purchase dates-properly account for all effective dates that are after or before a payment due date or where payment has been received.
 - a. Balance Date – ability to use current date
5. Correctly build the investor IREM record for the first payment due to the investor. Account for correct remittance to the selling investor.
 - a. Remittance amounts – ensure Receivable for all amounts populated
 - b. Scheduled Balance populate
 - c. Escrows/Reserves
6. Wizard
 - a. Needs to ask question – Copy data from Investor Master Y/N
 - i. If Y, users should be able to edit the data
 - ii. If N, users will be able to edit data (like Investor Master Wizard process)
 1. Should pull in Investor master defaults
 - iii. Include Cutoff Freq and Cutoff Freq Method

Scenario #1 – An internal loan is sold at 100% to an external investor

1. Transfer moves it from sell investor to purchasing investor
2. Accrued interest receivable is reduced on the GL of the selling entity- also calculating odd sell dates outside of the due date- example: loan next due date is 9/1 and paid thru 8/1. Sell occurs on 8/15- in this case the internal investor retains 14 days on the books and the external investor payment is from 8/15 thru 8/31. Remittance records reflect this adjustment in the remittance records.
3. Principal balance is reduced on the GL for based on the purchasing investor %
4. Ability to view old history before the sell
5. D2 – F1 only works currently
6. Movement of escrow – custodial accounting
 - a. GL to DDA – ACH movement
7. GSE programs are needed – overall to work same as above
 - a. Priority –
 - i. Freddie
 - ii. Fannie
 - iii. FHA/GNMA
 1. Pool record creation

Scenario #2 – An internal loan is sold at less than 100% to an external investor (a Participation in the current owned balance)

Investor Transfer
Reviewed on 9/12/2016
Updated 1/17/2017

1. Transfer moves it from sell investor to purchasing investor
2. Accrued interest receivable is reduced on the GL of the selling entity based on percent of the sale and the sale dates. Calculates accurately odd sell dates outside of the due date- example: loan next due date is 9/1 and paid thru 8/1. Sell occurs on 8/15- in this case the internal investor retains 14 days on the books and the external investor payment is from 8/15 thru 8/31. IREM records reflect this adjustment in the remittance records.
3. Principal balance is reduced on the GL for based on the purchasing investor %
4. Ability to view old history before the sell

Scenario #3 – An External investor is sold to an internal investor (repurchase of a loan)

1. Like Scenario 1 or 2 but in reverse
- GNMA IRR's – Pool records
 - Modification – interest rate changes
 - Recalculate Pro Rata Share
- Reverse of Internal to External
 - Need to be able to GL Matrix
 - Asset hits GL
 - Fees hits

Scenario #4 - A group or pool of loans are sold from internal investor to an external investor. Same as scenario #1.

Scenario #6 – Internal to Internal

- Transfer wizard recognizes the new internal and doesn't allow updates to NEW internal.
- Should allow all updates / give a choice
- Interest accrual - fix how it is flowing (already reported)
 - Month end accrual issue depending on payment timing
 - Should use the interest purchase date
 - Prudential – has current issues and has to delete/recreate

Scenario #7 – External to External

- Similar to Internal to External
 - D2 – F1 (but without the “fund”) but really any to any program w/o Fund/GL
 - Still need GL matrix change for Fee portion, optional
 - Current functionality there
 - Asset will all be custodial
 - CME to CMBS
 - So impact only custodial records

Scenario #9 – Bulk

- Pool Group
 - 3rd party warehouse and internal going to external securitization

Investor Transfer
Reviewed on 9/12/2016
Updated 1/17/2017

- Selection screen of loans
- Import Excel into Strategy there but not working
 - Not creating investor master
 - Investor Master Wizard information – use the Default?
 - CME review for delete/re-create
 - Import to pending investor transfer screen like New Loan boarding process with edits and approvals
 - Fields – Loan, GL Matrix, old investor, new investor, investor master default (by investor #) or pull from current investor, transfer date, interest purchase date, pool #, amount
 - All fields in Investor Master Wizard – See Excel “Investor Transfer – bulk transfer”
 - Include Cutoff Freq and Cutoff Freq Method fields as investor vendor can have different values.
 - Users would like to have the data put into the Excel and be able to edit it.
 - Loan sales – premium to tie back to sale
 - Have it go to direct GL – (Deferred Revenue)
 - Sell \$1.1m, buy \$1m, Deferred rev trans setup with \$100,000
 - Sell @ market via wizard (sub-trans)
 - Not show on Loan History

Scenario #10 – Same Month Pooling Loans

- Interest purchase date cannot be prior to Original Loan date
 - Cannot transfer using the actual Interest Purchase Date of the Buying Investor since it is generally prior to the actual Original Loan Date in Same Month Pooling Scenarios (Ex. Loan closed 09/03/2015; purchased on 09/28/2015 with an Interest Purchase Date of 09/01/2015 - a full month of interest is due the Buying Investor even though a full month has not been collected; corporate must fund interest)
- Tends to be GSE loans

Scenario #11 – GNMA Construction Loans

- Ex. Loan closed 07/XX/2015; odd day's interest are paid with advance on 08/25/2015; certificate for original loan amt (excluding advance) issued 9/30/2015
- Adding Certificate - Ex. Loan closed 07/XX/2015; additional certificate issued for advance(s) on 10/31/2015
- Details will be in the GNMA BRD

Scenario #12 – Non Accrual

Rick will review and provide details. Not critical for first requirements phase.

Scenario #13 – External to External

Rick – custom piece, not core for customer. Not required for first requirements phase.