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 Payment Loan to an Interest-Only Loan

Following are steps for converting a 360-day or 365-day (daily) interest calc-type loan from a normal principal & interest (P&I) payment into an interest-payment only loan for a limited period, in order to provide payment relief to a qualified member. This includes removing the escrow portion of the payment, if any, during the temporary period, and only collecting payments toward interest due.

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.

Session 1 CU*BASE GOLD -	TEST CREDIT UNION	3
File Edit Tools Help		
Member Acc	ount Inquiry	
Collateral	Account# 460 MELISSA MEMBE	R Date opened Jan 68, 2013
Secured		G/L account 702.03-01
🔲 Delinquent 🛛 🔍		
Additional signers 🧕	Account 783 REAL ESTATE LOAN	- EQUITY
	Category 54 HORTGAGE 360	
🗌 Pledged 🛛 🔍	Purpose 01 SHARE SECURED TEST	
🗌 Payroll 🛛 🔍	Security 02 SHARE SECURED	
ACH	Proc type H HORTGAGE LOAN	
AFT		
	Current balance 99,600.0	0 Interest rate 3.000% Club benefits
Pmt protection N	+ Interest 249.0	0 Daily interest 3 8.30 Accrued 0.00
Misc coverages N	+ Delinquent fine 0.0	0 YTD interest 400.00 YTD 0.00
Frozen 8 NO	- Insurance rebate 0.0	0 Variable Interest 000
Check digit 8	- Loan payoff 99,849.0	8 Amort/maturity date Jan 88, 2043 Pmts skipped this year 00
Delivery channel CU		Review date Jan 08, 2043 Pmts skipped life of loan 00
Now Assount	Disbursement limit 100,000.0	0 Int accrued through Mar 31, 2020 Secured funds 0.00
New Account	Available funds 0.0	0 First payment Feb 08, 2013
New Account Type	Total disbursed 100,000.0	E Last disbursed Jan 24, 2013
History	Last disbursed bal 100,000.0	0 Last payment Apr 03, 2020 ECOA code 1
Interest Calc	Last payment 400.0	0 Next payment 00 Apr 08, 2020 Escrow 🔯 460-022
NSF	Regular payment 354.5	5 # pmts remaining 358 of 360 Escrow pmt 🧕 45.45
Loan Officer	Amount due 0.0	8 Frequency MONTHLY # of refinances 0
Loan Category	Partial pay 0.0	Stepdown amount
Tracker Review		
Overdraft Protection	Scan e-Document View e-Document	Transaction Inquiry date Apr 66, 2828 [m] [MMDDYYYY]
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360-DAY LOAN SAMPLE BEFORE ADJUSTMENTS



Management Services

Disclaimer: These procedures are intended to be used ONLY after following your credit union's procedures for member eligibility and other appropriate due diligence. After agreed upon period, the loan should be adjusted back to the original values. Keep in mind that by allowing a loan's due date to advance without principal payment, the amortization schedule will no longer be valid and by removing the escrow portion of the payment, there will be a shortage in the escrow account for the analysis period.

365-DAY LOAN SAMPLE BEFORE ADJUSTMENTS

★ Session 1 CU*BASE GOLD -	TEST CREDIT UNIO	N		≙ _=	
File Edit Tools Help					
Member Acc	ount Inqui	ry			
Collateral	Account #	460 MELISSA MEMBER		Date opened Sep 20,	2010
Secured Q				G/L account 702.03-6	01
🗹 Delinquent 🛛 🔍					
🔲 Additional signers 🍳	Account 780	Real estate loan	- EQUITY		
	Category 03 F	Real estate ln			
🔲 Pledged 🛛 🍳	Purpose 01 S	Share secured test			
🔲 Payroll 🛛 🔍	Security 02 S	SHARE SECURED			
ACH	Proc type H H	10rtgage loan			
AFT AFT					
	Current balance	113,791.58	Interest rate 5.000	Club benefits	
Pmt protection N	+ Interest	482.05	Daily interest 0 15.55	Accrued	0.00
Misc coverages Y	+ Delinquent fine	0.00	YTD interest 0.00	YTD	0.00
Frozen 0 NO	 Insurance rebate 	0.00	Variable interest 030		
Check digit 0	= Loan payoff	114,273.63	Amort/maturity date Sep 20, 2040	Pmts skipped this year	00
Delivery channel CU			Review date Sep 20, 2040	Pmts skipped life of loan	00 🍳
	Disbursement limit	130,000.00	Int accrued through Apr 03, 2020	Secured funds	0.00
New Account	Available funds	0.00	First payment		
New Account Type	Total disbursed	130,000.00	Last disbursed		
History	Last disbursed bal	130,000.00	Last payment	ECOA code 1	
Interest Calc	Last payment	8,481.10	Next payment 03 Apr 03, 2020	Escrow Q	460-021
NSF	Regular payment	700.00	# pmts remaining 330 of 36	Escrow pmt 🧕	100.00
Loan Officer	Amount due	800.00	Frequency MONTHLY	# of refinances 0	
Loan Category	Partial pay	0.00	Stepdown amount		
Tracker Review					
Overdraft Protection	Scan e-Document	View e-Document	Transaction inqui	ry date Apr 05, 2020 📰 [MMD	[ייייטנ
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☑ 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 adjust the loan's payment matrix.

ategory 54 HORT	GAGE 360	
tores	Addition	al Information
Session 1 CU*BASE GOLD +	Payment Matrix Update	
Loan account	460 783 MELISSA MEMBER	
ber Loan category	54 HORTGAGE 360	
iter	Paym	ent Matrix Priorities
it bi	Priority	Fixed Amount
Fine amount	4	
to d Interest due	2	
n-en Principal	3	Principal amount 0.00
cip. Escrow	1	
nen Misc G/L processing	0	G/L account
nen		Grt, amount 0.00 or 0.000 %
Over payment Indicate	or PRN	
ble		
Skip		
4 3 4 1	0 1 3 0	

Clear out any "priority" values in *Fine amount*, *Principal*, *Escrow* and *Misc. G/L processing* and give *Interest Due* a priority of 1.

oan category	54 MORTGAGE 368	
	Additio	onal Information
Additiona Se	ssion 0 CU*BASE GOLD - Payment Matrix Update	
Automatic	oan account 460 783 MELISSA MEMBER	
Club bene	coan category 54 HORTGAGE 360	
Collatera	Pa	wment Matrix Priorities
Credit bu	Priority	Fixed Amount
Insurance F	ine amount	
Link to de	nterest due 1	
Open-end P	Principal	Principal amount 0.00
Participat E	scrow	
Payment N	Nisc G/L processing	G/L account
Payment		G/L amount 0.00 or 0.000 %
Pledaed (Vver payment indicator PRN	
Variable (
1776-1172-1972 - 1		
s	kip	
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Step 3 – Access **Tool #20 Update Account Information** to manually change the member's payment amount and disconnect the loan from the escrow account.

BEFORE

Session 1 CU*BAS	E GOLD Help) - TE!	ST CREDIT UNION				
Account	In	forma	tion Upd	ate			Loans
Account# MELISSA MEMB 123456 GOODS GRAND RAPIDS	4 ER RD MI 4	60 783		Loan category 🚮		Last maintenance date Current balance Credit <u>Beporting</u> Ir	Apr 06, 2020 99,600.00 Iformation
GrL account Purpose code Security code Allow teller d Member Ioan ECOA Date opened Ist payment Day of next payment Interest date Amort/maturity Review date Scheduled paym	702 01 62 isburs- poym 1 3an Feb ment Apr Mar Jan Jan Jan	.03 ement ent protecti 06, 2013 06, 2013 08, 2020 31, 2020 08, 2024 08, 2043 08, 2043	on (MMDDYYYY) (MMDDYYYY) (MMDDYYYY) (MMDDYYYY) (MMDDYYYY) 54.55	Loan type Close Payment frequency of of payments left User defined code Process type Interest rate Interest calc code Interest calc code Variable interest Next Interest Calc Census Tract Deling control of of times deling Deling fine	Open H 350 of 360 	D11 at loan creation L1V at loan creation Tax escrow acc 0000 Original amount Rebate amount Delq fine date 000000 Grigonal amount Delq fine date 000000 Groeze placed by dell St date of delq 000000 No delinquency notice Freeze 0 = 0.11 acti: Statement indicator 0 Deasbook process ID	0.0 0.0 0.0 0.0 0.0 0.0 0.00
Disbursement lir Disbursed amou Last disbursed b Partial payment	nit [nt [al [100,6 100,6 100,6	100.00 100.00 100.00 0.00	# of extensions Deling fine YTD amoun Deling fine amount YTD interest paid	000 t 0.00 400.00	Payments skipped this ye Payments skipped life of Haging Solutions	oan 00 Ioan 00 Scan e-Document View e-Document
rase/Ball/ResVa ustom Fields		Loan Co	overages	Payment History	Skip-A-Pay History	Miscellaneous	Credit Report Info

- ☑ Clear out the *Tax escrow acct* (account base and suffix) fields in the right column.
- ☑ Calculate the member's new payment to equal *one month's worth of calculated interest*, as follows:

Interest Calc Type	Calculation for One Month's Interest
360-day loan	Loan balance * Rate / 12
365-day loan (see Note below)	Daily interest amount * # of days in the shortest month of relief period

☑ Change the *Scheduled payment* field to the monthly interest amount you just calculated.

ile Edit Tools	Help						
Account	Infe	orma	tion Upd	ate			Loans
Account # MELISSA MEME 123456 GOODS GRAND RAPIDS	460 ER RD MI 49) 783 546		Loan category 54		Last maintenance date Current balance Credit <u>B</u> eporting In	Apr 06, 2020 99,608.00 formation
G/L account Purpose code Security code Allow teller d Member Ioan ECOA Date opened 1st payment Day of next pay Next payment Interest date Amort/maturity Review date	762.0 01 02 isbursen 1 0 Jan 0 Feb 0 Ment 0 Apr 0 Har 3 Jan 0 Jan 0	anent it protectio 8, 2013 8, 2013 6 8, 2020 1, 2020 9, 2043 8, 2043 2, 2043 2, 2043	оп () () () () () () () () () () () () () (Loan type @ Close Payment frequency # of payments left User defined code Process type Interest rate Interest calc code Interest calc code Variable interest Next Interest Calc Census Trect Deling control # of times deling Deling fine	Oppen H 356 of 360 H 3.000 3 000 € Apr 2020 ∰ [MMYY] 0000000 Pay ahead ~ 000 1	DTI at loan creation LTV at loan creation Tax escrow acct Insurance ave 0000000 Original armount Rebate amount Delq fine date 0000000 Greeze placed by delin tat date of delq 0000000 Hos delinquency notice Freeze 0 = 0.11 act ta Statement indicator 10 Pressbook process ID	0.0 0.0 0.0 Remaining term 000 0.00 0
Disbursement li	nit	100,0	00.00	# of extensions 000		Payments skipped this year 00	
Disbursed amou	nt	100,0	00.00	Deling fine YTD amoun	0.00	Payments skipped life of	loan 00
Last dispursed t Partial payment		100,0	0.00	YTD interest paid	400.00	*Imaging Solutions	Scan e-Document
ease/Ball/ResVa	1	Loan Co	verages	Payment History	Skip-A-Pay History	Miscellaneous	Credit Report Info
ustom Fields							1

Note for 365/daily interest calculation loans: Unlike a 360-day product that has a consistent monthly interest amount, the interest for 365-day products is not consistent because the number of days between payments varies. It is recommended to use the number of days in the shortest month of the relief period to calculate the payment amount.

Example: Melissa Member is granted a 3-month relief period that consists of April, May, and June. May has 31 days but April and June only have 30. For this example, we recommend that the payment is determined using 30 days resulting in a monthly interest payment of \$466.50 (\$15.55 per diem * 30). There may be a remaining 2 days of interest on the loan after the relief period but the amount of interest paid will be correct. If the payment amount was calculated using 31 days, principal would be paid during the relief period and the amount of interest paid would not be correct.

Step 4 – Validate changes via Member Account Inquiry.

wember Acc	ount inqui	ry				
🛛 Collateral 🛛 🔍	Account #	460 MELISSA MEMBER			Date opened Jan 08,	2013
Secured					G/L account 702.03-	91
] Delinquent						
Additional signers	Account 783 F	real estate loan	- EQUITY			
	Category 54 h	MORTGAGE 360				
Pledged	Purpose 01 S	Share secured test				
Payroll	Security 02 S	SHARE SECURED				
ACH	Proc type M 1	Mortgage Loan				
AF I	Current balance	99,688,88	Interest rate	3.000%	Club benefits	
mt protection N 🔯	+ Interest	249.00	Daily interest 3	8.30	Accrued	0.00
lisc coverages N	+ Delinguent fine	0.00	YTD interest	649.00	YTD	0.00
rozen 0 NO	- Insurance rebate	0.00	Variable interest 8	30		
heck digit 0	- Loan payoff	99.849.00	Amort/maturity date	Jan 08, 2043	Pmts skipped this year	00
elivery channel CU			Review date	Jan 08, 2043	Pmts skipped life of loan	00
	Disbursement limit	100,000.00	Int accrued through	Mar 31, 2020	Secured funds	0.0
w Account	Available funds	0.00	First payment	Feb 08, 2013		
w Account Type	Total disbursed	100,000.00	Last disbursed	Jan 24, 2013		
story	Last disbursed bal	100,000.00	Last payment	Apr 06, 2020	ECOA code 1	
erest Calc	Last payment	249.00	Next payment 08	Apr 08, 2020	Escrow	
F	Regular payment	249.00	# pmts remaining	357 of 360	Escrow pmt	0.0
an Officer	Amount due	0.00	Frequency MONTHLY	,	# of refinances 0	
an Category	Partial pay	0.00	Stepdown amount			
cker Review						
erdraft Protection	Scan e-Document	View e-Document		Transaction inquiry	date Apr 08, 2020 📰 [MMI	DYYYY

360-DAY LOAN SAMPLE AFTER ADJUSTMENTS

365-DAY LOAN SAMPLE AFTER ADJUSTMENTS

Session 0 CU*BASE GOLD -	TEST CREDIT UNION	
File Edit Tools Help		
Member Acc	ount Inquiry	
Collateral	Account# 460 MELISSA MEMBE	R Date opened Sep 20, 2010
Secured Q		G/L account 702.03-01
Delinquent Q		
Additional signers	Account 700 REAL ESTATE LOAN	- EQUITY
	Category 03 REAL ESTATE LN	
🔲 Pledged 🛛 🧕	Purpose 01 SHARE SECURED TEST	
🗌 Payroll 🛛 🔍	Security 02 SHARE SECURED	
ACH	Proc type M HORTGAGE LOAN	
AFT		
	Current balance 113,791.5	8 Interest rate 5.000% Club benefits
Pmt protection N Q	+ Interest 482.0	5 Daily interest 0 15.55 Accrued 0.00
Misc coverages V	+ Delinquent fine 0.0	0 YTD interest 0.00 YTD 0.00
Frozen 0 NO	- Insurance rebate 0.0	Variable interest 030
Check digit 0	= Loan payoff 114,273.6	3 Amort/maturity date Sep 20, 2040 Pmts skipped this year 80
Delivery channel CU		Review date Sep 20, 2040 Pmts skipped life of Ioan 00 🧕
	Disbursement limit 130,000.0	8 Int accrued through Apr 83, 2828 Secured funds 8,09
New Account	Available funds 0.0	0 First payment Oct 20, 2010
New Account Type	Total disbursed 130,000.0	8 Last disbursed Sep 20, 2018
History	Last disbursed bal 130,000.0	B Last payment Har 28, 2013 ECOA code 1
Interest Calc	Last payment 8,481.1	0 Next payment 03 Apr 03, 2020 Escrow
NSF	Regular payment 466.5	0 # pmts remaining 330 of 360 Escrow pmt 0.00
Loan Officer	Amount due 466.5	8 Frequency MONTHLY # of refinances 8
Loan Category	Partial pay 0.0	0 Stepdown amount
Tracker Review		
Overdraft Protection	Scan e-Document View e-Document	Transaction inquiry date Apr 06, 2020 [m] [MMDDYYYY]
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Special Tips

☑ To avoid problems, advise the member not to make early payments on a 365-day loan that has been converted to interest only. You may want to recommend setting up an automated funds transfer (AFT) for the relief period.

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 and escrow account number fields back to their original settings.