

# 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 or number of a participation loan, you can see a list of all participation loans by checking the check box “Show Participated Loans Only”

Loan Session (LS-309)

Loan No: 11492      Cust No: 20247      Loan Name: Hurlst, Randal

Find	Cust	Loan	Dates	Terms	Status	Misc 1	Misc 2	Hist	Trans	Comment	Print
Customer Name	Loan No	Cust No	Port								
Alferi, Jim	11214	20081	AUTO								
Christie, L.J.	11494	20351	A								
Epperson, Frank	11495	20145	A								
Hurlst, Randal	11492	20247	A								
White, Mike	11493	20197	A								

Show Zero Balance Loans  
 Show Participated Loans Only  
5 Items Selected.

Filter the list by:  
  
 Begins     Includes

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

## Viewing Loan Participation Information

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

Loan No:	11492	Loan Name:	Hurlst, Randal
Total Pct Sold	93.333335	Participation Comment	
Total Pct Unsold	6.666665	Investor Int Accrued	286.9822
Total Amount Sold	186,743.83	Investor Principal	44,462.81

  

Investor:	Investor ID	Percent owned
Samuel Smith	90001	22.222219
Smith's Investments	90002	33.333337
77734 Preston Lane	90003	11.111112
Plano, TX 75044	90004	26.666667

Buttons: 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 you 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