Lesson 62 Servicing Loan Participations

Prerequisite Lesson 1, 2, 3, 31, 61

Updating Participation Loans

What do you have to do different to update investor interest and principal on loan participations sold?

Nothing !

See lesson 2 for information about updating the entire system. This procedure updates the loan participation interest and principal accrued and due automatically.

See lesson 61 for information about viewing participation data.

Paying Participants / Investors

You will have some agreement with your investors about how and when they are to be paid. LoanMaster makes no assumptions about when to pay investors. You can pay one or all investors whenever you need to. This process is run by the operator whenever necessary. You can pay a single investor everything you owe or all investors all you owe.

You cannot make partial payments.

Start with fresh demo data. The loans are updated and payments are due on all the participation loans. Select loan number 11492 and click on the Post Payment Tab. Post the payment - lesson 3.

After the payment is posted and the payment dialog is closed, click on the Participants button.

Customer N	Name		Loan No	Cust No	Port	
Alfieri, Jim			11214	20081	AUTO	<u>_</u>
Christie, L	J.		11494	20351	A	
Epperson,	Frank		11495	20145	A	
Hurlst, Ra	andal		11492	20247	A	
Whit 🔶 Pa	rticipations Sold					- 🗆 🗙
	Loan No:	11492	Lo	an Name:	Hurist, Randal	
	Total Pct Sold	91.912655	Participation	Comment		
П	Total Pct Unsold 8.087345		Investor In	Int Accrued 0.0000		
Tot	al Amount Sold	183,737.58	Investo	r Principal	43,747.04	
Inve Sa Sn 77 Pla	estor: muel Smith nith's Investments 734 Preston Lane ano, TX 75044	90001	*	Investor I 90001 90002 90003 90004	D Percent 21.883 32.825 10.941 26.260	Owned 964 951 982 758
	Pay One Inves Pay All Investo	ors All Loans	Add Print			Quit

Before the payment was posted, it looked like this:

Hurlst, Randal		11492	20247	A			
White, Mike	by Participations Sold						
	Loan No:	11492	Lo	an Name:	Hurlst,	Randal	
	Total Pct Sold	91.912655	Participation	Comment			
🗌 Show Zero Ba	Total Pct Unsold	8.087345	Investor In	nt Accrued	28	6.9822	
 Show Particip: 5 Items Selected 	Total Amount Sold	186,743.83	Investo	r Principal	44,	462.81	
	Investor:			Investor I	D	Percent O	wned
Print Stm	Samuel Smith Smith's Investments	;	<u> </u>	90001		21.88396	52 <u>–</u>
Collatera	77734 Preston Lane	9	_	90003		10.94198	34
Participan			<u> </u>	90004		26.26075	58
		90001					-
	Pay One Inves	tor All Loans	Add				
	Pay All Investo	ors All Loans	Print				Quit

Note the small changes in percentages owned. These occur due to the rounding of the payment amounts allocated to each participant. This insures that no participant will will see rounding errors in his balance and his balance will always be 0.00 when the loan is paid off.

Next post the payment on the loan 11494, L. J. Christie. Investor 9001 also owns a participation in this loan.

Click on the Participants button to return to the participants dialog

[🐙 Participations Sold					
Alfieri Jin	Loan No:	11494	Loa	n Name:	Christie, L.J.	
Christie,	Total Pct Sold	52.080854	Participation C	omment		
Eppersor	Total Pct Unsold	47.919146	Investor Int	Accrued	0.0000	
White, M	Total Amount Sold	81,265.74	Investor	Principal	15,374.60	
Show Show Show 5 Items	Investor: Samuel Smith Smith's Investment: 77734 Preston Lan Plano, TX 75044	90001	*	Investor II 90001 90002 90003	D Percent 9.853 28.15 14.075	: Owned 1135 1802 5917
 P	Pay One Inves Pay All Investo	stor All Loans	Add Print			Quit

This dialog displays the status of investor 90001's interest in the loan 11494.

You have now collected and posted two payments on 90001's loans and it is time to cut him (Mr Smith) a check.

You should be back to this screen. (same as before.)

	by Participations Sold						_ _ ×
Alfieri Jin	Loan No:	11494	Loa	in Name:	Christie,	L.J.	
Christie,	Total Pct Sold	52.080854	Participation (Comment			
Eppersor	Total Pct Unsold	47.919146	Investor In	t Accrued	0	.0000	
White, M	Total Amount Sold	81,265.74	Investor	Principal	15,3	74.60	
Show Show 5 Items	Investor: Samuel Smith Smith's Investment 77734 Preston Lan Plano, TX 75044	s e 90001	*	Investor II 90001 90002 90003	D	Percent Own 9.853135 28.151802 14.075917	ed A
	Pay One Inves	stor All Loans	Add			Q	ut (
P	- ay All Investi	JIS AILLUARS	FIIN				

Get your check book and find the check number of the check you will issue to this investor, in this case it is 12345.

Click on the "Pay One Investor All Loans" button.

You will be asked for the check number. Then transactions for the amounts doe to the selected investor will be generated and added to the participations transaction records. DO NOT FORGET THE CHECK NUMBER. You will need it to get the remittance report.

an No: 1149	4 Cust No: 20351	Loan Name: Christie,	Ļ.J.
d Cust L	Finter Check Number of Reference Check No.		Comment Print
Customer Alfieri, Jin Christie,	12345	×	nristie, L.J.
Eppersor Hurlst, R White, M	1	OK	0.0000
☐ Show ☑ Show 5 Items	nvestor: Samuel Smith Smith's Investments 77734 Preston Lane Plano, TX 75044 90001	Investor ID 90001 90002 90003	Percent Owned 9.853135 28.151802 14.075917
P	Pay One Investor All Loans Pay All Investors All Loans	Add Print	Quit

	Participations Sold					_	
r 7	Loan No:	11494	Loai	n Name:	Christie, L.J.		
	Total Pct Sold	52.080854	Participation C	omment			
r	Total Pct Unsold	47.919146	Investor Int	Accrued	0.0000		
Λ	Total Amount Sold	81,265.74	Investor I	Principal	15,374.60		
A A	Investor: Samuel Smith Smith's Investments 77734 Preston Lane Plano, TX 75044	90001	*	Investor II 90001 90002 90003	D Perce 9.86 28.14 14.00	nt Owned 3135 51802 75917	×
-	Pay One Inves	tor All Loans	Add				
5	Pay All Investo	rs All Loans	Print			Quit	
			10				

Click the Print button again and select the "Print Investor Remittance Report" check box then click on "Print"

e Print	t Participation Reports			
Inves	stor No 90001 Lo int Preview splay Windows Printer Dialog	oan No 11494 ☐ List Investors ☐ Loan Report C ☑ Print Investor F ☐ Print Participat	In Current Loan urrent Loan and I Remittance Repor ion Trial Balance	nvestor tij
	Investor		Print C	Percent Owned
⊂ Show Z Show Items	Samuel Smith Smith's Investments 77734 Preston Lane Plano, TX 75044	×	90001 90002 90003	9.853135 28.151802 14.075917
I P	90001 Pay One Investor All Loans Pay All Investors All Loans	Add Print	1	Quit

Again you will be asked for the check number. The following report will be printed and previewed on the screen depending on which print options you selected.

Lender Bottom Line S P.O. Box 1189 Carrollton, TX	oftware, Inc 26 75011-8826		Print Preview I∢ ∢ □ Φ ►	▶J 1002 ▼	Participant / Investor Samuel Smith Smith's Investments 77734 Preston Lane Plano, TX 75044	
Loan Number	Date	Tran	Code		Tran Amt Tran Comment	
11492	09/01/05		1221		286.98	
11492	09/01/05		1231		715.77	
11494	09/01/05		1221		116.51	
11494	09/01/05		1231		245.24	
Prin Advanced		0.00				
Prin Pmts Received 0.00 Total Prin		Total Prin Paid Investor	961.01	Total Prin Due Investor (Unpaid)	0.00	
Int Prnts Receive	d	0.00	Total Int Paid Investor	403.49	Total Int Due Investor (Unpaid)	0.00

Notice that tool bar. Windows places it at random. Most of the time it is very easy to find but some times when you have a lot of windows open on the screen, Windows will try to hide it from yuo.

When this report is printed, the amounts will be marked as paid in the participation records so do not forget to mail the check.