

CREDIT UNIONS TO THE RESCUE! DURING THIS TRYING TIME, HERE ARE SOME IDEAS AND TIPS ON HOW TO HELP MEMBERS WITH THEIR LOAN PAYMENTS



MORE IDEAS FOR LOAN RELIEF SOLUTIONS FROM YOUR FRIENDS AT LENDER*VP

Adjusting a Principal, Interest and Escrow Payment Loan to an Escrow Only Loan

Following are steps for converting a 360-day or 365-day (daily) interest calc-type loan from a normal principal, interest and escrow (PITI) payment into an escrow only loan for a limited period, in order to provide payment relief to a qualified member. This includes removing all but one dollar of interest from the payment for a temporary period and collecting the escrow portion of the payment.

These steps are intended only for loans that have a *monthly* payment frequency and where the interest calculation code on the loan category is either 0=365 or 3=360.

BEFORE YOU BEGIN: We highly recommend you print or save screenshot images before adjusting any fields so that you have the appropriate information to reset the loan back to its original settings after the relief period.

Step 1 – Use **Member Inquiry** to review the account's current status.

LOAN SAMPLE BEFORE ADJUSTMENTS

The screenshot displays the 'Member Account Inquiry' window for a credit union. The account is for 'BRANDON TEST' with account number '800'. The loan category is '14 1ST MORG. FIXED' and the purpose is '16 FIXED RATE-IN HOUSE'. The current balance is \$323,801.67, and the interest rate is 5.500%. The screen shows various loan details including disbursement limit, available funds, and payment history. The transaction inquiry date is set to April 02, 2020.

- ☒ Print or save a screenshot for use when resetting the loan after the relief period ends.



Step 2 – Access Tool #51 Miscellaneous Loan Maintenance to verify the loan’s payment matrix.

- ☑ Verify that *Escrow* has “priority” value 1 and *Interest due* has “priority” value 2 (Loans with escrow accounts should already be set this way). If not, then adjust the settings appropriately. Be sure to save the screenshot image if you are making any changes.

Step 3 – Access Tool #20 Update Account Information to manually change the member’s payment amount.

BEFORE

- ☑ Change the *Scheduled payment* field to \$1.00 (payment cannot equal zero).

AFTER

Session 0 CUPBASE GOLD - TEST CREDIT UNION

File Edit Tools Help

Account Information Update

Loans

Account # 000
MARTY
WYOMING MT 49516

Loan category 14
Last maintenance date Apr 09, 2020
Current balance 323,801.67

Credit Reporting Information

G/L account 702.03
Purpose code 16
Security code 11
☐ Allow teller disbursement
☐ Member loan payment protection
ECOA 2
Date opened May 08, 2012
1st payment Jun 08, 2012
Day of next payment 01
Next payment May 01, 2020
Interest date Apr 09, 2020
Amort/maturity May 08, 2027
Review date May 08, 2027
Scheduled payment 1.00
Disbursement limit 350,000.00
Disbursed amount 350,000.00
Last disbursed bal 350,000.00
Partial payment 0.00

Loan type ☒ Close ☐ Open
Payment frequency M
of payments left 170 of 180
User defined code
Process type N
Interest rate 5.500
Interest payment code
Interest calc code 0
Variable interest 000
Next Interest Calc 0000
Census Tract 000000
Delinq control 1 pmt/period
of times delinq 002
Delinq fine
of extensions 000
Delinq fine YTD amount 0.00
Delinq fine amount 0.00
YTD interest paid 13,699.73

DTI at loan creation 0.0
LTV at loan creation 0.0
Tax escrow acct 000000378 028
Insurance exp 00000000
Original term 000 Remaining term 000
Original amount 0.00
Rebate amount 0.00
Delq fine date 00000000
Freeze placed by delinquency monitoring
1st date of delq 00000000
☐ No delinquency notices printed
Freeze 0 = All activity allowed
Statement indicator 0 Write-off ID 0
☐ Passbook process ID
Payments skipped this year 00
Payments skipped life of loan 00

Imaging Solutions Scan e-Document View e-Document

Lease/Bal/ResVal Loan Coverages Payment History Skip A Pay History Credit Report Info Custom Fields

WU (5515) 40920

Step 4 – Validate changes via Member Account Inquiry.

LOAN SAMPLE AFTER ADJUSTMENTS

Session 0 CUPBASE GOLD - TEST CREDIT UNION

File Edit Tools Help

Member Account Inquiry

Collateral ☒ Secured ☒ Delinquent ☒ Additional signers ☒ Pledged ☒ Payroll ☒ ACH ☒ AFT

Account # 000
MARTY
Date opened May 08, 2012
G/L account 702.03-01

Account 000 BRANDON TEST - EQUITY
Category 14 1ST MORG. FIXED
Purpose 16 FIXED RATE-IN HOUSE
Security 11 1ST MORTGAGE
Proc type N MORTGAGE LOAN

Current balance 323,801.67
+ Interest 520.00
+ Delinquent fine 0.00
- Insurance rebate 0.00
- Loan payoff 324,321.67

Interest rate 5.500%
Daily interest 0 48.66
YTD interest 13,699.73
Variable interest 000
Amort/maturity date May 08, 2027
Review date May 08, 2027

Club benefits
Accrued 0.00
YTD 0.00
Pmts skipped this year 00
Pmts skipped life of loan 00

Disbursement limit 350,000.00
Available funds 0.00
Total disbursed 350,000.00
Last disbursed bal 350,000.00
Last payment 151.00
Regular payment 1.00
Amount due 0.00
Partial pay 0.00

Int accrued through Apr 09, 2020
First payment Jun 08, 2012
Last disbursed Jul 24, 2012
Last payment Apr 02, 2020
Next payment 01 May 01, 2020
pmts remaining 170 of 180
Frequency MONTHLY
Stepdown amount

Secured funds 0.00
Escrow 378-028
Escrow pmt 150.00
of refinances 0

Transaction Inquiry date Apr 02, 2020

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TRANSACTION INQUIRY AFTER A PAYMENT

Transaction Inquiry

BRANDON TEST

Account # 0-000 BRANDON TEST
Name MARTY
Current balance 323,801.67
Available 0.00

Search by: Date Apr 02, 2020
Transaction amount 0.00 Desc ID

Debits Only Credits Only All Toggle Description Teller/Cash Activity

Date	Time	Amount	Description	Teller/Cash Activity
4/02/20	15:57:13	151.00	PHONE TRANSFER	378-001 .R
4/02/20	15:57:12	150.00	XFER FOR ESCROW	378-028 .R

The payment consists of a full escrow payment and \$1 paid to interest.

Special Tips

- ☑ When the relief period is over the member will have several months of interest on the loan. Payments will need to be applied manually or no principal will be paid until all interest is caught up.

After the Relief Period Ends

- ☑ Once the agreed-upon relief period ends, gather your “before” screenshots and repeat the steps above, but this time return the payment amount to the original value.