
➤ Loan Participation Settlement Procedures

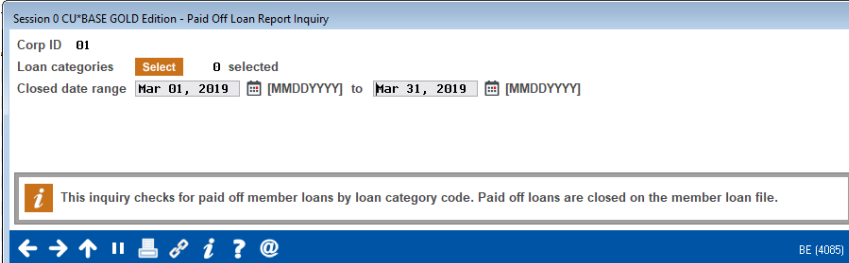
Step-by Step Instructions to process monthly investor settlement for standard participation loans

Note: The steps below are intended as guidelines for standard (not government) investors that require participation loans to be settled once a month. The steps for your CU may differ or may not occur in the same order.

For more detailed information on standard participation loans, refer to the [Participation Lending Standard booklet](#).

STEP 1: REVIEW PAID OFF MEMBER LOANS

Review Paid Off Participation Lns (Tool #767)



The screenshot shows the 'Paid Off Loan Report Inquiry' tool interface. At the top, it says 'Session 0 CU*BASE GOLD Edition - Paid Off Loan Report Inquiry'. Below that, 'Corp ID' is set to '01'. 'Loan categories' has a 'Select' button and '0 selected'. 'Closed date range' is set to 'Mar 01, 2019' to 'Mar 31, 2019', with a calendar icon and '[MMDDYYYY]' format indicator for each date. A blue information box at the bottom contains an 'i' icon and the text: 'This inquiry checks for paid off member loans by loan category code. Paid off loans are closed on the member loan file.' The bottom navigation bar includes back, forward, up, down, print, refresh, help, and search icons, along with the text 'BE (4095)'.

Run this report to identify closed (paid off) member loans and to determine if any adjustments need to be made in the settlement work file (slight balance differences due to rounding, etc.).

Select all *Loan categories* that apply and enter the appropriate *Closed date range* for the settlement period.

Revision date: May 15, 2019

For an updated copy of this booklet, check out the Reference Materials page of our website:
http://www.cuanswers.com/client_reference.php
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Session 0 CU*BASE GOLD Edition - WOLVERINE STATE CREDIT UNION

File Edit Tools Help

Paid Off Loan Report - Inquiry

CORP 01 STATE CU
 LOAN CATEGORY ALL

Closed date range Mar 01, 2019 to Mar 31, 2019
 Total # of loans 167

Loan Account #	Name	Loan Category	Principal	Member Information			PL Sts	RD Ln
				Open Date	Closed Date	Last Pmt Date		
605		07	0.00	Apr 09, 2015	Mar 09, 2019	Mar 09, 2019		
615		36	0.00	Apr 19, 2013	Mar 01, 2019	Mar 01, 2019		
610		02	0.00	Oct 05, 2018	Mar 07, 2019	Mar 07, 2019		
611		02	0.00	Mar 07, 2019	Mar 07, 2019	Mar 07, 2019		
656		07	0.00	Apr 03, 2010	Mar 12, 2019	Mar 12, 2019		

Account Inquiry

Print Report

BE (4087) 3/29/19

The report can be viewed on the screen and/or printed via **Print Report** (F14) if desired.

Note: If the participation loan status (*Pl Sts*) is an “E” (Existing), the paid off loan is open on the participation loan system.

STEP 2: REVIEW MEMBER ACTIVITY

Review Mbr Activity on Part. Loans (Tool #766)

Session 0 CU*BASE GOLD Edition - Member Activity on Participation Loans

Corp ID 01

Transaction date range Mar 01, 2019 [MMDDYYYY] to Mar 31, 2019 [MMDDYYYY]

PL investors 0 selected

i Run this report prior to a settlement work file to check for payment activity.

BE (4082)

Run this report to research member payment activity to help determine any adjustments needed in the settlement work file.

Enter the *Transaction date range* (1st-31st) and the appropriate *PL investors*.

Session 0 CUPBASE GOLD Edition - WOLVERINE STATE CREDIT UNION

File Edit Tools Help

Member Activity on Participation Loans

CORP 01 STATE CU

Date range Mar 01, 2019 to Mar 31, 2019

Total tran amount	289,455.91
Total principal	289,455.91
Total interest	55,814.65

PLI	Loan Account	Tran Date	Tran Amount	Principal	Interest	Res Balance	Description	Description 2
001	700	3/04/2019	835.51	427.11	208.40	41,558.16	PHONE TRANSFER	MBR-ELECTED PAYMENT
001	700	3/04/2019	18.23	18.23	0.00	41,539.93	PHONE TRANSFER	MBR-ELECTED PRINCIPAL
001	700	3/04/2019	270.90	270.90	0.00	41,010.91	REFR FOR ESCROW	
001	700	3/05/2019	835.51	427.11	208.40	42,238.02	REFR TO CORR PRT -FEB	
001	700	3/05/2019	635.51	425.58	209.93	41,012.44	REV TO CORR PRT -FEB	
001	700	3/05/2019	0.87	0.00	0.87	41,012.44	CORR INT DUE HOOKER	
001	700	3/02/2019	124.89	380.31	344.38	71,490.55	AUTO. FUNDS TRANSFER	AFT MBR-ELECTED PYHM
001	700	3/02/2019	114.86	114.86	0.00	71,605.41	REFR FOR ESCROW	
001	700	3/01/2019	622.97	350.10	272.79	50,999.28	FIRST MORT PAYMENT	MBR-ELECTED PAYMENT
001	700	3/01/2019	7.03	7.03	0.00	50,992.25	FIRST MORT PAYMENT	MBR-ELECTED PRINCIPAL
001	700	3/01/2019	152.14	152.14	0.00	51,144.39	ESCROW TRANSFER	
001	700	3/02/2019	540.89	413.43	127.46	24,058.91	AUTO. FUNDS TRANSFER	AFT MBR-ELECTED PYHM
001	700	3/02/2019	639.12	398.66	241.46	48,923.59	AUTO. FUNDS TRANSFER	AFT MBR-ELECTED PYHM
001	700	3/02/2019	143.00	143.00	0.00	49,066.59	REFR FOR ESCROW	
001	700	3/02/2019	708.45	624.16	84.29	15,558.89	AUTO. FUNDS TRANSFER	AFT MBR-ELECTED PYHM
001	700	3/02/2019	379.53	379.53	0.00	15,939.42	REFR FOR ESCROW	
001	700	3/15/2019	644.48	296.69	247.79	63,911.65	FIRST MORT PAYMENT	
001	700	3/15/2019	114.81	114.81	0.00	64,026.46	ESCROW TRANSFER	MBR-ELECTED PAYMENT

Account Inquiry

Sort by Account

Print Report

BE (4004) 3/2019

The report can be viewed on the screen and/or printed via **Print Report** (F14) if desired.

STEP 3: PARTICIPATION LOAN BALANCE VERIFICATION REPORT

Particip. Loan Balance Verification Rpt (Tool #577)

Session 0 CUPBASE GOLD Edition - Participation Loan Balance Verification Report

Corp ID 01

PL Investors **Select** 0 selected

Member Account balance to compare to participation loan balance

Current balance End of month balance

Job queue

Copies 1

Printer P1

i This is an exception report that compares the calculated member principal balance (Mbr Prin Bal times PLI Part %) either using current or EOM member balance to the PL master file principal balance. Be sure that your PL work file processing is up-to-date.

BE (4009)

Run this report to identify differences between the end-of-month (EOM) member principal balance (can be run against current balance also) and the participation loan (investor) balance.

2/26/19 9:33:10 BEDROCK COMMUNITY CREDIT UNION LPLPFE PAGE

RUN ON 2/26/2019 PARTICIPATION LOAN BALANCE VERIFICATION REPORT USER CHARLIER

CORP	01	BEDROCK COMMUNITY CREDIT UNION					
PLI	001	ROCKY'S PARTICIPATION					
LOAN ACCOUNT	EOM MBR	PLI %	CALCULATED	PL	DIFFERENCE	LAST TRAN	
	PRIN BAL		PRIN BAL	PRIN BAL		DATE	
700	2,456.53-	50.00	1,228.26-	17,441.84	18,670.10-	10/21/2014	
700	499,435.17	100.00	499,435.17	633,035.17	133,600.00-	10/16/2017	
700	30,172.00	100.00	30,172.00	60,000.00	29,828.00-	09/01/2015	
704	.00	50.00	.00	20,994.52	20,994.52-	10/01/2017	
TOTALS	527,150.64		528,378.91	731,471.53	203,092.62-		

END OF REPORT

This report calculates the member's EOM balance multiplied by the investor's pro-rata share and compares with the investor's current balance. Any differences should be researched and/or adjusted in the settlement work file.

STEP 4: CREATE/POST PL PAYMENT WORK FILE

Create/Post Part. Ln Pmt Work File (Tool #314)

Session 0 CU*BASE GOLD Edition - Create/Work Participation Loan Settlement Wo...

Settlement calc routine: Standard participation loans

Settlement type: Actual/Actual

Company code: (blank = none)

The most used Settlement Type for Freddie Mac is Scheduled/Actual.

BE (4114)

Enter the *Settlement calc routine* and *Settlement type*. *Company code* is optional (if it applies to your credit union).

Screen 2

Create/Post Work File for PLI Payments NO WORK FILE PRESENT

Settlement calculation routine: PART

Settlement type: AA

Company code: 001

Job queue:

Copies: 1

Printer: P1

Settle through date: Mar 31, 2019 [MMDDYYYY]

Export final settlement report to file

Report format: Both

Process: 2 = Calculate settlement for all loans

The *Settle through date* is the last day of the prior month. Choose either *Process* option 2=Calculate settlement for all loans or option 1=Calculate settlement for investor/loan.

A message will display showing the number of records written into the work file. The Trial Report version of the Settlement Detail Report will generate.

STEP 5: EDIT A WORK FILE

Create/Post Part. Ln Pmt Work File (Tool #314) > Screen 2

Create/Post Work File for PLI Payments NO WORK FILE PRESENT

Settlement calculation routine: PART

Settlement type: AA

Company code: 001

Job queue:

Copies: 1

Printer: P1

Settle through date: Mar 31, 2019 [MMDDYYYY]

Export final settlement report to file

Report format: Both

Process: 3 = Work with settlement work file

To view and/or edit the work file, use *Process* option “3=Work with Settlement work file”. The Trial Report version of the Settlement Detail Report will generate. This version of the Trial Report will differ from the one created in Step 4 if maintenance was done in the work file.

Screen 3

File Edit Tools Help

Create/Work Participation Loan Settlement Work File

PLI Account Settle through Jan 31, 2019

PLI	Account	Typ	Principal Balance	Past Due Interest	Interest Due	Principal Paid	Interest Paid	Monthly Income
2	790		94,785.52	0.00	0.00	0.00	0.00	0.00
2	792		182,608.95	0.00	0.00	0.00	0.00	0.00
2	791		77,522.87	0.00	0.00	0.00	0.00	0.00
2	790		196,393.33	0.00	0.00	0.00	0.00	0.00
2	790		54,390.93	0.00	0.00	0.00	0.00	0.00
2	790		60,518.20	0.00	0.00	0.00	0.00	0.00
2	790		986.30	0.00	0.00	992.98	5.36	5.36
2	790		247,317.32	0.00	0.00	0.00	0.00	0.00
2	790		45,435.88	0.00	0.00	0.00	0.00	0.00
2	790		85,849.51	536.55	178.85	0.00	0.00	715.40
2	790		12,832.58	0.00	0.00	0.00	0.00	0.00
2	790		230,097.24	0.00	0.00	0.00	0.00	0.00
2	790		128,346.13	0.00	0.00	0.00	0.00	0.00
2	790		33,261.26	0.00	0.00	0.00	0.00	0.00
2	795		68,746.60	0.00	0.00	0.00	0.00	0.00

■ Select ↑

252,933,836.17 13,612.62 17,333.87 14,987.06 14,204.90 45,151.39

You can modify interest and principal amounts in the work file. To modify an item, place your cursor on the item and use **Enter** or click **Select** to proceed to the update screen.

Screen 4 (Update)

Create/Work Participation Loan Settlement Work File

PLI 002

Loan account 469 790 GERHARD E Original loan amount 181,600.00

PL type 02 Seq 1

Date reported Jan 31, 2019

Term 29

Principal balance 62,164.03

Interest due

Principal paid

Interest paid

Total settlement 130,496.79

Monthly income 0.00

Use this screen to adjust the amounts that will be posted to an individual participation loan record when this settlement work file is posted. The *Total settlement* amount (*Principal paid* + *Interest paid*) will be recalculated automatically after your changes are made. When done, use *Save* (F5) to save and return to the previous screen.

STEP 6: POST WORK FILE

Create/Post Part. Ln Pmt Work File (Tool #314) > Screen 2

Create/Post Work File for PLI Payments

NO WORK FILE PRESENT

Settlement calculation routine PART

Settlement type AA

Company code 001

Job queue

Copies 1

Printer P1

Settle through date Mar 31, 2019 [MMDDYYYY]

Export final settlement report to file

Report format Both

Process 4 = Post work file

Choose *Process* option "4=Post work file" to post the work file to the participation loan history and create the journal batch. A message will

appear showing the number of records posted. The Final version of the Settlement Detail Report will generate.

STEP 7: POST GL JOURNAL ENTRIES

Create/Post GL Journal Entries (Tool #61)

Work With Journal Entries

Create Journal Entry or Jump To

Journal entry action: Create Change Corp ID:

Effective posting date: [MMDDYY] J/E ID:

Reversal date: [MMDDYY] Recurring date: [MMDDYY] Template

Search for batch label/First entry description containing:

Work with Existing Journal Entries

Corp ID	Effective Date	ID	ID #	Reversal Date	Recurring Date	Year End	Status	Template	Batch Label
1	Jan 31, 2019	16	100731		Feb 28, 2019		A		
1	Jan 31, 2019	5	41208		Feb 28, 2019		A		B
1	Jan 31, 2019	5	90103		Feb 28, 2019		A		D
1	Jan 31, 2019	5	110901		Feb 28, 2019		A		D
1	Feb 01, 2019	DH	30108		Mar 01, 2019		A		
1	Feb 01, 2019	DH	100303		Mar 01, 2019		A		
1	Feb 01, 2019	DH	160504		Mar 31, 2019		A		
1	Feb 01, 2019	DH	161101		Mar 01, 2019		A		
1	Feb 01, 2019	DH	181130		Mar 01, 2019		A		
1	Feb 01, 2019	DH	181231		Mar 01, 2019		A		
1	Feb 01, 2019	PL	00001				A		
1	Feb 01, 2019	16	180108		Mar 01, 2019		A		
1	Feb 03, 2019	MA	80604		Mar 03, 2019		A		
1	Feb 04, 2019	DH	80603		Mar 04, 2019		A		
1	Feb 04, 2019	DH	101106		Mar 04, 2019		A		
1	Feb 05, 2019	DH	90709		Mar 05, 2019		A		
1	Feb 05, 2019	DH	90712		Mar 05, 2019		A		
1	Feb 05, 2019	DH	100704		Mar 05, 2019		A		
1	Feb 05, 2019	DH	181205		Mar 05, 2019		A		

Change Copy Delete Rename Post Add comments

Show Templates | Show 1st Entry Desc | Unposting | Jump to Journal Entry

i Press Enter to refresh this screen if the batch list is empty after canceling a subsequent screen.
 Create New / Change: Fill in Corp ID, Effective posting date, J/E ID and J/E ID #, then press Enter.

← → ↑ ⏸ 🖨 🔗 ? @
FR (5474) 4/24/19

Post the journal entry batch created from Step 6 (will have ID of "PL").

STEP 8: PREPARE INVESTOR REPORTS

In addition to the Settlement Detail Report generated in Step 6, run the Participation Loan Trial Balance and the Participation Loan Delinquency Analysis to provide to the investor.

Tool #590 "PLI Trial Balance"

Participation Loan Trial Balance

Report Options	Response	
Corporate ID	01	
Report type	<input checked="" type="radio"/> Detail & Summary <input type="radio"/> Summary	
Report as of date	Mar 31, 2019 [MMDDYYYY]	
Pull by	<input checked="" type="radio"/> Account <input type="radio"/> Reference	
Include closed loans with last reported date greater than or equal to	<input type="text" value="00000000"/> [MMDDYYYY]	
PL investors	<input type="button" value="Select"/> 1 selected	Optional
Loan category	<input type="button" value="Select"/>	Optional
Participation loan types	<input type="button" value="Select"/>	Optional
<input type="checkbox"/> Sort by the date that the loan ends with the investor		Optional
Only loans sold to the investor on or after	<input type="text" value="00000000"/> [MMDDYYYY]	Optional
Loan account	(blank = all) <input type="text"/>	Optional
Reference #	(blank = all) <input type="text"/>	Optional

Job queue
 Copies:
 Printer:

Run by the appropriate month end date and *PL investors*.

Tool #577 "Particip. Loan Delinquency Analysis"

The screenshot shows the "Participation Loan Delinquency Analysis" tool interface. It has a blue header with the title. Below the header, there are two main sections: "Report Options" and "Response".

Report Options:

- Corp ID: 01
- Process date: Mar 2019 [MMYYYY]
- PL investors: Select 1 selected
- Report type: Detail & summary Summary
- Include 30 to 59 day call report term

Response:

- Job queue
- Copies: 1
- Printer: P1

Below the form, there is an information box with an 'i' icon: "The investor portion of the loan delinquency displays on this report."

Run by appropriate month end date, select the investor(s) and check the box to *Include 30-59 day Call Report term*.

STEP 8: INTERNAL REPORTS

The Participation Loan Analysis Report is a helpful tool to provide to the Board of Directors when reporting about the CU's participation loan program.

Tool #579 "Participation Loan Analysis Report"

The screenshot shows the "Session 0 CU*BASE GOLD - Participation Loan Analysis Report" tool interface. It has a blue header with the title.

Report Options:

- Month/year to process: Mar 2019 [MMYYYY]
- Report type: Detail & summary Summary
- Sort by: Account Investor PL type
- Pull by: Account Reference
- Start date: 00000000 to 00000000 [MMDDYYYY]
- Include closed loans with last reported date greater than or equal to: 00000000 [MMDDYYYY]
- Investor: Select Optional

Response:

- Job queue
- Copies: 1
- Printer: P1

Run by the appropriate month end date and select *Report type* "Summary".

The report gives the following breakdowns:

- Investor and originator's portion of the loans
- Projection of servicing income
- Projection of income on originator's portion of the loan
- Projected total yield for the net position