

Lesson 06 Viewing Loans

Loan Master Loan Servicing Software
(www.loansoftware.com)

Prerequisite
01 Finding Loans

Mortgage With Origination Fees

This is the primary lesson on viewing loans. It will cover all the tabs. All following lessons will show only the tabs relevant to the features being shown.

Select the John Walker loan 11491
Click on the Cust Tab

Customer Tab

The screenshot shows a window titled "Loan Session (LS-309)". At the top, it displays "Loan No: 11491", "Cust No: 20750", and "Loan Name: Walker, John". Below this is a menu bar with tabs: Find, Cust (selected), Loan, Dates, Terms, Status, Misc 1, Misc 2, Hist, Trans, Comment, and Print. The main area contains a form with the following fields:

Customer No	20750	Taxpayer ID	816-21-0593
Last Name	Walker	Customer Type	IND
First Name	John	Credit Rating	B
Middle Initial		Cr Lim Sec	
Company Name	Wolfe & Associates	Cr Limit Unsec	
Address	393 PENNY WAY	Home Phone	686-267-3110
Address		Work Phone	896-173-1317
City	SPAKS	Cell Phone	719-570-3688
State	NV	Zip	89431
		FAX Phone	842-584-4755

Below the form is a "Customer Comment" field containing the text: "John is the Governor's grandson!". At the bottom of the window is a grid of buttons:

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_1.png

This tab contains information about the customer / borrower. The system uses the term customer rather than borrower because not everyone you do business with is a borrower.

Items on this tab that are not immediately self explanatory are:

Customer Type.

There are several customer types and more can be added if needed.

There are types for individuals, companies, tax authorities, insurance agencies, investors, and others. To see them all, select Utilities, then View Customer Types from the main menu. You must close the View/Edit/Post dialog before you can use the main menu.

Credit Rating

This is user defined and the system doesn't use it. It means whatever you say it means. To see the defaults select Utilities, the View Credit Ratings from the main menu.

Credit Limit Secured

Credit Limit Unsecured

These are not used by the system. They are for your reference only.

Loan Tab

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
CustomerNo	20750	Original Face Amount	125,000.00								
Loan Number	11491	Balance	120,030.20								
Portfolio	R/E	Date Note	01/01/2005								
LoanName	Walker, John	Officer	FJ								
Comment1		System Status	20								
Comment2		Lender Status									
Alpha1		Date Last Statement	09/01/2005								
Alpha2		Last Statement Balance	120030.20								
Collateral	R/E										

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_loan.wpg

This tab contains information about the loan. This is descriptive information to help you identify the loan

Items on this tab that are not immediately self explanatory are:

Comment1, Comment2, Alpha1, Alpha2. These are comment fields that are user defined. Use

them for whatever you like.

System Status

Normally 20. Don't mess with it. There are other uses for it but they are not tutorial level features.

Lender Status

This is your status field. The system does not use it. It means whatever you say it means.

Dates Tab

Loan Session (LS-309)

Loan No: 11491 Cust No: 20750 Loan Name: Walker, John

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Date Note			01/01/2005						Date Update	09/01/2005	
First Payment Due			02/01/2005						No Int Before	01/01/2005	
Final Maturity			01/01/2015						Date Default	///	
Last Transaction			08/02/2005						Date Statute	///	
Next Payment Due			10/01/2005						Date Ins Expires	///	
Payment Due For			09/01/2005						Next Past Due Notice	08/11/2005	
Previous Maturity Date			09/01/2005						Deferral Ends	///	
Last Payment			08/02/2005						Date Last Bill	///	
									Date Next Bill	///	
									Date Last Pst Notice	///	

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

view_11491_dates.png

These are mostly self explanatory.

Payment due For

Most new users have trouble with this date.

This is the most recent date for which a payment was due but not yet made.

This is the date that keeps up with the past due or prepaid status of the loan. If this date is in the future, the loan is current or prepaid. If this date is in the past, the loan is past due.

Today is June 20. A payment was due on April 15, May 15, and June 15. The April payment was made on time. The May and June payments have not yet been made. The date due (date of payment due) is May 15. We say "The loan is due for may 15th." It is 36 days past due. (May 15th to June 20.) The date next due is July 15. Another payment is due on that date whether or not the prior payments have been made.

Today is September 5. A payment was due June, July, August, and September first. They were all made on time. The loan is "Due for Oct. 1". The date payment due is 10-01-xx. the date next due is also 10-01-xx

Date Update

This is the date of the last update. It is the date the operator entered as the date of the last update. It may or may not be the same as the actual calendar date the update was done.

It is the latest date through which interest has been calculated and for which past due status has been checked.

It is very important to update the file before posting payments or printing past due notices or past due reports.

Date Statute

This is the date that the statute of limitations runs out on this loan. The system makes no attempt to enter or update this date. If you want it and want to keep up with it, you must put it in and keep it updated.

Date Deferral Ends

One of the loan statuses is Deferred. (That is another lesson and will not be covered in the tutorial)

A loan in deferred status is TOTALLY ignored by the system. It does not calculate interest, late charges or anything else. It does not get notices.

Terms Tab

Loan Session (LS-309)

Loan No: 11491 Cust No: 20750 Loan Name: Walker, John

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Original Face Amount		125000.00		Int Rate Original		7.7500					
Origination Fee		1250.00		Int Rate Current		7.7500					
Original Advance		125000.00		Interest Basis		365					
Regular Payment Amount		1500.13		Purpose of Loan							
Final Payment Amount		1500.13		Adjustable Rate Index							
Payment Frequency		12		Floating Rate Index							
Escrow Total Pmt				Int Rate Differential							
Late Charge Rate		0.0000		Official Fees		0.00					
Payment Type				Number Payments		120					
Collateral		R/E		Int Only Pmts Remaining							

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen

Collateral New Customer Reverse Pmt Reverse Tran Unlock Quit

view_11491_terms.png

This tab needs LOTS of description. Much more than would be appropriate for the tutorial lesson. All these are covered in detail in the manual and in the help file.

For the purpose of this lesson, we are going to cover only a few of them.

Origination Fee.

The origination fee is frequently referred to as "Points" This fee is required as a condition of receiving the loan and is retained by the lender. That makes it part of the finance charge.

Interest Rate Current and Original

The current rate is the rate used to accrue interest. The original rate is for reference purposes only in the case of adjustable or variable rate loans.

Final Payment Amount

May or may not be a balloon payment. It is largely ignored by the system. When the final maturity date arrives, the system will mature the entire loan including interest, principal, late charges etc, regardless of what number is in this field.

Payment Type

Zero, Blank, and One all mean the same thing. Normal interest and principal. To see the other options, enable edits and then open the pull down list.

Status Tab

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Balance					120,030.20	Date Update			09/01/2005		
Interest Accrued					790.21	Scheduled Balance			119,330.38		
Interest Due					790.21	Payment Due For			09/01/2005		
Principal Due					709.93	Date Last Tran			08/02/2005		
Interest YTD					5,531.11	Current Interest Rate			7.7500		
Interest paid					5,531.11	Servicing Officer			FJ		
Interest Deferred						Unapplied Credits			0.00		
Late Charge Due					0.00	Penalty Due, Unpaid					
Late Charges Paid					0.00	Penalty Paid					
Late Charges YTD					0.00	Penalty Paid YTD					
Escrow Due, Unpaid					0.00	Partial Payment Due			0.01		
Escrow Balance					0.00	Days Past Due			0		

Status Report

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt.	Reverse Tran	Unlock	Quit

view_11491_status.png

Interest Accrued

Interest Due

These are not the same. The detailed explanation can be found in lesson 1

Scheduled Balance

If you had an amortization schedule for this loan, using the original terms, This is the balance it would show. This is used as a reference point for loans that are significantly past due or prepaid.

Payment Due For

See Dates Tab, this lesson.

Unapplied Credits

Some lenders do not accept partial payments. Partial payments are accumulated until there is an amount large enough to make a complete payment.

Partial Payment Due.

This is calculated by adding up all the payment components that have been paid and subtracting

the total from the total payments that should have been paid.

Days Past Due.

Days Past Due = Date_Upd minus Date Due For.

If today is 06/21 but you haven't updated since 06/15 and the borrower missed the payment due on 06/01. Days Past Due will report 06/15 - 06/01 = 14 days past due. The loan is actually 20 days past due since the payment has not been paid. Since you have not updated the system, it doesn't know whether the payment has been paid or not so it makes no assumptions about what happened between 06/15 and 06/21.

Misc Tab

The screenshot shows a software window titled "Loan Session (LS-309)" with a menu bar containing "Find", "Cust", "Loan", "Dates", "Terms", "Status", "Misc 1", "Misc 2", "Hist", "Trans", "Comment", and "Print". The window displays the following information:

Loan No: 11491 Cust No: 20750 Loan Name: Walker, John

Origination Fee	1250.00	Mail Code	A
FSB Yield to Maturity	7.980130	Payment Allocation Option	3
Org Fees Unamortized	1125.60	Loan Grade	
Org Fees Earned YTD	124.40	Guaranteed By	
FSB Capitalized Costs		Late Charge at Day	0
FSB Net Remaining Value	118204.79	Profit Share Pct Int	0.0000
Org Fee Amortization Method	91	Profit Share Pct Prn	0.0000
Rate Adjusts	11	Profit Share Pct LC	0.0000
Disclosed APR	7.9801	Cost Recovery Percent	
Maximum Late Charge	0.00	Remaining Cost	
Minimum Late Charge	0.00		

At the bottom of the window, there are two rows of buttons:

Print Stmt	Enable Edits	Post Payment	Post Trans	Loan Search	Payoff Screen
Collateral	New Customer	Reverse Pmt	Reverse Tran	Unlock	Quit

This is a very important tab for this type of loan.

Origination Fee has already been covered in this lesson.

FSB yield to maturity.

The origination fee is handled according to FSB rule 91. Since the origination fee is part of the interest, the actual yield earned on the loan is greater than the stated interest rate. This is the yield to maturity calculated by amortizing the origination fees over the expected life of the loan.

Org Fees Unamortized

As the origination fee is amortized, the amortization amounts are deducted from this amount. It

starts out at the origination fee amount and decreases to zero over the life of the loan.

Org Fees Earned YTD.

Corresponds to interest earned YTD. This is the amount of the origination fees that have been earned and are income for the lender this year. The sum of all these amounts for all loans as of 12/31 is the amount of origination fee income you should report to the IRS at the end of the year.

Everything else on this tab will provide several more lessons.

Misc2 Tab

The screenshot shows a software window titled "Loan Session (LS-309)". At the top, it displays "Loan No: 11491", "Cust No: 20750", and "Loan Name: Walker, John". Below this is a menu bar with options: Find, Cust, Loan, Dates, Terms, Status, Misc 1, Misc 2 (selected), Hist, Trans, Comment, and Print. The main area contains two columns of input fields. The left column includes: Purchase Discount, Unearned Purchase Discount, Discount Net Remaining Value, Discount Yield to Maturity, Discount YTD, Discount Book Value (with a value of 120030.20), Price Paid (%), and Send Form 1098? (with a value of N). The right column includes: Sale Price, Down Payment, Original Face Amount (with a value of 125000.00), Cost Basis, Deferred Gain, Percent Gain, Totalgain, Partial Pmt Calculation, User Field 1, and User Field 2. At the bottom, there are two rows of buttons: the first row has Print Stmt, Enable Edits, Post Payment, Post Trans, Loan Search, and Payoff Screen; the second row has Collateral, New Customer, Reverse Pmt, Reverse Tran, Unlock, and Quit.

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These items relate to loans purchased at a discount or IRS Installment sales and will be covered in later lessons.

Hist Tab

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Servicing Officer	FJ							Past Due 10 Days			
Principal Due		709.93						Past Due 30 Days			
Interest Due		790.21						Past Due 60 Days			
Capital Expenses								Past Due 90 Days			
Collection Expenses								Past Due 120 Days			
Legal Expense								Late Charge At Day	0.00		
Scheduled Bal		119,330.38						Late Charge Due	0.00		
Pmt Due For		09/01/2005						Late Charge Paid	0.00		
Date Default		??						Late Charge YTD	0.00		
Date Statute Expires		??						Late Chg No Assd			
No Pmts Matured		8						Collection priority	0		
No Pmts Paid		7.00						Delinquent Rate Index			

Print Stmt Enable Edits Post Payment Post Trans Loan Search Payoff Screen
Collateral New Customer Reverse Pmt. Reverse Tran Unlock Quit

view_11491_hist.png

Items needing explanation:

Number of Payments Matured

Every payment date, 1.00 is added to this number.

Number of Payments Paid. Each time a payment is paid, the total paid to interest and principal, is divided by the regular payment amount and the result is added to this number. Late charges and escrow are not counted,

Late Chg No Assd.

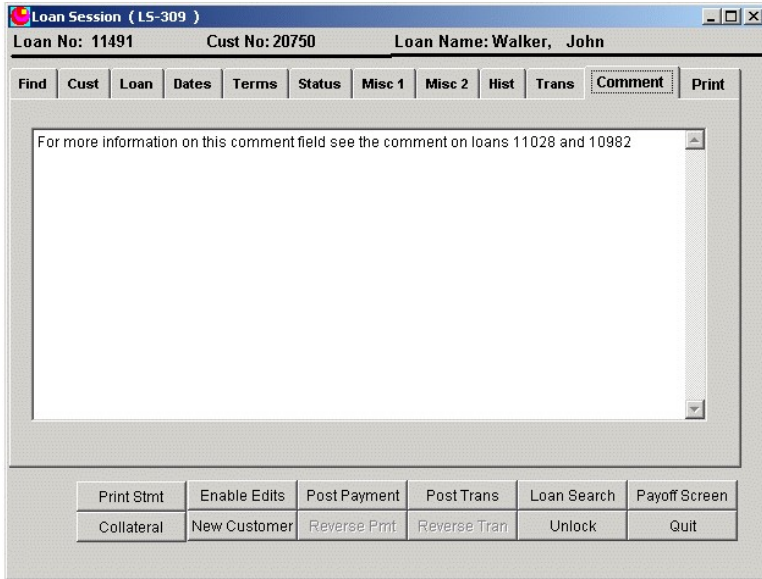
Number of late charges assessed on this loan.

Delinquent Rate Index.

If this is set to in index, the index rate will be used to accrue interest any time the loan is past due. When the loan becomes current again it reverts back to the current rate.

Do not use this unless your notes specifically provide for it.

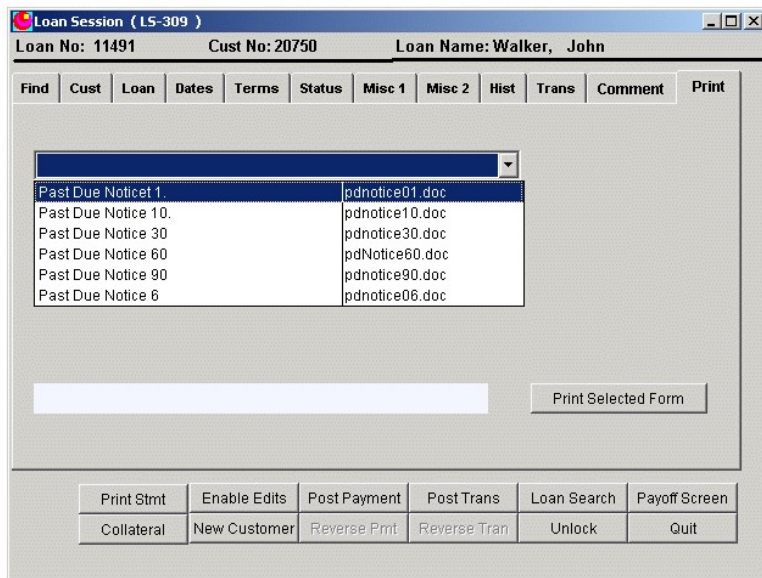
This makes it almost impossible to manually compute the interest accruals over a long period of time to check the system manually.



view_11491_comment.png

The comment tab displays and allows editing of the customer comment. This comment relates to the customer, not to the individual loan. This comment is visible on all loans for this customer. The loans listed in the comment field above have a more extensive example.

Print Tab



view_11491_print.png

This dialog prints the selected document for the currently selected loan.

