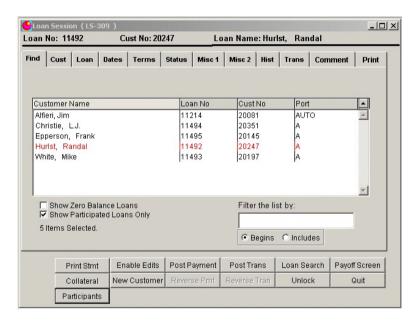
# **Lesson 61 Loan Participations**

Prerequisite Lesson 1, 2, 3, 10,31

# **Finding Participation Loans**

If you know the loan name or number, you can find a participation loan just like any other loan. See lesson 1 for details on finding loans.

If you do not know the name of number of a participation loan, you can see a list of all participation loans by checking the check box "Show Participated Loans Only"



# **Viewing Loan Participation Information**

After selecting a participated loan, Click on the participants tab.

<b>≱</b> Participations Sold						_	
Loan No:	11492	Loa	n Name:	Hurlst,	Randal		
Total Pct Sold	93.333335	Participation C	omment				
Total Pct Unsold	6.666665	Investor Int	Accrued	28	6.9822		
Total Amount Sold	186,743.83	Investor Principal		44,462.81			
Investor: Samuel Smith Smith's Investments 77734 Preston Land Plano, TX 75044	32	<u>*</u>	90001 90002 90003 90004	)	Percent of 22,2222 33,3333 11,1111 26,6666	2 <mark>19</mark> 337 112	<u> </u>
Pay One Investor All Loans		Add					
Pay All Investors All Loans		Print				Quit	

This dialog displays information on all participations sold in the currently selected loan.

The dialog displays:

#### Loan Number

The loan number of the currently selected loan. (Selected in the find grid on the Find tab before clicking on the Participants button...) You cannot change the selected loan from this dialog.

### Total Pct Sold.

This is the total percentage of the loan that is sold to all investors. It is the sum of the percentages in the "Percent Owned" column in the list box on the right side of the dialog.

#### Total Pct Unsold.

This is the percentage of the loan still owned by the lead lender - your company. Total Pct Sold plus Total Pct Unsold will always be 100.00%

#### Total Amount Sold.

This is the dollar amount sold to all the investors listed in the list box on the right side of the dialog. If yo do the math, Total Pct sold is calculated from the Total Amount Sold then rounded to six decimal places. You will occasionally find rounding errors if you multiply Total Pct Sold times the current balance. Rounding errors are always charged to the lead lender and never to the

## participants.

You sell a participant a dollar amount of the loan, not a percentage of the loan. When payments are posted, you pay the investor a dollar amount. There will never be rounding errors in the investor's balance but his percentage owned may change minutely as payments are collected.

### Investor Interest Accrued

This is the amount of interest the investor has accrued on his balance. Rounding is handled exactly like it is handled on your unsold balance. Every day the investor accrues one day's interest rounded to four decimal places. If his balance is 100,000.00 and the rate is 7% the daily accrual will be 100000 \* .07 / 365 or 19.1780821917. That will be rounded to 19.1781 and added to the investors prior accrued interest. Two day's interest is 38.3561643835 but due to rounding this investor's accrued interest will show 38.3562.

# **Investor Principal**

This is the dollar amount of the loan owned by the investor. Again this is not calculated using the percentage sold. The percentage sold is calculated using the Investor Principal. This is the Original amount sold to the investor minus any principal payments received.

# Interest and Principal Payments.

This is where the percentage owned is used to calculate dollar amounts. When a payment is received from the borrower, the interest and principal payments are allocated to the various investors according to their percentages owned. Again, all rounding differences are charged to the lead lender so they will not show up in the investor's account. Due to rounding, an investor's percentage owned may change minutely after a payment is posted. See loan