
Escrow Processing with CU*BASE

Using the CU*BASE Escrow Tracking and Payables System

INTRODUCTION

CU*BASE Escrow Processing tools let you set up escrow accounts tied to CU*BASE loans, record escrow payment information (taxes, insurance, fees, etc.), automatically process incoming loan payments to fund the escrow, and pay funds out of the escrow account quickly and efficiently.

The system includes features such as configurable codes for escrow payees (vendors) and escrow types (i.e., summer taxes, winter taxes, insurance, etc.), an automated process for opening the escrow account and linking to the loan upon loan creation, and quick, simple procedures for adding escrow payable information.

The **Escrow “Accounts Payable”** system is designed to streamline the process of processing payments from escrow savings to payees such as tax authorities or insurance companies. Patterned after payroll processing, this tool lets you quickly gather all records for a particular payee (such as when you need to pay winter taxes for a local municipality), withdraw funds from member accounts, and cut a single check (or transfer to a G/L account), with a reconciliation report showing all members included in the payment.

The **Escrow Analysis tool** completes the escrow processing system. Designed in accordance with RESPA regulations, escrow account deposits and disbursements are analyzed on an annual basis, or on demand as loans are paid out. Based on results of the analysis which forecasts activity for the coming year, mortgage payments are adjusted, members are notified, and reports generated to fulfill reporting requirements.

Although most commonly used with mortgages, CU*BASE escrow processing is flexible enough to be used with your home equity lines of credit and other open-credit loan products as well.

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For an updated copy of this booklet, check out the Reference Materials page of our website:
<http://www.cuanswers.com/resources/doc/cubase-reference/>
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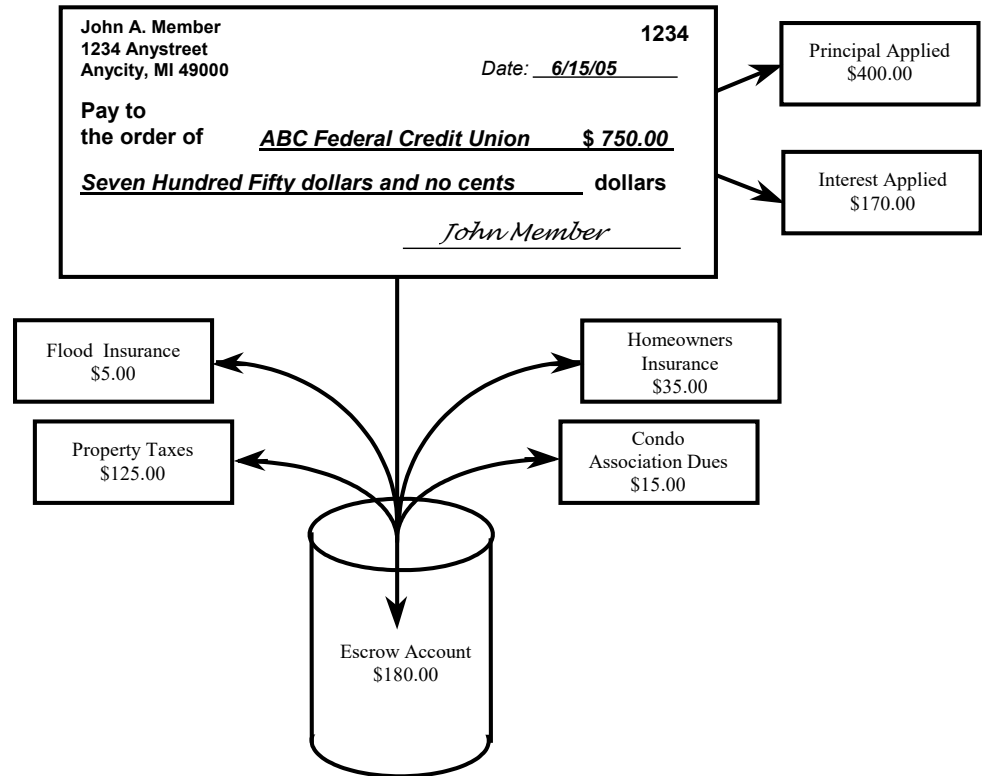
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ESCROW PROCESSING: OVERVIEW

Escrow accounts serve as holding accounts for expenses related to loans. The most common use is for mortgage loans, with an escrow account to take care of associated property taxes and homeowners' insurance. Every time a loan payment is made, a portion of the payment is funneled into the escrow savings account. Funds accumulate in this account, and are disbursed periodically to appropriate third parties, such as a tax authority or insurance company.

A single escrow savings account can accumulate funds for many different purposes. The following diagram illustrates how a typical mortgage payment might be distributed among a loan account and an escrow account:



BENEFITS OF AN ESCROW ACCOUNT

In addition to providing convenience for members, the main goal of escrow processing is to reduce the risk for a credit union to handle the loan. If taxes and other liens on the collateral property are taken care of efficiently and consistently, the collateral on the loan is protected, to the benefit of both the credit union and the member.

From the Member's Point of View

- ♦ Escrow amounts due are automatically added to the loan payment amount to give the member a single regular payment amount due.
- ♦ When loan payments are made, funds are automatically channeled into the escrow savings account.

- ♦ A single escrow account will hold funds for multiple purposes, such as taxes for a county government, homeowner's insurance premiums for an insurance provider, fees for a condo association, etc.
- ♦ Bills are paid by the credit union when they are due.
- ♦ Member receives an escrow analysis statement once each year explaining how escrow funds were used and notifying them of changes to payment amounts.

*Automated member notices are part of the CU*BASE escrow system. Escrow analysis features and reports are described beginning on page 46.*

From the Credit Union's Point of View

- ♦ Credit unions can manage payment schedules to ensure bills are paid on time.
- ♦ Bills can be paid quickly in a batch or individually to one or more third parties. Payments can be on behalf of a single member or a group of members.
- ♦ Payments can post the escrow savings account to a negative balance, so that bills can be paid even before all funds have been accumulated.
- ♦ Funds in the escrow savings account can be managed according to established regulations and guidelines - annual notices, paying surplus funds out of the escrow (or collecting deficient funds), changing payment amounts, etc.

Escrow analysis features, including automated processes for managing escrow payment amounts, are included in this booklet starting on page 46.

A FEW TIPS TO REMEMBER

- ♦ Whenever payments are made to an escrow payee (such as when you pay property taxes for a group of members), the system will automatically store a history record showing the exact amount and date on which the payment was made.
- ♦ Creating an escrow analysis projects future activity on the account and therefore has potential to change the monthly payment. **RESPA regulation limits payment changes to once each year based on the analysis.** Interim reports can be generated or viewed online, to review activity and history on an escrow account.
- ♦ The annual analysis process has two routines that allow you to first run a preview of results proposed by the escrow analysis; then second, routing that creates the analysis and actually updates all escrow disbursement records. The create analysis will either increase or decrease the member's total escrow payment according to the analysis of payment history.
- ♦ **Escrows with frequency other than monthly supported!** CU*BASE supports escrows with a payment frequency other than monthly. Not

only are the payments toward escrow recorded with each payment, but the escrow analysis also shows these payments. Therefore, the *regular* payment will be referenced within this booklet.

THE LEAST YOU NEED TO KNOW

While this list doesn't include everything you need to know about escrow processing, we want to highlight a few things to make sure you notice them!

1. **If you use Private Mortgage Insurance (PMI), you must set the cushion # of months to zero.**

When configuring Escrow Payee Information, valid entries for the Cushion # of Months field are 0, 1, or 2 months, depending on the amount of cushion you choose to hold. RESPA allows up to 2 months of escrow deposits to be collected and held annually. Important: This field is entered on the payee record, but the number must be the same for every payee. Enter the number of months cushion based on your escrow policy. If, however, this payee is for PMI, the cushion must be set to zero months. (See page 12.)

2. **If the escrow is for Private Mortgage Insurance (PMI), then you must configure the Escrow Type Code with Format Type of "P" (PMI).**

The Format Type of "P" (PMI) will cause the following required text to print at the end of the analysis, "You have the right to cancel Private Mortgage Insurance in certain circumstances. Please contact your Credit Union for additional information." (See page 15.)

3. **If an escrow is 30 days or more past due or paid ahead when the analysis is run, it will not be included in the analysis and the account will not be updated.**

Past due accounts, as well as those paid ahead are noted on the escrow analysis report. You can override this by running an analysis for that particular account by specifying the account when you run the analysis." (See page 49.)

4. **It is suggested that you make the New Payment Effective Date for your final analysis about ten business days before the end of the month to allow members to pay ahead and avoid having to override early payments.**

Final analysis allows you to print the required statements. While running the final analysis using **Tool #297 Create Escrow Analysis** you will enter the additional *New payment effective date*. This date is the date that the new escrow payment date will be updated and any surplus funds transferred. You will want to set this date prior to the end of the month so that members can pay a few days early. (See page 54).

5. **You can suspend Specific Loans from Escrow Analysis**

When running an escrow analysis, you can mark selected escrow accounts so that they are not included in your analysis. This allows you to remove accounts from your analysis while you research problems with the account. You can, for example run an analysis on category 7 loans, while not including specific loans with an incorrect Private Mortgage Insurance (PMI) date. Then once these accounts are updated, simply remove the exclusion and rerun the analysis including them. (See page 50.)

CONFIGURING THE LOAN AND SAVINGS PRODUCTS

Before escrow processing can be used, you will need to ensure the appropriate configuration has been done for both the loan categories and escrow savings products you wish to use.

ACTIVATING ESCROWS IN LOAN CATEGORY CONFIGURATION

There are just a few special settings that must be included in the Loan Category configuration for loans that will be tied to escrow accounts and processed through the escrow system.

Loan Category Configuration (Tool #458) - Screen 3

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

Loan Category Definition UPDATE

Category code 00 FIXED RATE MORTGAGE

General Ledger Interface		Payment Matrix Priorities	
Loan category	701.10	Fine amount	4
Interest earned	111.22	Principal	3
Accrued interest	751.10	Misc. G/L	0
Insurance rebate		Over payment indicator	DDN
		Miscellaneous G/L account	
		Miscellaneous G/L transaction description	
Loan category for write-offs	99	Miscellaneous G/L amount	0.00 or 0.000 %

Additional Information

☒ Send 1098 tax form

Maximum loan disbursement 600,000

Mortgage Loans

☒ Allow tax-escrow accounts

Skip
End Update
Payment Controls

FR (2322) 9/04/13

This matrix may vary.
The recommended
order is 1=Escrow,
2=Interest, 3=Principal
and 4=Fine amount.

The *Allow tax-escrow accounts* check box will appear only for loan categories that use Process Type “M” (mortgages), “L” (open-end line of credit), or “E” (closed-end loan). This flag must be checked in order to allow escrow accounts to be linked to these loans.

- **IMPORTANT:** Mortgage products are usually controlled by very strict rules, making the results relatively predictable from a software standpoint. The closed-end process type, on the other hand, is used in CU*BASE for many different types of loans, with myriad combinations of interest calc types and payment controls. If you are planning on creating a new product to use escrow functionality with Process Type “E”, we recommend you have a conversation with our Lender*VP team to talk through your program and understand how the servicing will work for you.

In addition, make sure to set the *Escrow* field in the Payment Matrix Priorities section to any sequence number other than 0. If the Escrow priority is left blank or is 0, the system will ignore the escrow account when processing payments and any payments to the escrow savings must be made manually.

In the example above, the payment matrix is set up so that when a payment is made, the system will satisfy the normal escrow transfer first, then pay interest due, and finally pay the remaining funds toward the principal, followed by fees.

ESCROW PARTIAL PAY

Your members can make multiple payments in the same month on their 365-day interest calculation loans, but the system will be smart enough to make only one payment towards their escrow per period without manual intervention on your part or having to use a sweep account.

CU*BASE will accept the payment and spread it over the payment matrix while advancing the next due date appropriately. CU*BASE will understand when the escrow transfer has been satisfied and when it is delinquent.

It doesn't matter what method the member uses to make the payment—online banking, teller, phone transfer, direct mail post, AFT, etc.—all of the relevant posting programs have been changed to keep track of partial payments toward a full escrow transfer on 365 calc type loans.

This affects only 365 calculation type loans. Partial escrow transfers are not supported for 360-day mortgages nor for interest-only loans.

The following conditions must be met to offer partial escrow payments to your members:

- The Interest Calculation type of the loan category is a 0 = 365. (The mortgage is a 365 mortgage)
- The Payment Calculation Type is Principal and Interest

Configuration

To configure a loan category to allow multiple escrow payments, the Payment Controls screen (accessed via *Payment Controls* (F17) on the Loan configuration screen – shown on page 7) needs to be set up in the following manner.

The screenshot shows the 'Session 0 CU*BASE GOLD Edition - Payment Controls' window. The title bar indicates the session and application. The main window has a header with '08 FIXED RATE MORTGAGE' on the left and an 'UPDATE' button on the right. Below the header, there are three checkboxes, all of which are checked: 'Allow teller to post partial payments', 'Allow payment prior to first payment date', and 'Allow partial escrow payments'. At the bottom left of the main area is a 'Save' button. The bottom of the window features a navigation bar with several icons: a left arrow, a right arrow, an up arrow, a pause icon, a printer icon, a link icon, an information icon, a question mark icon, and an '@' icon. The bottom right corner of the window displays 'FR (2317)'.

How this Works

If partial escrow payments are allowed, members can pay multiple times during a month. These changes are recorded on the Inquiry view of the loan account. View the Escrow detail tab on the Payment information screen (typically known at the Delinquency pop-up window) accessed via Loan Account Inquiry.

Session 0 CU*BASE GOLD Edition - Payment Information

Use the Reporting History feature to see a history of credit bureau reporting for this loan, showing each time the loan was reported to the bureau(s).

View Credit File
Payment Change
Reporting History
CPI History

Summary		Escrow detail	
Loan partial payment	0.00	Escrow run date	May 01, 2013
Escrow partial payment	22.08	Escrow analysis date	May 2013
Total partial payment	22.08		
Escrow remaining	152.87		

FR (182)

First let's review the meaning of the fields above. Loan partial payment is the amount paid toward the loan payment and escrow partial payment is the amount paid toward the escrow. These two items equal the Total partial payment. The Escrow remaining is the amount still left to pay to fulfill the escrow payment.

In the example above, the member has paid \$22.08 toward her loan. This payment has gone to satisfy the first item in the payment matrix (escrow). It is recorded as a partial escrow payment of \$22.08. At this point the member still owes \$152.87 toward her escrow as well as the remaining amount due toward the loan payment, as well as the fees and other items in the payment matrix. Next week the member makes a payment of \$382.87 toward her mortgage.

Session 0 CU*BASE GOLD Edition - Payment Information

Use the Reporting History feature to see a history of credit bureau reporting for this loan, showing each time the loan was reported to the bureau(s).

View Credit File
Payment Change
Reporting History
CPI History

Summary		Escrow detail	
Loan partial payment	230.00	Escrow run date	May 01, 2013
Escrow partial payment	0.00	Escrow analysis date	May 2013
Total partial payment	230.00		
Escrow remaining	0.00		

FR (182)

As you can see, the amount satisfied the escrow payment of \$174.95 and \$230.00 was put toward paying the loan payment and is now recorded as a *Loan partial payment*.

The member could continue to pay toward her loan during the month. When her payments have satisfied all of the items in the payment matrix, CU*BASE would advance her payment date ahead to the next month.

SETTING UP AN ESCROW SAVINGS PRODUCT

You may set up as many different escrow dividend applications as you wish. This is helpful for tracking different types of escrows separately - keeping mortgage escrows separate from other types, for example. It is recommended that a different account suffix range be used as well.

Savings/Checking Products Configuration (Tool #777)

The screenshot shows the 'Share Account Setup' window in CU*BASE, specifically the 'Dividend Information' tab. The window title is 'Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION'. The 'Dividend application' is set to 'FC' and the 'Corp ID' is '01 ABC TESTING CREDIT UNION'. The 'General Account Information' section includes fields for 'Description' (FDCU ESCROW), 'Account range' (038 to 039), 'Application type' (Tax/escrow share products, which is circled), 'IRA plan type' (unchecked), 'Reg D transaction account' (unchecked), 'Reg D transfers per month' (unchecked), 'ATM surcharge rebate program code' (unchecked), and 'Zero balance account option' (No action taken). The 'Share Draft/Checking Only' section includes 'Stop pay G/L #' (unchecked), 'Stop pay fee' (0.00), and 'Allow change of fee amount' (unchecked). The 'Accounting Interface' section includes 'Liability G/L account #' (901.63), 'Expense G/L account #' (342.63), and 'Accrual G/L account #' (830.63). A message at the bottom states: 'Dividend rates are entered using Member Rate Maintenance on the "Management Processing/Dashboards" menu.' The bottom of the window has buttons for 'Suspend', 'Save', 'Skip', 'Qualified Dividends', 'ARU/Online Banking', and 'Checklist', along with a status bar showing 'FR (2749) 9/04/13'.

In order to work with the escrow processing system, the Application Type must be set to *Tax/escrow share products* (TX) in the dividend application configuration.

CONFIGURING ESCROW PAYEEES

Escrow payees are third-party organizations to whom you make payments on behalf of your members, using funds from escrow savings accounts. Common examples would be city and county governments and insurance companies.

Configure Escrow Payees (Tool #249) - Screen 1

Session 1 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Configure Escrow Payee Information

Jump to code starting with Jump to name starting with

Search for name containing

Code	Name	Street Address	City	State	ZIP	Phone
A	AAA INSURANCE - BAY CITY	1 AUTO CLUB DR	DEARBORN	MI	48126	989-686-2940
AAA	AAA INSURANCE- SAGINAW	1 AUTO CLUB DRIVE	DEARBORN	MI	48126	989-790-3240
AAA C	AAA INSURANCE CO - DEARBORN	1 AUTO CLUB DRIVE	DEARBORN	MI	48126	989-673-1488
AAA D	AAA - DEARBORN	1 AUTO CLUB DR	DEARBORN	MI	48126	800-677-0777
ACTIO	CITIZENS INSURANCE COMPANY	PO BOX 77000	DETROIT	MI	48277	888-467-5611
ADAMS	ADAMS TOWNSHIP TREASURER	PO BOX 51	ATLANTIC MINE	MI	49905	906-482-5474
ADATO	ADA TOWNSHIPS1	PO BOX 3701	ADA	MI	49301	616-676-9191
REGIS	REGIS SECURITY INSURANCE COMP	P O BOX 3153	HARRISBURG	PA	17105	000-000-0000
AFLOO	AUTO-OWNERS FLOOD INSURANCE	P O BOX 912398	DENVER	CO	80291	000-000-0000
AKRON	AKRON TOWNSHIP TREASURER	5984 DICKERSON RD	AKRON	MI	48701	989-691-5505
AKRVL	VILLAGE OF AKRON	4380 BEACH ST	AKRON	MI	48701	000-000-0000
ALBEE	ALBEE TOWNSHIP TREASURER	9990 BISHOP RD	ST. CHARLES	MI	49655	989-770-4844
ALLIED	ALLIED PROPERTY & CASUALTY INS	P O BOX 82516	LINCOLN	NE	68501	000-000-0000
ALLCL	ALLSTATE INSURANCE	PO BOX 660649	DALLAS	TX	75266	810-686-7700
ALLDE	ALLSTATE INDEMNITY CO	PO BOX 660649	DALLAS	TX	75266	009-695-4800
ALLFL	ALLSTATE FLOOD SERVICE CENTER	P O BOX 733105	DALLAS	TX	75373	000-000-0000
ALLI	NATIONWIDE	P O BOX 742522	CINCINNATI	OH	45274	800-282-1446
ALLIE	NATIONWIDE	PO BOX 742522	CINCINNATI	OH	45274	800-282-1446
ALLME	ALLMERICA PLUS INSURANCE AGENC	440 LINCOLN STREET	WORCESTER	MA	01653	888-857-4380

Change Delete View

Add

← → ↑ || ⏏ i ? @ FR (4352) 4/08/19

Payees will be listed alphabetically by code, so use an appropriate naming convention for your codes. Use *Add (F6)* to create a new escrow payee or select an existing one in the list, then use *Change* or *View* to proceed to the second screen.

Use the search fields to quickly 'position to' a specific payee code or name in the list.

Screen 2

Session 1 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Configure Escrow Payee Information CHANGE

Payee code **ACT10**

Payee name **CITIZENS INSURANCE COMPANY** Phone **888 4675611**

Street address **PO BOX 77000** Fax **586 7393530**

Address 2 **DEPT. 77360** Contact

City, State, ZIP **DETROIT MI 48277 0360**

Cushion # of months ☐ 0 ☐ 1 ☒ 2

Disbursement method ☒ Check ☐ G/L

Bank ID **CI** Clearing G/L account **870.03**

ACH routing # **000000000** Branch (blank = member branch)

☒ Automatically advance due date ☒ Automatically advance policy expiration date

Sort disbursement list by ☐ Name ☒ Account # ☐ Tax ID ☐ Policy #

Comments

MESSAGE TIP: If you insert text or copy and paste text that exceeds the space provided, a pop-up window will appear. Select Yes to retain text you have written or pasted, but be careful, this may delete following text. Select No to cancel a paste. WARNING: Never check the "Remember my decision" checkbox on this pop-up window.

Last Comment

Add/Update


FR (4353) 4/08/19

CU*TIP: Use Last Comment (F11) if you have more than three lines of comments, to scroll to the last line quickly.

This screen lets you record information about the payee, including details about how payments will be processed to this particular organization. Payments can be made via check or by way of an internal transfer to a designated G/L settlement account, for settlement via wire or other method.

Field Descriptions

Field Name	Description
Payee name	Enter the payee name. If paid via check, this name will appear on the printed check.
Street address Address 2 City/State/Zip	Enter the payee's full address. If paid via check, this information will appear on the printed check.
Phone	Enter a contact phone number (informational only).
Fax	Enter a fax number (informational only).
Contact	Enter a contact name (informational only).
Cushion # of months	Valid entries are 0, 1, or 2 months, depending on the amount of cushion you choose to hold. RESPA allows up to 2 months of escrow deposits to be collected and held annually. Important: This field is entered on the payee record, but the number must be the same for every payee. Enter the number of months cushion based on your escrow policy. If, however, this payee is for Private Mortgage Insurance (PMI), the cushion must be set to zero months.
Disbursement method	Choose one of the following to designate how payments to this payee should be processed: Check (C) Choose this if you want to cut a check to this payee and send it along with the report when processing

Field Name	Description
	<p>escrow disbursements. (Also specify a <i>Clearing G/L account</i>, <i>Bank ID</i> and <i>Branch</i>.)</p> <p>G/L (G) - Choose this if you want to transfer funds to a G/L settlement account in order to handle payment through another means (such as a wire transfer) for this payee. (Also specify a <i>Clearing G/L Account</i>.)</p>
Clearing G/L account	Enter the G/L clearing account number (used by both disbursement methods).
Bank ID	<p>If paying via check, enter the Bank ID to use when producing the check. Click the lookup button  to see a list of your credit union's configured IDs.</p>
Branch	This field is not currently used. When payments to the payee are posted, the offsetting G/L transaction will use the branch/location number from the person who posted the transaction (the "teller" branch).
ACH routing #	Use this field to record an ACH Routing & Transit number to be used when sending money to this payee via ACH or wire. (Informational only; not currently used by CU*BASE.)
Automatically advance due date	<p>Check this flag if the due date on all individual escrow payment records should be advanced one period automatically whenever a payment is posted to this payee.</p> <p>In some cases you may wish to remove this checkmark and then manually change due dates on each individual escrow record when you receive proof that payment has been received by the payee (such as when paying taxes).</p>
Automatically advance policy expiration date	<p>This flag defaults to checked which indicates to automatically advance the policy expiration date one period when escrow disbursements are processed for insurance and PMI escrow types. In addition to updating the expiration date on the payee record itself, the system will also advance the insurance policy expiration date on the first collateral record attached to the loan account. (This will overwrite any expiration date already on the collateral record and since only one of the collateral records will be changed, you may need to monitor and adjust additional collateral items manually as appropriate).</p> <p>If you do not want the policy expiration date to be automatically advanced, then remove this checkmark. You will then need to use the unlock feature to manually update the policy expiration date when processing the escrow disbursement.</p>
Sort disbursement list by	<p>This lets you decide how the list of escrow accounts will be displayed when disbursing funds to this payee (see Page 27). This should match whatever sort order will be used on the invoice or statement you receive from this payee.</p> <p>You can choose to sort by Account #, Name, Policy # or Tax ID but keep in mind that the primary sort is based on who the disbursement check is payable to (member, payee or both) per the escrow disbursement record (see page 19).</p> <p>For example, payments to a city tax assessor might be easiest to handle if the accounts were listed in order by Tax ID number, to match the invoice you receive for all tax bills due.</p>

<i>Field Name</i>	<i>Description</i>
	Note: If the sort is by Account # or Name and the disbursement record contains both a policy number and a Tax ID (I=Insurance, P=PMI format types only), then policy number will display instead of the Tax ID.
Comments	Use these lines for miscellaneous procedures, instructions, or other comments about this payee.

CONFIGURING ESCROW TYPES

Escrow Type codes let you group different types of payments together so that they can be processed in a batch. For example, you might have separate escrow type codes for property taxes, homeowner's insurance, flood insurance, association dues, and private mortgage insurance (PMI).

When processing payments to a payee, such as a city government for property taxes, you can choose which escrow type should be paid for a particular payee. This allows you, for example, to keep summer and winter property tax bills separate for easier handling and analysis.

Configure Escrow Type Codes (Tool #250) - Screen 1

Code	Name	Type
CLC	CREDIT LIFE/DIS.	INS
FLD	FLOOD	INS
INS	HAZARD INSURANCE	INS
NFL	NMS FLOOD	INS
NIN	NMS HOMEOWNERS INS	INS
NPM	MORTGAGE INSURANCE	PMI
NRD	RURAL DEVEL ANNL FEE	OTH
NUS	NMS VILLAGE SUM TAX	TAX
NXS	NMS SUMMER TAX	TAX
NXW	NMS WINTER TAX	TAX
PMI	MORTGAGE INSURANCE	PMI
PPP	TEST PMI FORMAT	PMI
TXS	SUMMER TAX	TAX
TXV	VILLAGE SUMMER TAX	TAX
TXW	WINTER TAX	TAX

1. Use *Add (F6)* to add a new escrow type.

Code:

Description:

Format type: Tax
Insurance
Private Mortgage Insurance
Other

2. Enter a three-character code along with a description for the code. Next, choose one of the following format types to define what fields and labels should appear on the Escrow Disbursement Record screen (see Page 19 for samples of each).

Tax (T) - This format uses field labels such as “Total annual tax” and “Tax due date” and is used for property and other taxes. It also includes a field not found on the other formats: *Tax term*.

Insurance (I) - This format uses field labels such as “Total annual premium” and “Premium due date” and is appropriate for all types of insurance except for PMI (Private Mortgage Insurance). This format also includes two fields: *Policy number* and *Policy expire date*.

Private Mortgage Insurance (P) - This format, like the insurance format uses field labels of “Total annual premium” and “Premium due date” but is used for Private Mortgage Insurance (PMI) only.

- If Format type of “P” will cause the following required text to print at the end of the analysis, “You have the right to cancel Private Mortgage Insurance in certain circumstances. Please contact your Credit Union for additional information.”
- Use the Loan to Value Report to determine if PMI should be taken off a loan. See page 45.

Other (O) - This format uses generic field labels such as “Total annual amount” and “Amount due date” and would be useful for generic fees such as condo association dues.

CREATING/MAINTAINING ESCROW ACCOUNTS

Escrow accounts can be created and linked to a loan account either at the time the loan account is opened, as shown below, or later after the loan account is already in place, by using **Tool #570 Open/Update Escrow Disbursement Records** (described starting on Page 24).

NOTE: Tax escrow savings accounts (Application Type TX, tied to the MEMBER4 file) must be opened using one of the two methods described here. You cannot open an escrow savings account using the same feature that you would use to open regular savings accounts or certificates.

CREATING AN ESCROW ACCOUNT AND LINKING IT TO A NEW LOAN

Process Member Applications (Tool #53) > Loan Creation Screen

This check box appears only if the loan category has been configured to allow tax escrows. See Page 7.

Session 1 CU*BASE GOLD Edition - .

File Edit Tools Help

Loan Creation

Loan account # 877 JAMIE A. MEMBER
Loan category 45 FIX MORT 5 -15
Application # 218107 Open date Sep 13, 2016

Printer P1
Drawer 2

Note Information

Assign account type 705 Low 705 High 710
☒ Create tax escrow account
☐ Include in open-end loan contract

Approval ID AA Collector ID XX Interviewer ID 89
File verification date 00000000 [MMDDYYYY] Credit report # (Primary borrower) CU risk level

i If a recent credit report exists for this member, the Credit report # and CU risk level fields will be filled in automatically, using the most recent report on file for the primary borrower. This links the report to this loan so that it will be archived and available for viewing throughout the life of the loan. Any additional signers on this loan will also be linked to the most recent credit report in their name, if one exists in the file.

Additional Information

☐ Collateral ☐ Link to dealer ☐ Additional signers ☐ Variable rate loan
☐ Automatic transfer ☐ Participation loan ☐ Payment matrix ☐ Credit card maintenance
☐ Payroll deduction ☐ Disburse funds ☐ Pledged shares ☐ ACH maintenance

Selected forms: **Select** selected

Unlock Fields View Credit Report

FR (2346) 9/13/16

1. If setting up the escrow at the same time as opening the loan account, simply check *Create tax escrow account* on the loan creation screen. Then proceed as usual.
2. When you use Enter to create the account, the screen below will appear to allow you to create the escrow savings account:

Create New Escrow Account Screen

NOTE: These account suffix range fields will appear blank until you select a Dividend Application.

- This screen lets you create the escrow savings account and also links it to the loan account. Enter a dividend application (you may configure more than one if you wish - see Page 8) and a new account reason code.

Use Unlock Fields (F11) to allow maintenance to the Account type/suffix and Open date. This may be necessary when attaching a refinanced loan to the same escrow account previously used.

- Use Enter to create the savings account and proceed directly to the *Set Up Escrow Disbursement Record* screen.

Screen 2

Type	Payee	Total Amount	Freq	Monthly Amount	Due Date
No Records Found					
		0.00		0.00	07/00/0000

Each line represents an amount that this member owes & will be paid from accumulated escrow savings. For example, a single escrow account might track funds for taxes, several different types of insurance, & even some miscellaneous fees such as dues for a condo association.

- Use *Add New* (F6).

Screen 3

4. Choose both an escrow type code and an escrow payee code. Click the lookup button to see a list of your credit union's configured codes.
5. When ready, use Enter to proceed to the final screen. The layout will depend on which escrow type code was selected.

See following page for examples of three versions of screen, followed by field descriptions. Move to page 23 for step 6 in this process.

Tax Format Type (T)

This layout is used for tax items, and uses labels like *Total Tax* and *Tax due date*. This format contains one additional field not found on the other two formats: *Tax term*.

Screen 4

Use *View Collateral* (F10) to look up a Tax ID or other details from collateral on this loan account.

To copy the ID from that collateral item to the escrow screen:

First highlight the ID on the collateral screen (the characters should appear blue), right-click and choose Copy. Return to this escrow screen, right-click in the TIN field and choose Paste.

Insurance Format Type (I)

This layout uses labels such as *Total premium* and *Premium due date*. This format also contains two additional fields not shown on the other two formats: *Policy #* and *Policy expire date*.

The screenshot shows the 'Set Up Escrow Disbursement Record' window for Session 0 CU*BASE GOLD - ABC CREDIT UNION. The window is titled 'Set Up Escrow Disbursement Record' and contains the following fields:

- Member: JOHN A MEMBER
- Loan account: 705 FIXED RATE MORTGAGE
- Escrow account: 035 ESCROW FREDDIE MAC
- Escrow code: INS HAZARD INSURANCE
- Escrow payee: Details ACTIO CITIZENS INSURANCE COMPANY
- Disbursement frequency: [icon]
- Premium due date: 00000000 [icon] [MMDDYYYY]
- Total premium: 0.00
- Monthly due: 0.00
- Total coverage: 0.00
- Policy #: [text box]
- Policy expire date: 00000000 [icon] [MMDDYYYY]
- Tax identification #: [text box]
- Collateral property address: Multiple collateral records exist
- Disbursements payable to: ☐ Payee ☐ Member ☐ Both
- County: [text box] State: [text box]
- Comments: [text area]

At the bottom of the window, there are buttons for 'Add/Update' and 'View Collateral', and a status bar showing 'FR (6780) 4/03/19'.

PMI (Private Mortgage Insurance) Format Type (P)

This layout mirrors the insurance format but is used for private mortgage insurance only.

The screenshot shows the 'Set Up Escrow Disbursement Record' window for Session 0 CU*BASE GOLD - SUCCESS CREDIT UNION. The window is titled 'Set Up Escrow Disbursement Record' and contains the following fields:

- Member: TINA
- Loan account: 0 FANNIE MAE LOANS
- Escrow account: ESCROW FANNIE MAE
- Escrow code: NPM MORTGAGE INSURANCE
- Escrow payee: Details AAA AAA INSURANCE
- Disbursement frequency: [icon]
- Premium due date: 00000000 [icon] [MMDDYYYY]
- Total premium: 0.00
- Monthly due: 0.00
- Total coverage: 0.00
- Policy #: [text box]
- Policy expire date: 00000000 [icon] [MMDDYYYY]
- Tax identification #: [text box]
- Collateral property address: 4304 E. MI 3-0000
- Disbursements payable to: ☐ Payee ☐ Member ☐ Both
- County: [text box] State: [text box]
- Comments: [text area]

At the bottom of the window, there are buttons for 'Add/Update' and 'View Collateral', and a status bar showing 'FR (6780) 3/14/21'.

Other Format Type (O)

This format uses generic labels such as *Total Amount* and *Amount Due*.

Field Descriptions

Field Name	Description
Total tax or Total premium or Total amount	Enter the total annual amount. The most common disbursement frequency is one payment per year. However, even if the <i>Disbursement frequency</i> selected is other than “A” for annual, the amount to enter in this field is the annual total tax, premium, or amount. NOTE: If this field is updated, a warning message will appear
Disbursement frequency	Enter a code to indicate how often this payment needs to be made. When payments are processed, the system will advance the due date ahead according to this frequency setting (if configured to do so in the payee code). The most common frequency is annual for a once-a-year payment. These are the same frequency codes used when setting up loans. Tips Regarding Frequencies Other Than Annual If the frequency is anything other than Annual , the system will assume the amount entered is an annual total, and will automatically calculate the <i>Monthly due</i> by dividing that total by 12 months. When processing the payment, the system will use the frequency to determine how much of the total is due with that payment, and to move the due date ahead. For example, if the frequency is Semi-annual (twice a year) and the total due is entered as \$1,200, the monthly due will be calculated as \$100. When a payment is processed, the payment amount will be \$600 (half of the total), and the due

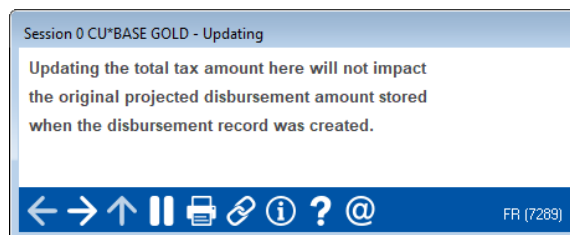
<i>Field Name</i>	<i>Description</i>
	<p>date will be moved forward six months at which time the remaining \$600 would be due.</p> <p>In the event of frequencies such as a 3-year flood insurance policy, the total premium amount is divided by 36 to span the entire period.</p>
Tax due date or Premium due date or Amount due date	<p>Enter the date on which the next payment is due to this payee.</p> <p><i>For Tax Due Date it is recommended that you set the due date for the month the bill becomes available.</i></p>
Monthly due	<p>If this field is left blank, the system will automatically calculate it by dividing the total amount by 12 months. (Use Enter to perform this calculation and view the results before saving.)</p> <p>If you wish, you may modify this amount and the system will use your amount instead of a calculated one. This would be helpful if you want to round payments up to the nearest dollar to keep the escrow total as a whole number.</p>
Total coverage	Optional informational field; applies mostly to the insurance format but can be used for any purpose.
Tax term	(Appears only on the Tax format.) This field is not currently used.
Policy number	(Appears only on the Insurance and PMI format.) Use this to record a policy number. This number will appear on the escrow disbursement screen to help when processing payments to the insurance company.
Policy expire date	<p>(Appears only on the Insurance and PMI format.) Use this to record a policy expiration date (informational only).</p> <p>When in update mode, the policy expire date defaults as non-input capable and requires using the unlock feature to update it manually.</p>
TIN	<p>For tax information, this field should be used to record the Tax ID number to which these taxes apply.</p> <p>HINT: Use F10-Collateral to look up a Tax ID number on an existing collateral item for this loan, or to create a collateral record now.</p> <p>To copy the ID from that collateral item to the escrow screen: first highlight the ID on the collateral screen (the characters should appear blue), right-click and choose Copy. Return to the escrow screen, right-click in the TIN field and choose Paste.</p>
Collateral property address	Displays the property address from the collateral record on file for the loan. If multiple collateral records exist then "Multiple collateral records exist" displays.
Disbursement payable to	Select who will receive the disbursement. Select from payee, payee and member, or member. If member or payee and member are selected the check will be sent to the member. If the member is at an alternate address, the check will be sent to that location.

Field Name	Description
	This field determines the primary sort order when processing disbursements to escrow payees (see page 27). This disbursement list sorts first by "Disbursement payable to" member, second by payee and lastly by both.
Disbursement Record	<p>This allows the credit union to select who to disburse the check to: payee, member or member and payee. If member or member and payee are selected, the check will be mailed to the member's address.</p> <p><i>If the member is currently at an alternate address, the check will be mailed to that location.</i></p> <p>When the checks for a payee are processed, the screen will indicate how many checks will be disbursed to each payee option.</p>
County	Optional informational field; applies mostly to the tax format but can be used for any purpose.
State	Optional informational field; applies mostly to the tax format but can be used for any purpose.
Comments	Use these fields to enter any miscellaneous instructions, procedures, or other comments about this escrow payment detail.

- After completing all fields, use **Add/Update** (F5) to save the changes and return to the main setup screen. The system will display a pop up window to prompt you for confirmation of how the update should affect the member escrow record. See page 26.

CU*TIP: On all of the formats, you can use **Collateral** (F10) to display any collateral records on the loan associated with this escrow, in order to look up value information or a Tax ID number.

- If the tax information is updated, the following message will appear alerting you to the fact that updating the total tax amount will not impact the original projected disbursement amount stored when the disbursement record was created. In rare instances where this needs to be adjusted, use Tool #1120. See page



8. The Escrow Disbursement records can be added or modified at any time. It's important that updates applied mid-year don't alter the monthly payment. The Add/Update function will display this popup window.

"Add/Update" (F5)

Because you are creating this escrow account, this box will be checked. Leave it checked to add to the member's payment. (This adds the escrow payment to the existing loan suffix).

6. When creating an escrow disbursement, the checkbox defaults to checked. It is recommended that you leave this box checked. Press Enter.
 - Checking this box results in calculating the monthly amount to be collected for the escrow. RESPA regulations prohibit changing payment amounts for escrow adjustments unless the annual escrow analysis have been performed. If the box is unchecked, the disbursement record is updated, but the monthly amount to be deposited to escrow is unaffected. If the box is checked, the amount of the escrow could be altered because the member record would be updated.

UPDATING ESCROW INFORMATION

The following method is used to update an existing escrow disbursement record, or to open a new escrow share account and link it to a loan.

Open/Update Escrow Disbursement Records (Tool #570) - Screen 1

2. Enter the loan account number. If the loan already has an escrow attached to it, you will proceed directly to the screen in step 2.
 - If the loan account does not currently have an escrow attached to it, the Create New Escrow Account screen (shown on Page 18) will appear next to allow you to select a dividend application and open the escrow account before proceeding.

[illegible]

- The total of all of these records represents the amount of escrow funds that will be paid into the savings account by the member throughout the year, as loan payments are made. The system will calculate a monthly amount (or you can define one yourself) for each record and automatically add that total to the member's regular loan payment so that the appropriate amount can be collected each month from the member.

- OR

- CU**TIP:*** If necessary, you can create multiple records using the same escrow type and escrow payee. For example, if this member pays property taxes on three different plots of land, you can choose to include them all in one record or create separate records as you wish (usually depends on how the records will appear on tax bills).

5. The Escrow Disbursement records can be modified at any time. It's important that updates applied mid-year don't alter the monthly payment. Use **Add/Update** (F5) after a change has been made to the Escrow Disbursement Record.

"Add/Update" (F5)

Do not check this box unless your intent is to change the member's payment amount immediately!

Session 0 CU*BASE GOLD Edition - Member Update

Escrow disbursement record will be updated.

☐ Also change member's loan payment immediately

WARNING: Checking the box will immediately change the member's payment. Please refer to RESPA regulations concerning payment changes.

NOTE: Box will be automatically checked only during initial set up of Escrow Records.

Continue

FR (1947)

6. It is recommended that you leave the box (shown above) unchecked upon update.
 - If the box is unchecked, the disbursement record is updated, but the monthly amount to be deposited to escrow is unaffected. If the box is checked, the amount of the escrow could be altered because the member record would be updated.
7. Press Enter to update the member with the changes.

Deleting Escrow Disbursement Records

Escrow disbursement records can be deleted completely. When the record is deleted, the entry will no longer display on any screen.

The delete feature is available from the same screen (*Setup Escrow Disbursement Record*) where escrow disbursement records are created and updated. The process begins on page 24.

To delete a record, highlight the record then select *Delete*. The popup window shown below will display.

Session 0 CU*BASE GOLD Edition - Confirm Delete

Confirm Delete

You are about to delete the disbursement for Payee/Escrow: AAAMP/NFL.

Skip

Delete

FR (34)

Confirm the delete by using *Delete* (F16). *Skip* (F8) or the Back button will return you to the previous screen making no change.

DISBURSING FUNDS TO ESCROW PAYEES

The main focus of the escrow payment disbursement system is the bill that your credit union receives from a third-party authority such as a tax assessor or insurance company.

The system will allow you to select the escrow payee and then display all of the members who owe money to that payee. After reconciling the bill against the list, you will post all disbursements (withdrawals) in a batch and create an offsetting payment. The payment can either print a check, or credit a G/L account for alternative settlement.

Disburse Funds to Escrow Payee (Tool #342) - Screen 1

The list at the bottom of the screen will show any batches that were started but not actually posted. This allows you to work on a batch for a while, then temporarily stop and come back to it later if needed. To continue working this batch, select the item in the list and use Select or Enter.

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Process Disbursements to Escrow Payee

Payee code

Escrow code

Date
 [MMDDYYYY]

Escrow Workfiles in Progress

Payee	Esc	Last Date	Scheduled Amount	Invoice #	Invoice Amount
AAA	INS	Sep 19, 2018	34,036.40	25100	34,036.40
BIRCH	NWJ	Sep 11, 2018	135,017.63	2132154	50,000.00

Select
↑ ↓

←
→
↑
⏸
🖨
🔗
ℹ
?
@

FR (1117) 9/19/18

This is the first of several screens used to post payments to an escrow payee. Start by choosing an escrow payee code and escrow type code. (Click the lookup button to see a list of your credit union's configured codes.)

For example, if you have received the tax bill for summer taxes for your local city government, you would choose the city as the payee and your code for summer taxes as the escrow code.

Next, enter an optional date. The system will pull in all escrow records **with a due date on or before that date.**

When ready, use Enter to proceed to the next screen.

Screen 2

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION
File Edit Tools Help

Process Disbursements to Escrow Payee

Payee code	ALLCL	ALLSTATE INSURANCE	Invoice #	
Escrow code	INS	HAZARD INSURANCE	Invoice amount	0.00
Date	0/00/0000		Member account	000000000 (blank = all)

Navigation: < > ↑ ↓ ⏏ Ⓜ ⓘ ? @ FR (1114) 9/19/18

On this screen, enter an invoice number and the total amount to be paid in this batch. This amount will be used to balance the batch against all of the individual payments to be made.

If you wish to pay on behalf of a single member account (such as if you are closing a loan and settling its escrow account), enter the member account base. Otherwise, leave that field blank and use Enter to proceed to the next screen.

The above screen can also be accessed via the back arrow when working escrow disbursements (screen shown on the next page). It may be necessary to adjust an invoice amount if, for example, you realize that one of the loans included on the bill has been paid off.

If you update this disbursement amount, it will be populated in the escrow disbursement record. That way the numbers are there for the next analysis.

If you do not wish to include a particular member in the payment, check the box to suspend payment for this batch only.

Accounts that have been frozen will be suspended automatically (see below).

Screen 3

Session 0 - SUCCESS CREDIT UNION

File Edit Tools Help

Process Disbursements to Escrow Payee

WORK FILE EXISTS

Escrow payee: RO TON TOWNSHIP TREASURER Position to tax ID: Invoice #: 77777 Invoice amount: 555,555.55

Escrow code: NXW Date: Sep 16, 2021

Transaction description: NMS WINTER TAX

Toggle

Escrow Account	Loan	Tax ID #	Frz	Current Balance	Scheduled Amount	Disb Amount	Susp
-037 790	-000	1	902.16	1,133.55	1,133.55	<input type="checkbox"/>	
-037 790	-000	1	1,202.21	1,201.31	1,201.31	<input type="checkbox"/>	
-037 790	-700	1	943.19	1,090.64	1,090.64	<input type="checkbox"/>	
-037 790	-000	1	1,333.12	1,515.84	1,515.84	<input type="checkbox"/>	
-037 790	-000	1	1,675.54	1,404.59	1,404.59	<input type="checkbox"/>	
-037 790	-000	1	1,308.15	1,145.19	1,145.19	<input type="checkbox"/>	
-037 790	-000	1	551.19	1,286.78	1,286.78	<input type="checkbox"/>	
-037 790	-000	1	1,373.81	1,491.12	1,491.12	<input type="checkbox"/>	
-037 790	-000	1	261.44	1,111.39	1,111.39	<input type="checkbox"/>	
-037 790	-000	1	2,009.42	1,328.71	1,328.71	<input type="checkbox"/>	
-037 790	-000	1	747.87	1,139.05	1,139.05	<input type="checkbox"/>	
-037 790	-000	1	914.89	1,492.65	1,492.65	<input type="checkbox"/>	
-037 790	-000	1	1,001.99	1,473.61	1,473.61	<input type="checkbox"/>	
-037 790	-000	1	1,483.05	1,026.82	1,026.82	<input type="checkbox"/>	
-037 790	-01000	1	2,685.68	2,388.30	2,388.30	<input type="checkbox"/>	
Count 20				Totals	26,744.16	26,744.16	↑ ↓
				Net difference		528,811.39	

Post Save Print Clear Workfile Suspend All Activate All

FR (1116) 9/16/21

If the account number is blue, the escrow savings account has either been frozen or the account does not currently have sufficient funds for the scheduled amount. Posting this payment will take the escrow account to a negative balance. (Frozen accounts must be reactivated and a teller override performed. See below.)

This screen displays all of the escrow disbursement records for this payee and escrow type code. The primary sort for the list is by who the disbursement check is payable per the escrow disbursement record (see page 19), first by member, then by payee, then by both. The secondary sort is by Account #, Name, Policy # or Tax ID as configured for the escrow payee (see page 11).

The screen defaults to show the Tax ID #. Use Toggle at the top of the column to sort by account number or member name.

The *Scheduled Amount* column shows the amounts from the escrow records. The *Disbursed Amount* fields allow you to adjust the actual amount that will be paid with this batch.

Handling a Frozen Account: *If an escrow account has been frozen from transactions and has a freeze indicator of 3, the system will automatically suspend the record. To pay the item anyway, uncheck the box in the Susp column to unsuspend. A confirmation window will automatically take you to the Transaction Override window where you can override the freeze for this transaction. (An override must be done or the transaction cannot be posted to this member's account.)*

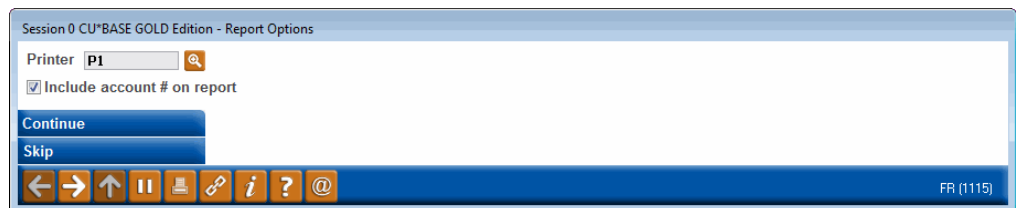
As you make changes, use Enter periodically to recalculate the balancing amounts at the top of the screen. **If you need to stop working and come back to the batch at a later time, use Save (F10) to save and return to the initial screen (or the up arrow (F7)) to save and exit).**

IMPORTANT: *If changes are made to the master escrow disbursement records (new members added, etc.) after you start working with a batch, use **Clear Workfile (F16)** and start over to refresh the file with all new data. Any adjustments you made to disbursement amounts will be lost.*

IMPORTANT: *Escrow records for annual amount and next due date are updated when a check is cut via **Tool #342 Disburse Funds to Escrow Payee**. If a check is cut, other than during the normal billing, the member's escrow record will need to be updated via **Tool #570 Open/Update Escrow Disbursement Records**. The TOTAL PAYMENT/PREMIUM amount field may need to be updated to a new amount equaling the total payment amount plus any supplemental billing amount (example – an upgraded insurance policy = \$400 annual + \$50 supplement = new premium amount of \$450). You will also need to back up the due date because each time a check is cut, the due date moves forward an additional payment period.*

IMPORTANT: *Escrow benefits follow the loan payment matrix of the loan (that includes escrow if applicable).*

When the batch is in balance (the *Net difference* at the top of the screen reads 0.00), use **Post (F5)** to post the payment. The following confirmation window will appear:



On this window you can decide whether the third detail report (see the samples on the following pages) should include member account numbers or not. This will depend on whether you will be sending the detail report to the final payee. (For privacy reasons, reports sent to third parties should not have credit union account number information on them.)

NOTE: *Since the first report will probably be sufficient for most third parties, this flag is usually left checked.*

This screen allows you to print your reports to a different printer. For example, you can choose to print them to HOLD XX and view the reports

online. These reports may be quite lengthy and this way you may not only save paper, but free up the printer for others to use.

If this payee is set up to receive payment via a G/L transfer, use Enter to complete the posting and return to the initial screen.

OR

If payment is made by check, use Enter to proceed to the final screen:

If paying via check:

	# of Checks	Total Amount
Checks payable to escrow payee only	1	1,500.00
Checks payable to members only	0	0.00
Checks payable to member & escrow payee	0	0.00
Total disbursement	1	1,500.00

This screen indicates how many checks are being printed for each disbursement option, including payee, member, or member and payee. This setting is set in the configuration for the escrow payee. Use **Print All Checks** (F5) to produce the check and return to the initial screen.

Printing a Single Check with a Different Address

If you need to print a one-time check with an address that is different than the address in **Tool #249 Configure Escrow Payees**, two options are recommended.

*NOTE: It is NOT recommended that you change the address via **Tool #249 Configure Escrow Payees**, but instead use one of the following processes:*

1. Continue with check printing.

2. Then reprint a check with the corrected address by using **Tool #760 Reprint Checks**. Be sure to void and dispense with the original check properly.

OR

1. Change the Escrow Payee Configuration (**Tool #249 Configure Escrow Payees**). Disbursement Method to a G/L and note the clearing account.
2. Print a check with the correct address using **Tool #667 Print Miscellaneous Checks** from the clearing account G/L; editing address information as needed.
3. Change the Escrow Payee Configuration (**Tool #249 Configure Escrow Payees**) *disbursement method* to check.
 - While changing the Disbursement Method in the payee record is recommended, it is not recommended that you change the address fields in the payee record. If the Payee record does not get changed back the consequence of changing the disbursement method is that the next time funds are cut from member accounts to pay that Payee the funds will be setting in the GL; if Address fields are changed the consequence is that funds could be sent from the CU to an incorrect address.

Report Samples

The following reports are generated automatically when payments are posted to escrow payees.

Report 1 - Payment Register

9/14/21 13:59:13	SUCCESS CREDIT UNION	PESCPY-2	PAGE
RUN ON 9/14/21	ESCROW PAYMENT REGISTER	USER I	
PAYABLE TO PAYEE			
ESCROW TYPE	NMS SUMMER TAX		
INVOICE NUMBER	123456		
NAME	AMOUNT	TAX ID NUMBER	
DAWN	500.00	123456789012345678901234567890	
*TOTAL DISBURSEMENT	500.00		
END OF REPORT			

This report would be appropriate to pass on to the payee with the remittance check or other payment method.

Keep in mind that if both a Tax ID and Policy # exist for insurance or PMI records, the Policy # displays instead of the Tax ID.

Report 2 - Exception Report

10/23/09 13:40:04	CU*BASE TEST CREDIT UNION	PESCPY-1	PAGE
	ESCROW PAYMENT EXCEPTION REPORT		
PAYABLE TO	CITY OF MT PLEASANT		
ESCROW TYPE	SUMMER PROPERTY TAX		
ACCOUNT #	NAME	LN TYP SCH DATE	AMOUNT PAYEE CODE DESCRIPTION
6002616-150 JAMES MEMBER		700 07/31/12	2646.37 ISA03 STX ESCROW PAYMENT SUSPENDED
6002257-150 LISA MEMBER		700 07/31/12	1153.81 ISA03 STX ESCROW PAYMENT SUSPENDED
6007290-150 LEQUAN MEMBER		700 07/31/12	1414.38 ISA03 STX ESCROW PAYMENT SUSPENDED
*TOTAL SUSPENDED			5214.56

This report shows any records that were suspended and therefore not paid.

Report 3 - Detailed Transaction Register

10/23/09 13:40:04		CU*BASE TEST CREDIT UNION ESCROW PAYMENT TRANSACTION REGISTER						PESCPY	PAGE USER ALYCIAM
PAYABLE TO ESCROW PAYEE ESCROW TYPE	PAYEE ONLY CITY OF MT PLEASANT SUMMER PROPERTY TAX								
ACCOUNT #	NAME	LN TYP	SEQ #	CHECK #	AMOUNT	TRAN TYPE	PREVIOUS BALANCE	CURRENT BALANCE	NEXT DISB DATE
1448730-151	KAREN MEMBER	707	6797	49417	1500.00	38	13073.96-	14573.96-	07/31/18
2236100-150	RITA MEMBER	700	7157	49417	2300.00	38	23445.06-	25745.06-	07/31/18
3587620-150	STEVEN MEMBER	705	4415	49417	3500.00	38	23825.99-	27325.99-	07/31/18
5287370-150	PAUL MEMBER	700	6529	49417	2000.00	38	19997.26-	21997.26-	07/31/18
*PAY TO DISBURSEMENT TOTAL					9300.00				
10/23/09 13:40:04		CU*BASE TEST CREDIT UNION ESCROW PAYMENT TRANSACTION REGISTER						PESCPY	PAGE USER ALYCIAM
PAYABLE TO ESCROW PAYEE ESCROW TYPE	MEMBER ONLY CITY OF MT PLEASANT SUMMER PROPERTY TAX								
ACCOUNT #	NAME	LN TYP	SEQ #	CHECK #	AMOUNT	TRAN TYPE	PREVIOUS BALANCE	CURRENT BALANCE	NEXT DISB DATE
596000-150	ALVIN MEMBER	707	4216	49418	1500.00	38	13836.06-	15336.06-	07/31/18
2701730-150	JAMES MEMBER	700	5555	49419	2000.00	38	21355.64-	23355.64-	07/31/18
1978480-150	NANCY MEMBER	700	5585	49420	1000.00	38	10157.28-	11157.28-	07/31/18
4898230-150	ANNA MEMBER	700	4811	49421	2000.00	38	20080.36-	22080.36-	07/31/18
*PAY TO DISBURSEMENT TOTAL					6500.00				
10/23/09 13:40:04		CU*BASE TEST CREDIT UNION ESCROW PAYMENT TRANSACTION REGISTER						PESCPY	PAGE USER ALYCIAM
PAYABLE TO ESCROW PAYEE ESCROW TYPE	PAYEE & MEMBER CITY OF MT PLEASANT SUMMER PROPERTY TAX								
ACCOUNT #	NAME	LN TYP	SEQ #	CHECK #	AMOUNT	TRAN TYPE	PREVIOUS BALANCE	CURRENT BALANCE	NEXT DISB DATE
1484600-150	MARK MEMBER	700	7596	49422	1500.00	38	16192.92-	17692.92-	07/31/18
2264150-150	JENNIFER MEMBER	700	6827	49423	1000.00	38	10228.27-	11228.27-	07/31/18
6001661-150	TIMOTHY MEMBER	700	1429	49424	3000.00	38	32096.71-	35096.71-	07/31/18
98110-150	LAWRENCE MEMBER	700	3739	49425	2500.00	38	23349.71-	25849.71-	07/31/18
4274920-150	REBECCA MEMBER	700	4717	49426	1200.00	38	12611.71-	13811.71-	07/31/18
*PAY TO DISBURSEMENT TOTAL					9200.00				
*TOTAL DISBURSEMENT					25000.00				

This third report is intended for your records. The account number will show only if the box was checked on the confirmation window. This report is broken down by who the check was to (payee, member, or payee and member).

ESCROW DISBURSEMENT REPORT

Print Escrow Disbursement Listing (Tool #642)

This screen lets you print disbursement information for all escrow payees. **Each payee will appear on a separate report.** The records will be grouped by due date, then escrow type code, with each date beginning on a separate page.

- Set it and forget it! This report's settings can be saved to be manually run at a later time or automatically run by Operations staff. Use the *Retrieve Settings* and *Save Settings* buttons. Refer to the online help for information on using this feature.

Field Descriptions

Field Name	Description
Disbursement Type	<p>Choose one of the following to specify which data should appear on the report:</p> <p>Escrow Detail (D) - Use this to include <u>scheduled</u> payment information and due dates. Basically this lets you print a record of how your escrow disbursement records are currently set up.</p> <p>Disbursement History (H) - Use this to include payment history records only. This lets you print a record of payments actually made through the escrow disbursement payment process.</p> <p>Pending (P) - Use this to include invoices received and entered for payment but not yet paid. Use this report to view records prior to processing the payment.</p>

Field Name	Description
From disbursement date To disbursement date	Use one or both of these fields to limit the report to records with a certain range of payment due dates. For the "History" version of the report, these fields let you include records of payments made during this period of time. Leave the fields blank to include all records in the file.
Select escrow payee	To print data for a single payee, enter the payee code here. Leave the field blank to create a separate report for each payee. Click the lookup button to see a list of your credit union's configured codes.
Select escrow type	To print data for a single escrow type (such as summer taxes only), enter the escrow type code here. Leave the field blank to include all escrow types. Click the lookup button to see a list of your credit union's configured codes.
Include account # on printed report	Check this flag if the final report should include member account numbers. Uncheck the flag to omit the account numbers (such as if you will be sharing this report with another third party.)
Sort type	Consolidated (C) – Use this option to print a report consolidated for each escrow payee regardless of the payment date. Date – (D) Use this option to print a report for individual escrow payees by date.

Report Samples

Following is a sample of a multi-page report produced for one escrow payee, showing "active" (scheduled) payment information. **If "History" data was requested, an Invoice # column will also appear.**

10/10/05 11:11:04	CU*BASE TEST CREDIT UNION (BT) ESCROW DISBURSEMENT SETUP REGISTER	LESCDP	PAGE 1 USER DAWNM
FILE DATE: 09/30/2006			
ESCROW PAYEE City of Grand Haven	ESCROW TYPE WTX		
TAX-ID NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT ESC
	2000.00	MEMBER, FRED Q	25564-780 080
TOTAL AMOUNT	2000.00	TOTAL NUMBER ACCOUNTS	1

10/10/05 11:11:04	CU*BASE TEST CREDIT UNION (BT) ESCROW DISBURSEMENT SETUP REGISTER	LESCDP	PAGE 2 USER DAWNM
FILE DATE: 12/15/2006			
ESCROW PAYEE City of Grand Haven	ESCROW TYPE WTX		
TAX-ID NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT ESC
2334293487	500.00	NEWMEMBER, JOHN A	25556-780 080
TOTAL AMOUNT	500.00	TOTAL NUMBER ACCOUNTS	1

10/10/05 11:11:04	CU*BASE TEST CREDIT UNION (BT) ESCROW DISBURSEMENT SETUP REGISTER	LESCDP	PAGE 3 USER DAWNM
FILE DATE: 09/30/2007			
ESCROW PAYEE City of Grand Haven	ESCROW TYPE STX		
TAX-ID NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT ESC
	1000.00	MEMBER, FRED Q	25564-780 080
TOTAL AMOUNT	1000.00	TOTAL NUMBER ACCOUNTS	1

10/10/05 11:11:04	CU*BASE TEST CREDIT UNION (BT) ESCROW DISBURSEMENT SETUP REGISTER	LESCDP	PAGE 4 USER DAWNM
FILE DATE: 03/15/2008			

ESCROW PAYEE City of Grand Haven		ESCROW TYPE WTX			
TAX-ID NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT	ESC	
344852139	978.53	TESTPERSON, MATT S	2584-780	080	
366957823	1123.49	AMEMBER, JAMES O	1782-780	080	
370121492	985.24	ISAMEMEBER, CHRISTOPHER M	2454-781	080	
378951927	1059.78	TESTPERSON, RANDAL D	2338-780	081	
TOTAL AMOUNT	4147.04	TOTAL NUMBER ACCOUNTS	4		
10/10/05 11:11:04		CU*BASE TEST CREDIT UNION (BT)		LESCDP	PAGE 5
		ESCROW DISBURSEMENT SETUP REGISTER			USER DAWN M
FILE DATE: 09/15/2008					
ESCROW PAYEE City of Grand Haven		ESCROW TYPE STX			
TAX-ID NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT	ESC	
12349873145987123059	2000.00	NEWMEMBER, JOHN A	25556-780	080	
344852139	1023.49	TESTPERSON, MATT S	2584-780	080	
366957823	983.46	AMEMBER, JAMES O	1782-780	080	
370121492	1009.56	ISAMEMEBER, CHRISTOPHER M	2454-781	080	
378951927	987.32	TESTPERSON, RANDAL D	2338-780	081	
TOTAL AMOUNT	6003.83	TOTAL NUMBER ACCOUNTS	5		

This report is Escrow Detail - Consolidated

10/23/09 9:49:55	XX CREDIT UNION				LESCDP	PAGE 1
	ESCROW DISBURSEMENT SETUP REGISTER					USER
ESCROW PAYEE AAA INSURANCE - SAGINAW	ESCROW TYPE FLD					
POLICY NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT	ESC		DISBURSE TO
4000049517	583.00	MEMBER, CHADWICK	6006-780	035		PAYEE
HOM013235474	708.00	MEMBER, CHADWICK	6006-780	035		PAYEE
*TOTAL AMOUNT	1291.00	TOTAL NUMBER ACCOUNTS	2			

This report is Escrow Detail - by Date

10/23/09 9:58:21	XX CREDIT UNION				LESCDP	PAGE
	ESCROW DISBURSEMENT SETUP REGISTER					USER
	FILE DATE: 02/22/2010					
ESCROW PAYEE AAA INSURANCE - SAGINAW	ESCROW TYPE FLD					
POLICY NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT	ESC		DISBURSE TO
4000049517	583.00	MEMBER, CHADWICK	6006-780	035		PAYEE
*TOTAL AMOUNT	583.00	TOTAL NUMBER ACCOUNTS	1			
10/23/09 9:58:21	XX CREDIT UNION				LESCDP	PAGE
	ESCROW DISBURSEMENT SETUP REGISTER					USER ALYCIAM
	FILE DATE: 02/22/2010					
ESCROW PAYEE AAA INSURANCE - SAGINAW	ESCROW TYPE INS					
POLICY NUMBER	DISBURSED AMOUNT	MEMBER NAME	LOAN ACCOUNT	ESC		DISBURSE TO
HOM013235474	708.00	KLINE, CHADWICK	6006-780	035		PAYEE
*TOTAL AMOUNT	708.00	TOTAL NUMBER ACCOUNTS	1			

This report is Disbursement History - Consolidated

*.....1.....2.....3.....4.....5.....6.....7.....8.....9.....0.....1.....2.....3						
9/10/21 9:28:36	SUCCESS CREDIT UNION				LESCDP	PAGE
RUN ON 9/14/21	ESCROW DISBURSEMENT REPORT					USER
ESCROW PAYEE I TOWNSHIP TREASURER	ESCROW TYPE NXS					
	DISBURSED					
TAX-ID NUMBER	AMOUNT	MEMBER NAME	LOAN ACCOUNT	S ESC INVOICE #		DISBURSE TO
11	2501.07	JENNIFER A	-795	037 011		PAYEE
11	2654.77	JENNIFER A	-795	037 SUMMER TAX		PAYEE
11	2370.08	JENNIFER A	-795	037 2012 SUMMER TAX		PAYEE
11	2306.28	JENNIFER A	-795	037 2013 SUMMER TAX		PAYEE
11	2371.54	JENNIFER A	-795	037 2014 SUMMER TAX		PAYEE
11	2409.47	JENNIFER A	-795	037 1		PAYEE
11	2416.01	JENNIFER A	-795	037 1		PAYEE
11	2437.16	JENNIFER A	-795	037 1		PAYEE
11	2533.39	JENNIFER A	-795	037 1		PAYEE
11	2593.95	JENNIFER A	-795	037 1		PAYEE
11	2668.51	JENNIFER A	-795	037 1		PAYEE
*TOTAL AMOUNT	27262.23	TOTAL NUMBER ACCOUNTS	11			
END OF REPORT						

This report is Disbursement History - by Date

9/10/21 9:11:07	SUCCESS CREDIT UNION				LESCDP	PAGE
RUN ON 9/14/21	ESCROW DISBURSEMENT REPORT					USER
	FILE DATE: 09/21/2010					
ESCROW PAYEE TOWNSHIP TREASURER	ESCROW TYPE NXS					
	DISBURSED					
TAX-ID NUMBER	AMOUNT	MEMBER NAME	LOAN ACCOUNT	S ESC INVOICE #		DISBURSE TO
3	2501.07	JENNIFER A	-795	037		PAYEE
*TOTAL AMOUNT	2501.07	TOTAL NUMBER ACCOUNTS	1			

ESCROW COLLATERAL REPORT

This tool reports members that have future escrow disbursements and since it does not contain any member account numbers, it can be provided to municipalities or other payees who receive escrow payments. The report can be run by escrow payee or escrow type and lists the member name along with associated collateral information. The collateral address and tax ID are pulled from the first collateral record on file for the member.

- Set it and forget it! This report's settings can be saved to be manually run at a later time or automatically run by Operations staff. Use the *Retrieve Settings* and *Save Settings* buttons. Refer to the online help for information on using this feature.

Escrow Collateral Report (Tool #1690)

Session 0 CU*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

Escrow Collateral Report

Report Options Response

Escrow payee Select

Escrow type Select

Disbursement/Due date from 00000000 to 00000000 [MMDDYYYY]

☒ Job queue

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Printer P1

Retrieve Settings

Save Settings

← → ↑ || 🔗 ⓘ ? @ FR (6843) 9/12/19

A disbursement date range can be entered or left blank to include all future disbursement dates. LESCOCOL Escrow Collateral Report

9/10/21 9:40:21	SUCCESS CREDIT UNION						LESCCOL	PAGE
RUN ON 9/14/21	ESCROW COLLATERAL REPORT							USER ALCIAM
CU NAME	SUCCESS CREDIT UNION							
CU ADDRESS	6000 28TH STREET SE							
	GRAND RAPIDS, MI 49546-0000							
CU PHONE	800-327-3478							
NAME		COLLATERAL	ADDRESS	CITY	ST	ZIP	TAX ID	PAYEE ESCROW DESCRIPTI
ERIN		207	ALK		MI	26		AAA HAZARD INSURANCE
SCOTT		490	V ROAD		MI	115		AAA HAZARD INSURANCE
FRANK		103	RD		MI	115		AAA HAZARD INSURANCE
CHERYL		492	ST		MI	33		AAA HAZARD INSURANCE

ESCROW PAYABLES REVIEW

The escrow processing system houses all the data required to manage your escrow savings accounts. Every escrow account will have at least one escrow payee with the potential for many more. Over the course of the loan invoice amounts will change, members may switch from one insurance company to another, due dates might be altered, and any number of modifications which require the ability to maintain the payables record.

An important feature of the Escrow Payables system is the ability to run a report to show the status of your escrow payables for any time period, escrow payee, or member account.

Verify Escrow Disbursements (Tool #940)

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

Escrow Payables Review

Report Options	Response	
Select payee	<input type="text"/>	Optional
Select member account	<input type="text"/>	Optional
From disbursement date	<input type="text"/> [MMDDYYYY]	Optional
To disbursement date	<input type="text"/> [MMDDYYYY]	Optional

☒ Job queue
Copies
Printer

Navigation icons: back, forward, up, down, search, etc.

FR (639) 8/29/13

To obtain a report on the entire escrow account portfolio, leave all fields at their default values. Optionally, you can select one escrow payee, an individual member account, or a range of dates. Report samples below indicate the types of information available from this report. The report prints in two individual sections and will appear in your spool file as separate reports.

This report LESCPR shows the status of the payables in your escrow payables system. If an invoice has been entered with an invoice number and due date, that information will appear as a line item. When the invoice is paid, the Disbursement Date and Amount Paid will print.

Escrow Payables Review - This report provides a comparison between planned and actual activity. It lists scheduled payments based on the invoice entered and the actual payment amount and date.

In addition to these reports specifically designed according to RESPA guidelines, you may develop reports unique to your credit union using CU*BASE query tools.

LESCPR Escrow Payables Review - Detail

6/09/06 9:51:04		ABC CREDIT UNION				LESCPR		PAGE	
		ESCROW PAYABLES REVIEW						USER JANE A	
ACCOUNT	PAYEE CODE	ESCROW CODE	TOTAL TAX	DISB FREQ	MONTHLY DUE	DUE DATE	DISB DATE	AMOUNT PAID	INVOICE #
3113080-150	CLA01	WTX	579.70	A	77.21			.00	
TOTAL BY PAYEE		1							
5232170-150	CLA05	WTX	480.92	A	32.10			.00	
TOTAL BY PAYEE		2							
2342600-150	CLA06	WTX	746.55	A	28.04			.00	
2342600-150	CLA06	WTX	746.55	A	28.04			.00	
2342600-150	CLA06	WTX	46.97	A	28.05			.00	
2342600-150	CLA06	WTX	46.97	A	28.05			.00	
TOTAL BY PAYEE		6							
2225880-150	FARMB	HMI	817.00	A	69.67			.00	
TOTAL BY PAYEE		7							
4123200-150	GRA03	WTX	616.91	A	61.06			.00	
TOTAL BY PAYEE		8							
4898230-150	HOME0	HMI	410.88	A	41.42			.00	
TOTAL BY PAYEE		9							

More...

This report LSCPY shows the last analysis date and any exception status for the account.

LESCPY Escrow Payables Review - Exceptions

6/09/06 9:50.46		ABC CREDIT UNION				LESCPY		PAGE	
		ESCROW PAYABLES REVIEW SELECTION						USER	
ACCOUNT #	LOAN ACCT	LAST ANALYSIS DATE	PROCESSING MESSAGE						

98110-150	700	/00	Invalid/Missing Escrow Period						
207840-150	700	/00	Invalid/Missing Escrow Period						
332900-151	705	2005/01	No payment history found						
332900-151	705	2005/01	No payment history found						
332900-151	705	2005/01	No payment history found						
332900-151	705	2005/01	History found for entered period						
356180-150	705	2006/06	No payment history found						
356180-150	705	2006/06	No payment history found						
356180-150	705	2006/06	History found for entered period						
440240-150	700	2005/01	No payment history found						
440240-150	700	2005/01	No payment history found						
440240-150	700	2005/01	History found for entered period						
583470-150	700	2007/06	No payment history found						
583470-150	700	2007/06	No payment history found						
More...									

More...

DAY-TO-DAY LOAN SERVICING

HANDLING PAYMENTS FOR LOANS WITH ESCROWS

Loan payments can be made through normal channels using the same techniques used for other types of loans. If the loan category configuration is set up properly (see Page 7), whenever loan payments are made the system will automatically transfer the total regular escrow amount to the escrow savings account.

*Remember that if the loan category is a mortgage type loan using the 360-day interest calculation method, other special rules also apply to how payments must be made on these loans. Refer to the separate booklet, “**Mortgage Products: 360-Day Interest Calculation**” for more information.*

CU*BASE calculates the member’s normal payment amount as follows:

Regular payment (principal & interest)	\$1,215.88
Escrow transfer (taxes, insurance, etc.)	<u>+ 263.18</u>
Total regular payment amount	\$1,479.06

Funds will accumulate in the savings account until the escrow payment disbursement system is used to process payments to escrow payees.

Understanding the Role of the Payment Matrix

When payments are applied, as with any type of loan, CU*BASE will use the Payment Matrix to determine how to “spread” the payment amount between the various payment components (interest, principal, escrow, etc.). In the case of a short payment, the amount of money that is put toward escrow savings will depend on how your payment matrix is set up, and may result in underpayment to the escrow savings account.

*If a special situation arises where a teller needs to apply the payment other than according to the normal payment matrix, Proc. Code “X” can be used on the teller Deposits/ Withdrawals screen to display the Payment Matrix Override window. This window allows the payment amount to be spread exactly as desired, should the default calculations be incorrect. (Refer to CU*BASE online help for details.)*

See Page 7 for a sample of a typical payment matrix for loans that have escrows attached.

ESCROW INQUIRY TOOLS

Member Account Inquiry - Escrow Savings Account

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION
File Edit Tools Help

Member Account Inquiry

MSR 32	Account #	JAMES A MEMBER		Date opened	Oct 12, 2010
Loan -790	Account type	037	ESCROW FANNIE MAE	G/L account	901.64-01
# of withdrawals 0	Current balance	1,098.37		Annual b/u withholding	0.00
# of transfers 0	- secured	0.00		Period average balance	1,098.37
Frozen 1 W/D	- uncollected	0.00		Period minimum balance	945.50
Passbook NO	= Net available	0.00		Outstanding accrued club benefits	0.00
AFT NO	Escrow payment	152.87		YTD club benefits	0.00
Payroll NO	Escrow partial pay	0.00			
	Escrow run date	May 01, 2013			
	Escrow analysis date	May 2013			

Dividend Information			
Quarter 1	0.00	Total	0.00
2	0.00	Accrued	0.00
3	0.00		
4	0.00		

Transaction inquiry date: Oct 01, 2013 [MMDDYY]

FR (3761) 11104/13

This screen shows information about the escrow savings account. You can use *Escrow Detail* (F16) to see escrow details (the screen shown on Page 42 will appear).

Member Account Inquiry - Loan Account

Click either of these buttons to display the escrow detail screen (shown below).

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION
File Edit Tools Help

Member Account Inquiry

<input checked="" type="checkbox"/> Collateral	Account #	JAMES A MEMBER		Date opened	Oct 12, 2010
<input type="checkbox"/> Secured				G/L account	701.90-01
<input type="checkbox"/> Delinquent	Account	790 FANNIE MAE LOANS - EQUITY			
<input type="checkbox"/> Additional signers	Category	60 FANNIE MORTGAGE			
<input checked="" type="checkbox"/> Participation loan	Purpose	60 REAL ESTATE			
<input type="checkbox"/> Pledged	Security	07 REAL ESTATE			
<input type="checkbox"/> Payroll	Proc type	M MORTGAGE LOAN			
<input type="checkbox"/> ACH	Current balance	114,325.16		Interest rate	4.250
<input checked="" type="checkbox"/> AFT	+ Interest	0.00		Daily accrual	3 13.50
Pmt protection N	+ Delinquent fine	0.00		YTD interest	4,085.04
Misc coverages N	- Insurance rebate	0.00		Club benefits	0.00
Frozen 0 NO	= Loan payoff	114,325.16		Accrued	0.00
Check digit 0				YTD	0.00
Delivery channel CU				Amort/maturity date	Nov 01, 2040
				Review date	Nov 01, 2040

Disbursement limit	120,500.00	Secured funds	0.00	Available funds	0.00
Interest accrued through	Sep 30, 2013	Total disbursed	120,500.00	First payment	Dec 01, 2010
Last disbursed balance	120,500.00	Last disbursed	Oct 12, 2010	ECOA code	1
Last payment	745.66	Last payment	Oct 01, 2013	Escrow	192-037
Regular payment	592.79	Next payment	01 Nov 01, 2013	Escrow payment	152.87
Amount due	0.00	# pmts remaining	325 of 360	# of refinances	0
Partial pay	0.00	Frequency	MONTHLY		

Transaction inquiry date: Oct 01, 2013 [MMDDYY]

FR (3762) 11104/13

This screen shows details about the loan account, including the escrow account to which it has been attached, and the amount being added to the payment for escrow.

Delinquency Window (F23 or lookup next to “Delinquency”)

Session 0 CU*BASE GOLD Edition - Payment Information

Use the Reporting History feature to see a history of credit bureau reporting for this loan, showing each time the loan was reported to the bureau(s).

View Credit File
Payment Change
Reporting History
CPI History

Summary **Escrow detail**

Delinquency Details				Credit Report Information	
Fine ID	4	5% OF PAYMENT / MORTGAGES		Credit report #	0000000
Control	9		0/00/00	Report date	Aug 27, 2010
Notice level	0	Fines paid	0.00	Bureau	
Delinquent interest due			0.00	Risk score	0754
Actual # of days delinquent				MDS score	0000
Months	0	Days	0	CU risk level	
1st date delinquent	0/00/00	# times	0		
		# pmts	0		

Amount Due		Regular Payment Information	
Amount delinquent	0.00	Regular payment	592.79
Fine amount	0.00	Escrow transfer	152.87
Amount due	0.00	Total payment	745.66
Partial payment	0.00	Next payment day	01 Date Nov 01, 2013

FR (182)

The delinquency pop-up window will also show the amount of funds from the total payment that is being transferred to the escrow savings account, to determine the total payment amount.

ESCROW PAYMENT HISTORY

The following screen is the same one used to set up the escrow disbursement records. It will also appear in view-only format when using either of the lookup buttons on the loan Account Inquiry screen shown on page 41.

Open/Update Escrow Disbursement Records (Tool #570) - Screen 2

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Set Up Escrow Disbursement Record

Member **JOHN A MEMBER**

Loan account **705 FIXED RATE MORTGAGE** Escrow account **035 ESCROW FREDDIE MAC**

Collateral property address **Multiple collateral records exist**

Type	Payee	Total Amount	Freq	Monthly Amount	Due Date
INS	AKRON TOWNSHIP TREAS	900.00	S	75.00	Aug 19, 2019
NRD	AMERICAN STRATEGIC I	150.00	Q	12.50	Jun 06, 2019
NUS	AAA INSURANCE - BRY	300.00	S	25.00	May 02, 2019

Each line represents an amount that this member owes & will be paid from accumulated escrow savings. For example, a single escrow account might track funds for taxes, several different types of insurance, & even some miscellaneous fees such as dues for a condo association.

Change Delete View History

Add New

FR (4310) 4/09/19

Select any item in the list and click **History** to display the following payment history screen:

"History"

To display all payments made for this member, regardless of payee or type, delete the code in this field and use Enter to refresh.

(HINT: Then click on the headers to sort by either Payee or Type.)

Use this button to toggle to display the invoice number in this column, as well as whether the check was made payable to the payee, the member, or the member and payee.

Session 1 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Escrow Disbursement History

Member: JOHN A MEMBER

Loan account: 705 FIXED RATE MORTGAGE

Escrow type (blank=any): **INS** HAZARD INSURANCE

Escrow account: 035 ESCROW FREDDIE MAC

Payee	Type	Due Date	Dist Date	Description	Amount Paid
AAA INSURANCE - SAGIN	INS	Feb 18, 2019	Feb 27, 2019	HAZARD INSURANCE	450.00
AAA INSURANCE - SAGIN	INS	Feb 19, 2019	Feb 27, 2019	HAZARD INSURANCE	450.00
AAA INSURANCE - SAGIN	INS	Feb 19, 2019	Feb 27, 2019	HAZARD INSURANCE	450.00
AAA INSURANCE - SAGIN	INS	Feb 19, 2019	Feb 27, 2019	HAZARD INSURANCE	450.00
AAA INSURANCE - SAGIN	INS	Feb 19, 2019	Feb 28, 2019	HAZARD INSURANCE	450.00
AAA INSURANCE - SAGIN	INS	Feb 19, 2019	Feb 28, 2019	HAZARD INSURANCE	450.00
AKRON TOWNSHIP TREAS	INS	Feb 19, 2019	Mar 01, 2019	HAZARD INSURANCE	600.00

Show Invoice #

← → ↑ || ⏏ i ? @

FR (4311) 4/15/19

This screen shows a history of all payments made on this member's behalf from this escrow account, for the escrow type selected on the previous screen. Clear the field at the top of the screen and use Enter to see all payments.

ESCROW ACCOUNT UPDATE

The escrow analysis is completed annually. Once completed, the escrow related fields shown below may get populated. Although these fields can be adjusted, manual intervention is rarely, if ever required and should be considered only in extreme cases.

Update Account Information (Tool #20)

Tier 2 level authority is required to update this 'Escrow analysis change' field.

Account Information Update Tax Escrow

Account # 035
JOHN A MEMBER
1234 FIRST STREET
BIG CITY MI 00005

Last maintenance date Feb 14, 2019
Current balance 5,300.00-
Account opened by MSR 66
Date opened Feb 14, 2019 [MMDDYYYY]

Dividend application FM
G/L account 901.60

Dividend last accrued Jan 01, 0001 [MMDDYYYY]
Dividend accrued 0.000
Dividend paid: Q1 0.00, Q2 0.00, Q3 0.00, Q4 0.00
Accum balance 0.00
Minimum balance 0.00
Annual backup W/H 0.00
Accrued club benefit 0.00
YTD club benefit 0.00

Dividend post code
Escrow analysis change 0.00
Escrow payment 450.00
Escrow partial pay 0.00
Escrow loan account 000001969 705
Escrow run date
Escrow analysis date Feb 2019

Account status
☐ Suspend escrow analysis
of withdrawals 12
of transfers 00
Freeze 0 = All activity allowed
☐ Passbook process ID
Statement indicator 0

Escrow Disbursement Records

Payee	Type	Description	Payee	Type	Description	Payee	Type	Description
AKRON ASI	INS NRD	AKRON TOWNSHIP TREAS AMERICAN STRATEGIC I	A	NVS	AAA INSURANCE - BAY			

Secondary Names Checklist Custom Fields

FR (2458) 4/15/19

When the escrow analysis reveals that the escrow account is short or has a deficiency, that total amount is amortized over the next 12 months and the calculated amount is stored in the *Escrow analysis change* field. That amount is equal to the increase or decrease in the regular escrow deposit.

The options chosen in Escrow Processing Configuration affect the way shortfalls are handled. See page 47.

The lower portion of the screen *Escrow Disbursement Records* displays the active payees created for this tax escrow account. It lists only the payee and type codes with the organization name.

To view the historical disbursement records, use member account inquiry for the loan account. For information to add, update or delete escrow payee records for this loan, see *Updating Escrow Information* starting on page 24 of this booklet.

LOAN-TO-VALUE REPORT

Loan-to-Value Analysis Report (Tool #477)

The Loan-to-Value Report is very handy for reviewing mortgage loans that are nearing 80% LTV and therefore requiring PMI termination, as well as to check for exceptions to credit union policy on your LTV ratios. You can choose a specific loan category to report and can sort by account number or LTV ratio. The calculation can be based on current or original loan balance, and you can specify a cut-off ratio to display on the report (such as 79.00% if you want to see loans getting close to PMI termination).

This report shows loan-to-value ratios on your loan accounts differently than the LTV you are used to seeing on individual collateral records. As mentioned above, you can choose to calculate LTV according to either the current loan balance or the original loan balance. In addition, the report looks at all collateral records attached to the loan and calculates LTV using values from multiple collateral items (if applicable). *(NOTE: Only collateral types that use Definition Type Real Estate (R) will be included in this calculation.)*

NOTE: This report calculates LTV differently than how it is calculated and displayed on the individual collateral record. The LTV on the collateral record is calculated based on the loan's original balance using the value of that single collateral item only.

8/02/18 12:25:17		CREDIT UNION		LLNTVRG		PAGE	
RUN ON 8/06/18		LOAN TO VALUE REPORT		USER KSORENSE			
LOAN CATEGORY 41 INCLUDES WRITTEN OFF LOANS		REAL ESTATE COLLATERAL TYPE					
ESTIMATED CURRENT VALUE USED IN LTV/CLTV CALCULATIONS.							
ACCT	TYP	LAST NAME	COL#	CDE	CAT	DATE	
755			001	M	41	04/26/16	
691			001	M	41	08/26/10	
755			001	M	41	02/27/13	
755			002	M	41	02/27/13	
690			001	M	41	02/25/15	
REPORT TOTALS						43,376.31	
						44,000.00	
						626,400.00	
TOTAL RECORDS PROCESSED		5				99,000.00	
END OF REPORT							

ANNUAL ESCROW ANALYSIS

PROCESSING

OVERVIEW

Escrow analysis consists of three basic components: configuration, analysis, and reports. Annually, escrow accounts are analyzed to determine the impact of deposits and disbursements on the loan payment. At that time, new payments are calculated and adjusted for the coming year.

While escrow analysis is required annually, the CU*BASE system provides short year functionality for situations, such as paid off or refinanced loans, that warrant mid-year analysis. Short year processing can also be used to align the escrow accounts to one analysis period within the year.

RESPA reporting requirements

Escrow Analysis Type Requirements	Reporting
Short Year	Within 60 days of loan closing or change
Annual Computation	Within 30 days of the end of the escrow year (required annually)
Initial (time of close)	Within 45 days of close
Good Faith Estimate	On or before loan close (typically HUD-1 or HUD-1A) Government forms required – created manually

CONFIGURATION

Configuration of the escrow analysis includes the credit union's decisions on how to handle over or short escrow account balances identified from the analysis. RESPA regulations allow some flexibility when total deposits for the year exceed the amount of the disbursements or are short of the funds required to satisfy all escrow invoices. Escrow forms are generated to mail to escrow accountholders. If your policy stipulates that members sign and return their Annual Escrow Account Disclosure Statement, you can configure the software to print a signature line on the form. An example is shown on page 57.

To understand the effect your configuration will have on the disposition of escrow accounts after the analysis, it will help to become familiar with a few basic terms.

The escrow analysis will present one of three ending balance results. Your credit union policies will determine how to handle each of these conditions when they occur.

Condition definitions

<i>Condition</i>	<i>Definition</i>
Surplus	<i>“Surplus means an amount by which the current escrow account balance exceeds the target balance for the account.”</i>
Shortage	<i>“Shortage means an amount by which a current escrow account balance falls short of the target balance at the time of escrow analysis.”</i>
Deficiency	<i>“Deficiency is the amount of a negative balance in an escrow account.”</i>
Target balance	<i>“Target balance means the estimated month end balance in an escrow account that is just sufficient to cover the remaining disbursements from the escrow account in the escrow account computation year, taking into account the remaining scheduled periodic payments, and a cushion, if any.”</i>

Escrow analysis is performed on an aggregate escrow payee basis. This means that each escrow payee is set up individually in your escrow processing system, but the actual annual analysis is based on the sum of the annual disbursements. Once each year, every escrow account is analyzed for its over or short balance. For this escrow analysis, the target amount is the amount to bring the account to a zero balance plus any cushion setup for the payee.

Important: Although the cushion amount is designated on each payee record, it's imperative that the amount be the same for every payee. If you elect to impose a cushion of 1 month or 2 months, be sure to enter the same number on each escrow payee record. One exception would be with PMI. See page 12 for reference.

Calculations performed by the system determine if sufficient funds have been collected for combined records of escrow payees subject to this individual escrow account. The calculations will likewise reveal if too much money has been collected to satisfy the escrow target balance.

At completion of the escrow analysis process, the member's loan payment could increase or decrease based on the amount found to be over or short of the target balance. The escrow analysis process will automatically adjust the regular escrow payment on the date you specify as the new payment effective date.

Escrow Analysis Configuration (Tool #363)

These options are defined below.

Session 0 - SUCCESS CREDIT UNION

File Edit Tools Help

Escrow Analysis Configuration

Instructions for handling escrow account balance after analysis

Surplus (under \$50.00) ☐ Leave in account ☒ Transfer to savings

Short ☒ Amortize for 12 months ☐ Do nothing ☐ One lump payment

Deficiency ☒ Amortize for 12 months ☐ Do nothing ☐ One lump payment

☒ Include member signature line on Analysis statement

Closing paragraph on escrow disclosure:

*****Please review the following important information regarding payment method:
 Surplus will be refunded to your savings account approx. 10 days prior to your new payment month.
 If your loan payment is made by auto funds transfer, the credit union will update the transfer to the new payment amount.
 If your loan payment is made from another financial institution, please contact that institution and communicate the change in the payment amount.

Your monthly mortgage statement contains a coupon with the new payment amount. Please contact (800)327-3478 for assistance/questions.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eget dolor. Aenean massa. Cum sociis natoque penatibus et magnis dis parturient montes, nascetur ridiculus mus. Donec quam felis, ultricies nec, pellentesque eu, pretium quis, sem. Nulla consequat massa quis enim. Donec pede justo, fringilla vel, aliquet nec, vulputate eget, arcu. In enim justo, rhoncus ut.

Do not adjust the Surplus, Short or Deficiency settings in between the time when the escrow disclosure is generated for the member and the time the payment is adjusted on the member's account. This can adversely affect the escrow disbursement process.

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FR (1938) 8/16/21

RESPA rules are flexible to some degree, allowing you to decide how to handle escrow account balances once the analysis has been done.

The table below describes the options you have when determining how to handle escrow accounts when funds have been collected that are greater or less than the funds necessary to cover the escrow disbursements. Although your decision affects your entire loan portfolio, see 'Applying One Lump Payment' on page 49.

Field Descriptions

Field Name	Description
When a surplus amount is under \$50.00 it can be left in the escrow account or transferred to the base savings account. If L – Leave in account is selected and the amount is \$50.00 or greater, the surplus is automatically transferred to the base savings account.	
Surpluses under \$50.00	Leave in account (L) Transfer to savings (X)
Shortages and deficiencies can be amortized over 12 months. According to the CFBP interpretation, you can permit the member to pay a lump sum as a repayment option, but it cannot be required under Reg X, and therefore cannot be included on the disclosures.	
Short	Amortize for 12 months (A) Do nothing (D) One lump payment (P)
Deficiency	Amortize for 12 months (A) Do nothing (D) One lump payment (P)
Print member signature line on Analysis statement	Select this option if your credit union requires the member to sign a copy of the analysis.

<i>Field Name</i>	<i>Description</i>
Closing paragraph on escrow disclosure statement	This text will appear at the end of Annual Escrow Account Statement. See page 57 for an example of this form. A discussion of the customization follows.

The escrow analysis types are listed below with the reporting requirement as stipulated by RESPA. The only exception to these requirements is if a loan is in default, foreclosure, or bankruptcy.

These past-due accounts, as well as those paid ahead are noted on the escrow analysis report. You can override this by running an analysis for that particular account. You can run an analysis for that specific loan by specifying it when you run the analysis using Tool #297 Create Escrow Analysis. Once the loan is brought to current status, the analysis can be created again, at which time the escrow records are updated.

APPLYING ONE LUMP PAYMENT

As shown above, your credit union might choose to configure escrow shortages and deficiencies to amortize over the next 12 months. When the escrow analysis reveals an increase in the regular payment, the member could elect to pay the amount in one lump sum.

To accommodate that choice, a deposit must be made to the escrow savings account. Any method of payment can be used, such as depositing funds at the teller line or transferring from another account.

For example, if your configuration is set up to amortize for 12 months, you could accept a lump sum from your account holder. Remember, once the payment is posted, you will run a new escrow analysis for this one account. The result will show the effect on loan payments expected for the coming year.

ESCROW ANALYSIS REPORT AND MEMBER FORMS

The Escrow Analysis is more than a report of historical data. It's a process comprised of transactions, files, data, and reports. From the onset of the escrow account, data must be processed, maintained, and stored in accordance with RESPA regulations. An escrow analysis spans historical data such as current escrow payments required, escrow funds collected and paid out, and also projects future activity for each of those entities. The culmination of the process is updated payment amounts, reports produced that are internal to the credit union, and the Annual Escrow Account Disclosure Statement printed for the member.

The Escrow Analysis Report will be generated annually as part of the full escrow processing and analysis system. The report can also be generated on demand to provide short year reporting when a loan is paid off or refinanced. An important feature of the report is the ability to 'preview' your results prior to accepting and finalizing the analysis. Previewing the report allows you to check your escrow portfolio for completeness and verify the accuracy of monetary calculations.

CU*BASE will allow you to create a *Preview* Escrow analysis at any time during the year without danger of updating files, changing payments, or altering data. Think of this interim analysis as a trial run of the actual process, even though the same rules apply. Interpretation of the data is date dependent and several factors must be considered.

1. date on which the analysis is generated (today's date)
2. posting date of the last payment made
3. date used as basis for the analysis projection
4. month/year that follows the most recent payment

The system uses all these date parameters to interpret the data included in the escrow analysis. RESPA allows an escrow analysis to assume up to two payments and CU*BASE offers the same functionality. You can use a date two payments (2 months) into the future to gauge the performance of escrow accounts and generate a forward view of annualized data. Because of this, you can run your analyses for January in October or November to give your members extra notice of an impending payment change.

Suspending Specific Loans from Escrow Analysis

Previously when you ran an escrow analysis, you had the option of either running analysis on all of the escrows together or running it on one account at a time. Now you can mark selected escrow accounts so that they are not included in your analysis. This allows you to remove accounts from your analysis while you research problems with the account. You now can, for example run an analysis on category 7 loans, while not including specific loans with an incorrect Private Mortgage Insurance (PMI) date. Then once these accounts are updated, simply remove the exclusion and rerun the analysis including them. To mark the escrow accounts you wish to exclude, use **Tool #20 Update Account Information**, enter the specific escrow

account and check (need to confirm this in GOLD) the Suspend Escrow Analysis checkbox.

To remove this account from escrow analysis, you would check this checkbox.

Session 1 CU*BASE GOLD Edition - Account Information Update

File Edit Tools Help

Account Information Update

Account # 035

JOHN A MEMBER
1234 FIRST STREET
BIG CITY MI 00005

Last maintenance date Feb 14, 2019
Current balance 5,300.00-
Account opened by MSR [C]
Date opened Feb 14, 2019 [MMDDYYYY]

Imaging Solutions Scan e-Document View e-Document

Dividend application FM
G/L account 901.60
Account status
☐ Suspend escrow analysis
of withdrawals 12
of transfers 00
Freeze 0 = All activity allowed
☐ Passbook process ID
Statement indicator 0

Dividend last accrued Jan 01, 0001 [MMDDYYYY]
Dividend accrued 0.000
Dividend paid: Q1 0.00
Q2 0.00
Q3 0.00
Q4 0.00
Accum balance 0.00
Minimum balance 0.00
Annual backup W/H 0.00
Accrued club benefit 0.00
YTD club benefit 0.00

Dividend post code
Escrow analysis change 0.00
Escrow payment 450.00
Escrow partial pay 0.00
Escrow loan account 000001969 705
Escrow run date
Escrow analysis date Feb 2019

Escrow Disbursement Records

Payee	Type	Description	Payee	Type	Description	Payee	Type	Description
AKRON ASI	INS NRD	AKRON TOWNSHIP TREAS AMERICAN STRATEGIC I	A	NUS	AAA INSURANCE - BAY			

Secondary Names Checklist Custom Fields

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FR (2458) 4/15/19

This change is recorded as a Y in the MEM4F2 field in MEMBER4 so you can later use Query for a listing of all escrow accounts that have been excluded. When you are ready to include these escrow accounts in your analysis, simply use Member Account Update again and uncheck the checkbox.

STEP 1: PREVIEW THE FINAL STATEMENT DATA AND WORK THE ENTRIES

The screen below allows to run a Preview Analysis so that you can check your results prior to the final printing. You may run as many previews as needed and work the list. Simply use the same screen as for the final analysis with two changes. In this case select *Preview* at the top of the screen.

Create Escrow Analysis (Tool #297) (Selecting the Preview Option)

Session 0 CU*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

Create/Preview Escrow Analysis

Report Options Response

Create or preview Escrow Analysis ☒ Preview ☐ Create

Member account 0 0

☐ Bypass projection portion of the Analysis

Escrow projection start month 0 [MMYYYY]

☐ Include loans in paid ahead status in projection start month

Loan category Select 0 selected

- OR -

Escrow dividend application Select 0 selected

Tip: When creating the Escrow Analysis, it is recommended for the date payment changes on the member account to be 10 days prior to the escrow projection start date, but not on Sunday. Also, be sure to consider the timing of AFT payments and the date that statements are produced.

Preview/Create Analysis

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- Refer to *CU*BASE Online help* for a description of the fields on the screen.

Select a date for the *Escrow projection start date* and the loan categories **or** escrow dividend applications to include. (You may also want to select *Include loans in paid ahead status in projection start month* to include members that are paid ahead to the projection start date.)

Then select *Preview/Create Analysis* to generate the preview dashboard.

A confirmation will appear.

Confirmation

Session 0 - Create Escrow Analysis

Escrow Analysis Disclosure Statements will be created and escrow payment changes scheduled for 2 records.

Escrow Analysis Disclosure Statements were not created for 35 records which had exception conditions.

Loan categories selected: 47 48 49 50

Create

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From there, select *Create* to view the preview dashboard.

Preview Escrow Analysis

Session 0 CU*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

Preview Escrow Analysis

Account base ☐ Show exceptions only

Print	Last Name	Escrow Account	Loan	Last Analysis	Balance	Overage/ Shortage	Old Loan Payment	Next Payment	Exception	*
<input type="checkbox"/>	L	09-039	705	2/23/2023	1,474.45-	4,010.09-	2,100.35	8/01/2023	D	
<input type="checkbox"/>	R	18-036	781	2/23/2023	1,621.10	76.69-	1,333.64	8/01/2023	D	
<input type="checkbox"/>	V	17-039	705	2/23/2023	3,588.18	1,481.49	1,560.35	11/01/2023	P	
<input type="checkbox"/>	K	15-039	705	2/23/2023	2,180.95	585.92-	878.26	8/01/2023	D	
<input type="checkbox"/>	S	2-039	705	2/23/2023	828.30	642.27-	563.25	12/01/2023	P	
<input type="checkbox"/>	H	3-035	780	2/23/2023	678.33	267.88-	609.10	8/01/2023	D	
<input type="checkbox"/>	A	0-039	706	2/23/2023	959.88	36.74-	536.25	8/01/2023	D	
<input type="checkbox"/>	K	14-039	705	2/23/2023	426.61	627.55-	579.95	6/01/2023	D	
<input type="checkbox"/>	L	15-039	705	2/23/2023	743.44	347.29	449.09	11/01/2023	P	*
<input type="checkbox"/>	B	10-039	705	2/23/2023	23.00	1,028.98-	1,427.01	8/01/2023	D	
<input type="checkbox"/>	S	12-039	705	2/23/2023	1,203.88	1,464.44-	710.70	1/01/2024	P	
<input type="checkbox"/>	F	6-039	705	3/09/2023	2,259.54	793.66-	1,789.42	10/01/2023		
<input type="checkbox"/>	A	1-039	705		1,694.28	.03	1,120.84	8/01/2023	D	
<input type="checkbox"/>	E	8-039	705	2/23/2023	1,130.46	321.08-	612.49	8/01/2023	D	
<input type="checkbox"/>	R	14-039	705	4/03/2023	2,417.43	738.00-	1,751.27	8/01/2023	D	
<input type="checkbox"/>	H	13-039	705	2/23/2023	2,180.04	594.57-	772.29	12/01/2023	P	
<input type="checkbox"/>	W	14-039	705	2/23/2023	1,347.88	718.92-	1,362.80	7/01/2023	D	
<input type="checkbox"/>	L	14-039	705	2/23/2023	2,087.82	63.93-	1,060.56	8/01/2023	D	
<input type="checkbox"/>	B	13-039	705	2/23/2023	748.30	790.51-	567.67	8/01/2023	D	
<input type="checkbox"/>	H	11-039	705	2/23/2023	959.43	479.70-	277.63	2/01/2024	P	

☐ Exclude record
 ☐ View history
 ☐ View projection
 ☐ Member inquiry
 ☐ View Escrow record

Exception codes: S - Suspended, P - Paid ahead, D - Delinquent, L - Loan not found
 Asterisk indicates future date condition where the due date on the escrow record exceeds the Escrow Analysis Projection

Refresh Export Toggle Payment Amount Print Selected Print All

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FR PESCAPRV-01 9/20/23

See CU*BASE online help for a description of the columns on the screen.

This screen allows you to work a list of loans that are due for a payment change. As listed in the legend, some may fall under certain exceptions that require special handling including:

- suspended
- paid ahead
- delinquent
- loan not found (meaning the loan was paid off that day)

All columns on this dashboard are sortable. You can, for example, sort by the exception column or the *Overage/Shortage* column.

There are many things you can do from this dashboard, including working the list and removing them as you work. This is done by using the *Exclude the record* option at the bottom of the screen. When you use Enter, this record will be removed from your view. *This only removes it from view, not the file. The record is still available for the "Create" feature, for example.*

- **IMPORTANT NOTE:** This dashboard is designed to be worked by one employee at a time. If another employee at your credit union works this listing, you will need to share how you sorted the listing and the last account you worked.

Many more features are available from the options and buttons on this screen, including viewing projections and history, accessing inquiry and the escrow record, and printing all or selected preview records. *Refer to online help for more details. See example screens below.*

- **NOTE:** Any preview records that are printed via this dashboard will have the word *Preview* at the top of the first page.

STEP 2: CREATE/PRINT THE FINAL STATEMENTS

Final analysis allows you to print the required statements. You may run a preview as many times as desired to reconcile and correct any issues you find. Always run the Preview prior to Create, and rerun it until satisfied that your escrow account data is correct.

While running the final analysis, select *Create*, select an *Escrow projection start date*.

Then enter two additional fields that appear when *Create* is selected. The *Print settings for final Escrow Analysis* allows you to set how the printed escrow statement will print and how many copies. The *Date payment changes on member account* is the date that the new escrow payment will be updated, and any surplus funds will be transferred. You will want to have this date set prior to the end of the month so that members can pay a few days early. Also, if mid-month mortgage statements apply, be sure that the *Date payment changes on escrow account date* is on the 17th or prior. This ensures that the mortgage statement will contain the correct amount due.

Be sure to select a business day for the effective date; use the calendar lookup feature next to the date field to select a date that is a business day.

- Check the *include loans due on escrow projection date* box on the selection screen (shown on the previous page) to include in the group run analysis members who are paid ahead to the projection month. Members paid ahead beyond the projection month must be run individually.
- The *Date payment changes on escrow account date* determines when the payment will change. During the beginning-of-day (BOD) processing for that date, the surplus amounts are transferred.

The following screen will appear once you press *Preview/Create Analysis*.

Confirmation

Session 0 - Create Escrow Analysis

Escrow Analysis Disclosure Statements will be created and escrow payment changes scheduled for 247 records.

Escrow Analysis Disclosure Statements were not created for 3,365 records which had exception conditions.

Loan categories selected: E2 E3 60

Create

Navigation icons: back, forward, up, down, print, link, info, help, search

FR (111)

Use *Create* (F5) to schedule all necessary payment changes for the selected escrow analysis year.

When this annual analysis is run, loans that are current (neither paid ahead nor delinquent) will be processed and have a statement printed. If the account is delinquent or paid ahead, the loan information will print on an exception report. This allows the mortgage servicer to work with the member to bring the account to current status. Even if the loan is not brought current, the analysis can be generated on an individual basis to print and send to the member.

There is one thing to keep in mind regarding escrow accounts in preparing for your analysis period. Delinquent loans greater than 30 days delinquent and paid ahead loans will not be included in the analysis. Refer to the exception report for these loans. These excluded reports must be run individually by account number.

MEMBER FORMS

When the escrow analysis has been finalized, member forms are produced. The actual title of the member form is: Annual Escrow Account Disclosure Statement. The activity in the escrow account for the year is printed in a format that's easy for the member to read and understand. All deposits into and disbursements from the escrow account made during the year are shown in chronological order. The balance in the escrow account as of the end of the disclosure period is printed on the form.

The information printed on this disclosure statement provides a complete picture of activity since the last escrow analysis was performed and prints a projected new payment amount. In addition, the statement shows whether the escrow account had a surplus or was short funds to pay invoices and it also indicates the amount of the cushion.

Some loan servicers require escrow accounts to have a cushion. This is an amount held in the account to prevent it from going negative during the year. If your credit union elects to have a cushion, it is set up in the Escrow Payee Configuration. The amount must fall within RESPA defined regulation. See page 12 for reference.

The member will receive their Annual Escrow Account Disclosure Statement from your credit union on an annual basis. Information on the form communicates what happened to the account as a result of the analysis. See the definitions regarding Surplus, Shortage, and Deficiency on page 46.

Customizing Annual Escrow Account Disclosure Message

The closing paragraph of your Annual Escrow Account Disclosure Statements is the same for all credit unions and includes reminders for handling payment changes. Using the Escrow Analysis configuration (shown on page 48), you can configure up to 10 lines of text telling your escrow members whatever you feel is most important for them to know. Once you have configured your new message, you may want to do a print preview via **Tool #297 Create Escrow Analysis** to ensure you typed and saved your message correctly.

Annual Escrow Account Disclosure Statement

2/23/23

WOLVERINE STATE CREDIT UNION

ESCROW

PAGE 1

Escrow Analysis

STATE CREDIT UNION
11 STREET
PO BOX 395
MI 4970
() 356-

ANNUAL ESCROW DISCLOSURE STATEMENT
Statement Date: 02/23/2023
Escrow Account: 728270-200
Loan Account: 728270-780

MARY L MEMBER
330 S
GRAND RAPIDS MI 4950

Why am I receiving this Escrow Analysis Statement?

Each year, we review your escrow account to ensure that the escrow portion of your monthly payment is enough to cover your Anticipated Annual Disbursements. Please review the new monthly escrow and payment details.

ANTICIPATED ANNUAL DISBURSEMENTS

Tax	\$	1,621.06
Insurance	\$	770.00
Private Mortgage Insurance	\$	
Other	\$	
Total	\$	2,401.06

ESCROW ACCOUNT BALANCE

Projected balance on 02/28/2023	\$	1,071.95
Required balance on 02/28/2023	\$	1,602.16

YOUR ESCROW ACCOUNT HAS
A SHORTAGE OF \$530.21.

New Escrow Deposit \$ 200.00*

*Your New Escrow Deposit may include tax, insurance or PMI disbursements not processed within the 12 month Escrow Analysis period.

Automatic distribution is the industry standard practice for handling escrow shortages. Escrow shortages are automatically split evenly and spread across your upcoming mortgage payments. There is no further action required.

	Current payment	New payment effective 03/2023
Principal and/or interest	470.83	470.83
Escrow payment	174.59	200.00
Escrow shortage		44.18
	645.42	715.10

FROM: MARY L MEMBER
330 S AVENUE
GRAND RAPIDS MI 4950

Use this optional coupon if you wish to make an additional contribution to your escrow account at this time. Contact the credit union for information on how this will affect your payment.

TO: STATE CREDIT UNION
11 STREET
PO BOX 395
MI 497

Payment amount enclosed \$ _____

Acct # 728270-200

ESCROW ANALYSIS INQUIRY

Both the Preview and the Complete Analysis for an account can be viewed at any time. The system saves the most current version of each analysis. The Escrow Analysis screen (Tool #297) allows you to save both a new Preview Analysis as well as the previous Completed analysis so that you can view either one from the Escrow Analysis Inquiry.

If you choose to print a copy of the created or previewed analysis from here, the accompanying Annual Escrow Account Disclosure report printed will indicate whether it is a Preview or Create in the title as well displaying the date of the analysis run rather than the date of printing.

Accounts selected to be included in the analysis can be viewed on screen or printed in a printed report. The data available is shown in the illustration below. Keep in mind that escrow analysis inquiry is available only after the process has been run and is based on the projections for the coming year. The example below has multiple payments made during the year.

Escrow Analysis Inquiry (Tool #364)

The totals line is visible regardless of the records displayed in the list.

Date	Description	Deposits	Disbursements		Net Balance
			Projected	Actual	
May 01, 2021	Payment	180.20	0.00	0.00	1,261.47
Jun 01, 2021	Payment	180.20	0.00	0.00	1,441.67
Jul 01, 2021	Payment	180.20	0.00	0.00	1,621.87
Sep 01, 2021	COUNTY TREAS	0.00	819.05	819.05	802.82
Aug 01, 2021	Payment	180.20	0.00	0.00	983.02
Sep 01, 2021	Payment	180.20	0.00	0.00	1,163.22
Oct 01, 2021	Payment	180.20	0.00	0.00	1,343.42
Nov 01, 2021	Payment	180.20	0.00	0.00	1,523.62
Dec 01, 2021	Payment	180.20	0.00	0.00	1,703.82
Dec 01, 2021	TOWNSHIP TREA	0.00	1,343.42	1,343.42	360.40
Jan 01, 2022	Payment	180.20	0.00	0.00	540.60
Feb 01, 2022	Payment	180.20	0.00	0.00	720.80
Mar 01, 2022	Payment	180.20	0.00	0.00	901.00
Apr 01, 2022	Payment	180.20	0.00	0.00	1,081.20
Totals		2,162.40	2,162.47		1,081.20

Cushion amount: 360.40 Target amount: 209.89 Monthly change: 17.49

Inquiry Print

Navigation icons: back, forward, up, down, stop, refresh, search, help, etc.

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The example above displays the data of one individual escrow account. The date column shows when scheduled escrow deposits will be received or disbursements (payments) to escrow payees will be made. Deposits are the funds are to be received with the regular loan payment. The Disbursements are funds to be paid out to the Escrow Payee. (Both the projected and actual disbursement are shown.) The Description of the disbursement comes from the Escrow Payee Record. See page 11.

From this screen you can use *Inquiry* (F1) to go to Member Account Inquiry.

If you select *Print* (F14), you will print the Annual Escrow Account Disclosure Statement. If you are viewing a Preview analysis, the forms will indicate this, both in the title and the date of the form.

PROJECTED DISBURSEMENT AMOUNTS

To view the projected disbursement amounts year to year use **Tool #1125 Escrow Analysis Projected Disbursements**. The example below shows an escrow with multiple payments made.

Session 0 CU*BASE GOLD - SUCCESS CREDIT UNION

File Edit Tools Help

Escrow Analysis Projected Disbursement Amounts

Escrow account TINA

Loan account

Escrow Code	Payee Code	Disbursement Date	Projected Disbursement Amount	Amount Paid
NIN	STA	Jun 23, 2021	1,172.00	1,249.00
NIN	STA	Jun 25, 2020	888.00	1,172.00
NIN	STA	Nov 21, 2017	949.00	888.00
NIN	STA	Nov 23, 2016	998.00	949.00
NIN	STA	Nov 23, 2015	975.00	998.00
NIN	STA	Nov 19, 2014	1,047.00	975.00
NIN	STA	Nov 20, 2013	1,099.00	1,047.00
NIN	STA	Nov 29, 2012		1,099.00
NKS	SAGTW	Aug 10, 2020	1,221.18	2,036.34
NKS	SAGTW	Aug 30, 2017	1,210.30	1,221.18
NKS	SAGTW	Jul 21, 2016	1,206.68	1,210.30
NKS	SAGTW	Aug 18, 2015	1,221.14	1,206.68
NKS	SAGTW	Sep 04, 2014	1,133.05	1,221.14
NKS	SAGTW	Jul 24, 2013	1,106.53	1,133.05
NKS	SAGTW	Aug 03, 2012		1,106.53
NKW	SAGTW	Dec 10, 2020	1,006.70	1,612.79
NKW	SAGTW	Dec 05, 2017	990.52	1,006.70
NKW	SAGTW	Dec 08, 2016	988.26	990.52

Member Inquiry

Unlock Projected Disb

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In rare instances, you may wish to update the original projected disbursement amount. This might be done if a payment was made in error. To adjust the projected disbursement amount, use *Unlock Projected Disbursements*. This will open the field so the amount can be edited.

Session 0 CU*BASE GOLD - SUCCESS CREDIT UNION

File Edit Tools Help

Escrow Analysis Projected Disbursement Amounts

Escrow account TINA

Loan account

Escrow Code	Payee Code	Disbursement Date	Projected Disbursement Amount	Amount Paid
NIN	STA	Jun 23, 2021	<input type="text" value="1,172.00"/>	1,249.00
NIN	STA	Jun 25, 2020	<input type="text" value="888.00"/>	1,172.00
NIN	STA	Nov 21, 2017	<input type="text" value="949.00"/>	888.00
NIN	STA	Nov 23, 2016	<input type="text" value="998.00"/>	949.00
NIN	STA	Nov 23, 2015	<input type="text" value="975.00"/>	998.00