



CUSTOMER FORUM

Payment Deferrals

Spring 2020

Today's Topic: Things to consider when payments are to be deferred.

There are a number of considerations when deferring payments

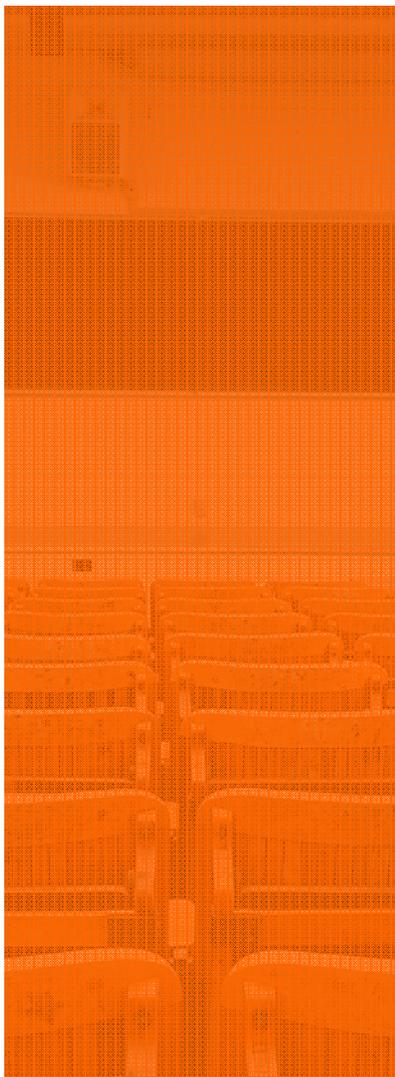
1. What gets deferred? Will Taxes, Insurance and Reserves be collected during payment deferral?
2. Will you be deferring Principal and Interest, or just Interest?
3. If you are deferring the interest, when will you collect it?
4. How will you report the payment deferral to the G/L?
5. What are the requirements for investor remittance during payment deferral?
6. If you are the servicer, are you still required to advance the payment?



CUSTOMER FORUM



Our agenda.



✓ Discuss Strategy Features

✓ Review & Discussion

✓ What to do next

SECTION 1



 Discuss Strategy Features

DIAL

- Defers all or a portion of the interest payment
 - Interest is accrued daily
 - Deferred interest posts to a different interest receivable account
- The due date rolls with each payment satisfaction on the due date of the loan.
- Ability to post payments to recapture deferred interest.
- Deferral is only for the interest portion of the payment.
 - The principal portion of the payment will need to be handled separately.

Modified Payment Schedules

- Modified Payment Schedules change what is due for specific due dates
 - Requires manual setup of the modified payment schedule
 - Payment modification must be entered one payment frequency in advance of the payment due date.
 - Modifies only the P&I amount due and late charge
 - Servicers will need to decide what will happen to the interest that is deferred as a result of the modification

Other Features for Considerations

- Pending Change Master/Loan in Process
 - Schedule changes to monthly constants, payment type, late charge
- Split Components
 - Schedule Principal, Tax & Insurance, and Reserves at different frequency than interest
- Things in the Future
 - Billing
 - Repayment

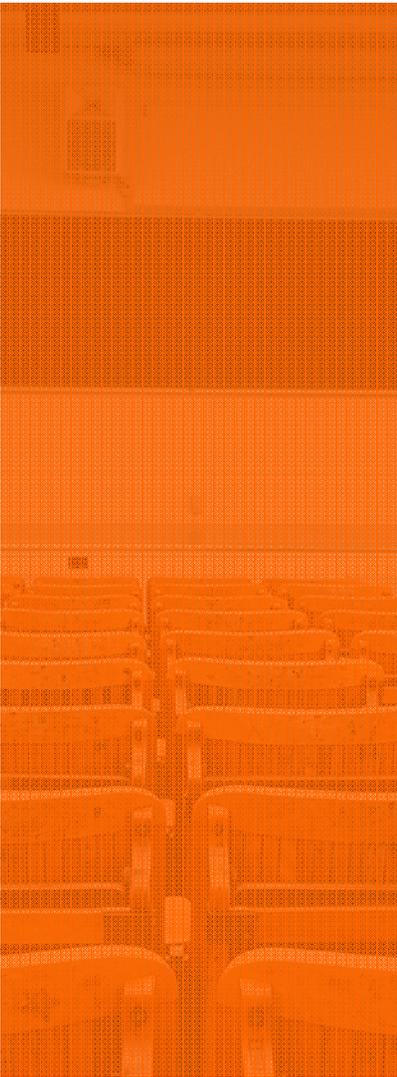
What if I Change the Next Payment Due Date?

- Both the Next Payment Due Date and Due Date for Delinquency need to be advanced.
 - Should interest stop accruing during the 'no payment' time?
 - Accrual dates and balances may need adjusting too.
 - Do I need to extend the Maturity Date on the loan?
 - Deferred revenue/expense may be impacted.
- PAT considerations
 - PAT will not draft delinquent payments.

Is an Escrow Only Loan an Option?

- What is being deferred?
- Are Taxes, Insurance and Reserve amounts still due?
- Can I make this an Escrow Only loan by
 - Remove the P&I Constant in Loan Administration>Master Info?
 - Payment Type will need to change.

SECTION 5



REVIEW & DISCUSSION

Considerations for Payment Deferral

- What is being deferred?
 - When or for how long is it being deferred?
 - How do I report the deferment to the G/L?
 - How do I report it to my investors?
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- Once you know the answers to your questions, decisions on how to set up the loans can be made.
 - DIAL Loans
 - Modified Payments
 - Change the Next Payment Due Date
 - Escrow Only Loans
 - Or....

Next Steps?

Answer the pertinent questions:

- Understand your population of loans that may defer.
- Consider what portion of the payments will be deferred.
- Determine, if you can, how long those loans will be deferred
- Understand what still needs to be remitted to Investors
- And how to report the deferred items to the G/L

Once you know the answers, you can begin building your game plan.



Thank you for attending our Forum.

