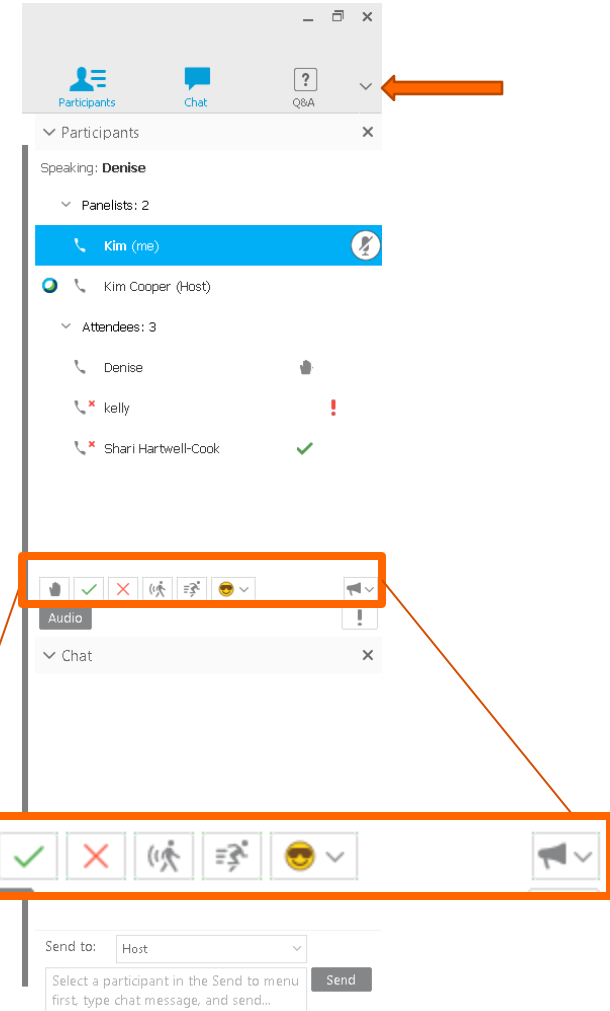# Payment Deferral Discussions

Defer Full Payment (No Repayment Considered) (Scenario #2)

Reviewed Features for DIAL (Scenario #5)

Before We Start

- Please 'Raise Your Hand' to be recognized.

- If you do not see the Participants panel use the 'More options and controls' arrow to 'Show Panels'

Agenda

- Scenario #2 – Defer Full Payment

- Scenario #5 – DIAL Loan

- Miscellaneous Topics
  - PAT Processing
  - Tracking Loan Modifications

- Discussion

- Next Webinar

Defer Full Payment (Scenario #2)

Repayment Terms Undetermined or Will Not Be Spread

What changes will have to be made?

- Loan will continue to roll forward monthly, no accrual record changes will be needed, loan will continue to accrue (GL if used)
- Next Payment Due Date, Due Date For Delinquency, Next Billing Date may need to be rolled each month after the receivable is built
  - Recommend file maintenance after the payment due date has past
- Late charge modification, change loan administration late charge fields
- Do you want to continue to bill monthly? That will affect loan administration, PATs
  - Change Print Bill to N
  - Take loan off of PAT
- Consider the receivables that may have already been built with late charges included
  - Waive late charges
- Investor considerations, will the servicer be required to advance payments? Scheduled loans will work automatically, any effort for actual?
- Taxes & Insurance premiums to be paid by servicer,
  - Corp Cash advances will occur if balances go negative
  - Consider System Control setting for allowable negative balances

Loan Administration

Late Charge

If the field **Disable Auto Chg of Basis** is marked as 'Yes (Y)', your loan will not change Accounting Basis Method to Cash or Cost Recovery without manual intervention. Also check System Control Setting.

Receivables

- Next payment due 1/31/19, only 1 payment due now.

STRATEGY CS - [Billing => 040020016 [USD] - Accent Cleani]

File   Edit   Tools   Additional   Window   Help

Accrual | Receivables | Interest Adjustment | Balances & Rates | Subsidy | Modified Payment Schedule

Legal Maturity Date: 10/31/2023

Billing Date	Amount Due	Amount Credited	Amount Remaining	L/C Assessed
01/31/2019	118,293.00	.00	118,293.00	N
12/28/2018	118,293.00	118,293.00	.00	N
11/30/2018	145,989.00	145,989.00	.00	N
10/31/2018	145,989.00	145,989.00	.00	N
09/28/2018	145,989.00	145,989.00	.00	N
08/31/2018	110,905.18	110,905.18	.00	N
07/31/2018	110,905.18	110,905.18	.00	N
06/29/2018	110,905.18	110,905.18	.00	N
05/31/2018	110,905.18	110,905.18	.00	N
04/30/2018	110,905.18	110,905.18	.00	N
03/30/2018	110,905.18	110,905.18	.00	N
02/28/2018	110,905.18	110,905.18	.00	N
01/31/2018	110,905.18	110,905.18	.00	N

Jan 31, Feb and Mar payments to be skipped.

- To avoid the risk of the loan going delinquent… manually roll the due dates month-to-month

File Maintenance to due dates:

- Wait until the due date has past but before the next bill will drop:
  - Change next payment due date to 2/28/19
  - Change due date for delinquency to 2/28/19.
  - Repeat this method for each subsequent receivable until repayment is determined
  - Determine what next billing date needs to be. Do you want to bill each month?
  - Leave the constants intact.

Accruals

- **Starting Date for Next Accrual Period** and **Current Accrual Receivable** do not change

- Receivables continue to be built as normal.

- Loan continues to accrue interest

- G/L entries if you report to G/L

Defer Interest using DIAL (Scenario #5)

- This example is a simple DIAL loan

- Store the DIAL accrual for collection later

- Loan Payoff

- DIAL Recapture payments

- Manual Interest Rate Change – don't wait for dayend
- Could be used if more then one payment is due or bill will drop today

File   Edit   Tools   Additional   Window   Help

Customer Info | **Master Info** | Pending Change Master/LIP | Deferred Revenue & Expenses | Analysis & Reporting Info

- Payment/Billing
- Balances/Processing
- Contract
- Esc/LateChg/Default
- D.I.A.L.
- Reporting
- Tiered Service Fee
- Period to Date(1)
- Period to Date(2)
- Commercial/Balloon
- Interest Reserve
- Valuation Analysis
- Prepayment Premiums
- Fee Information

Deferred Interest Accrual Loan Information

Type:	CA PF DA (4)	
Rate%:	.0000000000000	
Cap/Compounding:	NOT APPLIC (0)	
G/L Posting:	YES (Y)	
Accrual Start Date:	00/00/0000	
Balance:	363.28	
Contra Balance:	.00	
Corresponding Acct#:		

Annual Cap:	0
Lifetime Cap:	0
Amount Deferred to Date:	363.28
Amount Deferred YTD:	.00
Last Month's Deferred Amount:	.00
Last Month's Ending Balance:	.00
Automatic Update of Pay Rate:	YES (Y)
Accrued Interest: General Ledger:	363.28

Capitalization Information

Amount Accrued Since Last Capitalization: 363.28
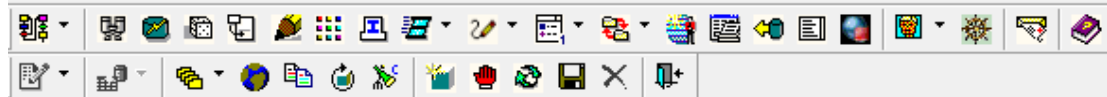
Capitalization Frequency (X): Jan: Feb: Mar: Apr: May: Jun:

Jul: Aug: Sep: Oct: Nov: Dec:

Interest Adjustments

- Process Interest Adjustments to reduce receivable interest and increase DIAL interest

- These Interest Adjustments can be optionally processed today

- Interest Adjustments that may be needed to set up DIAL accrual:
  - Type A - reduces all DIAL balances in master file (credit)
  - Type B -increases all DIAL balances in master file (debit)
  - Type 4 -reduces master DIAL balance and g/l Balance
  - Type 8 -Increases master DIAL balance and g/l Balance

File   Edit   Tools   Additional   Window   Help

| Accrual | Receivables | Interest Adjustment | Balances & Rates | Subsidy | Modified Payment Schedule | Defaul |

○ Display Open Items Only
○ Display Closed Items Only

Date Posted	Date Entered	Adjustment Type	Adjustment Amount	Receivable Date	Effective From	Effective Through	Exception Type	User ID	Manual Process	Default Sort Order

Interest Adjustment Information   ✕

Date Posted: 00/00/0000
Date Entered: 04/01/2020
Adjustment Type: DEBIT DFR (B)
Adjustment Amount: 363.28
Receivable Date: 02/01/2012

Effective From: 01/01/2012
Effective Through: 01/03/2012
Exception Type: P&I ADJ (0)
User ID: NANCY

OK   Cancel   Apply   Help

Ready

Post Interest Adjustments

- Select Finish
- Billing Module>Tools>Post Interest Adjustments
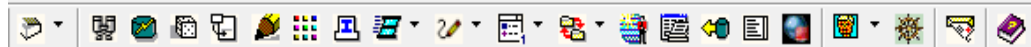
STRATEGY CS - [Billing => 050097501 [USD] - Mark Lopex MCACF# 5340-001]

File   Edit   Tools   Additional   Window   Help

Accrual | Receivables | Interest Adjustment | Balances & Rates | Subsidy | Modified Payment Schedule | Default Interest

○ Display Open Items Only
○ Display Closed Items Only

Date Posted	Date Entered	Adjustment Type	Adjustment Amount	Receivable Date	Effective From	Effective Through	Exception Type	User ID	Manual Process	Default Sort Order
00/00/0000	04/01/2020	DEBIT DFR (B	363.28	00/00/0000	12/01/2007	12/31/2007	INT ONLY (1)	NANCY	No (N)	0000000020200401000000000120
00/00/0000	04/01/2020	CR RCV REC	363.28	01/01/2012	12/01/2011	12/31/2011	INT ONLY (1)	Nancy	No (N)	0000000020200401201201011120

Billing => 050097501 [USD] - Mark Lopex MCACF# 5340-001

? Interest Adjustments will be posted and a report will be generated.
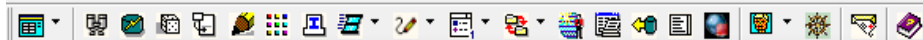
OK   Cancel

Rate Change (From ARM Module)

- Rate Change option — Let Strategy do the adjustments to the interest receivable and DIAL interest

- Processing occurs during dayend

- Best for one open receivable
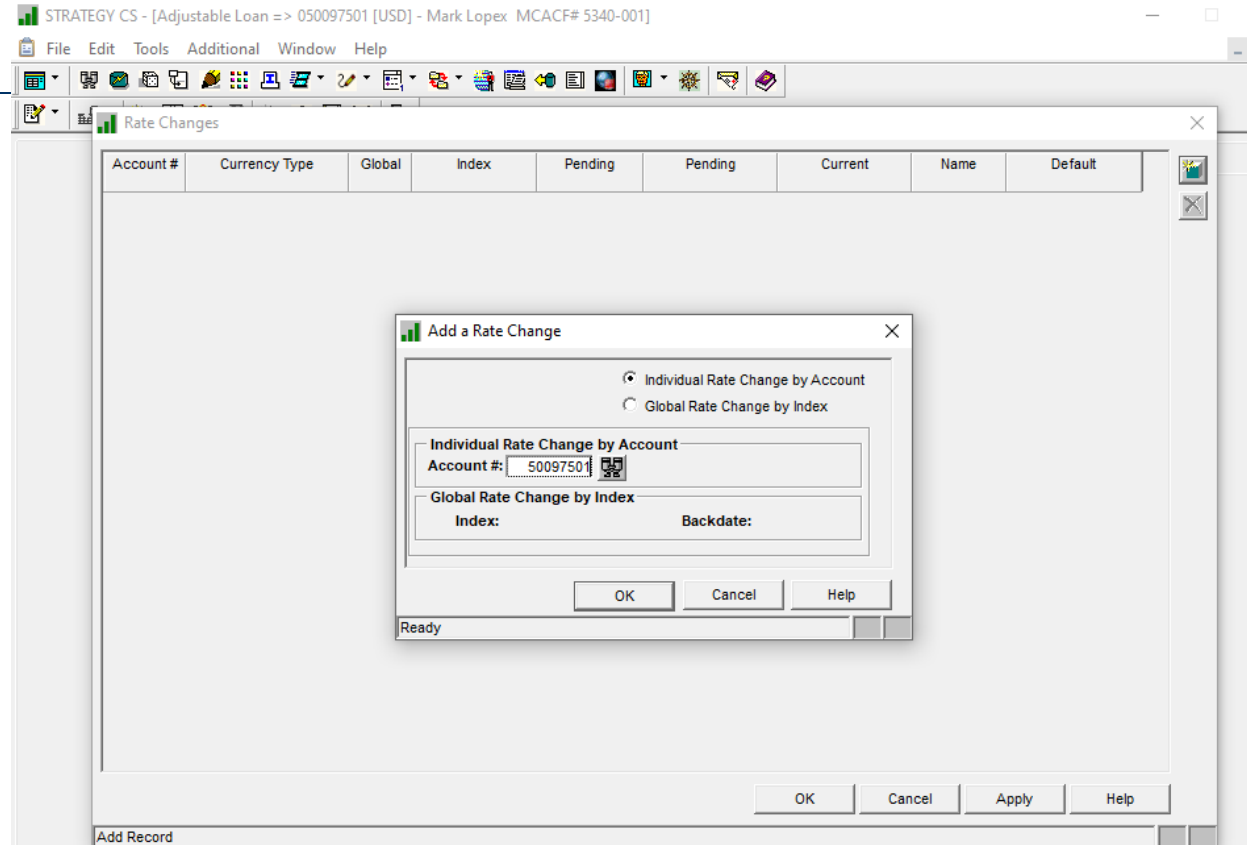
STRATEGY CS - [Adjustable Loan => 050097501 [USD] - Mark Lopex MCACF# 5340-001]
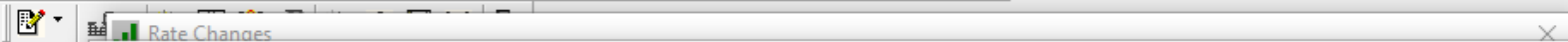
File   Edit   Tools   Additional   Window   Help

Rate Change Information

Account #:   50097501   Mark Lopex

Effective Date: 04/01/2020

New Interest Rate %: .0000000000000   Current Interest Rate %:   4.5000000000000

New Annual Percentage Rate %: .0000000000000   Current Annual Percentage Rate %:   .0000000000000

Investor Rate Information

Inv #	Inv Name	Current Net Yield Rate %	Current Serv Fee Rate %	Current Guar Fee Rate %	Curent Exc Yield Rate %	New Net Yield Rate %	New Serv Fee Rate %	New Excess Yield Rate %
702	TEST INVES	4.3750000000000	.1250000000000	.0000000000000	.0000000000000	.0000000000000	.1250000000000	.0000000000000

OK   Cancel   Apply   Help

Ready

Add Record

STRATEGY CS - [Adjustable Loan => 050097501 [USD] - Mark Lopex MCACF# 5340-001]

File   Edit   Tools   Additional   Window   Help

Rate Changes

Rate Change Information

Account #:   50097501   Mark Lopex

Effective Date: 04/01/2020

New Interest Rate %: .0000000000000   Current Interest Rate %:   4.5000000000000

New Annual Percentage Rate %: .0000000000000   Current Annual Percentage Rate %:   .0000000000000

Investor Rate Information

Inv #	Inv Name	Current N... Yield Rate			...ew Serv ...e Rate %	New Excess Yield Rate %
702	TEST INVES	4.375000000			50000000000	

Rate Change Information

⚠ The New Interest Rate has been Updated to 00.00000%.

[OK]   [Cancel]

Select OK and the grid will be displayed

[OK]   [Cancel]   [Apply]   [Help]

Save Changes & Exit

Add Record

Rate Changes

Rate Change Details

- Record will provide options for updates to the DIAL rate

- If necessary, also update the investor net yield etc

DIAL General Ledger

- Set up the DIAL G/L account numbers in the applicable G/L Matrices

General Ledger Processing

- Monthly receivable posting (this will occur at monthend only and is part of the month-end jobstream):

- DIAL interest posted to general ledger
  - Nothing is calculated
    - Posts DIAL G/L balance from Master to associated G/L number
      - Transaction code A3
  - Master DIAL G/L balance is reduced to 0.00

- Work with MFS Support to update the jobstream

- Consider G/L interface for these transaction type

Miscellaneous Topics

PAT Processing

Tracking Modified Loans

PAT Processing

Payer Detail Information

Account #: 40020016   Accent Cleani

Payer Information

Balance: 5,408,062.92   Next Pmt Due Date: 04/30/2019

Sort Name: PAT040020016
Billing Cycle: PAT PROCES (T)   Check/Savings: CHECKING (C)
Next Pmt Bill Date: 01/31/2019   Bypass: YES
Bank: PAT BANK (995) ...   Cancel: NO (N)
ABA Number: 995-777-777   Cancellation Date: 00/00/0000
Bank Acct #: 40040020016   Setup Date: 03/13/2014
Payer: pat payer loan 040020016   Next Bill Date: 01/31/2019

Processing Information

Process on Last Day of Month

Next Cycle Date: 01/28/2019   NO (N)
Next ACH Date: 01/29/2019   NO (N)
Next Pmt Post Date: 01/30/2019   NO (N)
Use Business Calendars: YES (Y) ...

OK   Cancel   Apply   Help

- Bypass = 'Yes (Y)' temporarily suspends
- Cancel = 'Yes (Y)' permanently stops processing
  - Cancel requires that you update the Billing Cycle Method in Loan Administration

Tracking Modified Loans

- Loan Administration>Master Info>Balances/Processing
  - Hold Codes 1-3 (PINFO 26)   Loan Status 1 & 2 (PINFO 64)
  - PMASTR

Tracking Modified Loans
- Analysis & Reporting (1) – PMASTR3

Miscellaneous Info 1 – Setup Field Descriptions

- Tools>Misc Information>Misc Info Setup 1 & 2

Enter information on each loan

- Tools>Misc Information>Misc Information 1

Tracking Modified Loans

- Loan Modification widget

Discussion

Thank you for attending our Forum.