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# Freddie Mac Secondary Market Loan Servicing

## Tracking FHMC Participation Loan Investor Activity with CU\*BASE

### INTRODUCTION

Participation lending refers to sharing loan risk and income among partner organizations (investors). The credit union sells or buys all or part of a loan. The investors can be other credit unions or other organizations.

Loans sold to other organizations (investors) are tracked in the **CU\*BASE Participation Lending** system.

Loans purchased from other organizations are tracked by assigning a separate G/L account and the **CU\*BASE Investment Subsidiary** can be used to accrue the monthly interest.

### FREDDIE MAC PARTICIPATION LENDING

Freddie Mac is a secondary market servicer for mortgage loans. Mortgage loans that are sold to Freddie Mac are maintained in the **CU\*BASE Participation Lending** system. This group of loans is identified by unique investor ID(s). Also, a unique Settlement calculation routine is defined which determines how loan payments are settled with Freddie Mac. The loans are set up on the member file with a 360-day interest calculation type.

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For an updated copy of this booklet, check out the Reference Materials page of our website:  
[https://www.cuanswers.com/client\\_reference.php](https://www.cuanswers.com/client_reference.php)  
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# FREDDIE MAC PARTICIPATION

## LENDING: HOW TO GET STARTED

### UNDERSTANDING THE TERMS

| <i>Term</i>                       | <i>Description</i>   |
|-----------------------------------|--|
| Participation Loan (PL)           | Any loan account on the credit union's books where the risk and income for that loan is shared among one or multiple partners (investors).   |
| Participation Loan Investor (PLI) | The partner credit union or other organization that shares in the investment income and the risk for the loan.   |
| Secondary Market Loan Servicer    | An investor that purchases loans from a financial institution.   |
| Government investor               | General term for government-sponsored investors such as Fannie Mae, Freddie Mac and FHLB.  |
| P&I Custodial Account             | A credit union share account that holds the funds (Principal and Interest) to be remitted to a government investor.  |
| T&I Custodial Account             | A credit union share account that stores the reported balances of member escrow (Taxes and Insurance).   |
| FNMA                              | Abbreviation for Fannie Mae.   |
| FHMC                              | Abbreviation for Freddie Mac.  |
| FHLB                              | Abbreviation for Federal Home Loan Bank.   |
| PART                              | Abbreviation for standard 365 participation loans.   |
| P360                              | Abbreviation for other 360 participation loans.  |
| 360 loan                          | A loan with an <i>Interest calculation type</i> of "3 = 360 /Post" in CU*BASE. Interest is based on twelve 30 day months, calculated once each month on a specified day.   |
| 365 loan                          | A loan with an <i>Interest calculation type</i> of "0 = 365" in CU*BASE. This is the standard daily interest calculation using a 365 or 366 day year. Interest is accrued each day using a per diem interest amount.   |
| Participation loan type           | A code that allows participation loans to be grouped for servicing and reporting.  |
| Settlement calculation routine    | The routine that determines how the settlement amounts get calculated when a work file is processed. Valid `settlement calculation routines are FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard 365 participation loans), and P360 (other 360 mortgage loans).                                |
| Company code                      | A 3 position code that identifies companies that service participation loans, i.e. a mortgage CUSO.  |
| Settlement type                   | The method used for determining how funds are paid to the investor: AA (Actual/Actual), using actual activity on the loan; SA (Scheduled/Actual), using scheduled interest and actual principal collected from the member or SS (Scheduled/Scheduled), using a set table of principal and interest payment amounts for each month. |

| <i>Term</i>    | <i>Description</i>  |
|----------------|---|
|                | Note: The SS (Scheduled/Scheduled) settlement type is not available for use at this time.   |
| CD 22          | Calendar day 22 (Fannie Mae loan processing requires reporting of all loans on or before CD 22)   |
| MPF Xtra loans | FHLB loans offered via Mortgage Partnership Finance (MPF) that mirror the processing of Fannie Mae loans. These loans are set up with a settlement calculation routine of FNMA and a company code of MPX. Wells Fargo is the current servicer of these loans. |

## CONFIGURATION

1. Set up a loan category code for Freddie Mac loans. This code must be specific to Freddie Mac loans. **Refer to Page 77.**
2. Set up a share product (dividend application) for the FHMC member escrow accounts. This code must be specific to Freddie Mac accounts. **Refer to Page 82.**
3. Set up two member Custodial Accounts. One is for Principal and Interest (P&I) and the other is for Taxes and Insurance (T&I). These accounts should be non-interest bearing with application type SD.
4. Verify that there is a “Delinquency Fine Code” set up for mortgage loans. Refer to **Tool #464 Loan Fines Configuration.**
5. Set up the participation loan general ledger accounts. **Refer to Page 91.**
6. Configure a Participation loan type code to categorize the Freddie Mac loans. **Refer to Page 83.**
7. Configure the Freddie Mac Investor information. **Refer to Page 84.**
8. Configure the Settlement calculation routine FHMC. **Refer to Page 88.**
9. Configure Company codes if applicable (not required). **Refer to Page 90.**

## CREATE LOANS

10. Using the information from the Freddie Mac Funding Details report, create loans in the participation loan system. **Refer to Page 13.**

Note: The loan should already be set up on the CU\*BASE loan file.

## PREPARE PC FOR DOWNLOADS

For monthly reporting to Freddie Mac, a reporting file (formerly known as the Midanet file) is downloaded to your PC. Refer to **Page 51** for details on government reporting.

11. If you do not have authority to perform downloads, complete the CU\*BASE authorization form. You will need to request access to the file FILExx/FMLNSNDCUA (xx in the CU ID) or FILExx/FMLNSNDxxx (xxx is the Company code).
12. Set up a separate folder on your PC named “Midanet” for storing the Freddie Mac reporting file. Within that folder should be a secondary FILExx.

13. Request client access files from Lender\*VP at [lendervp@cuanswers.com](mailto:lendervp@cuanswers.com). These files are needed for the automated Freddie Mac download.

## KEY ITEMS TO REMEMBER

The participation loan system is basically a subsidiary ledger similar to Investments or Fixed Assets, that retains details about loans sold to other investors. Loan payment activity is collected from the member transaction file, pulled into a temporary work file, and settlement routines are run to calculate the amount of interest and principal owed to each individual investor for each loan. This process interfaces with your General Ledger to record interest and principal amounts.

Below is a list of a few key items that you need to know about the participation loan system.

### ALL INVESTORS

- Each PL investor is configured with their own unique set of parameters.
- It is important to understand the rules for the specific investor (for remitting payments, deadlines for reporting to investor, etc.). Refer to investor contractual guidelines.
- A participation loan work file is processed to gather details about member loan payments for use in calculating settlement amounts. Some investors process multiple work files during the month and some process only once a month.
- Work file processing is based on a configured *settlement calculation routine* which defines how the loans are handled in settlement. Available routines include: FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard participation loans) or P360 (other 360 loans).
- Be sure to process a final settlement work file for all loans for an investor before moving to the next settlement period.
- The balances for principal and accrued interest in the participation loan file should be kept in sync with the corresponding PL General Ledger accounts. (Principal and Accrual G/L).
- For 360-day interest calculation loans, the participation loan interest accrual is independent of the member interest accrual. This is a separate step that occurs monthly.
- An optional *company code* is used to identify companies that service your participation loans such as a mortgage CUSO. These loans are processed separately in settlement.
- For 365 loans, when partial payments are received, the PL system calculates the appropriate percentage of principal and interest based on the PLI % of participation.

## GOVERNMENT INVESTORS (FNMA, FHMC, FHLB)

- The system contains edits to ensure that monthly processing steps occur in the correct order. Because of these edits, the system requires all loans within a *settlement calculation routine* (i.e. FNMA) to be settled prior to moving to the next settlement period. This is regardless of whether or not there was payment activity on the loans.
- It is crucial that the day to calculate interest on the loan category configuration and the PL *Monthly interest accrual day* on the Settlement Calculation Configuration are set up as follows:

| <i>Settlement Calculation Routine</i> | <i>Day to Calc Int (member file)</i> | <i>Monthly Interest Accrual Day (PL)</i> |
|---------------------------------------|--------------------------------------|--|
| FNMA(Fannie Mae)                      | 31                                   | 01                                       |
| FHMC(Freddie Mac)                     | 31                                   | 01                                       |
| FHLB                                  | 31                                   | 01                                       |

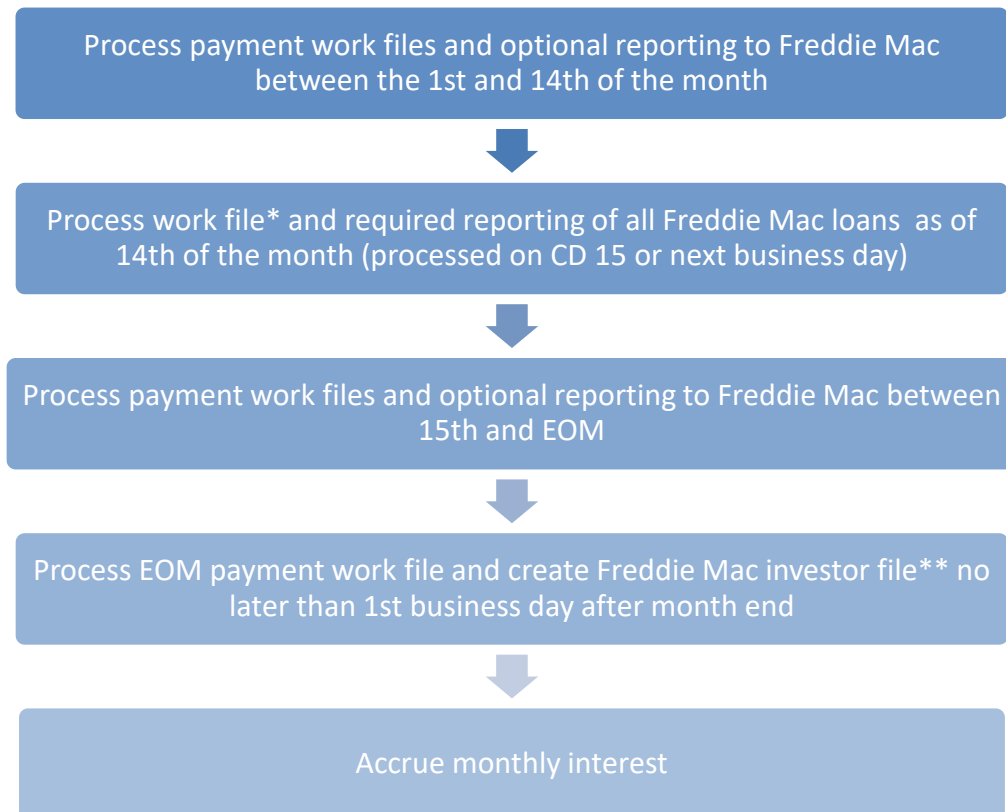
Note: Since these are 360-day interest calculation loans, the member interest accrual will occur in end-of-day (EOD) processing on the “Day to calculate interest” defined on the loan category configuration.

- For delinquent loans, the *past due interest* field is populated during PL interest accrual (similar to how delinquent 360 loans are handled on the member file). This applies to loans with the AA (Actual/Actual) *settlement type*.
- Payoff transactions received during the month must have interest adjusted in the work file (unless occurred on the first day of the cycle, just after interest accrual).
- The system will calculate interest “on the fly” for paid ahead payments similar to the “Instant Interest Calc” method used on the member loan file. This applies to loans with the AA (Actual/Actual) *settlement type*.

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# FREDDIE MAC MONTHLY PROCESS CYCLE

This section summarizes the monthly processing steps for Freddie Mac loans. This is for loans set up with a settlement type of SA (Scheduled Actual). **SA is the REQUIRED and ASSUMED Accounting Method for Freddie Mac.**



\*SA loans have an additional step before posting the mid-month work file to move the unpaid interest from “Interest Due” to “Interest Paid”.

\*\* If there is no activity in the EOM work file, the investor file must still be created so that system control dates are updated properly.



## DAILY PROCESSING

Below are the recommended daily processing steps for Freddie Mac loans.

1. Use **Tool #766 PL 2: Review Mbr Activity on Part. Loans** to check for payment activity. This report is run by investor. If there is payment activity, a work file should be run. Refer to **Page 30**.
2. Use **Tool #768 PL 3: Review Unfunded Participation Ln** to check for unfunded participation loans (open in the member loan file, but not on the participation loan file). This report is run by loan category. Refer to **Page 32**.

*If there are unfunded loans, add them to the participation loan system. Refer to **Page 13** for the steps to add a loan to the PL system.*

3. Use **Tool #767 PL 4: Review Paid Off Participation Lns** to check for loans that are paid off on the member loan file. Refer to **Page 33**.

*If there are paid off loans, it is recommended (but not required) to run a separate work file for each paid off loan. Be sure to review the interest amounts in the work file and make any appropriate adjustments.*

4. If loan payments exist (from Step 1), run a work file via **Tool #314 PL 5: Create/Post Part. Ln Pmt Work File**. Review the PL Settlement Detail Report. Edit and then Post the work file.

*Posting the work file creates a G/L journal entry and updates the PL history and PL master file. Note the "Total Cash Settlement" from the **Final Version** of the PL Settlement Detail Report. This amount gets posted to the P&I Custodial Account per Step 6.*

**Important Note:** *You must always run a work file at month end regardless of whether there is loan payment activity.*

5. Use **Tool #61 Create/Post GL Journal Entries** to post the journal entries.

**IMPORTANT NOTE:** *Do not change any of the journal entry amounts.*

6. Post the final "Total Cash Settlement" amount (from Step 4) to the P&I Custodial Account using **Tool #492 Member Account Adjustment (Full)**.
7. If payoff transactions exist in the work file or it is the final settlement work file (as of the 14<sup>th</sup> but processed on 15<sup>th</sup>), review draft report against custodial account to ensure funds are available for drafting from Freddie Mac.

8. Verify the participation loan general ledger principal balance and accrued interest totals\* to the PLI Trial Balance Summary principal balance and accrued interest totals.

*\*Use "G/L History Inquiry" to view the G/L balances or use "Print G/L Financial" to print a financial that contains the participation loan G/L account balances.*

9. Access the Escrow Share Detail Report (LPLESC) in CU\*SPY. Use the totals for positive and negative balances on this report to make adjustments to the T&I Custodial Account to balance to the "Freddie Mac funding for negative accounts" G/L account. Refer to **Page 49** for more information.

## DETERMINATION DATE PROCESSING (15<sup>TH</sup> OF MONTH OR NEXT BUSINESS DAY)

After performing the daily processing (Steps 2-9 in the Daily Processing section), follow the steps below. Be sure the 14<sup>th</sup> of the month was used for the work file date (per Step 4) to process outstanding loan payments.

**Important Note:** *You must always run a work file for the 14<sup>th</sup> of the month regardless of whether there is loan payment activity. This is so that system control dates are updated properly.*

10. Create the reporting file via **Tool #304 Create PL Government Investor File**. Select "All Loans (full reporting file)" for CD 15 reporting. **Refer to page 52.**

11. Download the reporting file to your PC per *Download File* (F14) on the "Create PL Government Investor File" screen. **Refer to Page 52.**

*Note: If a Company code exists on the file, then "Download File" (F14) is not available. You must manually download the file per the steps on **Page 54.***

12. Perform the recommended procedures from Freddie Mac to upload the file to the FreddieMac.com website.

## NEXT BUSINESS DAY

13. Access the FreddieMac.com website and review any exceptions (Edits) and the draft report from the reporting file. Process any necessary adjustments to loans. **Refer to Page 22.**

**Important Note:** *Be sure to backdate the adjustment so that it applies to the appropriate reporting period (i.e., the 14<sup>th</sup>).*

## END-OF-MONTH PROCESSING (1<sup>ST</sup> OF THE MONTH OR NEXT BUSINESS DAY)

After performing the daily processing (Steps 2-9 in the Daily Processing section), follow the steps below. Be sure that the 31st of the month was used for the work file date (per Step 4) to process outstanding loan payments.

**Important Note:** *You must always run a work file for the 31<sup>st</sup> of the month regardless of whether there is loan payment activity. This is so that system control dates are updated properly.*

**10.** Create the reporting file via **Tool #304 Create PL Government Investor File**. Select “Only loans with activity since last reporting file” for EOM reporting. **Refer to Page 52** for more information.

**11.** Download the reporting file to your PC per *Download File* (F14) on the “Create Monthly Gov Investor File” screen. **Refer to Page 52.**

*Note: If a Company code exists on the file, then “Download File” (F14) is not available. You must manually download the file per the steps on **Page 54**.*

**12.** Perform the recommended procedures from Freddie Mac to upload the file to the FreddieMac.com website.

**13.** Run **Tool #107 Accrue Interest for 360 Particip. Loans**. Refer to page 55.

**14.** OPTIONAL STEP: For research purposes, you can also run and save the Settlement Activity Report which provides history detail of participation loans.

### NEXT BUSINESS DAY

**15.** Access the FreddieMac.com website and review any exceptions (Edits) and the draft report from the reporting file. Process any necessary adjustments to loans. **Refer to Page 22.**

*Important Note: Be sure to backdate the adjustment so that it applies to the appropriate reporting period (i.e., the 15<sup>th</sup>).*

**16.** If your CU has Rural Development loans, run the report using **Tool #771 Rural Development Part. Loan Detail Rpt.** The total delinquent balance is reported monthly to the USDA. Full reporting is done quarterly. **Refer to Page 65.**

## RECONCILIATION

The participation principal loan balances and interest accrued amounts on the Participation Loan Trial Balance Summary should always equal the appropriate participation loan general ledger balances.

Freddie Mac requires two reconciliation reports, the 59 and 59E Custodial Account worksheets to be completed monthly. The P&I and T&I Custodial Accounts are reconciled using these forms. Follow the instructions on the Freddie Mac website. Refer to the Appendix for form samples.

## OTHER MONITORING

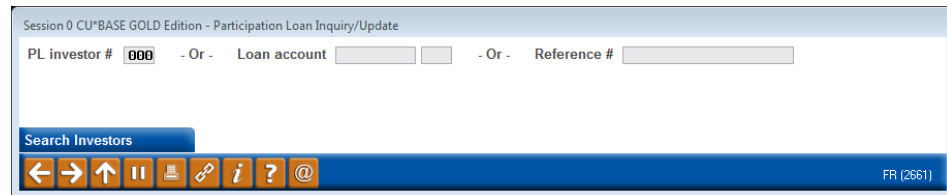
Delinquency can be monitored using the Participation Loan Delinquency Analysis report which provides the investor portion of the delinquent balances. Refer to **Page 69** for information on this report.

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# WORKING WITH PARTICIPATION LOAN ACCOUNTS

## ADD/MAINTAIN A PARTICIPATION LOAN

PL 1: Add/Maintain Participation Loans (Tool #119)



This is the first of several screens used to add, view and/or work with participation loan accounts. You can attach loans to investors, view an investor's current position on a loan, review settlement history on loan accounts, and post adjustments to the participation loan records.

- To work with all loans for a specific investor, or to attach new loans to any investor, enter the PL investor # and use **Enter** to proceed to the second screen.
- To work with an existing participation loan account, enter either the loan account base and suffix or the reference number (up to 20 alphanumeric characters) attached to the participation loan record, then use **Enter** to proceed to the second screen. (This method cannot be used unless the account is already tied to an investor.)

*CU\*TIP: Use "Search Investors" (F12) to view a list of current Participation Loan Investor (PLI) codes. The screen shown on **Page 84** will appear with the listing of configured investors. Use **Select** to choose an investor.*

The second screen will look slightly different depending on what was entered on the initial screen.

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

File Edit Tools Help

# Participation Loan Inquiry/Update

PL investor #

001 FREDDIE MAC

Last Settlement

Total PL principal balance

4,055,312.42

Total PL interest due

16,126.73

| Account | Type | Seq # | Name | Reported Month | Reported Balance | Reference |
|---------|------|-------|------|----------------|------------------|-----------|
|         | 780  | 001   |      | May 11, 2009   | 0.00             | 485718359 |
|         | 780  | 001   |      | Oct 15, 2013   | 126,499.55       | 503350878 |
|         | 700  | 001   |      | Oct 15, 2013   | 103,983.44       | 502443782 |
|         | 780  | 001   |      | Jan 15, 2012   | 0.00             | 484979353 |
|         | 780  | 001   |      | Jan 26, 2009   | 0.00             | 509100817 |
|         | 780  | 001   |      | Jul 15, 2013   | 0.00             | 506035220 |
|         | 780  | 001   |      | Oct 15, 2012   | 0.00             | 504586912 |
|         | 781  | 001   |      | Oct 15, 2013   | 146,051.91       | 742520669 |
|         | 700  | 001   |      | Feb 24, 2008   | 0.00             | 484979388 |
|         | 781  | 001   |      | Oct 15, 2013   | 125,683.22       | 497624915 |
|         | 780  | 001   |      | Apr 20, 2009   | 0.00             | 526237872 |
|         | 780  | 001   |      | Oct 15, 2013   | 67,080.09        | 497624923 |
|         | 780  | 001   |      | Oct 15, 2013   | 16,455.46        | 497882477 |
|         | 780  | 001   |      | Oct 15, 2013   | 36,949.92        | 506739457 |
|         | 780  | 001   |      | Dec 15, 2012   | 0.00             | 507406141 |
|         | 781  | 001   |      | Oct 15, 2013   | 113,808.05       | 749170832 |

Change

Delete

PL Inquiry

Member Inquiry

Add

Sort by Reference

Search Investors

FR (2665) 11/26/13

[illegible]

14 Participation Lending: Freddie Mac

## Field Descriptions

| <i>Field Name</i> | <i>Description</i>  |
|-------------------|---|
| Account           | The participation loan account.   |
| Type              | The participation loan account suffix.  |
| Seq #             | A sequence number attached to this record. The number is incremented if a loan is added to the same investor multiple times. The sequence number will always be 001 for Freddie Mac loans because these loans are 100% owned by investor. |
| Name              | The member name.  |
| Reported Month    | The last date the loan was reported to the investor (in this case Freddie Mac).   |
| Reported Balance  | The balance on the loan account as of the last time the loan was reported to the investor.  |
| Reference         | The Freddie Mac 9 digit reference number.   |

## Buttons

| <i>Command Key</i>     | <i>Description</i>  |
|------------------------|---|
| Add (F6)               | Use this to attach a new loan account to this investor.                         |
| Toggle Sort (F11)      | Use this to toggle sort between account or reference #.                         |
| Search Investors (F12) | Use this to view a list of the current configured participation loan investors. |
| Account Analysis (F15) | Use this to view an analysis of all investor positions on this loan.            |

- To create a new participation loan and attach it to an investor, use *Add* (F6) to proceed to the Participation Loan Setup screen (shown on **Page 16**).
- To modify an existing account, select it in the list and use the **Change** option to proceed to the Participation Loan Setup screen (shown on **Page 16**).
- To view details for an account without changing anything, select it in the list and use the **PL Inquiry** option. A view-only version of the Participation Loan Setup screen (shown on **Page 16**) will appear.
- To view current details about a loan account using CU\*BASE Member Account Inquiry, select the account in the list and use the **Member Inquiry** option.
- To delete a participation loan so that it is no longer tied to an investor, select it in the list and use the **Delete** option. You will receive a delete confirmation window.

*Note: Only loans paid to a zero balance should be deleted so that investor G/L accounts remain in balance.*

Session 0 - ABC CREDIT UNION

File

Edit

Tools

Help

Participation Loan Setup

CHANGE

PL investor #

001

Loan account

780

SCOTT U

PL type

01

FREDDIE MAC LOANS

Reference #

510599796

Original loan amt

56,627.00

Settlement calc routine

FIMC

Sequence #

1

Settlement type

SA

Current Loan Status

Servicing Information

Current balance

39,689.59

Loan rate is

6.125

Deferred loan suffix

+ Interest

0.00

Payment

344.07

+ Delinquency fine

0.00

Next scheduled payment

Mar 01, 2023

- Insurance rebate

0.00

Last payment date

Jan 27, 2023

= Loan payoff

39,689.59

Last payment amount

572.13

Loan maturity date

Jun 01, 2038

Last Settlement Detail

PLI Terms

Reported date

Jan 31, 2023

Status

EXISTING

Last settlement date

Jan 31, 2023

Term

387 S

PLI loan rate

5.875

PLI principal balance

39,689.59

☒ Rural development flag

PLI interest due

194.31

PLI % of participation

100.00

Next interest accrual date

03 2023

Principal paid

0.00

PLI original investment

56,627.00

Interest due paid

0.00

PLI projected payment

344.07

Total settlement

59,211.95

PLI start date

Apr 30, 2008

(MMDDYYYY)

Monthly income earned

194.31

PLI end date

May 01, 2038

(MMDDYYYY)

Action code

Action date

00000000

(MMDDYYYY)

If the PLI % of participation is not 100%, be sure that the PLI original investment amount is manually calculated using the PLI % (Loan balance X PLI %).

Add/Update

Adjustment

Account Inquiry

History

Account Analysis

←

→

↶

⏸

🖨

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FR [2652] 4/18/23

This screen shows details about this participation loan account, both from the credit union's perspective (Current Loan Status/Servicing Information) as well as the investor's point of view (Last Settlement Detail/PLI Terms).

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*Development flag* (if applicable). Refer to **Page 21** for additional information on adding new FHMC loans.

When done making changes, use *Add/Update* (F5) to save the record.

#### Field Descriptions

| <i>Field Name</i>  | <i>Description</i>   |
|--|--|
| <b>General</b>   |  |
| PL investor #  | The Participation Loan Investor code and name.<br>See <b>Page 84</b> for information on configuring Participation Loan Investors.  |
| Company code   | This is an optional 3 position company code that identifies companies that service participation loans, i.e. a mortgage CUSO.<br>Note: If no company codes are configured at your credit union, this field will not display.   |
| Reference #  | This is the reference number. For FHMC, the reference number must be 9 digits. This reference number can be used when printing reports as well as when locating this record for maintenance or inquiry.  |
| Loan account   | If creating a new record, use these fields to enter the loan account base and suffix. If modifying an existing record, the loan account cannot be changed.   |
| PL type  | This is a 2 position code used to identify a group of loans. If a PL Type is defined on the investor record, it will default here. This is a required field.<br>See <b>Page 83</b> for a discussion of Participation Loan Type codes.  |
| Original loan amount   | This shows the original loan amount for the member loan account. This is the original amount borrowed, regardless of investor positions.   |
| Sequence #   | A sequential number assigned to this record, for situations where the same loan is assigned multiple times to one investor. (the same investor owns multiple portions of a loan at different rates or terms, for example).   |
| Settlement calc routine  | The routine that determines how the settlement amounts get calculated when a work file is processed. Valid settlement calculation routines are FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard 365 participation loans), and P360 (other 360 mortgage loans).   |
| Settlement type  | The method used for determining how funds are paid to the investor: either by AA ( <i>Actual/Actual</i> ), taking into account actual activity on the loan or SA ( <i>Scheduled/Actual</i> ), taking into account scheduled interest and actual principal collected from the member.<br>Note: The SS ( <i>Scheduled/Scheduled</i> ) settlement type is not available for use at this time. |
| <b>Current Loan Status</b>   |  |
| This section shows the loan from the credit union's point of view, with details coming from your credit union's member loan files. |  |
| Current balance  | The current balance on the loan account, as shown in your CU*BASE member files.  |

| <i>Field Name</i>   | <i>Description</i>  |
|---|---|
| + Interest  | The total amount of interest owed on the loan.  |
| + Delinquency fine  | The amount of delinquency fines owed, if any.   |
| - Insurance rebate  | Any insurance premium rebates due back to the member.   |
| = Loan payoff   | For 365 interest calculation type loans, this field calculates the current balance plus any interest and delinquency fines, minus any insurance rebates, to show the current loan payoff amount.<br><br>For 360 interest calculation type loans, this field calculates the current balance plus delinquency fines, minus insurance rebates, to show the loan payoff amount. This is a starting payoff amount. An interest adjustment is necessary to arrive at the final payoff amount. |
| <b>Servicing Information</b><br>This section also shows the loan from the credit union's point of view, with details coming from your credit union's member loan files.   |   |
| Loan rate is  | The interest rate on the loan account.  |
| Payment   | The amount of the regular payment, including principal and interest.  |
| Next scheduled payment  | The due date for the next payment.  |
| Last payment date   | The date the last payment was made on the loan account.   |
| Last payment amount   | The amount of the last payment made on the loan.  |
| Deferred loan suffix  | The account suffix for a deferred loan associated with this participation loan. Deferred loans are created at the discretion of the credit union and apply only to loans that are 100% owned by the investor. Note: Only closed end (MEMBER5) loans are available in the lookup.  |
| Loan maturity date  | The loan maturity date.   |
| <b>Last Settlement Detail</b><br>This section shows the status of this participation loan from the investor's point of view, as of the last time a settlement was posted. |   |
| Reported date   | The last date that this loan was reported to Freddie Mac.   |
| Term  | This shows the term for this loan as of the last settlement. The term is counted starting when the first normal settlement is posted. See <b>Page 36</b> for details on posting settlement.<br><br>Next to the term, you will see either an "S" for Settlement or "A" for Adjustment. This indicator shows whether the information in this section represents a regular settlement posting, or an adjustment transaction. See <b>Page 22</b> for details on posting adjustments.        |
| PLI principal balance   | The principal balance of the investor's portion of the loan as reported at the last settlement (the amount owed to the investor representing the principal on the loan).  |
| PLI interest due  | The amount of interest on the investor's portion of the loan principal balance as reported at the last settlement (the amount owed to the investor representing the accrued interest due on the loan).  |

| <i>Field Name</i>   | <i>Description</i>   |
|---|--|
| Principal paid  | The total amount of principal paid from the last settlement work file.   |
| Interest due paid   | The total amount of interest paid as reported in the last settlement work file.  |
| Total settlement  | The total of principal and interest paid from the last settlement work file.<br><i>Principal paid + Interest paid = Total settlement</i>   |
| Monthly income earned   | The amount of income that was accrued on the investor's outstanding balance for the settlement period.   |
| Action code   | The Action code defined by the government investor. This applies to FNMA and FHLB only and is not required.  |
| Action date   | The date that the Action code is effective for the government investor.  |
| <b>PLI Terms</b><br>This section shows the terms from the investor's perspective showing the investor's portion of this loan. |  |
| Status  | The current status of this participation loan:<br><b>EXISTING</b> - This participation loan has already had a settlement work file processed.<br><b>NEW</b> - This participation account is new and has not had a settlement work file processed.<br><b>CLOSED</b> - This participation account is closed. |
| PLI loan rate   | Enter the interest rate the investor earns on the loan. This field has three decimal positions.<br>(08750 = 8.750%).   |
| PLI % of participation  | The percentage (up to 100) of the loan that is owned by the investor (this field has 2 decimal positions). This field defaults to 100% for FHMC loans.   |
| PLI original investment   | Enter the total amount of investment by this investor for this loan account. This informational field is not affected by changes to the loan account or settlement activity.<br>Note: On the Freddie Mac Funding Details Report, this is the "Principal Purchased".  |
| PLI projected payment   | The estimated payment amount to the investor for this loan account. This field defaults to the member payment amount for FHMC loans. This is an informational field.<br>Note: On the Freddie Mac Funding Details Report, this is the "P&I Constant".   |
| PLI start date  | Enter the date the loan was funded with Freddie Mac. Note: This is the begin date for processing in the PL system and will determine when to start picking up payments from the member history.<br>Note: On the Freddie Mac Funding Details Report, this is the "Settlement Date".                         |
| PLI end date  | The date on which this investor's position in the loan ends. For FHMC, enter the loan maturity date from the member loan file. This field is informational only, the loan will still process normally in the PL system when the PLI end date is reached.   |
| Last settlement date  | The last time a settlement work file was posted for the loan.  |

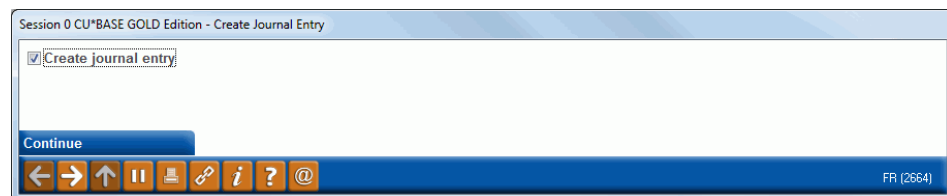
| <i>Field Name</i>          | <i>Description</i>  |
|----------------------------|---|
| PL past due interest       | This is the amount of past due interest on the participation loan and applies to FNMA, FHLB and P360 AA (Actual/Actual) loans only. This field is populated during PL interest accrual. Field only displays for FNMA, FHLB and P360 loans.  |
| Rural development flag     | A checkmark in this box indicates that this is a Rural Development mortgage loan. Note: Only mortgage loans should be flagged as RD loans.  |
| Next interest accrual date | The month and year (MMYYYY) that interest will next be accrued on the participation loan system for this loan. This field is only used for 360-day interest calculation type loans and defaults based on the <i>Monthly interest accrual day</i> from the Settlement Calculation Routine Configuration. This field conditionally displays for FNMA, FHLB and P360 loans only. |

#### Buttons

| <i>Command Key</i>     | <i>Description</i>   |
|------------------------|--|
| Add/Update (F5)        | Use this to save all changes. If creating a new record, a window will appear to allow you to choose whether or not to create a journal entry batch for posting to your general ledger. |
| Adjustment (F9)        | Use this to post a loan payment adjustment to the participation loan. The screen shown on <b>Page 22</b> will appear.  |
| Acct Inquiry (F12)     | Use this to view Member Account Inquiry for this loan account.   |
| History (F13)          | Use this to view a history of all settlement and adjustment transactions posted to this participation loan. The screen shown on <b>Page 25</b> will appear.                            |
| Account Analysis (F15) | This function is generally not used for FHMC loans. For loans with PLI% less than 100%, use this to view an analysis of all investor positions on this loan.                           |

Note: The loan must exist in the member loan file to be added to the participation loan system.

If creating a new participation loan, the following window will appear when *Add/Update* (F5) is used to save:



If this box is checked, a J/E batch will be created and will await posting to your general ledger. Use **Create/Post Journal Entries** to post the journal batch.

Note on *PLI start date* – If an incorrect “PLI start date” is entered on a new loan, the loan must be deleted and re-added to the participation loan system. You cannot change the “PLI start date” after the loan has been added. It is recommended that you only change the “PLI start date” prior to when payments are posted to the loan history. If you delete and re-add the loan with a correct “PLI start date” after payments are posted, you will need to re-post the history activity from the original “PLI start date”. Remember to not check the “Create journal entry” box if the new loan has already posted to the G/L.

## New Freddie Mac Loans

Freddie Mac loans are set up with a settlement calculation routine of FHMC and have a settlement type of SA (Scheduled/Actual). When adding new loans to the participation loan system, keep in mind the following:

- *Reference Number* is 9 digits and must be entered correctly for accurate reporting to Freddie Mac. On the Freddie Mac Funding Details Report, this is the “FHLMC Loan Number#”.
- *Next Interest Accrual Date* should not be changed. Freddie Mac requires one month of interest every month regardless of payment due date.
- *PLI loan rate* is set to the “ANY Rate” from the Funding Details Report.
- *PLI projected payment* is set to the “P&I Constant” from the Funding Details Report.

*Note: The payment amount on the member file should also equal the “P&I Constant” amount from the Freddie Mac Funding Details Report. If it does not match, you must update the payment amount on the member file.*

- *PLI start date* is set to the “Settlement Date” from the Funding Details Report.
- *PLI end date* is determined from the maturity date on the loan.
- *Rural Development Flag* is set to a Y for loans that are Rural Development. For FHMC this is indicated by the “Contract Product” field on the Funding Details Report.

Remember that **Tool #768 PL 3: Review Unfunded Participation Ln** helps to identify new Freddie Mac loans that exist on the member file but need to be added to the participation loan system.

## Special Steps for in house loans sold to Freddie Mac

### Step 1 – Loan category maintenance

Because Freddie Mac requires segregation of loans, a separate loan category is used. When an existing (portfolio) loan is sold to Freddie Mac, the credit union performs maintenance to change the existing loan category to the appropriate Freddie Mac loan category. The principal G/L account is also changed. In nightly processing, the system will automatically make the

journal entry to move the principal balance and accrued interest to the new loan category, but no entries are done for the interest income. If the loan has accrued interest since the open date, it is recommended to review the accrued interest due amount on the loan and adjust the income by creating a journal entry to debit the old income G/L account and credit the new income G/L account\*. This is to ensure your servicing income for the month is calculated correctly.

*Hint: Simply look at the accrued interest due on the member loan to determine the journal entry amounts for adjusting the income G/L accounts.*

## Step 2 – Escrow account maintenance

If this Freddie Mac loan has an existing escrow share account, the credit union performs maintenance to change the existing dividend application to the appropriate Freddie Mac dividend application. The principal G/L account is also changed. In nightly processing, the system will automatically make the journal entry to move the principal balance to the new escrow product.

## PARTICIPATION LOAN ADJUSTMENT

### Adjustment (F9)

Make sure that the Transaction posting date is dated properly. This date is used for the journal entry and for PL history.

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File Edit Tools Help

### Participation Loan Adjustment

PL investor 001 FREDDIE MAC Reference # 497624923  
 Loan account 6006 780 CHAD A MEMBER Original loan amount 73,400.00  
 PL type 01 FREDDIE MAC LOANS Company Code Sequence # 1

Tran post date Jul 12, 2016 [MMDDYYYY] Tran description PLI ADJUSTMENT

Principal balance (before) 63,299.11 Last settlement date May 30, 2016

|                           | G/L Account | Debit | Credit | Balance   | Adj Balance |
|---------------------------|-------------|-------|--------|-----------|-------------|
| Principal paid            | 716.01      | 0.00  | 0.00   | 125.00    | 125.00      |
| Interest due              | 853.01      | 0.00  | 0.00   | 0.00      | 0.00        |
| Interest paid             | 111.80      | 0.00  | 0.00   | 297.30    | 297.30      |
| Total settlement          | 899.01      | 0.00  | 0.00   | 42,378.36 | 42,378.36   |
| Offset G/L account        |             | 0.00  | 0.00   | 0.00      | 0.00        |
| Totals                    |             | 0.00  | 0.00   |           |             |
| Net                       |             |       |        | 0.00      |             |
| Principal balance (after) |             |       |        | 63,299.11 |             |

Create J/E  
Refresh

FR (2640) 7/12/16

This screen is used to post an adjustment to a loan account in the participation loan system, with a corresponding entry created for posting to the general ledger. The “Balance” column represents amounts from the most recent settlement. After pressing **Enter**, the “Adjusted Balance” column will reflect updated balances based on entries made on this screen.

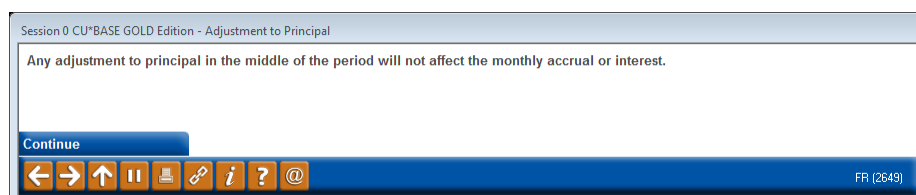
Some possible uses for this feature:

- To adjust the participation amounts due to errors or incorrect information posted during the settlement process, i.e. an adjustment to interest.
- To correct PL history and create corresponding journal entry for reporting file exceptions, i.e. to correct exceptions from government reporting prior to accruing interest.
- When converting from a paper system to the online tracking system, an adjustment might be needed to bring the balances exactly in line.

*Remember that many of these situations can be handled during a settlement by updating the work file before it is posted. The method you use depends on the situation and whether you wish to have a separate adjustment transaction recorded in the PL general ledger. (See **Page 43** for details about editing a settlement work file.)*

The adjustment screen typically is not used for non-government loans (PART or P360) because these loans generally only settle once a month to the investor and adjustments done during the month will not be included in the monthly investor reporting. For PART/P360 participation loans, adjustments are done when editing the settlement work file and therefore will display on the Final Settlement Detail Report.

When done, use **Enter** to refresh the screen and check for any errors. Note: The “Principal balance (after)” will reflect the updated balance to be posted. Then use *Create Journal Entry* (F5) to post the transaction to the participation loan and create a journal entry batch that gets posted to the G/L.



This is a reminder that any changes to principal will result in a new “starting” principal amount used by the settlement calculations. In other words, the new, adjusted principal balance will be considered “retroactive” to the start of that settlement period, and will be used when calculating interest accruals for settlement. **To avoid confusion, we recommend that adjustments that affect principal be done immediately after settlement has been posted, or handled as a change to the settlement work file itself, rather than a separate adjustment transaction.** (See **Page 43** for details about editing a settlement work file.)

Use **Enter** to complete the transaction.

**IMPORTANT:** Remember to use **Create/Post Journal Entries** to post the journal entry to the general ledger.

#### Field Descriptions

| Field Name               | Description  |
|--------------------------|--|
| Transaction posting date | Enter the date to which this transaction should be posted. Note: For correcting reporting file exceptions, be sure that the <i>Transaction posting date</i> corresponds with the |

| <i>Field Name</i>   | <i>Description</i>   |
|---|--|
|   | appropriate settlement period for the adjustment. For example, if it is 5/17 and you are processing an adjustment for 5/15 (the prior settlement period for FHMC), the transaction posting date should be 5/15. If you use the 5/17 date, it may create an exception for the current reporting cycle (5/16 -6/15).   |
| Transaction description   | Enter a description for this transaction. The default is PLI ADJUSTMENT but it can be changed.   |
| Last settlement date  | The last date on which a settlement was posted for this participation loan.  |
| Principal balance (before)  | The participation loan principal balance prior to adjustments made on this screen.   |
| Principal paid<br>Interest due<br>Interest paid<br>Total settlement | Use these fields to enter the amounts to be debited or credited to the appropriate G/L accounts for this loan. The G/L Accounts shown represent the accounts that will be debited or credited.<br><br>An error message will appear upon using Enter if both a debit and credit entry are placed on the same line: <b>3015-Both debit and credit amounts cannot be greater than zero.</b> |
| Offset G/L acct   | This line is used to post offsetting entries using an activity “clearing” or settlement account, or could represent the cash offset account. Enter both the G/L account number and the debit or credit amount.   |
| Principal balance (after)   | The participation loan principal balance after adjustments made on this screen.  |

### **Manual adjustments for government investors after PL interest accrual**

For government investors, once you have processed the PL interest accrual, you cannot backdate the “Transaction posting date” on the PL Adjustment screen. If interest amounts need to be adjusted due to reporting file exceptions or a payoff, you must make manual G/L journal entries per the instructions on **Page 47**.



## PARTICIPATION LOAN HISTORY

## History (F13)

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File Edit Tools Help

## Participation Loan Settlement History

PLI      001    FREDDIE MAC

Account #     780

PL type    01    FREDDIE MAC LOANS

Company code

Reference #    503350878

Original loan amount    137,600.00

Sequence       1

| Settlement Date | Term | Principal Balance | Interest Due | Principal Paid | Interest Paid | Total Settlement | Monthly Income |
|-----------------|------|-------------------|--------------|----------------|---------------|------------------|----------------|
| Feb 29, 2008    |      | 137,600.00        | 0.00         | 0.00           | 0.00          | 0.00             | 0.00           |
| Mar 31, 2008    | 1    | 137,600.00        | 688.00       | 0.00           | 0.00          | 0.00             | 688.00         |
| Apr 01, 2008    | 2    | 137,600.00        | 0.00         | 0.00           | 688.00        | 688.00           | 688.00         |
| Apr 20, 2008    | 3    | 137,600.00        | 688.00       | 0.00           | 0.00          | 688.00           | 688.00         |
| May 05, 2008    | 4    | 137,469.43        | 0.00         | 130.57         | 688.00        | 1,506.57         | 688.00         |
| May 20, 2008    | 5    | 137,469.43        | 687.35       | 0.00           | 0.00          | 1,506.57         | 687.35         |
| Jun 08, 2008    | 6    | 137,338.18        | 0.00         | 131.25         | 687.35        | 2,325.17         | 687.35         |
| Jun 26, 2008    | 7    | 137,338.18        | 686.69       | 0.00           | 0.00          | 2,325.17         | 686.69         |
| Jul 07, 2008    | 8    | 137,206.24        | 0.00         | 131.94         | 686.69        | 3,143.80         | 686.69         |
| Jul 20, 2008    | 9    | 137,206.24        | 686.03       | 0.00           | 0.00          | 3,143.80         | 686.03         |
| Aug 05, 2008    | 10   | 137,073.62        | 0.00         | 132.62         | 686.03        | 3,962.45         | 686.03         |
| Aug 20, 2008    | 11   | 137,073.62        | 685.37       | 0.00           | 0.00          | 3,962.45         | 685.37         |
| Sep 09, 2008    | 12   | 136,940.31        | 0.00         | 133.31         | 685.37        | 4,781.13         | 685.37         |
| Sep 22, 2008    | 13   | 136,940.31        | 684.70       | 0.00           | 0.00          | 4,781.13         | 684.70         |
| Oct 06, 2008    | 14   | 136,806.30        | 0.00         | 134.01         | 684.70        | 5,599.84         | 684.70         |
| Oct 20, 2008    | 15   | 136,806.30        | 684.03       | 0.00           | 0.00          | 5,599.84         | 684.03         |
| Nov 06, 2008    | 16   | 136,671.59        | 0.00         | 134.71         | 684.03        | 6,418.58         | 684.03         |

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FR (2655) 11/26/13

This screen shows a history of all transactions posted to this participation loan including regular settlement activity as well as any adjustments posted manually. Notice the Term column showing the term for which the settlement applies. If an “A” appears after the term number, this transaction represents an adjustment manually posted after settlement. (See **Page 16** for details on posting manual adjustments.)

Making corrections to the history file is only done in rare instances. Contact a representative of the SRS Mortgage Servicing Team [mortgageservicing@xtendcu.com](mailto:mortgageservicing@xtendcu.com) for help with adjustments to the history file.

## PARTICIPATION LOAN ACCOUNT ANALYSIS

## Account Analysis (F15)

[illegible]

This screen displays when you use *Account Analysis* (F15), either from the initial Participation Loan Inquiry/Update screen (when a single loan account is selected, as shown on **Page 14**) or from the Participation Loan Setup screen (shown on **Page 16**).

This screen is used to view an analysis showing all investor positions on this loan, including your credit union's interest as the originating credit union, and a breakdown of all other investors who own a portion of this account.

- The "Summary" section shows the loan account as it stands on your credit union's books as the servicing credit union.
- The "Detail" section shows all portions of the loan owned by investors, as of the last settlement date. Note: Closed loans are not displayed.
- The "Net CU" information shows the net difference between the balance of the loan on your credit union's books, minus the balances owned by other investors.

This screen is generally used to view loans that are owned less than 100% by the investor (i.e. for PART or P360 participation loans).

For a report with similar information as this inquiry screen, refer to **Page 62**.

# PARTICIPATION LOAN INQUIRY

## Participation Loan Inquiry (Tool #580)

This is the first screen used to view participation loan accounts. You can view general information about the loan and also view an investor's current position on a loan or review settlement history on a loan.

- To work all loans for a specific investor, enter the PL Investor # and use **Enter** to proceed to the next screen.
- Enter either the loan account base and suffix or the reference number attached to the participation loan record, then use **Enter** to proceed to the second screen.

*CU\*TIP: Use "Search Investors" (F12) to view a list of current Participation Loan Investor (PLI) codes. The screen shown on **Page 84** will appear with the listing of configured investors. Use **Select** to choose an investor.*

The second screen will look slightly different depending on what was entered on the initial screen.

Screen 2 (if PLI # was entered on initial screen):

**Participation Loan Inquiry**

PL investor # 002 FANNIE MAE

**Last Settlement**

|                            |                |
|----------------------------|----------------|
| Total PL principal balance | 137,714,747.45 |
| Total PL interest due      | 24,055.54      |

| Account | Type | Seq # | Name           | Reported Month | Reported Balance | Reference  |
|---------|------|-------|----------------|----------------|------------------|------------|
| 1       | 790  | 001   | MARY H MEMBER  | Sep 30, 2013   | 92,159.31        | 4007785505 |
|         | 790  | 001   | JAMES A MEMBER | Sep 30, 2013   | 114,325.16       | 4007265310 |
|         | 790  | 001   |                | Sep 30, 2013   | 221,076.86       | 4009224374 |
|         | 790  | 001   |                | Sep 30, 2013   | 273,309.51       | 4009577262 |
|         | 790  | 001   |                | Sep 30, 2013   | 69,208.18        | 4009289105 |
|         | 795  | 001   |                | Sep 30, 2013   | 35,678.22        | 4006771003 |
|         | 790  | 001   |                | Sep 30, 2013   | 39,232.25        | 4008213123 |
|         | 790  | 001   |                | Sep 30, 2013   | 55,315.68        | 4007930284 |
|         | 790  | 001   |                | Sep 30, 2013   | 38,056.55        | 4008778051 |
|         | 790  | 001   |                | Sep 30, 2013   | 140,250.61       | 4009189056 |
|         | 790  | 001   |                | Sep 30, 2013   | 75,419.27        | 4006211473 |
|         | 790  | 001   |                | Sep 30, 2013   | 75,002.88        | 4009530239 |
|         | 790  | 001   |                | Sep 30, 2013   | 80,059.99        | 4008235756 |
|         | 795  | 001   |                | Sep 30, 2013   | 86,829.52        | 4007016122 |
|         | 790  | 001   |                | Sep 30, 2013   | 36,800.00        | 4009409419 |
|         | 790  | 001   |                | Sep 30, 2013   | 92,021.45        | 4008558906 |

■ PL Inquiry ■ Member Inquiry

Sort by Reference

Search Investors

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HINT: Use **Sort by Reference** (F11) to toggle the sort from Account to Reference #.

[illegible]

## Field Descriptions

| <i>Field Name</i> | <i>Description</i>  |
|-------------------|---|
| Account           | The participation loan account.   |
| Type              | The participation loan account suffix.  |
| Seq #             | A sequence number attached to this record. The number is incremented if a loan is added to the same investor multiple times. The sequence number will always be 001 for Freddie Mac loans because these loans are 100% owned by investor. |
| Name              | The member name.  |
| Reported Month    | This is the last date the loan was reported to the investor (in this case FHMC).  |
| Reported Balance  | The balance on the loan account as of the last time the loan was reported to the investor.  |
| Reference         | The Freddie Mac 9 digit reference number.   |

| <i>Command Key</i>     | <i>Description</i>  |
|------------------------|---|
| Toggle Sort (F11)      | Use this to toggle sort between account or reference #.                         |
| Search Investors (F12) | Use this to view a list of the current configured participation loan investors. |

| Command Key               | Description  |
|---------------------------|--|
| Account Analysis<br>(F15) | This function is generally not used for FHMC loans. For loans with PLI% less than 100%, use this to view an analysis of all investor positions on this loan. |

- To view details for an account without changing anything, select it in the list and use the **PL Inquiry** option. A view-only version of the Participation Loan Setup screen (shown on **Page 16**) will appear.
- To view current details about a loan account using CU\*BASE Member Account Inquiry, select the account in the list and use the **Member Inquiry** option.

Session 0 CU\*BASE GOLD Edition - FRANKENMUTH CREDIT UNION

File Edit Tools Help

## Participation Loan Setup VIEW

|               |                        |                   |  |
|---------------|------------------------|-------------------|--|
| PL investor # | 001                    | Reference #       | 497624923                              |
| Loan account  | 6006 780 CHAD A MEMBER | Original loan amt | 73,400.00 Settlement calc routine FHMC |
| PL type       | 01 FREDDIE MAC LOANS   | Sequence #        | 1 Settlement type SA                   |

| Current Loan Status |           | Servicing Information  |              |
|---------------------|-----------|------------------------|--------------|
| Current balance     | 63,299.11 | Loan rate is           | 5.875        |
| + Interest          | 0.00      | Payment                | 434.19       |
| + Delinquency fine  | 0.00      | Next scheduled payment | Jul 01, 2016 |
| - Insurance rebate  | 0.00      | Last payment date      | May 27, 2016 |
| = Loan payoff       | 63,299.11 | Last payment amount    | 650.00       |
|                     |           | Loan maturity date     | Mar 01, 2038 |

| Last Settlement Detail |              | PLI Terms               |              |
|------------------------|--------------|-------------------------|--------------|
| Reported date          | May 15, 2016 | Status                  | EXISTING     |
| Term                   | 195 S        | PLI loan rate           | 5.625        |
| PLI principal balance  | 63,299.11    | PLI % of participation  | 100.00       |
| PLI interest due       | 0.00         | PLI original investment | 73,400.00    |
| Principal paid         | 125.00       | PLI projected payment   | 434.19       |
| Interest due paid      | 297.30       | PLI start date          | Jan 31, 2008 |
| Total settlement       | 42,378.36    | PLI end date            | Feb 01, 2038 |
| Monthly income earned  | 297.30       |                         |              |
| Action code            |              |                         |              |
| Action date            |              |                         |              |

☒ Rural development flag  
Next interest accrual date 06 2016

If the PLI % of participation is not 100%, be sure that the PLI original investment amount is manually calculated using the PLI % (Loan balance X PLI %).

Account Inquiry History Account Analysis

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FR (2662) 7/12/16

This screen shows details about this participation loan account, both from the credit union's perspective (Current Loan Status/Servicing Information) as well as the investor's point of view (Last Settlement Detail/PLI Terms).

Refer to **Page 17** for detailed descriptions of the fields on this screen.

# SETTLEMENT/WORK FILE PROCESSING

## REVIEW MEMBER ACTIVITY

### PL 2: 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 Sep 01, 2013 [MMDDYYYY] to Sep 30, 2013 [MMDDYYYY]

PL investors  0 selected

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

Navigation icons: back, forward, up, down, print, help, and a status bar with FR (4062).

| Field Name             | Description  |
|------------------------|--|
| Corp ID                | Corporation ID, defaults to 01.  |
| Transaction date range | The range of dates for the member activity.  |
| PL investors           | This is a Select button that allows you to select one or multiple investors to print on the report. (See <b>Page 84</b> for information about configuring PLIs.) A value is required, blank is none. |

Before running a work file, run this report to review member payment activity on the selected loans. Enter the “Transaction date range” and the “PL investors”. The report is viewed on the screen and printed via *Print Report* (F14) if desired.

To help determine the “Transaction date range”, check the last time that a settlement work file was processed. For example, if the last payment work file was posted for 1/31/19 and today is 2/10/19, then use 02/01/2019 to 02/09/2019 for the date range.

Keep in mind that this report can be run using any date range, but will only provide activity if transactions exist on the member transaction files. The prior 12 months of member activity is available.

Session 0 CU\*BASE GOLD Edition - FRANKENMUTH CREDIT UNION

File Edit Tools Help

## Member Activity on Participation Loans

CORP 01 CREDIT UNION

Total tran amount 2,935,678.70  
Total principal 2,935,678.70  
Total interest 425,379.74

Date range Sep 01, 2013 to Sep 30, 2013

| PLI | Loan Account | Tran Date | Tran Amount | Principal | Interest | Res Balance | Description          | Description 2        |
|-----|--------------|-----------|-------------|-----------|----------|-------------|----------------------|----------------------|
| 002 | 790          | 9/02/2013 | 468.82      | 141.43    | 327.39   | 92,301.24   | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/02/2013 | 745.66      | 339.44    | 406.22   | 114,359.52  | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/02/2013 | 152.87      | 152.87    | 0.00     | 114,512.39  | XFER FOR ESCROW      |                      |
| 002 | 790          | 9/30/2013 | 1,002.27    | 356.44    | 645.83   | 221,076.86  | PC CU TRANSFER       | 790 FANNIE MAE LOAN  |
| 002 | 790          | 9/02/2013 | 1,422.59    | 508.92    | 913.67   | 273,595.57  | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/02/2013 | 112.09      | 112.09    | 0.00     | 273,707.66  | XFER FOR ESCROW      |                      |
| 002 | 790          | 9/02/2013 | 488.61      | 328.45    | 160.16   | 69,560.20   | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/02/2013 | 11.40       | 11.40     | 0.00     | 69,548.80   | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PRIN |
| 002 | 795          | 9/02/2013 | 984.56      | 844.42    | 140.14   | 36,525.81   | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/30/2013 | 461.41      | 357.95    | 103.46   | 39,370.84   | TRANSFER PAYMENT     | MBR-ELECTED PAYMENT  |
| 002 | 790          | 9/30/2013 | 138.59      | 138.59    | 0.00     | 39,232.25   | TRANSFER PAYMENT     | MBR-ELECTED PRINCIPA |
| 002 | 790          | 9/02/2013 | 679.15      | 527.83    | 151.32   | 55,343.23   | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/02/2013 | 250.52      | 250.52    | 0.00     | 55,593.75   | XFER FOR ESCROW      |                      |
| 002 | 790          | 9/02/2013 | 267.38      | 187.32    | 80.06    | 38,244.26   | AUTO. FUNDS TRANSFER | AFT MBR-ELECTED PAYM |
| 002 | 790          | 9/12/2013 | 680.41      | 349.25    | 331.16   | 75,344.60   | PC CU TRANSFER       | MBR-ELECTED PAYMENT  |
| 002 | 790          | 9/12/2013 | 19.59       | 19.59     | 0.00     | 75,325.01   | PC CU TRANSFER       | MBR-ELECTED PRINCIP  |
| 002 | 790          | 9/12/2013 | 222.08      | 222.08    | 0.00     | 75,547.09   | XFER FOR ESCROW      |                      |
| 002 | 790          | 9/29/2013 | 680.41      | 349.90    | 330.51   | 75,197.19   | AUTO. FUNDS TRANSFER |                      |

Account Inquiry

Sort by Account

Print Report

FR (4084) 10/31/13

If there is payment activity (regular payments, principal curtailments, account adjustments, payoffs), then the next step is to run a work file to process the payments.

*Important Note: In addition to the monthly reporting work file for the 15<sup>th</sup> of the month, you are required to run an end of month work file for Freddie Mac loans regardless of whether there is member loan activity.*

Refer to **Page 71** for detailed information on this report.


## REVIEW UNFUNDED PARTICIPATION LOANS


*PL 3: Review Unfunded Participation Ln (Tool #768)*

Session 0 CU\*BASE GOLD Edition - Unfunded Participation Loan Report

Corp ID **01**

Loan categories Select **0** selected

 This inquiry looks for unfunded participation loans by loan category code. Unfunded loans are open on the member loan file, but do not exist on the participation loan file.



FR (4079)

## Field Descriptions

| <i>Field Name</i> | <i>Description</i>  |
|-------------------|---|
| Corp ID           | Corporation ID, defaults to 01.   |
| Loan categories   | This is a select button that allows selection of 1 or more loan category codes. At least one entry is required. |

For daily processing, before running a work file, run this report to identify unfunded (new) loans by loan category code. The report is viewed on the screen and printed via *Print Report* (F14) if desired.

Unfunded loans are open on the member file, but do not exist on the participation loan file. This report helps to identify new loans that should be added to the participation loan system and loans waiting to be funded by Freddie Mac. Refer to **Page 13** for the steps to add a loan to the PL system.

[illegible]

Refer to **Page 73** for detailed information on this report.



## REVIEW PAID OFF MEMBER LOANS

### PL 4: Review Paid Off Participation Lns (Tool #767)

Session 0 CU\*BASE GOLD Edition - Paid Off Loan Report Inquiry

Corp ID 01

Loan categories **Select** 0 selected

Closed date range Sep 01, 2013 [MMDDYYYY] to Sep 13, 2013 [MMDDYYYY]

**i** This inquiry checks for paid off member loans by loan category code. Paid off loans are closed on the member loan file.

Navigation icons: back, forward, up, down, print, search, help, and a status bar showing FR (4085).

#### Field Descriptions

| Field Name        | Description   |
|-------------------|---|
| Corp ID           | Corporation ID, default is 01.  |
| Loan categories   | This is a select button that allows selection of 1 or more loan category codes. At least one entry is required. |
| Closed date range | This is the closed date range based on the date the loan closed on the member file.                             |

For daily processing, before running a work file, run this report to identify closed (paid off) member loans. The report is viewed on the screen and printed via *Print Report* (F14) if desired.

The report is used to identify paid off loans that will need an interest adjustment in the PL work file. If the participation loan status is an “E” (Existing), the closed loan is open on the participation loan system.

This report may be helpful for cleaning up the participation loan files. By identifying the closed (paid off) member loans, the loans with a participation loan status of “C” (Closed) can be manually deleted from the participation loan system by accessing **Tool #119 PL 1: Add/Maintain Participation Loans**, selecting the loan, then clicking **Delete**.

*Note: Be sure that the principal and interest is paid to zero in the work file before deleting the loan from the participation loan files.*

Session 0 CU\*BASE GOLD Edition - FRANKENMUTH CREDIT UNION

File Edit Tools Help

## Paid Off Loan Report - Inquiry

CORP 01 CREDIT UNION

LOAN CATEGORY 60

Date range Sep 01, 2013 to Sep 13, 2013 Total # of loans 5

| Loan Account # | Name | Loan Ctg | Principal | Member Information |              |               | PL Sts | RD Ln |
|----------------|------|----------|-----------|--------------------|--------------|---------------|--------|-------|
|                |      |          |           | Open Date          | Closed Date  | Last Pmt Date |        |       |
| 790            |      | 60       | 0.00      | Apr 08, 2013       | Sep 03, 2013 | Sep 03, 2013  | C      | N     |
| 790            |      | 60       | 0.00      | Oct 13, 2011       | Sep 06, 2013 | Sep 06, 2013  | C      | N     |
| 790            |      | 60       | 0.00      | Dec 15, 2010       | Sep 13, 2013 | Sep 13, 2013  | C      | N     |
| 790            |      | 60       | 0.00      | Oct 05, 2011       | Sep 10, 2013 | Sep 10, 2013  | C      | N     |
| 795            |      | 60       | 0.00      | Jun 29, 2009       | Sep 13, 2013 | Sep 13, 2013  | C      | N     |

Account Inquiry

Print Report

FR (4087) 10/31/13

Refer to **Page 74** for detailed information on this report.

## PAID OFF LOAN SCENARIOS

Below are examples of different payoff dates throughout the month and the appropriate interest adjustment. These examples are for a FHMC SA loan based upon a "Next interest accrual date" of the 16th of the month and a "PLI loan rate" of 5.00%.

| Loan Payoff Date | Principal Balance | Last Pmt | Interest Due (current) | Manual Interest Adjustment in Work File  | Resulting Interest Paid    |
|------------------|-------------------|----------|------------------------|--|----------------------------|
| 6/4/11           | \$94,899          | April    | \$395.42               | <i>Interest Due</i> of \$395.42 moves to <i>Interest Paid</i> in the work file. Add payoff adjustment amount of \$39.00 to <i>Interest Paid</i> (3 days of interest for June 1-3 <sup>rd</sup> ) | \$434.42<br>(395.42+39.00) |
| 6/4/11           | \$94,899          | June     | \$0.00                 | Verify <i>Interest Due</i> equals zero and adjust <i>Interest Paid</i> by \$39.00 (3 days of interest for June 1-3 <sup>rd</sup> ).  | \$39.00                    |
| 5/25/11          | \$94,899          | May      | \$395.42               | <i>Interest Due</i> of \$392.42 moves to <i>Interest Paid</i> in the work file. Subtract payoff adjustment amount of -\$78.00 from <i>Interest Paid</i> (6 days of interest for May 26-31)       | \$317.42 (392.42-78.00)    |
| 5/25/11          | \$94,899          | June     | \$0.00                 | Adjust <i>Interest Paid</i> to -\$78.00 (6 days interest refunded May 26-31)   | -\$78.00                   |

*Note: Past Due Interest does not apply to Freddie Mac loans because interest is remitted monthly to Freddie Mac regardless of whether the member made a payment.*

## CREATE/POST PL PAYMENT WORK FILE

*PL 5: Create/Post Part. Ln Pmt Work File (Tool #314)*

This is the first screen used for creating a work file. Enter a “Settlement calculation routine” and “Settlement type”. “Company code” is optional and will not display if no company codes are configured for your credit union.

### Field Descriptions

| Field Name                     | Description  |
|--------------------------------|--|
| Settlement calculation routine | The routine that determines how the settlement amounts get calculated when a work file is processed. Valid settlement calculation routines are FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard participation loans), and P360 (other 360 mortgage loans).   |
| Settlement type                | The method used for determining how funds are paid to the investor: either by AA ( <i>Actual/Actual</i> ), taking into account actual activity on the loan or SA ( <i>Scheduled/Actual</i> ), taking into account scheduled interest and actual principal collected from the member.<br><br>Note: The SS ( <i>Scheduled/Scheduled</i> ) settlement type is not available for use at this time. |
| Company code                   | This is a 3 position code that identifies companies that service participation loans, i.e. a mortgage CUSO.<br><br>Note: If no company codes are configured, this field will not display.  |

File Edit Tools Help

## Create/Post Work File for PLI Payments

NO WORK FILE PRESENT

Settlement calculation routine **FHMC**

Settlement type **SA**

☐ Job queue  
Copies **1**  
Printer **P1**

Settle through date **May 20, 2019** [MMDDYYYY]

☐ Export final settlement report to file

Report format **Activity type**

Process

URL: [http://www.allregs.com/tpl/public/fhmc\\_freesite\\_tll.aspx](http://www.allregs.com/tpl/public/fhmc_freesite_tll.aspx)

Delete Work File

← → ↑ || 🖨️ 🔗 ⓘ ? @

FR (4115) 5/21/19

SA referred to by Freddie Mac as Net Yield  
This is the REQUIRED and ASSUMED Accounting Method for Freddie Mac; Scheduled INT & Actual principal. Scheduled interest will be calculated on the 1st business day based on the current Cycle ending UPB Process workfile daily, all funds to be deposited into Custodial Accounts.  
Process workfile for 14th and EDM required before settlement with Freddie Mac. Settlement no later than 1 business day after cutoff  
Investor file creation required on the 15th & EDM and must be done prior to Interest Accrual on 1st Freddie Mac receives all actual principal paid by member, and all scheduled accrued interest regardless of whether member paid.  
  
Reconcile P&I Custodial Account monthly with Form 59 Principal and Interest Custodial Account Reconciliation Worksheet. Reconcile T&I Custodial Account monthly with Form 59E Escrow Recon. Wrksht

This is the second screen used to create, work, or post a work file for loans in the selected settlement calculation routine, settlement type, and company code (if applicable). Settlement can be performed for all loans, a batch of loans with the same PL Investor, or for a single loan account.

### Steps for Processing a Work File

1. Enter the "Settle through date". This date usually defaults to the prior day. There are two exceptions: 1) It is after the 14<sup>th</sup> of the month and the required mid-month work file has not been processed. In this case, the 14<sup>th</sup> of the month will default. 2) A work file already exists for a prior date.

*For FHMC loans, the system requires both the mid month work file (14<sup>th</sup>) and a month end work file to be created and posted.*

2. Check the box if you would like to Export final settlement report to file.
3. Choose the "Report format" for the Participation Loan Settlement Detail Report, Activity type (A), Member payment dates (D) or Both (B). Default is A for Activity Type. Refer to **Page 57**.
4. Choose either "Process" option "1=Calculate settlement for investor/loan" or "2=Calculate settlement for all loans" to create the work file (See **Page 38** for more detail on the Process options). Enter to create the work file.

*A work file cannot be created if one already exists for that date, even if it contains only one record. If Work File Status reads "Work File Exists," use "Delete Work File" (F16) to delete the existing work file.*

5. 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 (see **Page 57** for a sample of this report). This report lets you review settlement information before the settlement is posted.

6. If desired, use “Process” option “3=Work with Settlement Work File” to review the payment information in the work file and process maintenance to loan accounts. The Trial Version of the Settlement Detail Report will generate from this step.
7. 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.

*Once you have posted a work file and exited the screen, you cannot re-create a work file for the same date. To make any adjustments to a loan after posting the work file, use the adjustment screen on **Page 22**.*

#### Field Descriptions

| Field Name                             | Description   |
|--|---|
| Work File Status                       | The status on the top right of the screen will either be “WORK FILE EXISTS” or “NO WORK FILE PRESENT”. The system allows only one work file for each <i>Settlement calculation routine</i> and <i>Settlement type</i> to be present at a time. If one has been created (even if it only contains one account), this will read “WORK FILE EXISTS.” You may use Process option 3 to modify the work file items, or use <b>Delete Work File (F16)</b> to clear the work file (status will change to “NO WORK FILE PRESENT”). |
| Settlement calculation routine         | The routine that determines how the settlement amounts get calculated when a work file is processed. Valid settlement calculation routines are FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard 365 participation loans), and P360 (other 360 mortgage loans).  |
| Settlement type                        | The method used for determining how funds are paid to the investor: either by <i>AA (Actual/Actual)</i> , taking into account actual activity on the loan or <i>SA (Scheduled/Actual)</i> , taking into account scheduled interest and actual principal collected from the member.<br>Note: The <i>SS (Scheduled/Scheduled)</i> settlement type is not available for use at this time.  |
| Company code                           | This is a 3 position code that identifies companies that service participation loans, i.e. a mortgage CUSO.<br>Note: If no Company Codes are configured at your credit union, this field will not display.  |
| Settle through date                    | Choose a date for this settlement. All payments made from the last settlement date through (but not including) this date will be included in the settlement work file.<br>Exception: For PART loans, when a work file is run for a single loan account, current day transactions will be included.  |
| Export final settlement report to file | Check the box if you would like to export the final settlement report to a file.  |

| <i>Field Name</i>           | <i>Description</i>   |
|-----------------------------|--|
| Report format               | <p>The report format for the Settlement Detail Report. Options are:</p> <p><b>Activity type</b> (A) displays Activity types in the far right columns. Activity types include regular payment, principal curtailment, paid ahead, payment adjustment, new loan, past due loan and paid off loan.</p> <p><b>Member payment dates</b> (D) displays the last payment date, next payment date, # of transactions (#Trn) and adjustments (#Adj).</p> <p>Both (B) will generate both versions of the report.</p> <p>Refer to <b>Page 57</b> for more information on the Settlement Detail Report.</p>   |
| Process                     | <p>Select one of the following options, then use Enter to proceed:</p> <p><b>(1) Calculate Settlement for Investor/Loan</b> - Use this option to create a settlement work file for a batch of loans, either according to the investor or to settle just a single loan account. If this is selected, additional fields will appear (described below) and should be completed before using Enter to continue.</p> <p><b>(2) Calculate Settlement for All Loans</b> - Use this option to create a settlement work file for ALL existing participation loan accounts within the settlement calculation routine and settlement type, regardless of investor. When Enter is used to continue, the system will create the work file. When done, a message will appear indicating the number of records placed into the work file. Use Enter to continue.</p> <p><b>(3) Work With Settlement Work File</b> - After a work file is created, this option is used to review the work file and modify individual amounts for situations like payoffs, new loans, or delinquent loans over 2 months. These new amounts will be used when the work file is posted. The screen shown on <b>Page 43</b> will appear.</p> <p><b>(4) Post Work File</b> - After the work file is generated and all needed maintenance has been done, use this option to post the work file and create a journal batch that will await posting in the General Ledger.</p> <p><b>IMPORTANT:</b> Remember to use the <i>Create/Post Journal Entries</i> to post the batch to the G/L.</p> |
| PL investors                | <p><i>(Appears only when Process (1) is selected.)</i> This is a Select button that allows you to settle loans for one or multiple investors within the <i>Settlement calculation routine</i>.</p> <p>See <b>Page 84</b> for details on configuring PL investors.</p>  |
| Process single loan account | <p><i>(Appears only when Process (1) is selected.)</i> To settle for just one loan account (such as if the loan account is being paid off), a single payment needs to be processed, or the terms of the loan modified, use this field to enter the account base and suffix.</p>  |
| Tips                        | <p>The settlement tips for the investor as defined on the Settlement Calculation Routine Configuration. Refer to <b>Page 88</b>.</p>   |

| <i>Field Name</i> | <i>Description</i>   |
|-------------------|--|
| URL               | The URL for the investor as defined on the Settlement Calculation Routine Configuration. Refer to <b>Page 88</b> . |

## Settlement Detail Report

The Participation Loan Settlement Detail report generates when creating, working or posting a settlement work file. The Trial Report version generates when creating or working the work file to give you a “before” picture of the work file (*Process* options 1, 2 or 3 described on **Page 38**). The Final Report version generates when posting a work file (*Process* option 4).

There are two formats for the Settlement Detail Report, Activity Type or Member Payment Dates. It is recommended to run the Activity Type format for Freddie Mac loans. Refer to **Page 57** for more information and sample reports.

## PL WORK FILE PAYMENT PROCESSING

The following types of loan payments can be processed in a work file:

| <i>Field Name</i>                          | <i>Description</i>  |
|--|---|
| <b>Regular Payment</b>                     | Transaction File =<br>1) Tran Code 22 and not a Principal Curtailment or a Paid Ahead Payment<br>2) Tran Code 23/Tran Type 60 or 61 (delinquent fines is 60, escrow transfers is 61). |
| <b>Principal Curtailment</b>               | Transaction File = Tran Code 22 and principal payment applied without payment (principal is paid, interest is not paid)   |
| <b>Paid Ahead</b>                          | Transaction File = Tran Code 22 and Tran Type 15.   |
| <b>Payment Adjustment- post payment</b>    | Transaction File = Tran Code 24 and Tran Type 85.   |
| <b>Payment Adjustment- reverse payment</b> | Transaction File = Tran Code 25 and Tran Type 95.   |

*For FHMC loans, a work file will never contain same day payments. You can only create a work file for a prior day. For current day payments, you must wait until the following day to process those payments.*

The Activity Type version of the Settlement Detail Report generated when the work file is created will help to identify the type of payment in the work file. Refer to **Page 57** for more information on Activity Types and this report.

## How loan payments are handled

When a work file is posted for Freddie Mac loans (Settlement calculation type FHMC/Settlement Type SA), the system updates the participation loan “Principal Paid” and “Interest Paid” fields as follows:

## FHMC Settlement Type SA

| <b><i>Type of Payment</i></b>      | <b><i>PL Principal Paid</i></b>  | <b><i>PL Interest Paid</i></b>                |
|------------------------------------|--|---|
| Regular Payment                    | Increase PL <i>Principal paid</i> by the principal paid on the transaction record.     | Populate from the PL <i>interest due</i> .    |
| Principal Curtailment              | Increase the PL <i>Principal paid</i> by the principal paid on the transaction record. | Not populated.                                |
| Paid Ahead                         | Increase the PL <i>Principal paid</i> by the principal paid on the transaction record. | Interest is calculated and populated          |
| Payment Adjustment-post payment    | Increase PL <i>Principal paid</i> by the principal paid on transaction record.         | Not populated. Interest is manually adjusted. |
| Payment Adjustment-reverse payment | Reduce PL <i>Principal paid</i> by the principal paid on the transaction record.       | Not populated. Interest is manually adjusted. |

For FHMC SA Loans, if the loan category configuration on the member file indicates to allow paid ahead payments, you may have paid ahead payments in the PL work file. It is recommended to review the member loan account and follow your credit union's policy regarding reversal of the payment.

Refer to **Page 46** for more information on Scheduled/Actual (SA) loans.

Refer to the next page for more information on paid ahead loans.



## PAID AHEAD PAYMENTS FOR FREDDIE MAC

For FHMC, when a paid ahead payment is made, the work file will calculate the amount of interest due and will advance the participation accrual month by one. The following tool can be used to view the interest settlement amount calculated for paid ahead FHMC payments. In addition, the **LFMPAYAHDF** table (file) will house the interest settlement amount for all Freddie Mac paid ahead loans.

### Freddie Mac Loan Interest Paid Report (Tool #1043)

Enter a Process date, investor, and an optional company code on the entry screen and use Enter. The following report will print.

- NOTE: Tool #1043 only lists the interest settlement amount on paid ahead (not regular) payments for Freddie Mac loans. Paid ahead payments are identified by Tran Code 22 and Tran Type 15 in the TRANS2 file.

### Report Sample

|                          |             |   |                 |            |      |   |
|--------------------------|-------------|---|-----------------|------------|------|---|
| 12/05/23 16:03:18        |             | CU  |                 | LFMPAYAHDR | PAGE | 1 |
| RUN ON 12/05/23          |             | FREDDIE MAC INTEREST PAID FOR PAID AHEAD PAYMENTS |                 | USER       |      |   |
|                          |             | 11/2023   |                 |            |      |   |
| INVESTOR 008 FREDDIE MAC |             |   |                 |            |      |   |
| LOAN ACCOUNT             | MEMBER NAME | LOAN INTEREST PAID                                | SETTLEMENT DATE |            |      |   |
| 8-758                    |             | 470.13  | 11/30/2023      |            |      |   |
| 2-759                    |             | 651.65  | 11/30/2023      |            |      |   |
| 8-758                    |             | 426.03  | 11/30/2023      |            |      |   |
| 0-750                    |             | 377.99  | 11/22/2023      |            |      |   |
| 0-758                    |             | 436.78  | 11/30/2023      |            |      |   |
| 8-758                    |             | 589.87  | 11/22/2023      |            |      |   |
| 3-759                    |             | 704.01  | 11/22/2023      |            |      |   |
| 0-759                    |             | 1269.24   | 11/30/2023      |            |      |   |
| 1-759                    |             | 428.93  | 11/30/2023      |            |      |   |
| 9-758                    |             | 563.08  | 11/22/2023      |            |      |   |
| 5-758                    |             | 1078.67   | 11/22/2023      |            |      |   |
| 2-759                    |             | 549.29  | 11/30/2023      |            |      |   |
| 2-758                    |             | 530.65  | 11/22/2023      |            |      |   |
| 2-758                    |             | 734.76  | 11/22/2023      |            |      |   |
| 5-758                    |             | 353.80  | 11/22/2023      |            |      |   |
| 132654-758               |             | 532.13  | 11/30/2023      |            |      |   |
|                          |             | TOTAL   | 9697.01         |            |      |   |
| ***END OF REPORT***      |             |   |                 |            |      |   |

## PROCESSING PAYMENTS FOR A PAST DUE LOAN

To help identify loans that are past due in a work file, check the Settlement Detail Report for loans with Activity Type F (Past Due Loan). Refer to **Page 57** for more information on this report.

For FNMA, FHLB, and P360 loans with settlement type of AA (Actual/Actual), the PL “Past Due Interest” field gets populated during PL interest accrual. If an interest amount resides in the current “Interest Due” field (no payments occurred), this “Interest Due” amount will be added to the “Past Due Interest” field and the newly accrued interest will move into the current “Interest Due” field.

*Remember that the PL Past Due Interest field will never be populated for a FHMC SA loan because current interest due is remitted to Freddie Mac each month regardless of whether the member made a payment that period. (Interest Due is moved to Interest Paid via Post Delinquent Int (F17) during final settlement processing).*

### Special Note for Freddie Mac Delinquent Loans

For FHMC, when a loan has been reported for four consecutive cycles as delinquent without activity, Freddie Mac will automatically flag the loan as inactive and will not draft interest until the loan is current. Since the loan will continue to accrue interest monthly, here are two methods for tracking and balancing the monthly accruals.

1. Manually update the loan account to no longer accrue interest both on the member (Tool #20) and participation (Tool #119) side. Then track the loan so that if it becomes current, you manually update the loan to accrue interest again. Note: Not tracking when the loan becomes current can result in significant loss of interest income, therefore this method is not recommended.
2. Allow the interest to continue to accrue on both the member and participation side as it does today. Post the delinquent interest to the custodial account and track residual balance per member on the 59 Report.

## EDITING A WORK FILE

Session 1 CU\*BASE GOLD Edition - ABC CREDIT UNION

File

Edit

Tools

Help

Create/Work Participation Loan Settlement Work File

PLI

Account

Settle through

Oct 31, 2013

| PLI | Account | Type | Principal Balance | Past Due Interest | Interest Due | Principal Paid | Interest Paid | Monthly Income |
|-----|---------|------|-------------------|-------------------|--------------|----------------|---------------|----------------|
| 1   |         | 781  | 89,973.17         | 0.00              | 243.68       | 0.00           | 0.00          | 243.68         |
| 1   |         | 780  | 77,140.32         | 0.00              | 369.63       | 0.00           | 0.00          | 369.63         |
| 1   |         | 780  | 33,641.32         | 0.00              | 168.21       | 0.00           | 0.00          | 168.21         |
| 1   |         | 780  | 35,778.82         | 0.00              | 178.89       | 0.00           | 0.00          | 178.89         |
| 1   |         | 780  | 80,518.50         | 0.00              | 402.59       | 0.00           | 0.00          | 402.59         |
| 1   |         | 780  | 52,263.18         | 0.00              | 228.65       | 0.00           | 0.00          | 228.65         |
| 1   |         | 780  | 20,729.40         | 0.00              | 88.53        | 0.00           | 0.00          | 88.53          |
| 1   |         | 780  | 0.00              | 0.00              | 0.00         | 28,229.66      | 149.97        | 149.97         |
| 1   |         | 781  | 380,996.50        | 0.00              | 0.00         | 1,603.50       | 1,115.92      | 1,115.92       |
| 1   |         | 780  | 58,637.18         | 0.00              | 317.62       | 0.00           | 0.00          | 317.62         |
| 1   |         | 780  | 50,488.42         | 0.00              | 247.18       | 0.00           | 0.00          | 247.18         |
| 1   |         | 781  | 107,391.44        | 0.00              | 279.67       | 0.00           | 0.00          | 279.67         |
| 1   |         | 781  | 54,156.69         | 0.00              | 107.19       | 0.00           | 0.00          | 107.19         |
| 1   |         | 780  | 14,067.42         | 0.00              | 65.94        | 0.00           | 0.00          | 65.94          |
| 1   |         | 780  | 48,541.32         | 0.00              | 212.37       | 0.00           | 0.00          | 212.37         |

Select

4,025,479.26

0.00

14,860.84

29,833.16

1,265.89

16,126.73

Toggle

Summary

←

→

↑

⏮

⏭

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🔍

?

@

FR [4118] 11/27/13

*This screen appears when you select Process option (3) from the initial work file screen.*

Use this screen to view the contents of this work file before it is posted to the participation loan general ledger. You can modify interest and principal amounts in the work file. Changes made here will affect only this work file. If this work file is deleted before posting and later recreated, the changes will be lost.

The types of modifications made to a work file might be for adjusting the interest amounts due to a payoff or due to a past due payment. There could also be unique circumstances for a specific loan that requires an adjustment in a work file.

To modify an item, place your cursor on the item and use **Enter** or click **Select** to proceed to the next screen (shown on **Page 44**).

## Buttons

| <i>Command Key</i> | <i>Description</i>  |
|--------------------|---|
| Toggle (F11)       | Use this to toggle between the normal display and an alternative display that shows PLI name, member name, sequence and term. |
| Summary (F15)      | Use this to display a summary showing total settlement amounts for each PLI included in this work file.                       |

## Update

Session 1 CU\*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

### Create/Work Participation Loan Settlement Work File

|              |        |                   |                                 |
|--------------|--------|-------------------|---------------------------------|
| PLI          | 001    | FREDDIE MAC       |                                 |
| Loan account | 59 780 |                   | Original loan amount 137,600.00 |
| PL type      | 01     | FREDDIE MAC LOANS | Seq. 1                          |

---

Date reported Oct 31, 2013

Term 136

Principal bal 126,499.55

Interest due 632.50

Principal paid 0.00

Interest paid 0.00

Total settlement 55,487.99

Monthly income 632.50

Save

Navigation icons: back, forward, up, down, print, save, help, search, etc.

FR (4121) 11/27/13

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 only fields that can be updated are “Interest due”, “Principal paid”, and “Interest paid”. 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.

### Field Descriptions

| Field Name     | Description   |
|----------------|---|
| Past Due Int   | This is the amount of interest that is past due on the loan.<br><i>Note: This field does not display for FHMC or PART loans.</i>  |
| Interest due   | The amount of interest due on the loan.   |
| Principal paid | The amount of principal that will be paid to the investor, based on all payments that were made on the loan.<br>If no payments were made, this will be zero. If you wish to pay the investor anyway, simply enter the principal payment amount here.  |
| Interest paid  | The amount of interest that will be paid to the investor, based on all payments that were made on the loan.<br>If no payments were made, this will be zero. If you wish to pay the investor anyway, simply enter the interest payment amount here (be sure to also adjust <i>Interest Due</i> accordingly). |

[illegible]

Participation Lending: Freddie Mac 45

## SPECIAL STEP FOR SCHEDULED/ACTUAL (SA) LOANS

Loans with a settlement type of SA (Scheduled/Actual) use scheduled interest and actual principal collected from the member to pay the investor. SA is the REQUIRED and ASSUMED Accounting Method for Freddie Mac.

After editing the mid-month work file for FHMC SA loans, an additional step is required. Before posting the work file, you must use *Post Delinquent Int* (F17) to move the unpaid interest amount from “Interest Due” to “Interest Paid”. This is because the interest portion of the payment is “scheduled” and must be paid to the investor regardless of whether a payment was made on the loan that month.

HINT: Use *-Post Delinquent Int* (F17) to move unpaid interest from Interest Due to Interest Paid.

Session 0 CU\*BASE GOLD Edition - CREDIT UNION

File Edit Tools Help

### Create/Work Participation Loan Settlement Work File

PLI  Account  Settle through Sep 15, 2018

| PLI    | Account | Typ | Principal Balance | Past Due Interest | Interest Due | Principal Paid | Interest Paid | Monthly Income |
|--------|---------|-----|-------------------|-------------------|--------------|----------------|---------------|----------------|
| 2      | 700     |     | 75,736.75         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 701     |     | 11,583.38         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 46,755.93         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 36,943.30         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 52,541.82         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 35,182.97         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 93,651.52         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 36,254.91         | 0.00              | 154.84       | 0.00           | 0.00          | 154.84         |
| 2      | 700     |     | 91,706.61         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 76,337.29         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 701     |     | 88,163.39         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 25,086.66         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 51,248.93         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 701     |     | 37,679.27         | 0.00              | 0.00         | 0.00           | 0.00          | 0.00           |
| 2      | 700     |     | 22,702.72         | 0.00              | 106.30       | 0.00           | 0.00          | 106.30         |
| Select |         |     | 17,554,936.95     | 0.00              | 1,886.89     | 13,264.97      | 2,805.71      | 4,692.60       |

Toggle Summary Post Delinquent Int

← → ↑ || ⌨ 🔗 ⓘ ? @ 4118J 9/17/18

Session 0 CU\*BASE GOLD Edition - Confirm

Move interest due to interest paid for loans selected in the work file. Confirm to continue

Add/Update

← → ↑ || ⌨ 🔗 ⓘ ? @ Y6 [32]

*Note: There will never be Past Due Interest on an SA loan in the participation loan file. However, the member file does track past due interest owed to the credit union.*

# CREATE/POST GL JOURNAL ENTRIES

## Create/Post GL Journal Entries (Tool #61)

Session 0 CU\*BASE GOLD - LONG CREDIT UNION NAME TO TEST ON REPOR

File Edit Tools Help

### Work With Journal Entries

Create Journal Entry or Jump To

Journal entry action: ☒ Create ☐ Change

Effective posting date: 00/00/00 [MMDDYY] Corp ID: 1 J/E ID: J/E ID #

Reversal date: 00/00/00 [MMDDYY] Recurring date: 00/00/00 [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       | Apr 01, 2018   | PL | 00001  |               |                |          | A      |          |             |
| 1       | Apr 30, 2018   | PL | 00001  |               |                |          | A      |          |             |
| 1       | May 01, 2018   | DH | 90710  |               | May 11, 2018   |          | S      |          |             |
| 1       | May 01, 2018   | DH | 90711  |               | Jul 01, 2018   |          | A      |          |             |
| 1       | May 01, 2018   | DH | 101106 |               | May 24, 2018   |          | S      |          |             |
| 1       | May 02, 2018   | DH | 90710  |               | Jul 01, 2018   |          | S      |          |             |
| 1       | May 03, 2018   | DH | 100303 |               | Jun 03, 2018   |          | A      |          |             |
| 1       | May 05, 2018   | DH | 90706  |               | May 06, 2018   |          | A      |          |             |
| 1       | May 05, 2018   | DH | 90708  |               | Jun 05, 2018   |          | A      |          |             |
| 1       | May 05, 2018   | DH | 100702 |               | Jun 05, 2018   |          | A      |          |             |
| 1       | May 08, 2018   | DH | 101107 |               | Jun 08, 2018   |          | A      |          |             |
| 1       | May 10, 2018   | DH | 100206 |               | May 24, 2018   |          | S      |          |             |
| 1       | May 10, 2018   | D  | 52311  |               | May 24, 2018   |          | A      |          |             |
| 1       | May 10, 2018   | I  | 110113 |               | May 24, 2018   |          | A      |          |             |
| 1       | May 10, 2018   | 16 | 150219 |               | May 24, 2018   |          | A      |          |             |
| 1       | May 10, 2018   | 16 | 150318 |               | Jun 10, 2018   |          | A      |          |             |
| 1       | May 10, 2018   | 16 | 160510 |               | Jun 10, 2018   |          | A      |          |             |
| 1       | May 10, 2018   | 16 | 160512 |               | May 24, 2018   |          | A      |          |             |
| 1       | May 11, 2018   | DH | 90712  |               | Jul 01, 2018   |          | S      |          |             |

Change Copy Delete Rename Post Add comments

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

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.

F6 (5474) 8/21/18

PL in the ID column identifies this as a participation loan batch.

A journal entry batch gets created when a work file is posted and can contain entries for new loans, payments and interest accrual. Generally, there is one journal entry batch created for ID "PL" per day, therefore you may see multiple investors in the same batch.

To review the items in the batch, double click on the batch (or highlight and click **Change**). On the next "Maintain Journal Entries" screen, use *Post* (F2) to post the journal entry batch.

## Manual Journal Entry (adjustments) after investor reporting

To adjust interest amounts due to investor reporting exceptions after PL interest accrual OR for prior reporting cycle payoff adjustments, you must use this screen rather than the PL Adjustment screen described on **Page 22**. This is so that the entries are allocated to the G/L for the appropriate reporting cycle period.

1. Access **Tool #61 Create/Post GL Journal Entries**. Enter the following information to create the journal entry batch.

Create Journal Entry or Jump To

Journal entry action: ☐ Create ☐ Change ☒ N/A

Effective posting date: [MMDDYY] Corp ID: 1 J/E ID: J/E ID #

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

Last Date of Reporting Period

Current Posting Date

2. **Enter** to proceed to the "Maintain Journal Entries" screen and create the journal entry batch.

3. Process the journal entry as follows:

### To pay the investor additional funds (underpayment):

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

File Edit Tools Help

## Maintain Journal Entries

Jump to seq #  Go! Corp ID 1 Effective posting date Jan 31, 2015 Using J/E ID PL Using J/E # 1

Batch label ☐ Template

| Seq | Br # | G/L Account # | Debit | Credit | Source # | Description             |
|-----|------|---------------|-------|--------|----------|-------------------------|
| 1   | 1    | 786.01        | 65.10 | 0.00   |          | PLI 002 ADJ INT TO FHMC |
| 2   | 1    | 117.01        | 0.00  | 65.10  |          | PLI 002 ADJ INT TO FHMC |
| 3   | 1    | 117.01        | 65.10 | 0.00   |          | PLI 002 ADJ INT TO FHMC |
| 4   | 1    | 899.01        | 0.00  | 65.10  |          | PLI 002 ADJ INT TO FHMC |
| 5   |      |               | 0.00  | 0.00   |          |                         |
| 6   |      |               | 0.00  | 0.00   |          |                         |
| 7   |      |               | 0.00  | 0.00   |          |                         |
| 8   |      |               | 0.00  | 0.00   |          |                         |
| 9   |      |               | 0.00  | 0.00   |          |                         |
| 10  |      |               | 0.00  | 0.00   |          |                         |
| 11  |      |               | 0.00  | 0.00   |          |                         |
| 12  |      |               | 0.00  | 0.00   |          |                         |
| 13  |      |               | 0.00  | 0.00   |          |                         |
| 14  |      |               | 0.00  | 0.00   |          |                         |
| 15  |      |               | 0.00  | 0.00   |          |                         |
| 16  |      |               | 0.00  | 0.00   |          |                         |
| 17  |      |               | 0.00  | 0.00   |          |                         |
| 18  |      |               | 0.00  | 0.00   |          |                         |
| 19  |      |               | 0.00  | 0.00   |          |                         |
| 20  |      |               | 0.00  | 0.00   |          |                         |

Records imported 0  
Records in error 0

Debit 3,113.81  
Credit 3,113.81  
Net 0.00

Special Posting Features  
Status Active  
Reversing  
Year end No  
Recurring

Special Post New Journal Entry Import Entries Skip Suspend Journal Entry

FR (2122) 4/01/15

### To recoup funds already paid to the investor (overpayment):

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

File Edit Tools Help

## Maintain Journal Entries

Jump to seq #  Go! Corp ID 1 Effective posting date Jan 31, 2015 Using J/E ID PL Using J/E # 1

Batch label ☐ Template

| Seq | Br # | G/L Account # | Debit | Credit | Source # | Description              |
|-----|------|---------------|-------|--------|----------|--------------------------|
| 1   | 1    | 117.01        | 65.10 | 0.00   |          | PLI 002 ADJ INT FRM FHMC |
| 2   | 1    | 786.01        | 0.00  | 65.10  |          | PLI 002 ADJ INT FRM FHMC |
| 3   | 1    | 899.01        | 65.10 | 0.00   |          | PLI 002 ADJ INT FRM FHMC |
| 4   | 1    | 117.01        | 0.00  | 65.10  |          | PLI 002 ADJ INT FRM FHMC |
| 5   |      |               | 0.00  | 0.00   |          |                          |
| 6   |      |               | 0.00  | 0.00   |          |                          |
| 7   |      |               | 0.00  | 0.00   |          |                          |
| 8   |      |               | 0.00  | 0.00   |          |                          |
| 9   |      |               | 0.00  | 0.00   |          |                          |
| 10  |      |               | 0.00  | 0.00   |          |                          |
| 11  |      |               | 0.00  | 0.00   |          |                          |
| 12  |      |               | 0.00  | 0.00   |          |                          |
| 13  |      |               | 0.00  | 0.00   |          |                          |
| 14  |      |               | 0.00  | 0.00   |          |                          |
| 15  |      |               | 0.00  | 0.00   |          |                          |
| 16  |      |               | 0.00  | 0.00   |          |                          |
| 17  |      |               | 0.00  | 0.00   |          |                          |
| 18  |      |               | 0.00  | 0.00   |          |                          |
| 19  |      |               | 0.00  | 0.00   |          |                          |
| 20  |      |               | 0.00  | 0.00   |          |                          |

Records imported 0  
Records in error 0

Debit 3,113.81  
Credit 3,113.81  
Net 0.00

Special Posting Features  
Status Active  
Reversing  
Year end No  
Recurring

Special Post New Journal Entry Import Entries Skip Suspend Journal Entry

FR (2122) 4/01/15

These G/L accounts in these sample screens are the recommended G/L accounts described on **Page 91**.



4. Process the appropriate account adjustment to the P&I Custodial Account. Refer to **Page 49**.

## MEMBER ACCOUNT ADJUSTMENT/POST TO CUSTODIAL ACCOUNT

### Member Account Adjustment (Full) (Tool #492)

Session 2 CU\*BASE GOLD - FRANKENMUTH CREDIT UNION

File Edit Tools Help

### Member Account Adjustment

Account # 91-705 ROBERT W SMITH  
Principal G/L 701.10 Accrued G/L 751.10 Income/expense G/L 111.22 Member branch 22

| Status Before Correction |            |                   |          |
|--------------------------|------------|-------------------|----------|
| Principal balance        | 125,696.82 | Interest due      | 430.11   |
|                          |            | YTD interest paid | 1,438.57 |

| Type                     | Amount | Description | Interest | Principal | G/L # | Location |
|--------------------------|--------|-------------|----------|-----------|-------|----------|
| <input type="checkbox"/> | 0.00   |             | 0.00     | 0.00      |       |          |
| <input type="checkbox"/> | 0.00   |             | 0.00     | 0.00      |       |          |
| <input type="checkbox"/> | 0.00   |             | 0.00     | 0.00      |       |          |
| <input type="checkbox"/> | 0.00   |             | 0.00     | 0.00      |       |          |
| <input type="checkbox"/> | 0.00   |             | 0.00     | 0.00      |       |          |

Delinquent fine YTD amount 0.00 Delinquent fine amount 0.00  
Last payment amount 960.84 Last payment date Mar 05, 2015 [MMDDYYYY]

| Status After Correction |            |                   |          |
|-------------------------|------------|-------------------|----------|
| Principal balance       | 125,696.82 | Interest due      | 430.11   |
|                         |            | YTD interest paid | 1,438.57 |

Dividend/Interest Calc  
Post  
New Account

**i** Member account adjustments correct only the member's balance and the member information associated with the adjustment type code. If you are correcting a current day teller cash error, a corresponding teller drawer adjustment may be required. Always verify the adjustment results for the member's account and teller's cash balance when appropriate.

FR (5253) 4/01/15

Use this screen to post payments or paid off funds to an investor P&I Custodial Account. This function is also used to post the escrow balance adjustments to an investor T&I Custodial Account.

Custodial Accounts are used for government investors to hold the daily funds owed to them until the amounts are settled with the investor (per the timing in the investor agreement). Custodial Accounts are not used with PART or P360 loans.

### P&I Custodial Account Adjustment (Principal and Interest)

This account adjustment is used to post the funds from the PL settlement G/L account to the P&I Custodial Member Account.

1. Take the "Total Cash Settlement" amount from the Final version of the Settlement Detail Report (created from **Tool #314 PL 5: Create/Post Part. Ln Pmt Work File**) and post the amount as a credit to the P&I Custodial Account offsetting the settlement G/L (typically 899-xx).

*Note: If separate work files were created for the same investor it is recommended that separate account adjustment entries are done for each. This way the transaction amounts listed in the member history will match back to the Settlement Detail Report totals.*

### T&I Custodial Account Adjustment (Taxes and Insurance)

This account adjustment is used to post the amount needed to make the T&I Custodial Account match the balance of the total member escrow accounts.

1. Check the balance in the T&I Custodial Account.
2. Access the Escrow Share Detail Report and review the Freddie Mac escrow accounts. (This daily LPLESC report lists escrow accounts by dividend application and has separate totals for the positive and negative balances). See **Page 66** for a sample of this report.

*Note: If there are no escrow accounts for the loans processed in the work file, then the next steps are not needed.*

3. Review the amount on the Escrow Share Detail Report for the “Total Positive Balances” and make either a debit or a credit entry to the T&I Custodial Account to match this balance. Use the appropriate Contra Escrow G/L account for the investor as the offset G/L#.

*The next steps are only required if there is a “Total Negative Balances” amount for the FHMC escrow accounts on the Escrow Share Detail Report.*

4. Check the balance in the Negative Escrow Funding G/L (generally 725.xx). Compare the escrow funding G/L balance to the “Total Negative Balances” on the Escrow Share Detail Report”. Make a general ledger entry using **Tool #61 Create/Post GL Journal Entries** to match these balances as follows:
  - If the Negative Escrow Funding G/L balance is less than the “Total Negative Balances”, post a debit to Negative Escrow Funding G/L and a credit to the Contra Escrow G/L; use the description “FUND NEG ESC ACCOUNTS”.
  - If the Negative Escrow Funding G/L balance is more than the “Total Negative Balances”, post a credit to the Negative Escrow Funding G/L and a debit to the Contra Escrow G/L; use the description “RECLASS NEG ESC FUNDING”.

Refer to the General Ledger section on **Page 97** for more information and examples of adjusting Custodial Accounts.

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# GOVERNMENT INVESTOR FILE

The credit union must report loan activity to Freddie Mac. As of June 2019, reporting can occur any day of the month that there is loan activity, however is not required unless it is CD 15 reporting (see next paragraph).

Reporting of all loans regardless of activity is required on the 15<sup>th</sup> or the first business day after the 14<sup>th</sup> (CD 15). The system will force this required reporting file.

A reporting file must also be created as of end-of-month (EOM) to ensure that system control dates are updated properly and interest can be accrued. The EOM reporting should occur the 1<sup>st</sup> business day after month end.

*Important Note: Freddie Mac does not require a reporting file to be transmitted for month end if there is no activity. However, the file must still be created per the instructions on the next page.*

Be sure that you have a folder on your PC called Midanet and a secondary folder named FILExx. This is the location where the files will be stored for later transmission to Freddie Mac.

## Special Note: Security Requirements

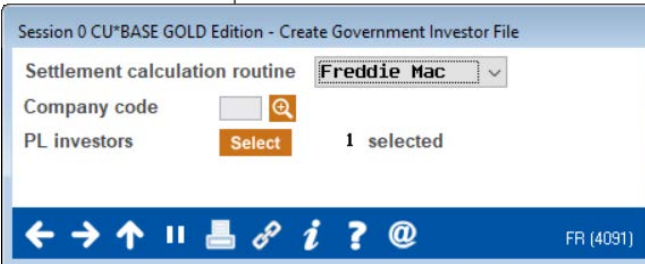
Downloading files from the CU\*BASE iSeries requires special security authorization by a CU\*BASE representative. If you or a member of your staff needs to be able to download files, please contact a Client Service Representative to set up the proper permissions. Authorization by your credit union's designated Security Officer is required to grant these permissions. On a monthly basis, your Security Officer will be required to confirm the staff that have been given clearance to download files.

Contact the Lender\*VP department at [sales@lendervp.com](mailto:sales@lendervp.com) and request access to the client access files required for the processing the download.

*Important Note: Before creating and downloading the government investor file, be sure that you have created a file called "Midanet" on your PC. Refer to **Page 5** for the steps required to prepare your PC for downloads.*

## CREATE/DOWNLOAD FREDDIE MAC FILE

Create PL Government Investor File (Tool #304)



The first selection screen requires the "Settlement calculation routine" and "PL investors". The "Company code" is optional and will only display if your

credit union has company codes configured. If multiple investors are selected, they must all have the same Seller/Service number.

#### Field Descriptions

| Field Name                     | Description   |
|--------------------------------|---|
| Settlement calculation routine | Enter the Settlement Calculation Routine FHMC.  |
| Company code                   | Enter the optional Company code if applicable. A lookup button lists the available Company Codes. If your credit union does not have any Company Codes configured, this field will not display on the screen. |
| PL investor #                  | This is a Select button that allows selection of one or multiple investors. Only those investors with the previously selected Settlement Calculation Routine are available for selection.                     |

#### Screen 2 – “Create PL Government Investor File”

The “Date range” will default to the prior reporting period.

#### Government Reporting Steps

1. Use **Create File (F13)** to create the reporting file. Note: If it is after the 14<sup>th</sup> and you have not processed the CD 15 settlement work file OR if it is after the 31<sup>st</sup> and you have not processed the EOM settlement work file, you will get an error message and cannot proceed until you run the appropriate work file.

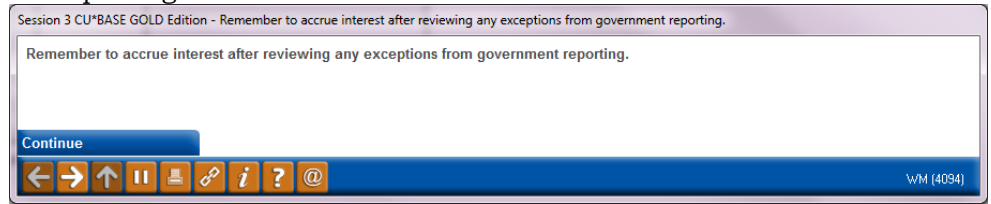
*Note: The file name created for Freddie Mac is either FMLNSNDCUA (CU serviced) or FMLNSNDxxx (if a Company code is used, xxx is the Company code).*

After creating the file, the “Last Reported Date” on the PL master and history files is updated.

*Note: If it is EOM reporting and no activity has occurred since the last reporting date, then this is the only required step. There is no need to download or transmit the file to Freddie Mac.*

2. This step depends on whether a Company code was entered when creating the file:

- a. NO COMPANY CODE: After creating the file, use *Download File* (F14) to download the file from the iSeries to the PC. Once the download is complete, a popup window will display reminding you to accrue interest after reviewing exceptions from government reporting.



*Note: If you exit the “Create PL Government Investor File” screen prior to using “Download File” (F14), you will have to process the download by opening the client access file in your Midanet folder (File Type is “Data Transfer from iSeries”) See **Page 54** for the manual steps.*

- b. COMPANY CODE: If a Company code was entered when creating the file, the *Download File* (F14) function key will not be available. You must process the download by opening the client access file in your Midanet folder (File Type is “Data Transfer from iSeries”), refer to **Page 54**.
3. OPTIONAL STEP: Review the report that generated from Step 1. This report can be used for research.
  4. Take the appropriate steps to upload the file to Freddie Mac. Refer to your Freddie Mac Servicing Guide.
  5. On the next business day, access the Freddie Mac website and review investor exceptions.

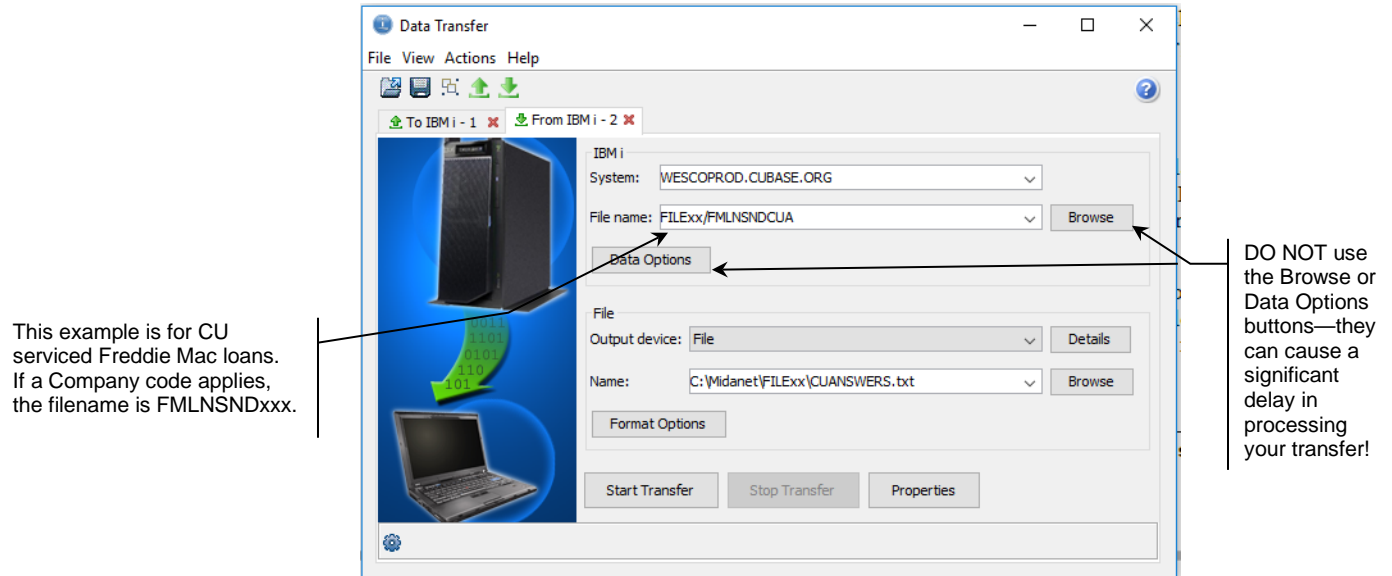
For the EOM reporting file, any adjustments should be done either as a manual journal entry described on **Page 47** or on the PL Adjustment screen described on **Page 22**

*If the PL Adjustment screen is used, be sure that the adjustment transaction is dated in the appropriate settlement period (for example, if the adjustment is for settlement period 4/16-5/15 and it is 5/17, the adjustment transaction should be dated 5/15/11). Keep in mind that you may need to run another end of cycle work file is the adjustment transaction does not get posted to the appropriate transaction record.*

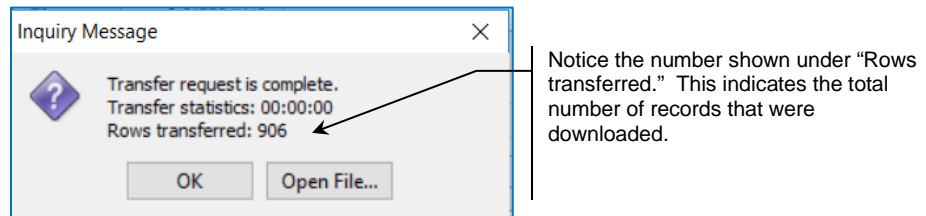
## MANUAL STEPS FOR ISERIES DOWNLOAD

### Downloading the File to the PC

1. Access the appropriate location on your PC and select the FMLNSND file (this is the client access file which displays “Data Transfer from iSeries...”. The following dialog box will appear:



2. All of the fields should be pre-filled for you based on the client access definitions set up on your PC. To begin the transfer process, click the **Start Transfer** button. A series of messages will appear to report on the progress of the transfer.
3. When the transfer is complete, the following message will appear: Click OK and the Data Transfer dialog box will reappear. Click Close [X] to exit.



# ACCRUE INTEREST FOR 360 LOANS

The PL interest accrual for Freddie Mac loans is a separate step done after the end of month work file is posted and the government investor file has been created.

*Interest will be accrued for FHMC SA (Scheduled/Actual) loans. If AA (Actual/Actual) loans exist (very rare), they are also included.*

## Accrue Interest for 360 Particip. Loans (Tool #107)

Session 0 CU\*BASE GOLD Edition - Accrue Interest for 360 Loans

Settlement calculation routine: **Freddie Mac**

Company code (blank = none):  [Lookup]

☒ Print participation loan accrued interest report

Copies: **1**

Printer: **P1**

**i** Interest will be accrued for 360 mortgage loans that are settlement type Actual/Actual and Scheduled/Actual.

Save/Continue

Navigation icons: [Back] [Forward] [Up] [Down] [Print] [Link] [Info] [Help] [Search]

F6 (4101)

| Field Name                                       | Description   |
|--|---|
| Settlement calculation routine                   | Enter the Settlement calculation routine FHMC = Freddie Mac.  |
| Company code                                     | Enter the Company Code if applicable. The default is blank (which means none). A lookup button lists the available Company Codes. Note: If your credit union does not have any Company Codes configured, this field will not display on the screen. |
| Print participation loan accrued interest report | Check the box to indicate whether to print the Participation Loan Accrued Interest Report.  |

The system contains edits that does not allow the interest accrual to be processed if the following has not occurred:

- The end-of-month (EOM) settlement work file has been posted.
- The end-of-month (EOM) government reporting file has been created.

Remember that although the EOM reporting file must be created, if there is no activity for EOM reporting period, this file does not need to be downloaded or transmitted to Fannie Mae.

*Note: Be sure to process any exceptions (Edits) from government reporting prior to accruing interest.*

Session 3 CU\*BASE GOLD Edition - Confirm Participation Loan Interest Accrual

Thirty days of interest will be accrued for **Dec 2013**

Settlement calculation routine: **FHMC**

Continue

Navigation icons: [Back] [Forward] [Up] [Down] [Print] [Link] [Info] [Help] [Search]

WM (4102)

Note: When posting the accrued interest via Tool #61 “Create/Post GL Journal Entries”, you may need to adjust the journal entry date to the appropriate month end date.

If the “Print participation loan accrued interest report” box was checked, the Participation Loan Accrued Interest report will generate. For more information on this report, refer to **Page 76**.

| 8/16/11 9:35:15<br>RUN ON 8/16/2011                         |                  | TEST CREDIT UNION<br>PARTICIPATION LOAN ACCRUED INTEREST REPORT<br>INTEREST ACCRUED FOR: MAY 2011 |                |                      | UPLACCI               | PAGE<br>USER KARENS |
|---|------------------|---|----------------|----------------------|-----------------------|---------------------|
| PLI 001 FREDDIE MAC<br>SETTLEMENT CALC FHMC<br>COMPANY CODE |                  |   |                |                      |                       |                     |
| LOAN ACCOUNT  | DATE<br>REPORTED | PRINCIPAL<br>BALANCE  | ACCRUED<br>DUE | PAST DUE<br>INTEREST | TOTAL<br>INTEREST DUE |                     |
| 187999 790  | 08/15/11         | 42410.53  | 216.47         | .00                  | 216.47                |                     |
| 203999 790  | 08/15/11         | 88370.54  | 248.54         | .00                  | 248.54                |                     |
| 207999 790  | 08/15/11         | 66559.38  | 195.72         | .00                  | 195.72                |                     |
| 301999 790  | 08/15/11         | 87928.06  | 247.30         | .00                  | 247.30                |                     |
| 322999 790  | 08/15/11         | 120603.07   | 464.82         | .00                  | 464.82                |                     |
| 329999 790  | 08/15/11         | 147029.29   | 551.36         | .00                  | 551.36                |                     |
| 370999 790  | 08/15/11         | 105565.36   | 296.90         | .00                  | 296.90                |                     |
| 386999 790  | 08/15/11         | 176200.31   | 495.56         | .00                  | 495.56                |                     |
| 469999 790  | 08/15/11         | 119600.97   | 423.59         | .00                  | 423.59                |                     |
| 535999 790  | 08/15/11         | 65648.88  | 239.34         | .00                  | 423.59                |                     |
| 641999 790  | 08/15/11         | 84041.88  | 288.89         | .00                  | 288.89                |                     |
| 646999 790  | 08/15/11         | 119001.74   | 322.30         | .00                  | 322.30                |                     |
| 658999 790  | 08/15/11         | 81000.00  | 244.69         | .00                  | 244.69                |                     |
| 667999 790  | 08/15/11         | 47591.22  | 188.38         | .00                  | 188.38                |                     |
| 683999 790  | 08/15/11         | 78309.21  | 229.87         | .00                  | 229.87                |                     |
| 826999 790  | 08/15/11         | 82873.83  | 241.72         | .00                  | 241.72                |                     |
| 964999 790  | 08/15/11         | 287701.64   | 959.01         | .00                  | 959.01                |                     |
| 970999 791  | 08/15/11         | 143401.47   | 478.00         | .00                  | 478.00                |                     |
| 987999 790  | 08/15/11         | 64733.15  | 195.55         | .00                  | 195.55                |                     |
| 1017999 790   | 08/15/11         | 33579.76  | 101.44         | .00                  | 101.44                |                     |
| 1081999 790   | 08/15/11         | 125355.60   | 378.68         | .00                  | 378.68                |                     |
| 1099999 790   | 08/15/11         | 125845.19   | 353.94         | .00                  | 353.94                |                     |
| TOTAL BY PLI  | 001              | 2,418,706.78  | 7,362.07       | .00                  | 7,362.07              |                     |

## SPECIAL NOTE REGARDING 360 INTEREST CALCULATION TYPES

For 360-day interest calculation loans, interest is not accrued on a daily basis; rather, interest is calculated once each month. In the member file, the interest is accrued in end-of-day (EOD) processing on the “Day to Calc Interest” from the loan category configuration. In the participation loan file, the interest is accrued via **Tool #107 Accrue Interest for 360 Particip. Loans** and the timing is determined from based on the “Monthly interest accrual day” designated on the Settlement Calculation Configuration record. The system will calculate 30 days’ worth of interest for every monthly settlement period regardless of when or how often payments are made on the loan.



# PARTICIPATION LOAN REPORTS

## PARTICIPATION LOAN SETTLEMENT DETAIL REPORT

The Participation Loan Settlement Detail report generates when creating, working with or posting a settlement work file. Refer to **Page 36**.

The TRIAL REPORT version generates when creating or working the work file to give you a “before” picture of the work file and to help determine the items to edit in the work file. It can be printed as a tool for research.

The FINAL REPORT version generates when posting a work file. This report can be saved for audit purposes to compare against amounts moved to the P&I custodial account. Both versions can be saved in your spool file and can be re-printed or moved to DAILYxx for normal archive outqueue routing.

There are two possible report formats, one includes Activity Types and the other includes Member Payment Dates. Both report formats will page break by investor.

### Activity Type Format

The following sample shows a settlement work file that was run for a single investor. The Activity Type Format is generally used when you would like to see a breakdown of the types of activity on the loans. This helps with research relating to the settlement.

|                           |  |   |  |  |  |  |  |  |        |             |
|---------------------------|--|---|--|--|--|--|--|--|--------|-------------|
| 4/27/11 13:51:37          |  | TEST CREDIT UNION                           |  |  |  |  |  |  | LPLSET | PAGE 1      |
| RUN ON 6/21/2011          |  | PARTICIPATION LOAN SETTLEMENT DETAIL REPORT |  |  |  |  |  |  |        | USER KARENS |
|                           |  | REPORTED DATE: 3/31/2011                    |  |  |  |  |  |  |        |             |
| CORP 01 TEST CREDIT UNION |  | TRIAL REPORT                                |  |  |  |  |  |  |        |             |
| PLI 001 FREDDIE MAC       |  |   |  |  |  |  |  |  |        |             |
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The ‘Activity Types’ columns indicate member activity that occurred as of the settlement date. A number in the column indicates how many times that activity occurred since the last settlement period. The Activity Types are identified via a letter code (A-G) for regular payments, principal curtailments,

paid ahead payments, adjustments, new loans, past due or paid off loans, respectively.

## Member Payment Date Format

The following sample shows a settlement work file that was run for multiple investors (only one investor will show per page). The Member Payment Date format is generally used when sending the report to investors, i.e. for standard 365 participation loans (PART). This format includes the member's last payment date and next payment date.

|  |  |  |                      |                       |                |                   |                  |                  |                  |                        |                          |          |          |
|--|--|--|----------------------|-----------------------|----------------|-------------------|------------------|------------------|------------------|------------------------|--------------------------|----------|----------|
| 5/09/11 12:47:58<br>RUN ON 5/2/2011                |  | TEST CREDIT UNION<br>PARTICIPATION LOAN SETTLEMENT DETAIL REPORT<br>REPORTED DATE: 4/30/2011<br>TRIAL REPORT |                      |                       |                |                   |                  |                  |                  | LPLSET2<br>USER KARENS |                          | PAGE 1   |          |
| CORP 01 TEST CREDIT UNION<br>PLI 139 TEST INVESTOR |  |  |                      |                       |                |                   |                  |                  |                  |                        |                          |          |          |
|  |  | PREVIOUS   | CURRENT              | ---THIS SETTLEMENT--- |                |                   |                  |                  |                  |                        |                          |          |          |
| LOAN ACCOUNT                                       |  | PRINCIPAL<br>BALANCE   | PRINCIPAL<br>BALANCE | PAST DUE<br>INTEREST  | ACCRUED<br>DUE | PRINCIPAL<br>PAID | INTEREST<br>PAID | LAST PMT<br>DATE | NEXT PMT<br>DATE | MONTHLY<br>INCOME      | TOTAL CASH<br>SETTLEMENT | #<br>TRN | #<br>ADJ |
| 56999 500  |  | 900000.00  | 900000.00            | .00                   | 2625.00        | .00               | .00              | 4/15/11          | 05/01/11         | 2625.00                | .00                      | 1        |          |
| 56999 501  |  | 900000.00  | 900000.00            | .00                   | 2625.00        | .00               | .00              |                  | 05/01/11         | 2625.00                | .00                      |          |          |
| 56999 502  |  | 900000.00  | 900000.00            | .00                   | 2625.00        | .00               | .00              |                  | 05/01/11         | 2625.00                | .00                      |          |          |
| 57999 501  |  | 900000.00  | 900000.00            | .00                   | 2625.00        | .00               | .00              | 4/05/11          | 05/01/11         | 2625.00                | .00                      | 2        |          |
| 57999 502  |  | 900000.00  | 900000.00            | .00                   | 2625.00        | .00               | .00              |                  | 05/01/11         | 2625.00                | .00                      |          |          |
| 57999 503  |  | 900000.00  | 900000.00            | .00                   | 2625.00        | .00               | .00              |                  | 05/01/11         | 2625.00                | .00                      |          |          |
| 5,400,000.00                                       |  |  |                      | .00                   |                | .00               |                  |                  |                  | 15,750.00              |                          |          |          |
| TOTAL BY PLI 139                                   |  | 5,400,000.00   |                      |                       | 15,750.00      |                   | .00              |                  |                  |                        | .00                      |          |          |

# PARTICIPATION LOAN TRIAL BALANCE

## PLI Trial Balance (Tool #590)

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

File Edit Tools Help

### 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  | Apr 24, 2024 [MMDDYYYY]   |
| Pull by  | <input checked="" type="radio"/> Account <input type="radio"/> Reference        |
| Include closed loans with last reported date greater than or equal to          | 00000000 [MMDDYYYY]   |
| PL investors   | Select Optional   |
| Loan category  | Select Optional   |
| Participation loan types   | 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                                    | 00000000 [MMDDYYYY] Optional  |
| Loan account   | (blank = all) Optional  |
| Reference #  | (blank = all) Optional  |
| <input type="checkbox"/> Export report to file                                 |   |

Job queue  
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Retrieve Settings  
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*To print the trial balance as of a month end, put the month end date in the "Report as of date".*

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FR (5686) 4/24/24

### Field Descriptions

| Field Name  | Description   |
|---|---|
| Corp ID   | Corporation ID, default is 01.  |
| Report type   | Report type is D=Detail and Summary, S=Summary.   |
| Report as of date   | The date for participation loan detail. If there is no settlement information for the date entered, the information will be pulled from the previous settlement date record.  |
| Pull by Account or Reference  | Use this to specify whether the loans should be listed on the report by loan account number or by the PL reference number.  |
| Include closed loans with last reported date greater than or equal to | Enter a MMDDCCYY to include closed loans with a last reported date on or after the date entered. Defaults to no date which means that closed loans are not included.  |
| PL Investors  | This is a select button that allows you to print a trial balance for a single or multiple investors. The number that displays next to the select button is the number of investors selected. If you want all investors, leave the field blank and all investors will print. Default is all. |
| Loan category   | This is a select button that allows you to print a trial balance for single or multiple loan categories. The number that displays next to the select button is the number of loan categories selected. Leave the field blank to include all loan categories. Default is all.                |
| Participation loan types  | This is a select button that allows you to print a trial balance only for loans coded with a specific Participation Loan Type code. The number that displays next to the select button is   |

| Field Name   | Description  |
|--|--|
|  | the number of PL types selected. Leave the field blank to include all PL types. Default is all.  |
| Sort by the date that the loan ends with the investor        | Check this box to print records in order by PL End Date (ascending order, so the closest dates appear at the top of the report). Leave it unchecked to sort by account number. |
| Report only loans that were sold to the investor on or after | Enter a MMDDCCYY to select only loans with a PLI Start Date on or after the date entered.  |
| Loan account   | Enter the account base and suffix to print a trial balance for a single loan account. Leave the field blank to include all loans.  |
| Reference #  | Enter the reference number to print a trial balance for a single loan account. Leave the field blank to include all loans.   |

Run the trial balance report to obtain participation loan detail, i.e. balance rate, and date information. This report can be used as part of the daily or monthly balancing process for comparing participation loan balances to the participation loan general ledger accounts. Use the selection criteria to specify the loans to be included on the report, or leave all blank to include all participation loans.

To obtain a Participation Loan Trial Balance as of month end, enter the appropriate month end date in the "Report as of date" field. The month end information is helpful for the NCUA 5300 Call Report.

Two reports will be generated: A Detail report showing all accounts, with each PLI starting on a separate page, and a Summary report showing total balances for all investors.

**Detail Report** - The following sample shows the final two pages of a Trial Balance report that includes all loans. Notice that each PLI will appear on a separate page. **(NOTE: If pulled by reference number, the Loan Account column will display the reference number instead.)**

|  |     |            |   |                     |                    |                           |            |            |            |                        |        |      |
|--|-----|------------|---|---------------------|--------------------|---------------------------|------------|------------|------------|------------------------|--------|------|
| 4/09/11 13:28:24<br>RUN ON 4/09/2011                             |     |            | CU*BASE TEST CREDIT UNION<br>PARTICIPATION LOAN TRIAL BALANCE REPORT<br>OPEN LOANS ACTIVITY THROUGH 3/31/2011 |                     |                    |                           |            | LPLBAL     |            | PAGE 20<br>USER KARENS |        |      |
| CORP 01 CU*BASE TEST CREDIT UNION<br>PLI 020 SAMPLE INVESTOR 020 |     |            |   |                     |                    |                           |            |            |            |                        |        |      |
| LOAN ACCOUNT   | SEQ | NAME       | PL TYP  | PLI ORIG INVESTMENT | LAST HIST ACTIVITY | LAST PRIN BALANCE         | PLI RATE   | LOAN RATE  | START DATE | END DATE               | PART % | DELQ |
| 26399 601 001 JONES  | 95  | 100,555.56 | 03/31/2011  | 98,412.27           | 10.000             | 11.000                    | 04/21/2002 | 11/20/2015 | 50.00      |                        |        |      |
| 27699 645 001 EVANS  | 96  | 367,996.49 | 03/31/2011  | 360,494.65          | 9.500              | 10.000                    | 04/25/2002 | 01/29/2014 | 50.00      |                        |        |      |
| 28899 503 001 THOMAS   | 26  | 70,810.62  | 03/31/2011  | 70,808.79           | 7.250              | 7.000                     | 04/23/2002 | 08/24/2014 | 20.00      | Y                      |        |      |
| 33099 616 001 SMITH  | 90  | 600,000.00 | 03/31/2011  | 591,905.49          | 7.500              | 8.000                     | 05/27/2002 | 05/28/2017 | 75.00      |                        |        |      |
| 33699 725 001 WILLIAMS   | 94  | 250,140.34 | 03/31/2011  | 250,140.34          | 8.000              | 9.000                     | 05/01/2002 | 01/01/2017 | 30.00      | Y                      |        |      |
| 38599 503 001 EDWARDS  | 92  | 62,525.38  | 03/31/2011  | 60,452.44           | 8.250              | 8.750                     | 04/30/2002 | 12/29/2016 | 50.00      |                        |        |      |
| 38699 715 001 DOE  | 94  | 480,000.00 | 03/31/2011  | 480,000.00          | 8.000              | 8.500                     | 06/13/2002 | 06/13/2017 | 60.00      |                        |        |      |
| 38699 725 001 STEVENS  | 94  | 182,500.00 | 03/31/2011  | 180,782.53          | 7.000              | 7.500                     | 04/18/2002 | 04/18/2017 | 50.00      |                        |        |      |
| 39399 502 001 JOHNSON  | 92  | 81,666.02  | 03/31/2011  | 80,238.71           | 8.000              | 8.500                     | 04/02/2002 | 11/02/2016 | 50.00      |                        |        |      |
| 39399 503 001 STEVENSON  | 92  | 81,666.02  | 03/31/2011  | 80,238.71           | 8.000              | 8.500                     | 04/02/2002 | 11/02/2016 | 50.00      |                        |        |      |
| TOTAL BY PLI 020   |     |            |   | 2,277,860.43        |                    | 2,253,473.93              | 8.099      | 8.653      |            |                        |        |      |
| TOTAL BY PLI 020   |     |            |   | NET RATE TO CU:     | .554               | PROJECTED MONTHLY INCOME: | 1040.35    |            |            |                        |        |      |
| *** END OF REPORT***   |     |            |   |                     |                    |                           |            |            |            |                        |        |      |

**Summary Report** - The summary report shows the current position of each individual investor's portfolio.

|                                    |  |  |                           |                 |                      |                    |                       |
|------------------------------------|--|--|---------------------------|-----------------|----------------------|--------------------|-----------------------|
| 4/09/11 13:28:24<br>RUN ON 4/09/11 |  | CU*BASE TEST CREDIT UNION<br>PARTICIPATION LOAN TRIAL BALANCE SUMMARY<br>OPEN LOANS ACTIVITY THROUGH 3/31/2011 |                           |                 |                      | LPLBAL2            | PAGE 1<br>USER KARENS |
| CORP 01 CU*BASE TEST CREDIT UNION  |  |  |                           |                 |                      |                    |                       |
| PLI NAME                           |  | PLI ORIG<br>INVESTMENT   | LAST PRIN<br>BALANCE      | INTEREST<br>DUE | WEIGHTED<br>PLI RATE | NUMBER<br>OF LOANS | WEIGHTED<br>PLO RATE  |
| 001 ABC FED CREDIT UNION           |  | 242,731.14   | 239,071.59                | 411.10          | 8.808                | 5                  | 9.406                 |
| 003 XYZ CREDIT UNION               |  | 4,571,955.32   | 4,521,639.50              | 9,610.06        | 6.910                | 19                 | 7.324                 |
| 004 JOHN DOE                       |  | 3,039,374.26   | 3,012,015.36              | 11,026.08       | 8.827                | 14                 | 9.184                 |
| 005 SAMPLE INVESTOR 005            |  | 1,925,058.18   | 1,909,197.92              | 762.62          | 6.854                | 8                  | 7.389                 |
| 006 SAMPLE INVESTOR 006            |  | 7,149,785.96   | 7,097,369.27              | 23,559.11       | 7.865                | 24                 | 8.287                 |
| 007 SAMPLE INVESTOR 007            |  | 61,883.45  | 59,611.97                 | 114.58          | 8.748                | 2                  | 9.498                 |
| 008 SAMPLE INVESTOR 008            |  | 580,567.57   | 578,950.36                | 2,895.97        | 7.500                | 2                  | 8.000                 |
| 009 SAMPLE INVESTOR 009            |  | 491,853.23   | 486,993.33                | 1,174.12        | 8.000                | 1                  | 9.000                 |
| 010 SAMPLE INVESTOR 010            |  | 310,611.27   | 310,033.77                | 1,082.99        | 7.500                | 1                  | 8.000                 |
| 011 SAMPLE INVESTOR 011            |  | 228,000.00   | 225,391.62                | 296.40          | 8.000                | 2                  | 8.500                 |
| 012 SAMPLE INVESTOR 012            |  | 25,162.28  | 24,907.60                 | 84.82           | 13.852               | 2                  | 10.766                |
| 013 SAMPLE INVESTOR 013            |  | 62,727.40  | 62,284.10                 | 243.27          | 15.000               | 4                  | 10.000                |
| 014 SAMPLE INVESTOR 014            |  | 369,831.05   | 366,958.54                | 1,326.49        | 8.000                | 3                  | 8.500                 |
| 015 SAMPLE INVESTOR 015            |  | 32,632,616.73  | 32,403,314.41             | 83,706.61       | 6.784                | 128                | 7.291                 |
| 016 SAMPLE INVESTOR 016            |  | 32,608.04  | 32,114.24                 | 659.37          | 30.000               | 2                  | 12.000                |
| 017 SAMPLE INVESTOR 017            |  | 949,418.42   | 946,760.39                | 4,180.77        | 7.500                | 3                  | 8.000                 |
| 018 SAMPLE INVESTOR 018            |  | 24,700.74  | 24,581.18                 | 363.66          | 18.000               | 1                  | 12.250                |
| 020 SAMPLE INVESTOR 020            |  | 2,277,860.43   | 2,253,473.93              | 6,430.13        | 8.099                | 10                 | 8.653                 |
| 021 SAMPLE INVESTOR 021            |  | 120,000.00   | 120,000.00                | 447.12          | 8.000                | 1                  | 8.500                 |
| TOTAL BY CORP 01 19 PLI's          |  | 55,096,745.47  | 54,674,669.08             | 148,375.27      | 7.197                | 232                | 7.663                 |
| GRAND TOTAL 19 PLI's               |  | 55,096,745.47  | 54,674,669.08             | 148,375.27      | 7.197                | 232                | 7.663                 |
| ** SERVICING ANALYSIS **           |  | NET RATE TO CU: .466   | PROJECTED MONTHLY INCOME: |                 | 21,232.00            |                    |                       |
| ***** END OF REPORT *****          |  |  |                           |                 |                      |                    |                       |

# PARTICIPATION LOAN ANALYSIS REPORT

## Participation Loan Analysis Report (Tool #579)

Session 0 CU\*BASE GOLD - Participation Loan Analysis Report

Month/year to process  [MMYYYY]

Report type ☒ Detail & summary ☐ Summary

Sort by ☒ Account ☐ Investor ☐ PL type

Pull by ☒ Account ☐ Reference

Start date  to  [MMDDYYYY]

Include closed loans with last reported date greater than or equal to  [MMDDYYYY]

Investor  0 Optional

☐ Export to file

☒ Job queue

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FR (4625)

This report is used to review the position of loans owned less than 100% by the credit union. It gives a summary of the current position of all participation loan accounts by loan account or reference number. Records can be sorted by investor or by PL Type. Grand totals at the bottom of the report compare the originating credit union's position to investor positions.

*Note: This report compares member loan records to participation loan records, therefore should be generated after participation loan settlement has been run (generally month end) for the investor(s). If the report is generated during the month and a settlement has not been run for the investor(s), then the Servicing and CU Position figures may be skewed.*

This report is generally not used for Freddie Mac loans since they are 100% owned by the investor.

The following sample is for standard participation loans (PART) and shows part of the first page and the entire last page of an analysis report:

### First Page

|                                      |                    |  |              |            |          |          |                  |                       |
|--------------------------------------|--------------------|--|--------------|------------|----------|----------|------------------|-----------------------|
| 8/23/11 14:25:40<br>RUN ON 8/23/2011 |                    | TEST CREDIT UNION<br>PARTICIPATION LOAN ANALYSIS REPORT<br>AS OF 07/11 |              |            |          |          | LPLANL           | PAGE 1<br>USER KARENS |
| LOAN ACCOUNT/REF #/TYPE              |                    | CURRENT BAL  | INT DUE      | SCHED PMT  | INT RATE | PARTIC % | MEMBER NAME      |                       |
| 1234-502                             |                    | 425,354.55   | 1,590.68     | 2,375.28   | 5.250    | 100.00   | JOHN A MEMBER    |                       |
| 90 CALDWELL PARTICIPATION            |                    |  |              |            |          |          |                  |                       |
|                                      | PLI SEQ            | LAST RPT BAL   | LAST RPT INT | LAST RPRTD | PROJ PMT | PLI RATE | PARTIC %         | PLI NAME              |
|                                      | 3 1                | 382,819.09   | 954.42       | 2011/07/31 | 1,739.85 | 3.500    | 90.00            | TEST INVESTOR 001     |
|                                      | * PLI TOTALS       | 382,819.09   | 954.42       |            | 1,739.85 | 3.500    | 90.00            |                       |
|                                      | ** NET CU POSITION | 42,535.46  | 636.26       |            | 635.43   | 5.250    | 10.00            |                       |
| LOAN ACCOUNT/REF #/TYPE              |                    | CURRENT BAL  | INT DUE      | SCHED PMT  | INT RATE | PARTIC % | MEMBER NAME      |                       |
| 1334-500                             |                    | 332,976.23   | 129.99       | 1,745.76   | 4.750    | 100.00   | MARY A MEMBER    |                       |
| 90 CALDWELL PARTICIPATION            |                    |  |              |            |          |          |                  |                       |
|                                      | PLI SEQ            | LAST RPT BAL   | LAST RPT INT | LAST RPRTD | PROJ PMT | PLI RATE | PARTIC %         | PLI NAME              |
|                                      | 27 1               | 299,678.58   | 86.21        | 2011/07/31 | 1,352.44 | 3.500    | 90.00            | TEST INVESTOR 002     |
|                                      | * PLI TOTALS       | 299,678.58   | 86.21        |            | 1,352.44 | 3.500    | 90.00            |                       |
|                                      | ** NET CU POSITION | 33,297.65  | 43.78        |            | 393.32   | 4.750    | 10.00            |                       |
| LOAN ACCOUNT/REF #/TYPE              |                    | CURRENT BAL  | INT DUE      | SCHED PMT  | INT RATE | PARTIC % | MEMBER NAME      |                       |
| 1434-500                             |                    | 258,956.82   | 203.95       | 1,810.06   | 5.750    | 100.00   | CATHERINE MEMBER |                       |
| 90 CALDWELL PARTICIPATION            |                    |  |              |            |          |          |                  |                       |
|                                      | PLI SEQ            | LAST RPT BAL   | LAST RPT INT | LAST RPRTD | PROJ PMT | PLI RATE | PARTIC %         | PLI NAME              |
|                                      | 2 1                | 207,165.36   | 148.99       | 2011/07/31 | 1,365.72 | 5.250    | 80.00            | TEST INVESTOR 003     |
|                                      | * PLI TOTALS       | 207,165.36   | 148.99       |            | 1,365.72 | 5.250    | 80.00            |                       |
|                                      | ** NET CU POSITION | 51,791.46  | 54.96        |            | 444.34   | 5.750    | 20.00            |                       |

|   |  |                            |                           |                   |                    |                   |                       |
|---|--|----------------------------|---------------------------|-------------------|--------------------|-------------------|-----------------------|
| 8/23/11 14:25:40<br>RUN ON 8/23/2011          | TEST CREDIT UNION<br>PARTICIPATION LOAN ANALYSIS REPORT<br>SUMMARY AS OF 07/11 |                            |                           |                   |                    | LPLANL            | PAGE 1<br>USER KARENS |
| ** GRAND TOTALS **                            |  |                            |                           |                   |                    |                   |                       |
| MEMBER TOTALS                                 | CURRENT BAL<br>541,895,784.82  | INT DUE<br>1,616,278.12    | SCHED PMT<br>3,170,269.05 | INT RATE<br>5.266 | PARTIC %<br>100.00 | # OF LOANS<br>984 |                       |
| PLI TOTALS                                    | LAST RPT BAL<br>443,655,011.71   | LAST RPT INT<br>662,899.76 | PROJ PMT<br>2,159,747.00  | PLI RATE<br>3.877 | PARTIC %<br>81.87  | # OF PLI<br>991   |                       |
| NET CU POSITION                               | 98,240,773.11  | 953,378.36                 | 1,010,522.05              | 5.266             | 18.13              |                   |                       |
| ** SERVICING ANALYSIS **                      |  |                            |                           |                   |                    |                   |                       |
| NET RATE TO CU:                               | 1.188  | PROJECTED MONTHLY INCOME:  | 439,218.46                |                   |                    |                   |                       |
| ** CU POSITION ANALYSIS **                    |  |                            |                           |                   |                    |                   |                       |
| PORTFOLIO RATE:                               | 5.266  | PROJECTED MONTHLY INCOME:  | 431,113.26                |                   |                    |                   |                       |
| ** PROJECTED TOTAL YIELD FOR NET CU POSITION: |  |                            | 10.631                    |                   |                    |                   |                       |
| ***END OF REPORT ***                          |  |                            |                           |                   |                    |                   |                       |

## PARTICIPATION LOAN SETTLEMENT ACTIVITY

### PLI Settlement Activity Report (Tool #589)

Session 0 - ABC TESTING CREDIT UNION

File Edit Tools Help

### Participation Loan Settlement Activity Report

**Report Options**

Corp ID: 01

Begin/end settlement dates: Apr 24, 2024 [MMDDYYYY] To: Apr 24, 2024 [MMDDYYYY]

Pull by account or reference: ☒ Account ☐ Reference

☒ Job queue  
Copies: 1  
Printer: P1

**Optional Selections**

PL investors:  0 selected

Account # (base/suffix):

Reference #:  (blank = all)

☐ Export to file

Navigation icons: < > ↑ ↓ ⏏ ⏮ ⏭ ⏯ ⓘ ? @

FR (849) 4/24/24

### Field Descriptions

| Field Name                   | Description  |
|------------------------------|--|
| Corp ID                      | Corporation ID, default is 01.   |
| Begin/end settlement dates   | Choose a starting and ending month/day/year (mmddyy) to specify what period of history you wish to include on the report.  |
| Pull by account or reference | Use this to specify whether the loans should be listed by loan account number or by the reference number.  |
| PL investors                 | This is a Select button that allows you to select one or multiple investors to print a settlement activity report. Zero investors selected means all PL investors will display on this report. |

| Field Name                 | Description  |
|----------------------------|--|
| Account #<br>(base/suffix) | Enter the loan account base and suffix here to print a settlement activity report for a single loan account. Leave the field blank to include all loans. |
| Reference #                | Enter the reference number here to print a settlement activity report for a single loan account. Leave the field blank to include all loans.             |

This report will show a history of settlement amounts that have been posted to participation loans. You may list loans for one or multiple investors, and specify a date range to be included on the report. Loans can be listed by loan account number or reference number. For government investors, it is recommended to run and save the detail report monthly just prior to final settlement.

### Report Sample

|  |     |     |  |             |                       |                 |                      |                 |                   |                       |                   |                          |
|--|-----|-----|--|-------------|-----------------------|-----------------|----------------------|-----------------|-------------------|-----------------------|-------------------|--------------------------|
| 8/23/11 14:41:00<br>RUN ON 8/23/2011             |     |     | TEST CREDIT UNION<br>PARTICIPATION LOAN SETTLEMENT ACTIVITY<br>FROM 05/01/2011 TO 05/31/2011 |             |                       |                 |                      | LPLHST          |                   | PAGE 1<br>USER KARENS |                   |                          |
| CORP 01 TEST CREDIT UNION<br>PLI 002 FREDDIE MAC |     |     |  |             |                       |                 |                      |                 |                   |                       |                   |                          |
|  |     |     | -----ORIGINAL-----   |             | -----SETTLEMENTS----- |                 |                      |                 |                   |                       |                   |                          |
| LOAN ACCOUNT                                     | SEQ | TYP | ORG LOAN<br>AMOUNT   | INT<br>RATE | TERM                  | DATE<br>SETTLED | ORIG LOAN<br>BALANCE | INTEREST<br>DUE | PRINCIPAL<br>PAID | INTEREST<br>PAID      | MONTHLY<br>INCOME | TOTAL CASH<br>SETTLEMENT |
| 2199 780 01 01                                   |     |     | 137600.00  | 6.000       | 76S                   | 05/08/2011      | 131586.89            | .00             | 161.05            | 658.74                | 658.74            | 31667.18                 |
|  |     |     |  |             | 77S                   | 05/16/2011      | 131586.89            | 657.93          | .00               | .00                   | 657.93            | 31667.18                 |
| 3499 780 01 01                                   |     |     | 112000.00  | 6.125       | 76S                   | 05/16/2011      | 107892.65            | 550.70          | .00               | .00                   | 550.70            | 25456.11                 |
|  |     |     |  |             | 77S                   | 05/22/2011      | 107767.10            | .00             | 125.55            | 550.70                | 550.70            | 26132.36                 |
| 4799 780 01 01                                   |     |     | 96000.00   | 5.750       | 76S                   | 05/01/2011      | 87495.02             | .00             | 251.27            | 420.45                | 420.45            | 25246.46                 |
|  |     |     |  |             | 77S                   | 05/16/2011      | 87495.02             | 419.25          | .00               | .00                   | 419.25            | 25246.46                 |
| 4899 780 01 01                                   |     |     | 162000.00  | 5.750       | 74S                   | 05/01/2011      | 154288.46            | .00             | 281.61            | 740.65                | 740.65            | 35848.46                 |
|  |     |     |  |             | 75S                   | 05/16/2011      | 154288.46            | 739.30          | .00               | .00                   | 739.30            | 35848.46                 |
| 4999 781 01 01                                   |     |     | 140975.00  | 5.625       | 79S                   | 05/03/2011      | 133151.85            | .00             | 244.13            | 625.29                | 625.29            | 33003.10                 |
|  |     |     |  |             | 80S                   | 05/16/2011      | 133151.85            | 624.15          | .00               | .00                   | 624.15            | 33003.10                 |
| 6099 780 01 01                                   |     |     | 73400.00   | 5.625       | 74S                   | 05/16/2011      | 70176.33             | 328.95          | .00               | .00                   | 328.95            | 16371.76                 |
|  |     |     |  |             | 75S                   | 05/22/2011      | 70072.01             | .00             | 104.32            | 328.95                | 328.95            | 16805.03                 |
| 6999 780 01 01                                   |     |     | 32000.00   | 5.625       | 78S                   | 05/01/2011      | 23811.19             | .00             | 235.53            | 112.72                | 112.72            | 13351.21                 |
|  |     |     |  |             | 79S                   | 05/16/2011      | 23811.19             | 111.61          | .00               | .00                   | 111.61            | 13351.21                 |
| 7799 780 01 01                                   |     |     | 40000.00   | 6.000       | 74S                   | 05/01/2011      | 38473.19             | .00             | 46.38             | 192.60                | 192.60            | 8797.49                  |
|  |     |     |  |             | 75S                   | 05/16/2011      | 38473.19             | 192.37          | .00               | .00                   | 192.37            | 8797.49                  |
| 9299 780 01 01                                   |     |     | 131600.00  | 5.750       | 75S                   | 05/11/2011      | 117660.12            | .00             | 188.26            | 564.69                | 564.69            | 36160.05                 |
|  |     |     |  |             | 76S                   | 05/16/2011      | 117660.12            | 563.79          | .00               | .00                   | 563.79            | 36160.05                 |
| 10899 780 01 01                                  |     |     | 171360.00  | 6.125       | 69S                   | 05/09/2011      | 165651.90            | .00             | 188.04            | 846.47                | 846.47            | 35854.31                 |
|  |     |     |  |             | 70S                   | 05/16/2011      | 165651.90            | 845.51          | .00               | .00                   | 845.51            | 35854.31                 |
| 12899 780 01 01                                  |     |     | 221000.00  | 7.000       | 70S                   | 05/09/2011      | 214513.91            | .00             | 210.33            | 1252.56               | 1252.56           | 51004.55                 |
|  |     |     |  |             | 71S                   | 05/16/2011      | 214513.91            | 1251.33         | .00               | .00                   | 1251.33           | 51004.55                 |
| 14299 780 01 01                                  |     |     | 216265.00  | 5.750       | 70S                   | 05/01/2011      | 207923.51            | .00             | 259.09            | 997.54                | 997.54            | 43951.78                 |
|  |     |     |  |             | 71S                   | 05/16/2011      | 207923.51            | 996.30          | .00               | .00                   | 996.30            | 43951.78                 |
| 14499 780 01 01                                  |     |     | 141500.00  | 5.625       | 69S                   | 05/16/2011      | 134257.19            | 629.33          | .00               | .00                   | 629.33            | 32478.52                 |
|  |     |     |  |             | 70S                   | 05/22/2011      | 134077.46            | .00             | 179.73            | 629.33                | 629.33            | 33287.58                 |
| 16499 780 01 01                                  |     |     | 83600.00   | 5.625       | 74S                   | 05/01/2011      | 79659.66             | .00             | 104.02            | 373.89                | 373.89            | 18131.84                 |
|  |     |     |  |             | 75S                   | 05/16/2011      | 79659.66             | 373.40          | .00               | .00                   | 373.40            | 18131.84                 |
| 16599 780 01 01                                  |     |     | 71200.00   | 6.000       | 84S                   | 05/03/2011      | 60217.61             | .00             | 284.88            | 302.51                | 302.51            | 24558.45                 |
|  |     |     |  |             | 85S                   | 05/16/2011      | 60217.61             | 301.09          | .00               | .00                   | 301.09            | 24558.45                 |
| PLI 002 TOTAL                                    |     |     | 1830500.00   |             |                       |                 |                      | 8585.01         | 2864.19           | 8597.09               |                   |                          |



# RURAL DEVELOPMENT LOAN DETAIL

*Rural Development Part. Loan Detail Rpt (Tool #771)*

## Field Descriptions

| Field Name   | Description  |
|--------------|--|
| Corp ID      | Corporation ID, default is 01.   |
| Process date | The process month and year.  |
| Company code | This is a dropdown box that allows you to select a Company code from those configured for your credit union. This field is optional and will only display if Company codes are configured for your credit union. |

This report provides a listing of participation loans that are flagged as Rural Development (RD). This report is sorted by account number within investor. In order for a loan to appear on the report, there must be a Y in the Rural Development flag on the Participation Loan Setup screen (accessed from **Tool #199 PL 1: Add/Maintain Participation Loans**).

This report is generally run monthly. For Rural Development loans, delinquent balances are reported to the United States Department of Agriculture (USDA) both monthly and quarterly. Loan balances are reported to the USDA quarterly. Refer to the [usdalinc.sc.egov.usda.gov](http://usdalinc.sc.egov.usda.gov) website for specific information and reporting requirements for RD loans.

*Note: Loans that were closed in the reporting period are included on the report.*

| 1/31/12 10:24:23                 |                      | CU*BASE CREDIT UNION          |                 |                    |                       | LPLRUR                | PAGE                          |
|----------------------------------|----------------------|-------------------------------|-----------------|--------------------|-----------------------|-----------------------|-------------------------------|
| RUN ON 1/31/2012                 |                      | RURAL DEVELOPMENT LOAN DETAIL |                 |                    |                       |                       | USER KARENS                   |
|                                  |                      | 01/31/2012                    |                 |                    |                       |                       |                               |
| CORP 01                          | CU*BASE CREDIT UNION | INVESTOR: 001 - TEST INVESTOR |                 |                    |                       |                       |                               |
| SSN/TAX ID                       | MEMBER NAME          | ACCOUNT<br>BASE               | ACCOUNT<br>TYPE | CURRENT<br>BALANCE | SCHEDULED<br>PYMT AMT | DELINQUENT<br>BALANCE | NEXT PAY DT/<br>CLOSE DATE(*) |
| 999-62-9999                      | SOMEBODY, JOSEPH     | 1234                          | 781             | 131,409.14         | 833.92                | 833.92                | 1/01/2012                     |
| 999-98-9999                      | PERSON, ELIZABETH    | 2345                          | 780             | 69,327.33          | 434.19                | .00                   | 2/01/2012                     |
| 999-94-9999                      | MEMBER, DANIEL S     | 12233                         | 780             | 164,307.39         | 1,069.06              | 1,069.06              | 1/01/2012                     |
| 999-06-9999                      | TESTING, SCOTT W     | 23344                         | 780             | 53,684.66          | 344.07                | 344.07                | 1/01/2012                     |
| 999-04-9999                      | SMITH, ALICE J       | 34455                         | 780             | 79,447.43          | 501.46                | .00                   | 2/01/2012                     |
| 999-96-9999                      | HALEY, CRAIG A       | 45566                         | 780             | 36,857.36          | 237.67                | 237.67                | 1/01/2012                     |
| 999-98-9999                      | JOHNSON, WILLIAM J   | 56677                         | 780             | 99,281.37          | 640.59                | 640.59                | 1/01/2012                     |
| 999-06-9999                      | BLACK, CHRISTOPHER G | 566789                        | 780             | 73,612.02          | 478.80                | .00                   | 2/01/2012                     |
| ** INVESTOR: 001 - TEST INVESTOR |                      |                               |                 |                    |                       |                       |                               |
| TOTAL BALANCES                   |                      |                               |                 | 707,926.70         |                       | 3,125.31              |                               |
| TOTAL LOANS = 8                  |                      |                               |                 |                    |                       |                       |                               |

## ESCROW SHARE DETAIL REPORT

This is a daily report that lists all escrow savings accounts by dividend application. The report shows the current balance for all escrow accounts with subtotals by dividend application. The "Total Positive Balances" and "Total Negative Balances" are listed.

The purpose of this report is to help with reconciling member escrow balance detail to the custodial member account.

|                            |           |                            |          |     |        |        |            |
|----------------------------|-----------|----------------------------|----------|-----|--------|--------|------------|
| 6/13/11 13:19:12           |           | TEST CREDIT UNION          |          |     |        | LPLESC | PAGE 1     |
| RUN ON 7/07/2011           |           | ESCROW SHARE DETAIL REPORT |          |     |        |        | USER ERICS |
| CORP 01 TEST CREDIT UNION  |           |                            |          |     |        |        |            |
| DIV APPL TE                |           |                            |          |     |        |        |            |
| CURRENT                    |           |                            |          |     |        |        |            |
| LOAN ACCOUNT               | LAST NAME | FIRST NAME                 | ACCT BAL | NEG | FREEZE |        |            |
| 3699 151                   | MEMBER    | WILLIAM                    | 1917.03  |     | 1      |        |            |
| 3999 150                   | MEMBER    | TERESA                     | 2780.87  |     | 1      |        |            |
| 5499 150                   | MEMBER    | JAMES                      | 1828.00  |     | 1      |        |            |
| 5899 150                   | MEMBER    | LISA                       | 1371.69  |     | 1      |        |            |
| 7999 150                   | MEMBER    | MARCIA                     | 1933.59  |     | 1      |        |            |
| 8399 154                   | MEMBER    | CHRISTOPHER                | 1866.58- | *   | 1      |        |            |
| 12499 150                  | MEMBER    | BRIAN                      | 2584.74  |     | 1      |        |            |
| 14299 154                  | MEMBER    | ALLYN                      | 1420.09  |     | 1      |        |            |
| 14599 154                  | MEMBER    | CHRIS                      | 2320.17  |     | 1      |        |            |
| 15599 150                  | MEMBER    | ANTHONY                    | 2155.19  |     | 1      |        |            |
| 16299 150                  | MEMBER    | MARY                       | 3018.13  |     | 1      |        |            |
| 16599 150                  | MEMBER    | JOSEPH                     | 2394.00  |     | 1      |        |            |
| Total Number of Accounts = |           | 12                         |          |     |        |        |            |
| Total Positive Balances =  |           | 23,723.50                  |          |     |        |        |            |
| Total Negative Balances =  |           | 1,866.38-                  |          |     |        |        |            |

### Field Descriptions

| Field Name           | Description  |
|----------------------|--|
| Loan Account         | (Used by multi-corporation credit unions only.) Enter a single Corporate ID to see data for a single corporation; leave the field blank to include all corporations. |
| Last Name/First Name | Member Name  |
| Current Acct Bal     | Current Balance from the member file.  |
| Neg                  | Negative Account Balance indicator. An * indicates a negative balance.   |
| Freeze               | Freeze Code from the member file. Values are defined at the bottom of the report.  |

# PARTICIPATION LOAN BALANCE VERIFICATION REPORT

Particip. Loan Balance Verification Rpt (Tool #577)

Session 0 - 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

Pull by account or reference

☒ Account ☐ Reference

**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.

Job queue  
Copies **1**  
Printer **P1**

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

(4089)

The report is run by investor as needed after processing payments in a work file to identify participation loans where the member principal balance (either current or EOM) does not match the PL principal balance. The MBR PRIN BAL and PL PRIN BAL on the report provide a current snapshot of these balances.

This report is most useful for investors with loans 100% owned by the investor (PLI%=100) to identify the member and PL principal balances not matching. However, for loans owned less than 100% by the investor (PLI% less than 100), the report can identify loans created in the PL system with the wrong "PLI original investment" amount.

*Note: If there is only a slight difference in the member and PL principal balances, it can be due to how the PLI original investment amount was rounded when the loan was created in the PL system.*

## Note on current day payments:

If a loan has current day payments, this could cause the MBR PRIN BAL and PL PRIN BAL to not match. This is an acceptable difference and is because the payments have not been processed in the participation loan system yet.

| 4/14/18 15:45:37          | TEST CREDIT UNION                              |        |                     |             | LPLFPE     | PAGE 1         |
|---------------------------|--|--------|---------------------|-------------|------------|----------------|
| RUN ON 4/14/18            | PARTICIPATION LOAN BALANCE VERIFICATION REPORT |        |                     |             |            | USER KARENS    |
| CORP 01 TEST CREDIT UNION |  |        |                     |             |            |                |
| PLI 001 FREDDIE MAC       |  |        |                     |             |            |                |
| LOAN ACCOUNT              | CURR MBR PRIN BAL                              | PLI %  | CALCULATED PRIN BAL | PL PRIN BAL | DIFFERENCE | LAST TRAN DATE |
| 114999 780                | 21,728.43                                      | 100.00 | 21,728.43           | 21,538.96   | 189.47     | 3/13/18        |
| 151999 780                | 24,409.78                                      | 100.00 | 24,409.78           | 24,376.01   | 33.77      | 3/15/18        |
| 179999 780                | 53,503.75                                      | 100.00 | 53,503.75           | 53,953.33   | 449.58-    | 4/14/18        |
| 230999 780                | 28,981.76                                      | 100.00 | 28,981.76           | 28,099.50   | 882.26     | 3/15/18        |
| 257999 780                | 44,682.41                                      | 100.00 | 44,682.41           | 44,149.97   | 532.44     | 3/21/18        |
| 275999 780                | 42,696.00                                      | 100.00 | 42,696.00           | 42,034.48   | 661.52     | 3/22/18        |
| 301999 705                | 63,287.32                                      | 100.00 | 63,287.32           | 63,582.66   | 295.34-    | 4/14/18        |
| TOTALS                    | 279,289.45                                     |        | 279,289.45          | 277,7349.91 | 1,554.54   |                |
| ***END OF REPORT***       |  |        |                     |             |            |                |

## Field Descriptions

| <i>Field Name</i>                        | <i>Description</i>  |
|--|---|
| Loan Acct                                | Loan Account Number and Type.   |
| Curr Mbr Prin Bal or<br>EOM Mbr Prin Bal | Member Principal Balance used to compare to PL principal balance. Heading is conditional based on selection of current or EOM balance.            |
| PLI %                                    | PLI Participation percentage from the PL record. For Freddie Mac loans, this will be 100%.  |
| Calculated Prin Bal                      | This is the calculated principal balance using the member principal balance and multiplying by the PLI Participation % (Mbr Prin Bal times PLI %) |
| PL Prin Bal                              | Principal balance from the PL record.   |
| Difference                               | Difference between the Calculated Prin Bal and the PL Prin Bal (Calced Prin Bal minus PL Prin Bal)  |
| Last Tran Date                           | The last transaction date from the member file.   |

# PARTICIPATION LOAN DELINQUENCY ANALYSIS

## Particip. Loan Delinquency Analysis Rpt (Tool #578)

### Field Descriptions

| Field Name                            | Description   |
|---------------------------------------|---|
| Corp ID                               | Corporation ID, default is 01.  |
| Process date                          | The process month and year.   |
| PL investors                          | This is a Select button that allows you to select one or multiple investors.  |
| Report type                           | Report type is D=Detail and Summary, S=Summary.   |
| Include 30 to 59 day Call Report term | Check this box if you would like to include loans that are delinquent 30 to 59 days.  |
| Pull by Account or Reference          | Use this to specify whether the loans should be listed on the report by loan account number or by the PL reference number.  |
| Export report to file                 | Check this to create a file containing the records generated by the report. A window will appear; you can choose either to create a file that ready for Member Connect (contains account base only), or you can choose to export all report data into a file that can be used for further analysis with CU*BASE Report Builder. |

This report identifies delinquent participation loans by investor. The investor owned portion of delinquent balance is listed in the appropriate date range. It is modeled after **Tool #461 Loan Delinquency Analysis Report** which lists the CU owned portion of the delinquency.

This report can be run anytime that you want to review the delinquency position of your participation loans. The report will page break by investor.

#### Detail report sample FHMC (PLI%=100)

|   |  |   |            |           |            |            |            |            |                |       |  |
|---|--|---|------------|-----------|------------|------------|------------|------------|----------------|-------|--|
| 4/18/23 16:14:09                                      |  | ABC CREDIT UNION                        |            |           |            |            | LPLDEQ BRT |            | PAGE           |       |  |
| RUN ON 4/18/23  |  | PARTICIPATION LOAN DELINQUENCY ANALYSIS |            |           |            |            |            |            | USER KSORENSEN |       |  |
| CORP 01 ABC CREDIT UNION                              |  |   |            |           |            |            |            |            |                |       |  |
| PLI 001 FREDDIE MAC                                   |  |   |            |           |            |            |            |            |                |       |  |
| *** INVESTOR OWNED PORTION OF PARTICIPATION LOANS *** |  |   |            |           |            |            |            |            |                |       |  |
| ACCOUNT   |  | DELINQUENCY BALANCE IN DAYS             |            |           |            |            | DAYS       | LAST       | LAST           | PLI   |  |
| NUMBER  |  | 30 TO 59                                | 60 TO 89   | 90 TO 179 | 180 TO 359 | 360 & OVER | DLQ        | PAY DATE   | PAY AMT        | %     |  |
| 11123-781   |  |   | 164,652.46 |           |            |            | 76         | 01/06/2023 | 1000.00        | 100.0 |  |
| 12233-780   |  | .00                                     |            |           |            |            | 48         | 04/13/2023 | 1115.11        | 100.0 |  |
| 31111-780   |  | 39,689.59                               |            |           |            |            | 48         | 01/27/2023 | 572.13         | 100.0 |  |
| 91212-605   |  | 25,524.44                               |            |           |            |            | 34         | 01/18/2023 | 800.00         | 100.0 |  |
| 100627-605  |  | 26,661.20                               |            |           |            |            | 51         | 01/30/2023 | 40.92          | 100.0 |  |
| 400940-781  |  | 61,658.06                               |            |           |            |            | 48         | 01/27/2023 | 20.23          | 100.0 |  |
| * PLI TOTAL   |  | 153,533.29                              | 164,652.46 | .00       | .00        | .00        |            |            |                |       |  |
| # DLQ LOANS   |  | 5                                       | 1          | 0         | 0          | 0          |            |            |                |       |  |

#### Detail report sample PART (PLI % less than 100)

|   |            |   |           |            |            |      |                |         |      |  |
|---|------------|---|-----------|------------|------------|------|----------------|---------|------|--|
| 4/18/23 16:14:09                                      |            | ABC CREDIT UNION                        |           |            |            |      | LPLDEQ BRT     |         | PAGE |  |
| RUN ON 4/18/23  |            | PARTICIPATION LOAN DELINQUENCY ANALYSIS |           |            |            |      | USER KSORENSEN |         |      |  |
| CORP 01 ABC CREDIT UNION                              |            |   |           |            |            |      |                |         |      |  |
| PLI 010 STANDARD REAL ESTATE                          |            |   |           |            |            |      |                |         |      |  |
| *** INVESTOR OWNED PORTION OF PARTICIPATION LOANS *** |            |   |           |            |            |      |                |         |      |  |
| ACCOUNT   |            | DELINQUENCY BALANCE IN DAYS             |           |            |            | DAYS | LAST           | LAST    | PLI  |  |
| NUMBER  | 30 TO 59   | 60 TO 89                                | 90 TO 179 | 180 TO 359 | 360 & OVER | DLQ  | PAY DATE       | PAY AMT | %    |  |
| 1234-790  |            | 169,755.05                              |           |            |            | 76   | 01/01/2023     | 1148.00 | 90.0 |  |
| 12345-712   |            | 213,531.03                              |           |            |            | 76   | 01/03/2023     | 21.07   | 90.0 |  |
| 22345-712   |            | 178,346.01                              |           |            |            | 76   | 12/31/2022     | 1080.28 | 90.0 |  |
| 33456-712   | 164,754.89 |   |           |            |            | 48   | 03/02/2023     | 70.26   | 90.0 |  |
| 44567-790   |            | 82,939.25                               |           |            |            | 76   | 01/01/2023     | 379.32  | 90.0 |  |
| 55678-712   | 184,936.49 |   |           |            |            | 48   | 03/02/2023     | 7.41    | 90.0 |  |
| 66789-791   |            | 92,110.75                               |           |            |            | 76   | 01/06/2023     | 4.27    | 90.0 |  |
| 77890-712   | 139,198.54 |   |           |            |            | 48   | 03/02/2023     | 654.69  | 90.0 |  |
| * PLI TOTAL   | 488,889.86 | 736,682.09                              | .00       | .00        | .00        |      |                |         |      |  |
| # DLQ LOANS   | 3          | 5                                       | 0         | 0          | 0          |      |                |         |      |  |
| ***END OF REPORT***                                   |            |   |           |            |            |      |                |         |      |  |

#### Summary report sample

|   |   |                |                |              |            |            |                |
|---|---|----------------|----------------|--------------|------------|------------|----------------|
| 4/18/23 16:05:46                                      | ABC CREDIT UNION                        |                |                |              |            | LPLDEQ     | PAGE           |
| RUN ON 4/18/23  | PARTICIPATION LOAN DELINQUENCY ANALYSIS |                |                |              |            |            | USER KSORENSEN |
| *** INVESTOR OWNED PORTION OF PARTICIPATION LOANS *** |   |                |                |              |            |            |                |
|   | DELINQUENCY BALANCE IN DAYS             |                |                |              |            |            |                |
|   | 30 TO 59                                | 60 TO 89       | 90 TO 179      | 180 TO 359   | 360 & OVER |            |                |
| ** GRAND TOTALS                                       | --                                      | 185,862,871.34 | 233,797,070.95 | 4,136,184.57 | 761,394.56 | 392,589.13 |                |
| # OF LOANS DELINQUENT --                              |   | 1,538          | 1,837          | 49           | 8          | 4          |                |
| ***END OF REPORT***                                   |   |                |                |              |            |            |                |

## MEMBER ACTIVITY ON PARTICIPATION LOANS


*PL 2: 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 **Sep 01, 2013** [calendar icon] (MMDDYYYY) to **Sep 30, 2013** [calendar icon] (MMDDYYYY)

PL investors **Select** 0 selected

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

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

FR (4082)

| <i>Field Name</i>      | <i>Description</i>   |
|------------------------|--|
| Corp ID                | Corporation ID, default is 01.   |
| Transaction date range | The range of dates for the member activity.                                  |
| PL investors           | This is a Select button that allows you to select one or multiple investors. |

Run this report to review member transaction activity on participation loans. Report can be viewed on the screen or printed via *Print Report* (F14). Loans are selected by Transaction date range and PL investor. This report can be run using any date range, but will only provide activity if transactions exist on the member transaction files. The prior 12 months of member activity is available.

Refer to **Page 30** for additional information on this report and for a sample of the display version of the report.

*Note: The display version of this report does not include Tran Code and Tran Type.*

## Printed report version of Member Activity on Participation Loans

|                           |            |  |           |           |           |          |                      |                            |  |        |  |
|---------------------------|------------|--|-----------|-----------|-----------|----------|----------------------|----------------------------|--|--------|--|
| 4/14/10 11:50:59          |            | TEST CREDIT UNION                      |           |           |           |          |                      | LPLPAC                     |  | PAGE 1 |  |
| RUN ON 6/15/10            |            | MEMBER ACTIVITY ON PARTICIPATION LOANS |           |           |           |          |                      | USER KARENS                |  |        |  |
| CORP 01 TEST CREDIT UNION |            | DATE RANGE: 10/01/2009 TO 1/01/2010    |           |           |           |          |                      |                            |  |        |  |
| PLI 002 FREDDIE MAC       |            |  |           |           |           |          |                      |                            |  |        |  |
| LOAN ACCOUNT              | TRANS DATE | TRANS AMOUNT                           | TRAN CODE | TRAN TYPE | PRINCIPAL | INTEREST | TRANS RESULT BALANCE | DESCRIPTION / DESCRIPTION2 |  |        |  |
| 187989 790                | 01/01/10   | 332.20                                 | 22        | 29        | 99.78     | 232.42   | 43650.05             | AUTO. FUNDS TRANSFER       |  |        |  |
| 187999 790                | 12/01/09   | 332.20                                 | 22        | 29        | 98.73     | 233.47   | 43849.08             | AUTO. FUNDS TRANSFER       |  |        |  |
| 187999 790                | 11/01/09   | 332.20                                 | 22        | 29        | 98.21     | 233.99   | 43947.81             | AUTO. FUNDS TRANSFER       |  |        |  |
| 469989 790                | 12/05/09   | 625.76                                 | 22        | 29        | 168.21    | 457.55   | 121845.92            | AUTO. FUNDS TRANSFER       |  |        |  |
| 469989 790                | 11/05/09   | 625.76                                 | 22        | 29        | 167.58    | 458.18   | 122014.13            | AUTO. FUNDS TRANSFER       |  |        |  |
| 535999 790                | 12/03/09   | 359.90                                 | 22        | 12        | 94.70     | 265.20   | 68715.16             | FIRST MTG PAYMENT          |  |        |  |
| 535999 790                | 11/03/09   | 40.10                                  | 22        | 12        | 40.10     | .00      | 68809.86             | MBR-ELECTED PAYMENT        |  |        |  |
| 535999 790                | 11/03/09   | 359.90                                 | 22        | 12        | 94.18     | 265.72   | 68849.96             | FIRST MTG PAYMENT          |  |        |  |
| 535999 790                | 10/05/09   | 40.10                                  | 22        | 12        | 40.10     | .00      | 68944.14             | MBR-ELECTED PRINCIPA       |  |        |  |
| 1239989 790               | 12/01/09   | 190.82                                 | 23        | 61        | 190.82    | .00      | 126954.01            | FIRST MTG PAYMENT          |  |        |  |
| 1239989 790               | 11/01/09   | 856.44                                 | 22        | 29        | 353.27    | 503.17   | 126763.19            | MBR-ELECTED PAYMENT        |  |        |  |
| 1239989 790               | 10/01/09   | 190.82                                 | 23        | 61        | 190.82    | .00      | 127116.46            | FIRST MTG PAYMENT          |  |        |  |
| 4050989 790               | 12/11/09   | 204.00                                 | 23        | 37        | .00       | .00      | 96058.54             | MBR-ELECTED PRINCIPA       |  |        |  |
| 4050989 790               | 12/11/09   | 35.00                                  | 23        | 40        | .00       | .00      | 95854.54             | LOAN DISB, C/U CHECK       |  |        |  |
| 4050989 790               | 12/11/09   | 67.00                                  | 23        | 37        | .00       | .00      | 95819.54             | LOAN DISB# 000113759       |  |        |  |
| TOTALS:                   |            | 6133.56                                |           |           | 1636.50   | 2649.70  |                      | LOAN DISB# 000113758       |  |        |  |
| ***** END OF REPORT ***** |            |  |           |           |           |          |                      |                            |  |        |  |

## Report Field Descriptions

| <i>Field Name</i>    | <i>Description</i>   |
|----------------------|--|
| PLI                  | Participation Loan Investor  |
| Loan Account         | The loan account base and type from the member transaction record.                               |
| Trans Date           | Transaction Date from the member transaction record.   |
| Trans Amount         | Transaction Amount from the member transaction record.   |
| Tran Code            | Transaction Code from the member transaction record (only appears on printed version of report). |
| Tran Type            | Transaction Type from the member transaction record (only appears on printed version of report). |
| Principal            | Principal Paid on the loan from the member transaction record.                                   |
| Interest             | Interest Paid on the loan from the member transaction record.                                    |
| Trans Result Balance | Transaction Resulting Balance from the member transaction record.                                |
| Description 1        | Primary transaction description from the member transaction record.                              |
| Description 2        | Secondary transaction description from the member transaction record.                            |



# UNFUNDED LOAN REPORT

## PL 3: Review Unfunded Participation Ln (Tool #768)

Session 0 CU\*BASE GOLD Edition - Unfunded Participation Loan Report

Corp ID **01**

Loan categories **Select** **0** selected

*This inquiry looks for unfunded participation loans by loan category code. Unfunded loans are open on the member loan file, but do not exist on the participation loan file.*

FR (4073)

### Field Descriptions

| Field Name      | Description   |
|-----------------|---|
| Corp ID         | Corporation ID, default is 01.  |
| Loan categories | This is a select button that allows selection of 1 or more loan category codes. |

Run this report to identify unfunded (new) loans. Unfunded loans are open on the member file, but do not exist on the participation loan file. Report can be viewed on the screen or printed via *Print Report* (F14).

This report helps to identify loans new that should be added to the participation loan system. (Refer to **Page 13** for instructions on adding a loan to the PL system). The report can also identify loans that are waiting to be funded by Freddie Mac. This situation can cause the member and participation G/L accounts to be out of balance.

### Printed Report version

|                                  |                      |        |             |           |            |
|----------------------------------|----------------------|--------|-------------|-----------|------------|
| 4/15/10 12:04:21                 | TEST CREDIT UNION    | LPLNEW | PAGE 1      |           |            |
| RUN ON 4/15/10                   | UNFUNDED LOAN REPORT |        | USER KARENS |           |            |
| CORP 01 TEST CREDIT UNION        |                      |        |             |           |            |
| LOAN CATEGORY 80                 |                      |        |             |           |            |
| -                                |                      |        |             |           |            |
| MEMBER INFORMATION               |                      |        |             |           |            |
| -                                |                      |        |             |           |            |
| LOAN ACCOUNT                     | NAME                 | LN CTG | PRIN BAL    | OPEN DATE | LST PMT DT |
| 3549999 781                      | DAVID A SCHWIMMER    | 80     | 92597.59    | 04/14/10  | 04/14/10   |
| 4679999 780                      | JENNIFER ANISTON     | 80     | 122342.54   | 04/15/10  | 04/15/10   |
| Total Principal Balance          |                      |        | 214,940.13  |           |            |
| Total Number of Unfunded Loans = |                      | 2      |             |           |            |
| ***END OF REPORT***              |                      |        |             |           |            |

### Report Field Descriptions

| Field Name   | Description                                      |
|--------------|--|
| Loan Account | The loan account base and suffix.                |
| Name         | The member name.                                 |
| Ln Ctg       | The loan category code.                          |
| Prin Bal     | The principal balance from the member loan file. |
| Open Date    | The open date from the member loan file.         |
| Lst Pmt Dt   | The last payment date from the member loan file. |

# PAID OFF LOAN REPORT

## PL 4: Review Paid Off Participation Lns (Tool #767)

Session 0 CU\*BASE GOLD Edition - Paid Off Loan Report Inquiry

Corp ID **01**

Loan categories **Select** **0** selected

Closed date range **Sep 01, 2013** [MMDDYYYY] to **Sep 13, 2013** [MMDDYYYY]

**i** This inquiry checks for paid off member loans by loan category code. Paid off loans are closed on the member loan file.

Navigation icons: Back, Forward, Up, Down, Print, Refresh, Help, Search, Exit

FR (4085)

### Field Descriptions

| Field Name        | Description   |
|-------------------|---|
| Corp ID           | Corporation ID, default is 01.  |
| Loan categories   | This is a select button that allows selection of 1 or more loan category codes. At least one entry is required. |
| Closed date range | This is the date range to check for closed loans on the member file.  |

Run this report to identify closed (paid off) member loans. Report can be viewed on the screen or printed via *Print Report* (F14).

The report is used to identify paid off loans that will need an interest adjustment in the PL work file (paid off loans almost always need to have interest adjusted in the work file). If the participation loan status is an "E" for existing, the closed loan is open on the participation loan system.

This report may be helpful for cleaning up the participation loan files. By identifying the closed (paid off) member loans, the loans with a PL STATUS of "C" (Closed) can be manually deleted from the participation loan system via **Tool #119 PL 1: Add/Maintain Participation Loans**. Select the loan, then use **Delete**.

### Printed report version of Paid Off Loan Report

|  |                  |        |   |           |           |            |        |      |                       |  |
|--|------------------|--------|---|-----------|-----------|------------|--------|------|-----------------------|--|
| 4/14/10 12:19:43<br>RUN ON 4/14/10   |                  |        | TEST CREDIT UNION<br>PAID OFF LOAN REPORT |           |           |            | LPLPOF |      | PAGE 1<br>USER KARENS |  |
| CORP 01 TEST CREDIT UNION<br>LOAN CATEGORY 80<br>CLOSED DATE RANGE: 1/01/2010 TO 4/01/2010 |                  |        |   |           |           |            |        |      |                       |  |
| - - - - - MEMBER INFORMATION - - - - - PL - RD -   |                  |        |   |           |           |            |        |      |                       |  |
| LOAN ACCOUNT   | NAME             | LN CTG | PRIN BAL                                  | OPEN DATE | CLSD DATE | LST PMT DT | STATUS | LOAN |                       |  |
| 665999 780   | MARY JANE JONES  | 80     | .00                                       | 09/29/04  | 01/08/10  | 01/08/10   | C      | N    |                       |  |
| 1177989 780  | JOHN DEWITT      | 80     | .00                                       | 06/16/03  | 01/25/10  | 01/25/10   | E      | N    |                       |  |
| 1889999 780  | JAMES B SAUDER   | 80     | .00                                       | 01/23/08  | 03/26/10  | 03/26/10   | E      | Y    |                       |  |
| 3970989 780  | VINCENT L PARKER | 80     | .00                                       | 12/28/05  | 01/04/10  | 01/04/10   | C      | N    |                       |  |
| Total Number of Closed Loans =   |                  | 4      |   |           |           |            |        |      |                       |  |
| ***END OF REPORT***  |                  |        |   |           |           |            |        |      |                       |  |

### Report Field Descriptions

| Field Name   | Description                       |
|--------------|-----------------------------------|
| Loan Account | The loan account base and suffix. |

| <i>Field Name</i> | <i>Description</i>  |
|-------------------|---|
| Name              | The member name.  |
| Ln Ctg            | The loan category code.   |
| Prin Bal          | The principal balance from the member loan file.  |
| Open Date         | The open date from the member loan file.  |
| Clsd Date         | The closed date from the member loan file.  |
| Lst Pmt Dt        | The last payment date from the member loan file.  |
| PL Status         | Participation Loan Status, E=Existing, N=New, C=Closed, Blank=does not exist in PL system |
| RD Loan           | A Y indicates that this is a Rural Development loan.                                      |

# PARTICIPATION LOAN ACCRUED INTEREST REPORT

## Accrue Interest for 360 Particip. Loans (Tool #107)

The Accrued Interest Report will generate if this box is checked.

Session 0 CU\*BASE GOLD Edition - Accrue Interest for 360 Loans

Settlement calculation routine **Freddie Mac**

Company code (blank = none)

☒ Print participation loan accrued interest report

Copies **1**

Printer **P1**

**i** Interest will be accrued for 360 mortgage loans that are settlement type Actual/Actual and Scheduled/Actual.

Save/Continue

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

FR (4101)

When processing the interest accrual, this report generates if the “Print participation loan accrued interest report” box is checked. A listing of all the loans for the Settlement calculation routine and Company code (if applicable) is provided along with interest accrual information.

| 8/16/11 9:35:15<br>RUN ON 8/16/2011                         |               | TEST CREDIT UNION<br>PARTICIPATION LOAN ACCRUED INTEREST REPORT<br>PROCESS DATE: 8/11 |                 |                   | UPLACCI            | PAGE<br>USER KARENS |
|---|---------------|---|-----------------|-------------------|--------------------|---------------------|
| PLI 001 FREDDIE MAC<br>SETTLEMENT CALC FHMC<br>COMPANY CODE |               |   |                 |                   |                    |                     |
| LOAN ACCOUNT  | DATE REPORTED | PRINCIPAL BALANCE   | ACCRUED INT DUE | PAST DUE INTEREST | TOTAL INTEREST DUE |                     |
| 187999 790  | 08/15/11      | 42410.53  | 216.47          | .00               | 216.47             |                     |
| 203999 790  | 08/15/11      | 88370.54  | 248.54          | .00               | 248.54             |                     |
| 207999 790  | 08/15/11      | 66559.38  | 195.72          | .00               | 195.72             |                     |
| 301999 790  | 08/15/11      | 87928.06  | 247.30          | .00               | 247.30             |                     |
| 322999 790  | 08/15/11      | 120603.07   | 464.82          | .00               | 464.82             |                     |
| 329999 790  | 08/15/11      | 147029.29   | 551.36          | .00               | 551.36             |                     |
| 370999 790  | 08/15/11      | 105565.36   | 296.90          | .00               | 296.90             |                     |
| 386999 790  | 08/15/11      | 176200.31   | 495.56          | .00               | 495.56             |                     |
| 469999 790  | 08/15/11      | 119600.97   | 423.59          | .00               | 423.59             |                     |
| 535999 790  | 08/15/11      | 65648.88  | 239.34          | .00               | 423.59             |                     |
| 641999 790  | 08/15/11      | 84041.88  | 288.89          | .00               | 288.89             |                     |
| 646999 790  | 08/15/11      | 119001.74   | 322.30          | .00               | 322.30             |                     |
| 658999 790  | 08/15/11      | 81000.00  | 244.69          | .00               | 244.69             |                     |
| 667999 790  | 08/15/11      | 47591.22  | 188.38          | .00               | 188.38             |                     |
| 683999 790  | 08/15/11      | 78309.21  | 229.87          | .00               | 229.87             |                     |
| 826999 790  | 08/15/11      | 82873.83  | 241.72          | .00               | 241.72             |                     |
| 964999 790  | 08/15/11      | 287701.64   | 959.01          | .00               | 959.01             |                     |
| 970999 791  | 08/15/11      | 143401.47   | 478.00          | .00               | 478.00             |                     |
| 987999 790  | 08/15/11      | 64733.15  | 195.55          | .00               | 195.55             |                     |
| 1017999 790   | 08/15/11      | 33579.76  | 101.44          | .00               | 101.44             |                     |
| 1081999 790   | 08/15/11      | 125355.60   | 378.68          | .00               | 378.68             |                     |
| 1099999 790   | 08/15/11      | 125845.19   | 353.94          | .00               | 353.94             |                     |
| TOTAL BY PLI  | 001           | 2,418,706.78  | 7,362.07        | .00               | 7,362.07           |                     |

## Report Field Descriptions

| Field Name         | Description  |
|--------------------|--|
| Loan Account       | The loan account base and suffix.  |
| Date Reported      | The last date that this loan was reported to the investor.   |
| Principal Balance  | The participation loan principal balance.  |
| Accrued Int Due    | The amount of interest accrued for the loan. A zero amount with an asterisk (.00 *) indicates that the loan did not accrue interest. |
| Past Due Interest  | The past due interest amount.  |
| Total Interest Due | The total interest due that includes the current interest due and the past due interest.   |

# CONFIGURATIONS FOR FHMC

## PARTICIPATION LENDING

### CONFIGURING LOAN CATEGORY CODES

A unique loan category code is set up for Freddie Mac loans.

*Loan Category Configuration* (Tool #458) - Screen 1

Session 0 - ABC CREDIT UNION

File Edit Tools Help

### Loan Category Definition

Category code 60

Corp ID 01 ABC CREDIT UNION

UPDATE

---

**General Information**

Full description FIRST MORTGAGE FANNIE MAE

Abbrev. description FANNIE MORTGAGE

Business unit

Process type M MORTGAGE LOAN

---

Account type range: Low 790 High 796

Interest rates: Low 1.750 High 15.000

---

Interest calculation type 360/Post 1

Day to calculate interest 31

Payment calculation type P&I 2

Next payment date/del. control Can pay ahead 2 periods

---

☐ Use review date for disbursements  
☐ Allow teller disbursements  
☒ Warn teller if different payment amount  
☐ Include delinquency fine in partial pay  
☐ Allow payment protection  
☒ Allow account nickname 3  
 Student loan alter payout category  
 Delinquency notice group Mortgage

☐ AFT delinquency control default  
☐ AFT payment date control default  
☐ Use note # control  
☐ Allow stock to secure loan  
☐ Use the lease residual in payoff  
☒ Restrict approving loan officer from disbursing same loan  
☐ Use disbursement limit to calculate LTV for LOC loans

---

Suspend Ratio Skip End Delete Payment Controls  
 Future Mods Audio/PC Bank

< > ↑ ↓ ⏸ ⏹ ⏶ ⏷ ⓘ ? @

FR (2321) 4/18/23

Use Payment Controls (F17) and Audio/PC Bank (F23) to control how payments are applied to these loans (see below).

There are several settings on the first loan category configuration screen that relate specifically to the 360-day interest calculation method:

### 1 Interest Calculation Type

| Calc Type             | Description   |
|-----------------------|---|
| 365 (0)               | The standard daily interest calculation using a 365-day year.   |
| None (2)              | Does not accrue interest. Primarily used for written-off loans.   |
| <b>360 / Post (3)</b> | <p><b>Interest is based on twelve 30-day months, calculated once each month on the same day of the month (i.e., interest is paid in arrears).</b></p> <p>Use the <b>Day to calculate interest</b> field to specify the day of the month when interest should be calculated. This can be any date (depending on your loan participation partner).</p>                        |
| 360 / 365 (4)         | <p>(Used for business loans.) The standard daily interest calculation using a 360-day year (30-day month). Interest is accrued each day using a <i>per diem</i> calculated as follows:</p> $\text{Rate} \div 360 \times \text{Loan Balance} = \text{Per diem}$ <p>Refer to the separate "Loan Interest Calculation: '360/365 Daily Interest'" booklet for more details.</p> |

| Calc Type | Description  |
|-----------|--|
| ADB (5)   | (Average Daily Balance) Used for online credit cards only. |

## 2 Next Payment Date/Delinquency Control

This flag controls whether or not you allow the member to pay ahead. This is so a member could, for example, pay his May payment during March.

The *Can Pay Ahead* setting would allow *unlimited* payments ahead and is not generally recommended for 360 mortgages. Depending on your policies and the guidelines from your participation partners, you may choose to allow a member to pay 1 or 2 payments ahead (up to 9 maximum).

*If you do allow members to pay ahead, remember that CU\*BASE will NOT track the amount of interest paid ahead, which means that if a member who has been paying ahead pays off his entire mortgage early, you will still need to manually calculate any **interest rebate** to which the member may be entitled.*

If you prefer to require one payment per period, set this flag to *Single Payment Per Period (P)*. In this case the interactive messaging will automatically warn the member that early payments will be applied directly to principal, and the member can choose to cancel and wait to make the payment until the next month.

*Remember that regardless of this setting, members can always make their current payment at any time during the month, even prior to the interest calculation date. For example, a member can make his May payment on April 10, even if interest for the May payment isn't normally calculated until April 20, because of the "instant interest calc" feature.*

## 3 Include Delinquency Fine in Partial Pay

This flag controls whether the collection of a fine is necessary in order to move the payment due date ahead to the next period.

Because CU\*BASE requires that fines be collected last for 360-day calc. type loans, this flag should always be **checked** for these loan categories so that fines would always be considered an additional payment and not a payment

toward advancing the next payment date and keeping the loan current. (As a rule, this flag should be checked any time fines are set to pay last in the payment matrix, even for non 360-type loans.)

Screen 2

Session 1 CU\*BASE GOLD Edition - ABC CREDIT UNION  
File Edit Tools Help

## Loan Category Definition UPDATE

Category code 60 FIRST MORTGAGE FANNIE MAE

| General Ledger Interface     |        | Payment Matrix Priorities                 |                 |
|------------------------------|--------|---|-----------------|
| Loan category                | 701.90 | Fine amount                               | 4               |
| Interest earned              | 111.82 | Principal                                 | 3               |
| Accrued interest             | 751.81 | Misc. G/L                                 | 0               |
|                              |        | Over payment indicator                    | PRN             |
|                              |        | 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 999,999,999

☒ Allow tax-escrow accounts

Skip  
End Update  
Payment Controls

FR (2322) 9/17/18

## 4 Payment Matrix Priorities

A loan's Payment Matrix controls how funds are spread among the separate portions of a loan payment (principal, interest, fines, escrow, etc.). The payment matrix is configured at the loan category level, or can be adjusted for each individual loan. In order to process correctly with automated processes, the payment matrix on a 360-day calculation type loan must be set up in the following order:

- 1) Escrow (if these mortgages will have escrows)
- 2) Interest Due
- 3) Principal
- 4) Fine Amount

The *Over payment indicator* must be set to PRN (Principal).

**Collecting Delinquency Fines:** If you use this standard configuration, the system will automatically collect fines due if the member adds extra to his regular payment. For example, say the member's regular payment is \$900 and he owes \$25 in fines. If he makes a payment of \$1,000, the system will satisfy the \$900 payment, pay \$25 in fines, and put the remaining \$75 on principal. Also see Page **Error! Bookmark not defined.** for more tips about collecting fines.

**WARNING:** Setting your matrix in a sequence other than this, either at the loan category level or even on an individual loan, may cause payments to be applied incorrectly and might result in principal or interest being shorted, or the payment due date not advancing properly, or delinquent interest getting

out of synch, or a host of other problems. **Extreme care must be taken if you choose to deviate from this standard matrix for any of your mortgage accounts.** Remember that the spread can be manually adjusted for one transaction at the time via *Payment Matrix Override*.

#### "Payment Controls" (F17)

5

## 5 Payment Controls

The window shown above is used to control how payments can be made for these loans in the following loan payment programs *only*:

- Teller Posting
- Member Transfers (via Tool #516, Phone Op, and "Journal Transfer" (F13) in Teller Posting)
- Direct/Mail Post
- **It's Me 247** Online Banking

| Control                       | Description  |
|-------------------------------|--|
| Allow partial payments        | <p>Uncheck this flag to block partial payments from being applied. If a payment is entered other than the normal scheduled payment amount, a warning will be displayed and the payment will not be allowed to post with the incorrect amount. (This flag is also used by <b>It's Me 247</b> when setting up AFT payments to mortgages, to prevent a member from setting up a short payment.)</p> <p><b>Remember that the system will always allow extra payments to principal or principal-only payments, regardless of the setting of this flag.</b> Therefore, this flag must be left <u>unchecked</u> for 360 mortgages for the most consistent processing.</p> <p>HINT: Consider establishing a "sweep" account and requiring payments to be posted to that account instead (see Page <b>Error! Bookmark not defined.</b> for instructions).</p> |
| Allow partial escrow payments | <p>(Displays only when Allow partial payments is checked.) <b>This feature is not supported for the 360-day interest calculation type</b> and must be left <u>unchecked</u>.</p> <p>For loans with the 365-day daily accrual calc type, this flag allows partial payments throughout the month toward satisfying the full escrow payment, similar to the regular partial payment feature.</p>  |



| Control                                   | Description   |
|---|---|
| Allow payment prior to first payment date | <u>Uncheck</u> this flag to prevent members from making a payment prior to the first scheduled payment due date. Generally needed only for products sold on the secondary market. |

### “Audio/Online Banking” (F23)

This window controls whether or not members can make mortgage payments on their own via **It’s Me 247** online banking. Remember that with the interactive messaging features and other automated controls, you can feel confident in allowing your members to make their mortgage payments via online banking, so **we recommend the *Allow payments via audio/online banking* flag be set to “Always” (1).**

Other credit union policies may influence how you choose to set this flag. For example, if you automatically set up sweep accounts (see Page **Error! Bookmark not defined.**) to receive payments for *all* of your mortgages, then you could set this to **“Never” (2)** so that members cannot make payments directly to the loan account itself. Or, if your collections staff wants to keep a tighter control on payments made to delinquent mortgages, you could choose option **“Only if Loan is Current” (3)**, which will block a member from making a payment via **It’s Me 247** if their mortgage is past due. The following message will be displayed to members when they try to make a transfer:

Because your loan is currently past due, we are unable to process your payment via online banking. Please contact the credit union directly for assistance in making this payment.

## SETTING UP AN ESCROW SAVINGS PRODUCT

A unique share product must be set up to identify Freddie Mac escrow accounts. It is recommended that a different account suffix range be used as well. To set up the escrow savings product, access **Tool #777 Savings/Checking Products Configuration** and create a new dividend application. Be sure to set the “Application type” to “TX=Tax/escrow share products”.

### *Savings/Checking Products Configuration (Tool #777)*

Session 0 - ABC CREDIT UNION  
File Edit Tools Help

### Share Account Setup Update

Dividend application FA 01 ABC CREDIT UNION Dividends are calculated EOD; Dividends are posted BOD

**General Account Information** Accounting Interface Dividend Information

Description

Account range  to

Application type

IRA plan type ☐ HSA

☐ Reg D transaction account ☐ Reg D transfers per month ☐

Zero balance account option

☐ Prompt for credit report on open

☐ Prompt for marketing club enrollment

Create secured shares record

☐ Club processing allowed

☐ Allow account nicknames

☐ Allow share secured via OLB

☐ ATM surcharge rebate program code ☐

☐ ATM service charge rebate program ☐

☐ Card activity rebate program code ☐

FR (2749) 4/18/23

For additional information on escrow account, refer to the *Escrow Processing with CU\*BASE* booklet.

## CONFIGURING PARTICIPATION LOAN TYPE CODES

### Configure Participation Loan Types (Tool #266)

[illegible]

This is the first of two screens used to configure Participation Loan Type codes. These codes are assigned to individual participation loan accounts to help identify groups of loans and to use when printing reports.

It is recommended to set up a unique participation loan type code for Freddie Mac loans.

- To create a new code, use *Add* (F6). To modify an existing code, select it in the list and use the **Change** option. The screen below will appear.
- To delete a code, select it in the list and use the **Delete** option. Codes that are tied to any participation loans cannot be deleted.
- To print a list of participation loan type codes, use *Print* (F5).

Session 1 CU\*BASE GOLD Edition - Configure Participation Loan Type Codes

| Code                 | Description          |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

Navigation icons: Back, Forward, Up, Down, Print, Link, Info, Help, Search

FR (2650)

Use this screen to record a description for the group of loans. When done, use **Enter** to save and return to the previous screen.

## Field Descriptions

| <i>Field Name</i> | <i>Description</i>   |
|-------------------|--|
| Code              | If adding a new code, enter any 2 position code (letters and numbers are allowed). For an existing code, this field cannot be changed. |



## Report Sample

This report will be printed when you use **Print (F5)**:

|  |   |  |                |               |            |           |     |               |             |
|--|---|--|----------------|---------------|------------|-----------|-----|---------------|-------------|
| 11/01/11 14:03:36<br>RUN ON 11/01/2011 |   | TEST CREDIT UNION<br>PARTICIPATION LOAN INVESTOR REPORT  |                |               |            | LPLINVR   |     | PAGE 1        |             |
| PLI #                                  | CU NAME/INVESTOR  | CONTACT  | STLMNT<br>CALC | STLMNT<br>TYP | CO<br>CODE | R & T NBR | TYP | STLMNT<br>G/L | USER KARENS |
| 1                                      | FREDDIE MAC<br>123 MAIN STREET<br>GRAND RAPIDS MI 49546<br>BSMITH@FREDDIEMAC.COM<br>STARTED OFFERING FREDDIE LOANS IN MARCH OF 2009. FOR ISSUES WITH SETTLEMENT, REFER TO THE FREDDIE MAC SELLER SERVICER GUIDE.              | BILL SMITH<br>PH 616 295-1234<br>FAX 616 295-2345  | FHMC           | SA            |            |           | 01  | 89901         |             |
| 2                                      | FANNIE MAE<br>PO BOX 209<br>FRANKENMUTH MI 48734<br>JSMITH@FANNIEMAE.COM<br>OPENED 08/22/2008 - FIRST FANNIE GRANTED 08/2008<br>EFFECTIVE 09/01/2010 - PLI003 COMBINED FROM NMS BACK TO FCU INTO ONE<br>BIG FILE UNDER PLI002 | JOHN SMITH<br>PH 616 491-7123<br>FAX 616 491-7124  | FNMA           | AA            |            | 272480131 |     | 89900         |             |
| 5                                      | MIDWAY CREDIT UNION<br>541 MAIN STREET<br>GRAND RAPIDS MI 49546<br>AJONES@MIDWAYCU.COM<br>FIRST SETTLEMENT - PURCHASE OF A POOL 10/30/08  | ALISON JONES<br>CEO<br>PH 616 600-2520<br>FAX 616 555-1212   | PART           | AA            |            |           | 05  | 89902         |             |
| 6                                      | NATIONAL BANK<br>545 MAIN STREET<br>GRAND RAPIDS MI 49546<br>FIRST POOL PURCHASED AND SETTLED 10/30/08  | KAREN JONES<br>PH 616 541-1233<br>FAX 616 541-3892   | P360           | AA            |            |           | 06  | 89903         |             |
| 10                                     | FHLB<br>123 MAIN<br>GRAND RAPIDS MI 49546<br>CONTACT1@FHLB.COM<br>CONTACT NAME 2<br>ACCOUNTING MANAGER<br>CONTACT2@FHLB.COM<br>OPENED 1/1/11.   | CONTACT NAME 1<br>VICE PRESIDENT<br>PH 616 285-5711<br>FAX 616 285-0825<br>CONTACT NAME 2<br>ACCOUNTING MANAGER<br>PH 616 154-5465<br>FAX 616 545-4542 | PART           | AA            | 010        | 272727272 | 06  | 89902         |             |
| ***END OF REPORT***                    |   |  |                |               |            |           |     |               |             |

## Screen 2

Session 1 CU\*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

### Configure PLI Information ADD

PLI investor #  EIN/TIN

CU/Investor name  Address 1

Seller/Service #  Address 2

Company code  City  State  ZIP code

Contact name

Title

Contact phone #  -  Fax #  -

Email

Contact name

Title

Contact phone #  -  Fax #  -

Email

Contact name

Title

Contact phone #  -  Fax #  -

Email

Settlement calculation routine

Settlement type ☐ AA ☐ SA

R&T #

Default PLI type

Settlement G/L acct

Principal G/L acct

Accrual G/L acct

Interest G/L acct

Suspend

Comments

FR (2657) 8/12/13

Use **Enter** to save and return to the previous screen.

## Field Descriptions

| Field Name     | Description   |
|----------------|---|
| PLI investor # | If adding a new code, enter any 3 digit number (letters are not allowed). For an existing code, this field cannot be changed. |

| <i>Field Name</i>  | <i>Description</i>   |
|--|--|
| CU/Investor name   | Enter the name of the investing individual or organization. This is a required field   |
| Seller/Servicer #  | The number assigned by the government investor to identify the credit union. This is a required field for FHMC.  |
| Company code   | This is a 3 position code that identifies companies that service participation loans, i.e. a mortgage CUSO. This is an optional field.   |
| EIN/TIN  | The employer identification number or the tax identification number for the investor. This is an optional field.   |
| Address 1<br>Address 2<br>City<br>State<br>ZIP code        | These fields contain contact information for the investor. Address1, City, State and ZIP code are required.  |
| Contact name<br>Title<br>Contact phone #<br>Fax #<br>Email | These fields contain contact information for the investor. Information for up to three contacts can be entered. These fields are optional.   |
| Settlement calculation routine                             | The routine that determines how the settlement amounts get calculated when a work file is processed. Valid settlement calculation routines are FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard 365participation loans), and P360 (other 360 mortgage loans). This is a required field.  |
| Settlement type  | The method used for determining how funds are paid to the investor: either by AA ( <i>Actual/Actual</i> ), taking into account actual activity on the loan or SA ( <i>Scheduled/Actual</i> ), taking into account scheduled interest and actual principal collected from the member.<br><br>Note: The SS ( <i>Scheduled/Scheduled</i> ) settlement type is not available for use at this time. |
| R&T #  | Enter the Routing & Transit number for this investor. This informational field may be used for electronic settlement.  |
| Default PLI type   | If you wish to automatically assign a Participation Loan Type code to all loans attached to this investor, enter the type code here. Click the spyglass button to see a list of your credit union's configured codes. This is an optional field. Leave the field blank if you do not wish to assign a default code.<br><br>See <b>Page 83</b> for details about configuring these codes.       |
| Settlement G/L acct  | Enter the G/L account used to settle cash with the investor each time a settlement is posted, as well as when a new loan investment is originally purchased. This is a required field.   |
| Principal G/L acct   | Enter the G/L account used to post the amount paid by the investor for their portion of the member's loan. (This is considered a contra-asset account). This is a required field.  |
| Accrual G/L acct   | Enter the G/L account used to post the amount of interest accrued for the investor but not yet paid. This represents a payable account. This is a required field.  |

| Field Name        | Description   |
|-------------------|---|
| Interest G/L acct | Enter the G/L account used to post the amount of interest paid to the investor (income acct). This is a required field. |

Refer to **Page 91** for recommended G/L accounts to use for Freddie Mac.

#### Buttons

| Command Key    | Description   |
|----------------|---|
| Suspend (F4)   | Use this to suspend this investor so that it cannot be attached to any participation loans. To reactivate, return to this screen and use Enter.<br><br>BE CAREFUL: Be sure this investor is not tied to any loan accounts before suspending it. |
| Comments (F12) | Use this to update or review any special notes about this investor, details about settlement issues and restrictions, etc. Comments are optional.   |

If *Comments* (F12) is used, the below screen will display.

Session 0 CU\*BASE GOLD Edition - Investor Comments

PLI # 002 CHANGE

Investor name FANNIE MAE

**Investor Comments**

OPENED 08/22/2008 - FIRST FANNIE GRANTED 08/2008  
EFFECTIVE 09/01/2010 - PLI003 COMBINED FROM HMS BACK TO FCU INTO ONE  
BIG FILE UNDER PLI002

Save Changes

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

FR (4330)

# CONFIGURING THE SETTLEMENT CALCULATION ROUTINE

## Configure PL Settlement Calc Routines (Tool #269)

### Screen 2

This screen is used to configure the settlement calculation routines for the credit union. This routine determines how a participation loan is handled during the settlement process.

For settlement calculation routines FNMA, FHMC, FHLB and P360, you are required to enter a “Monthly settlement day”. The “Monthly interest accrual day” will default to one day after the “Monthly settlement day”.

For Freddie Mac, the “Monthly settlement day” should be 15. The “Monthly interest accrual day” will then default to 16.

The configuration also contains free form fields that can be used to enter tips specific to the settlement calculation routine. The sample screen above has the suggested settlement tips for Freddie Mac.

### Field Descriptions

| Field Name                     | Description  |
|--------------------------------|--|
| Settlement calculation routine | The routine that determines how the settlement amounts get calculated when a work file is processed. Valid settlement calculation routines are FNMA (Fannie Mae), FHMC (Freddie Mac), FHLB (Federal Home Loan Bank), PART (standard participation loans), and P360 (other 360 mortgage loans). This is a required field. |



| <i>Field Name</i>            | <i>Description</i>  |
|------------------------------|---|
| Settlement type              | <p>The method used for determining how funds are paid to the investor: either by AA (<i>Actual/Actual</i>), taking into account actual activity on the loan or SA (<i>Scheduled/Actual</i>), taking into account scheduled interest and actual principal collected from the member.</p> <p>Note: The SS (<i>Scheduled/Scheduled</i>) settlement type is not available for use at this time.</p>   |
| Monthly settlement day       | The processing day of the month for the required monthly settlement. For Freddie Mac this is 15.  |
| Monthly interest accrual day | The day of the month that the interest should be accrued for the monthly settlement file. This will default to one day after the <i>Monthly settlement day</i> and is 16 for Freddie Mac.   |
| Settlement Tips              | Settlement tips associated with the <i>Settlement calculation routine</i> . This information is user defined and not required. These tips appear on the “Create/Post Work File” screen.   |
| URL                          | <p>The URL associated with the <i>Settlement calculation routine</i>. This field is not required and is generally used for government investors (FNMA, FHMC, FHLB). The URL displays on the Create/Post Work File screen MNPART #5. Recommended URL for FHMC:</p> <p><a href="http://www.allregs.com/tpl/public/fhlmc_freesite_til.aspx">http://www.allregs.com/tpl/public/fhlmc_freesite_til.aspx</a></p> <p>This URL will access Freddie Mac’s Seller Servicer/Servicer guide page.</p> |

## CONFIGURING COMPANY CODES

*Configure Particip. Loan Company Codes (Tool #264)*

[illegible]


This screen is used to define companies that service a credit union's participation loans. An example would be a mortgage CUSO. If your credit union services its own participation loans, then no Company Codes need to be configured.


The Company code is entered as a 3 position alphanumeric code along with a description.

To create a new Company code, use **Add** (F6). To modify an existing company code, select the name in the list and use the **Change** option. The screen below will appear. To delete a code, select it in the list and use the **Delete** option. Company codes that are tied to any participation loans cannot be deleted.

Session 0 CU\*BASE GOLD Edition - Configure Participation Loan Company Codes

|              |                      |             |                      |
|--------------|----------------------|-------------|----------------------|
| Company code | <input type="text"/> | Description | <input type="text"/> |
|--------------|----------------------|-------------|----------------------|

 The Company Code is used to identify vendors that service your participation loans.



FR (4105)

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# GENERAL LEDGER

## UNDERSTANDING THE GENERAL LEDGER TERMS

| <i>Field Name</i>                 | <i>Description</i>  |
|-----------------------------------|---|
| General Ledger                    | The central accounting record of an organization which includes offsetting debit and credit accounts including as assets, liabilities, income and expenses.             |
| Participation Loan Investor (PLI) | The partner credit union or other organization that shares in the investment and the risk for the loan.   |
| Contra Account                    | A GL account that holds a balance opposite the normal balance designation. For example, an asset account that usually has a debit balance would carry a credit balance. |
| Custodial Account                 | A credit union share account that either holds the funds to be remitted to Freddie Mac (P&I) or stores the reported balances of member escrow (T&I).                    |
| Escrow Account                    | A member share account that holds the funds used to pay mortgage obligations such as taxes and insurance.   |

## RECOMMENDED GENERAL LEDGER NUMBERS

These are the recommended G/L accounts for Freddie Mac loans. The sequence number xx is user defined. If your credit union has multiple investors, a unique sequence number should be assigned to each investor.

### **Investor G/L Accounts**

716.xx – Freddie Mac Loans Sold (PL Principal)

786.xx – Accrued Interest for Freddie Mac Loans (PL Interest)

117.xx – Servicing Income for Freddie Mac Loans

899.xx – Freddie Mac Settlement

### **Member Loan G/L numbers:**

704.xx – Member Loan Balances

781.xx – Member Accrued Interest

117.xx – Servicing Income

### **Member Share G/L Account**

907.yy – Member Escrow Savings (different extension than 907.xx)

### **Miscellaneous G/L Accounts**

728-xx – Loans held for sale

907.xx – Freddie Mac Contra Escrow

725-xx – Freddie Mac Negative Escrow Funding

## PARTICIPATION LOAN GENERAL LEDGER ENTRIES

The following illustration shows sample general ledger entries throughout the life of a Freddie Mac participation loan.

### Setup Entries

(A) Credit Union opens/disburse loan to member

(B) Credit Union sets up the participation loan

(C) Investor pays the credit union via a wire transfer; funds are moved to the CU's corporate account then disbursed to the appropriate G/L's.

### Settlement Entries

(D) Accrue Interest on member loan

(E) Accrue Interest on participation loan

(F) Principal payment on member loan

(G) Principal payment on participation loan

(H) Interest paid on member loan

(I) Interest paid on participation loan

(J1) Member adjustment to Custodial Account for payments

| <b>(Member Principal)</b><br>G/L 704.xx      |                 | <b>PL Principal</b><br>G/L 716.xx[Contra-Asset] |                 |
|--|-----------------|---|-----------------|
| Debit  | Credit          | Debit   | Credit          |
| (A)<br>200,000                               | (F)<br>100-     | (G)<br>100                                      | (B)<br>200,000- |
|  | Bal=199,900db   |   | Bal=199,900cr   |
| <b>PL Settlement</b><br>G/L 899.xx           |                 | <b>Cash</b><br>G/L 739.xx                       |                 |
| Debit  | Credit          | Debit   | Credit          |
| (B)<br>200,000                               | (C)<br>200,000- | (F)<br>100                                      | (A)<br>200,000- |
| (J1)<br>575-                                 | (G)<br>100-     | (H)<br>500                                      |                 |
|  | (I)<br>475-     |   |                 |
|  | Bal=0           |   |                 |
| <b>Member Accrued Interest</b><br>G/L 781.xx |                 | <b>PL Accrued Interest</b><br>G/L 786.xx        |                 |
| Debit  | Credit          | Debit   | Credit          |
| (D)<br>500                                   | (H)<br>500-     | (I)<br>475                                      | (E)<br>475-     |
|  | Bal=0           |   | Bal=0           |

| Member/PL Income<br>G/L 117.xx                 |          | Corporate Account<br>G/L 730.xx |        |
|--|----------|---------------------------------|--------|
| Debit  | Credit   | Debit                           | Credit |
| (E) 475  | [D] 500- | (C) 200,000                     |        |
| <p>Servicing<br/>Income would<br/>be \$25-</p> |          |                                 |        |

## CONFIGURING YOUR FREDDIE MAC FINANCIAL STATEMENT

Below are sample screens that indicate how to configure your financial statement.

### Financial Report Configuration (Tool #376)

Session 7 CU\*BASE GOLD Edition - ALPENA ALCONA AREA CREDIT UNION  
File Edit Tools Help

### Maintain Financial Statement Configuration

Corp ID 1 Report 82  
Title XTEND FHLMC MORTGAGE SERVICING FINANCIAL

Format ☒ Balance sheet ☐ Combined ☐ Income statement  
☐ Use for Variance Reporting

| Heading                           | From G/L | To G/L | Code                |
|-----------------------------------|----------|--------|---------------------|
| FREDDIE MAC MORTGAGE LOANS        |          |        | None                |
| * FHLMC MEMBER LOANS              | 703.80   |        | None                |
| * FHLMC PARTICIPATION LOANS       | 716.01   |        | None                |
| PAYMENT ACTIVITY/LOANS NOT FUNDED |          |        | Print heading total |
| *****                             |          |        | None                |
| FHLMC LOANS HELD FOR SALE         | 728.00   |        | None                |
| PARTICIPATION SETTLEMENT          | 899.01   |        | None                |
| *****                             |          |        | None                |
| FREDDIE MAC ESCROW ACCOUNTS       |          |        | None                |
| * FHLMC MEMBER ESCROW SAVINGS     | 907.20   |        | None                |
| * FHLMC CONTRA ESCROW SAVINGS     | 907.21   |        | None                |
| FHLMC ESCROW NET DIFFERENCE       |          |        | Print heading total |
| * FHLMC NEGATIVE ESCROW FUNDING   | 725.01   |        | None                |

**i** Leave the "Heading" field blank to print the description from the G/L account(s) as configured in your Chart of Accounts.  
To insert a row under the heading, press

Add Report Lines

AL (2026) 7/12/16

## Screen 2

Session 7 CU\*BASE GOLD Edition - ALPENA ALCONA AREA CREDIT UNION

File Edit Tools Help

### Maintain Financial Statement Configuration

Corp ID **1** Report **82**

Title **XTEND FHLMC MORTGAGE SERVICING FINANCIAL** Format ☒ Balance sheet ☐ Combined ☐ Income statement

☐ Use for Variance Reporting

| Heading                                | From G/L | To G/L | Code                |
|--|----------|--------|---------------------|
| *****                                  |          |        | None                |
| * FHLMC MEMBER LOAN INTEREST           | 157.00   |        | None                |
| * FHLMC PARTICIPATION INTEREST         | 117.01   |        | None                |
| FHLMC SERVICING INCOME - ANNUAL        |          |        | Print heading total |
| *****                                  |          |        | None                |
| * FHLMC MEMBER ACCRUED INTEREST        | 752.00   |        | None                |
| * FHLMC PARTICIPATION INTEREST PAYABLE | 853.01   |        | None                |
| FHLMC SERVICING INCOME - CURRENT       |          |        | Print heading total |
|  |          |        | None                |

↑ ↓

**i** Leave the "Heading" field blank to print the description from the G/L account(s) as configured in your Chart of Accounts. To insert a row under the heading, press **←**

Add Report Lines

← → ↑ ↓ ⏏ ⌂ ? @

AL (2026) 7112116

Run the Financial Statement, via **Tool #640 Print CU Financials**. On the final selection screen, be sure to check the boxes to Summarize locations, Print zero balances and Print G/L account #.

## SAMPLE FREDDIE MAC FINANCIAL STATEMENT

|   |                                |            |             |
|---|--------------------------------|------------|-------------|
| 8/25/11 14:54:20 81                         | TEST CREDIT UNION              | LGLFIPHS81 | PAGE        |
| RUN ON 8/25/11                              | FREDDIE MAC MORTGAGE FINANCIAL |            | USER KARENS |
|   | FOR PERIOD ENDING 8/31/11      |            |             |
| LOCATION(S) - *ALL                          |                                |            |             |
|   | CURRENT                        |            |             |
|   | Y-T-D                          |            |             |
|   | -----                          |            |             |
| 703-80 FREDDIE MAC MORTGAGE LOANS           |                                |            |             |
| * FHLMC MEMBER LOANS                        | 7,240,443.03                   |            |             |
| 716-01 * FHLMC PARTICIPATION LOANS          | 7,240,443.03-                  |            |             |
|   | -----                          |            |             |
| PAYMENT ACTIVITY/LOANS NOT FUNDED           | .00                            |            |             |
| *****                                       |                                |            |             |
| 728-00 FHLMC LOANS HELD FOR SALE            | 226,800.00                     |            |             |
| 899-01 PARTICIPATION SETTLEMENT             | .00                            |            |             |
| *****                                       |                                |            |             |
| FREDDIE MAC ESCROW ACCOUNTS                 |                                |            |             |
| * FHLMC MEMBER ESCROW SAVINGS               | 60,775.76-                     |            |             |
| 907-21 * FHLMC CONTRA ESCROW SAVINGS        | 60,775.76                      |            |             |
|   | -----                          |            |             |
| FHLMC ESCROW NET DIFFERENCE                 | .00                            |            |             |
| 725-01 * FHLMC NEGATIVE ESCROW FUNDING      | .00                            |            |             |
| *****                                       |                                |            |             |
| 157-00 * FHLMC MEMBER LOAN INTEREST         | 167,039.36-                    |            |             |
| 117-01 * FHLMC PARTICIPATION INTEREST       | 156,992.95                     |            |             |
|   | -----                          |            |             |
| FHLMC SERVICING INCOME - ANNUAL             | 10,046.41-                     |            |             |
| *****                                       |                                |            |             |
| * FHLMC MEMBER ACCRUED INTEREST             | 25,312.66                      |            |             |
| 752-80 * FHLMC PARTICIPATION INTEREST PAYAB | 22,860.42-                     |            |             |
| 853-01                                      | -----                          |            |             |
| FHLMC SERVICING INCOME - CURRENT            | 2,452.24                       |            |             |

## UNDERSTANDING PARTICIPATION LENDING AND YOUR FINANCIAL STATEMENT

**Principal Loan balances:** You will have an asset G/L account, i.e. 704.00 containing the CU\*BASE Member loan balances and a contra asset G/L account, i.e. 716.01 containing the loan balance on the participation system. Because Freddie Mac mortgage loans are 100% sold to the investor, these two accounts should net to zero.

*Note: If the accounts do not net to zero, it is generally because loans have been disbursed to the member, but not sold to Freddie Mac yet or payments need to be processed in a participation loan work file.*

**Loans Held for Sale:** You will have an asset G/L account, i.e. 728.00 containing the CU\*BASE Member loan balances that have not been funded yet to Freddie Mac. A journal entry is made to this 728.00 G/L when the Principal G/L accounts (704.00 and 716.01) are not in balance. These accounts are generally balanced at month end.

Example: There is a total loan debit balance of \$13,000,000 in GL 704.00 for FHMC loans and a credit balance of \$12,295,000- in GL 716.00 for Freddie Mac Loans sold. You should credit GL 716.01 and debit 728.00 for \$75,000. The result is that your investor loans are in balance and net to zero.

*Sample financial statement entries before journal entry:*

|                                     |                       |
|-------------------------------------|-----------------------|
| 704.00 Freddie Mac Member Loans     | 13,000,000.00         |
| 716.01 Freddie Mac Loans Sold       | <u>12,295,000.00-</u> |
| Net Difference:                     | 75,000.00             |
| (Payment Activity/Loans not Funded) |                       |

*Sample financial statement entries after journal entry:*

|  |                       |
|--|-----------------------|
| 704.00 Freddie Mac Member Loans        | 13,000,000.00         |
| 716.01 Freddie Mac Loans Sold          | <u>13,000,000.00-</u> |
| Net Difference:                        | 0.00                  |
| (Payment Activity/Loans not Funded)    |                       |
| 728.00 Freddie Mac Loans Held for Sale | 75,000.00             |

**Optional Journal Entry for end of month (EOM):**

If there is a difference in these G/L accounts at EOM because loans opened on CU\*BASE have not yet been sold to Freddie, you can move the amount of loans not sold from 716-01 to 728-00 and reverse the entries at the beginning of the month. This entry re-classes the difference correctly at EOM as Loans Held for Sale and results in the FHMC loans and contra G/L to net to zero.

**Accrued Loan Interest:** You will have an asset G/L account, i.e. 781.00 containing the member accrued loan interest on CU\*BASE and a contra asset G/L account, i.e. 786.00 containing the accrued loan interest owed the investor on the participation system.

*Note: The interest rate on the participation side is typically .25% lower than the interest rate on CU\*BASE so that the CU earns .25% of the interest for servicing the loans for the investor.*

For example, there is a debit amount of \$61,500 in GL 781.00 for Member Loan accrued interest and a credit balance of \$60,000- in G/L 786.00 for Freddie Mac accrued interest due the investor. The net of \$1500.00 would be your .25% servicing income YTD.

|                                     |                   |
|-------------------------------------|-------------------|
| 781-00 Member Loan Accrued Interest | 61,500.00         |
| 786-00 Freddie Mac Accrued Interest | <u>60,000.00-</u> |
| Freddie Mac Servicing Income        | 1,500.00          |

**Member Loan Interest Income:** On the last day of the month (per the loan category config), interest accrues on the FHMC member loan balances and posts to G/L 117.xx as a credit amount. On the Participation loan system, interest accrues via **Tool #107 Accrue Interest for 360 Particip. Loans** and posts to 117.xx as a debit amount. The net balance is the servicing income.

|                                 |            |
|---------------------------------|------------|
| May 31 Member Accrual to 117.00 | 61,500.00- |
| June 1 PL Accrual to 117.00     | 60,000.00  |
| Freddie Mac Servicing Income    | 1,500.00-  |

**Custodial Accounts:** Freddie Mac requires two non-interest bearing share draft member accounts on CU\*BASE; one for the loan payments of principal and interest (P&I) and another for the loan escrow share funds used to pay the mortgage escrow bills such as taxes and insurance (T&I).

*Example:*

P&I Custodial Account 1234-001  
T&I Custodial Account 2345-001

Each Custodial Account is reconciled monthly using the Freddie Mac Form 59 (P&I) and 59E (T&I). See the Appendix for samples. To help complete these Forms, print the month end member statement to obtain the custodial account balance. Also, print the Escrow Share Detail Report\* to obtain the Total Positive Balances and Total Negative Balances of the escrow accounts.

\* This is the daily report LPLESC that sorts by dividend application.

**Investor Settlement:** When member loan payments are processed in the participation loan system the total principal and interest posts to a settlement G/L account, i.e. 899.01. These funds must be credited to the P&I Custodial Account. This is done via **Tool #492 Member Account Adjustment (Full)** and results in the balance in G/L 899.01 going to zero in end of day processing. After the account adjustment, if it is the end of the reporting period, then the CU initiates a draft request via FreddieMac.com. This draft request creates an ACH withdraw transaction from the P&I Custodial Account.



**Principal Member Escrow Share balances:** You will have a liability G/L account, i.e. 907.00 containing the total of the member escrow share account balances. You will also have a contra liability G/L account, i.e. 907.99 containing the escrow share balance in the T&I Custodial Account. These G/L accounts should net to zero daily.

**EXAMPLE** (no negative balance escrow accounts):

**Step 1)** Access the Escrow Share Detail Report.

|                            |            |                            |             |          |     |            |  |        |  |
|----------------------------|------------|----------------------------|-------------|----------|-----|------------|--|--------|--|
| 6/13/11 13:19:12           |            | TEST CREDIT UNION          |             |          |     | LPLESC     |  | PAGE 1 |  |
| RUN ON 7/07/2011           |            | ESCROW SHARE DETAIL REPORT |             |          |     | USER ERICS |  |        |  |
| CORP 01 TEST CREDIT UNION  |            |                            |             |          |     |            |  |        |  |
| DIV APPL TE                |            |                            |             |          |     |            |  |        |  |
|                            |            | CURRENT                    |             |          |     |            |  |        |  |
| LOAN                       | ACCOUNT    | LAST NAME                  | FIRST NAME  | ACCT BAL | NEG | FREEZE     |  |        |  |
|                            | 3699 151   | MEMBER                     | WILLIAM     | 4917.03  |     | 1          |  |        |  |
|                            | 3999 150   | MEMBER                     | TERESA      | 3780.87  |     | 1          |  |        |  |
|                            | 5499 150   | MEMBER                     | JAMES       | 2828.00  |     | 1          |  |        |  |
|                            | 5899 150   | MEMBER                     | LISA        | 1371.69  |     | 1          |  |        |  |
|                            | 7999 150   | MEMBER                     | MARCIA      | 2933.59  |     | 1          |  |        |  |
|                            | 8399 154   | MEMBER                     | CHRISTOPHER | 11866.58 |     | 1          |  |        |  |
|                            | 12499 150  | MEMBER                     | BRIAN       | 2584.74  |     | 1          |  |        |  |
|                            | 14299 154  | MEMBER                     | ALLYN       | 1420.09  |     | 1          |  |        |  |
|                            | 14599 154  | MEMBER                     | CHRIS       | 3320.17  |     | 1          |  |        |  |
|                            | 15599 150  | MEMBER                     | ANTHONY     | 2155.19  |     | 1          |  |        |  |
|                            | 16299 150  | MEMBER                     | MARY        | 3018.13  |     | 1          |  |        |  |
|                            | 16599 150  | MEMBER                     | JOSEPH      | 1400.48  |     | 1          |  |        |  |
|                            | 17999 150  | MEMBER                     | JANE        | 1364.00  |     | 1          |  |        |  |
|                            | 18999 154  | MEMBER                     | JASON       | 5364.09  |     | 1          |  |        |  |
|                            | 19999 150  | MEMBER                     | MILDED      | 2839.12  |     | 1          |  |        |  |
|                            | 147838 150 | MEMBER                     | KAREN       | 1836.23  |     | 1          |  |        |  |
| Total Number of Accounts = |            | 16                         |             |          |     |            |  |        |  |
| Total Positive Balances =  |            | 53,000.00                  |             |          |     |            |  |        |  |
| Total Negative Balances =  |            | .00                        |             |          |     |            |  |        |  |

T&I Custodial Acct#2345-001 balance = \$49,000.00

**Step 2)** Compare the balance of the T&I Custodial Account (\$49,000) to the total member escrow shares (Total Positive Balances=\$53,000). Post the difference using **Tool #492 Member Account Adjustment (Full)** by posting a credit of \$4,000 to the T&I Custodial Account using the contra escrow G/L 907.99 as the offset.

**Step 3)** The new balance in 2345-001 is \$53,000.00 which matches the total positive escrow balance on the Escrow Share Detail Report.

*Note: Deposits to member escrow accounts via loan payments create an increase to the member balances thus you will post a credit to the T&I account. Escrow disbursements from member escrow accounts create a decrease to the member balances thus you will post a debit to the T&I account.*

**Escrow Negative Funding Account:** You will have an asset G/L account, i.e. 725.00 containing the total of member escrow accounts with a negative balance.

Note: The member escrow account balances can be negative because the credit union is required to pay the member escrow T&I bill regardless of whether the funds are in the member's escrow account.

**EXAMPLE** (with negative balance escrow accounts):

**Step 1)** Access the Escrow Share Detail Report.

| RUN ON 7/07/2011           |                   |             | ESCROW SHARE DETAIL REPORT |          |     | USER ERICS |  |  |
|----------------------------|-------------------|-------------|----------------------------|----------|-----|------------|--|--|
| CORP 01                    | TEST CREDIT UNION |             |                            |          |     |            |  |  |
| DIV APPL                   | TE                |             |                            |          |     |            |  |  |
| LOAN ACCOUNT               | LAST NAME         | FIRST NAME  | CURRENT                    | ACCT BAL | NEG | FREEZE     |  |  |
| 3699 151                   | MEMBER            | WILLIAM     | 4917.03                    |          |     | 1          |  |  |
| 3999 150                   | MEMBER            | TERESA      | 3780.87                    |          |     | 1          |  |  |
| 5499 150                   | MEMBER            | JAMES       | 2828.00                    |          |     | 1          |  |  |
| 5899 150                   | MEMBER            | LISA        | 1371.69                    |          |     | 1          |  |  |
| 7999 150                   | MEMBER            | MARCIA      | 2933.59                    |          |     | 1          |  |  |
| 8399 154                   | MEMBER            | CHRISTOPHER | 11866.58                   |          |     | 1          |  |  |
| 12499 150                  | MEMBER            | BRIAN       | 2584.74                    |          |     | 1          |  |  |
| 14299 154                  | MEMBER            | ALLYN       | 1420.09                    |          |     | 1          |  |  |
| 14399 150                  | MEMBER            | DENNIS      | 500.00-                    |          | *   |            |  |  |
| 14599 154                  | MEMBER            | CHRIS       | 3320.17                    |          |     | 1          |  |  |
| 15599 150                  | MEMBER            | ANTHONY     | 2155.19                    |          |     | 1          |  |  |
| 16299 150                  | MEMBER            | MARY        | 3018.13                    |          |     | 1          |  |  |
| 16599 150                  | MEMBER            | JOSEPH      | 1400.48                    |          |     | 1          |  |  |
| 17999 150                  | MEMBER            | JANE        | 1364.00                    |          |     | 1          |  |  |
| 18999 154                  | MEMBER            | JASON       | 5364.09                    |          |     | 1          |  |  |
| 19999 150                  | MEMBER            | MILDED      | 2839.12                    |          |     | 1          |  |  |
| 147838 150                 | MEMBER            | KAREN       | 1836.23                    |          |     | 1          |  |  |
| Total Number of Accounts = |                   | 17          |                            |          |     |            |  |  |
| Total Positive Balances =  |                   | 53,000.00   |                            |          |     |            |  |  |
| Total Negative Balances =  |                   | 500.00-     |                            |          |     |            |  |  |

Note: The total net of escrow shares is \$52,500.00

T&I Custodial Acct#2345-001 balance = \$49,000.00

**Step 2)** Compare the balance of the T&I Custodial Account (\$49,000) to the total member escrow shares (Total Positive Balances=\$53,000). Post the difference using **Tool #492 Member Account Adjustment (Full)** by posting a credit of \$4,000 to the T&I Custodial Account using the contra escrow G/L 907.99 as the offset.

The new balance in 2345-001 is \$53,000.00.

**Step 3)** Process a journal entry to fund the negative balance amount. This is done via **Tool #61 Create/Post GL Journal Entries**. Post a credit of \$500 to G/L 725.00 Freddie Mac Escrow Funding using 907.00 Freddie Mac Contra Escrow as the offset.

*Sample financial statement before journal entry:*

|                                   |            |
|-----------------------------------|------------|
| 907.00 FHMC Member Escrow Savings | 52,500.00- |
| 725.00 Freddie Mac Escrow Funding | 0.00       |
| 907.99 Freddie Mac Contra Escrow  | 53,000.00  |

*Sample financial statement after journal entry:*

|                                   |            |
|-----------------------------------|------------|
| 907.00 FHMC Member Escrow Savings | 52,500.00- |
| 725.00 Freddie Mac Escrow Funding | 500.00-    |
| 907.99 Freddie Mac Contra Escrow  | 52,500.00  |

Note: The member escrow accounts remain negative so that the Escrow Analysis Report calculates properly.

# APPENDIX A: FUNDING DETAIL REPORT

## Freddie Mac Funding Details Report

Seller Name: Credit Union  
Seller Number: 1353  
Organization ID: 30404  
Seller Address:   
Contract Name: sch.  
Contract Number: 31085150  
Contract Product: 30-Year Fixed Rate Conventional  
Participation Percent: 100.000%  
Remittance Option: Gold  
Prepayment Remittance Due Days: 5  
Designated Servicer Name: Credit Union  
Servicer Number: 1353  
Servicer Address:

### Settlement Summary

| Seller Loan Number          | Freddie Mac Loan Number | P & I Constant | Interest Paid to Date | Note Rate  | ARM Rate | Remaining Maturity | Principal Purchased |
|-----------------------------|-------------------------|----------------|-----------------------|------------|----------|--------------------|---------------------|
| Settlement Date: 03/05/2019 | 568                     | 565868         | 574.43                | 03/01/2010 | 5.125%   | 4.875%             | 360                 |
| Sub Total                   |                         |                |                       |            |          |                    | \$ 105,500.00       |
| Grand Total                 |                         |                |                       |            |          |                    | \$ 105,500.00       |

# APPENDIX B: FREDDIE MAC FORM 59



## Form 59

As of 3/15/2010

### Principal and Interest Custodial Account Reconciliation Worksheet - Monthly Account Statement

Note: Do not enter any data in shaded fields. Values will automatically calculate based on information entered in other fields.

|  |   |                                   |            |
|--|---|-----------------------------------|------------|
| Seller/Service Number: 134150            |   | Seller/Service Name: Credit Union |            |
| <b>Section 1 - Adjusted Bank Balance</b> |   |                                   |            |
| 1a)                                      | Bank balance as of 03/15/10   |                                   | 101,700.65 |
| 1b)                                      | Outstanding debits  | \$0.00                            | 0.00       |
| 1c)                                      | Deposits in transit   | \$0.00                            | 2,083.35   |
| 1)                                       | Adjusted bank balance (lines 1a - 1b + 1c)                                  |                                   | 103,784.00 |
| <b>Section 2 - Total Liability</b>       |   |                                   |            |
| 2)                                       | Ending Balance from the 03/15 Monthly Account Statement (Month/Yr)          |                                   | 106,558.11 |
| <b>Subtract cumulative totals for:</b>   |   |                                   |            |
| 3a)                                      | Delinquent interest on active Mortgages                                     | 2,784.74                          |            |
| 3b)                                      | Delinquent interest on inactive Mortgages                                   |                                   |            |
| 3c)                                      | Delinquent principal on scheduled/scheduled Mortgages                       |                                   |            |
| 3)                                       | Subtotal for delinquent principal and interest (lines 3a + 3b + 3c)         |                                   | 2,784.74   |
| <b>Add cumulative totals for:</b>        |   |                                   |            |
| 4a)                                      | Prepaid interest  |                                   |            |
| 4b)                                      | Prepaid principal on scheduled/scheduled Mortgages                          |                                   |            |
| 4c)                                      | Minority principal and interest collected but not reported as of (Month/Yr) |                                   |            |
| 4)                                       | Subtotal for prepaid items (lines 4a + 4b + 4c)                             |                                   | 0.00       |
| 5)                                       | Total Liability (lines 2 - 3 + 4)   |                                   | 103,773.37 |
| <b>Section 3 - Total Variance</b>        |   |                                   |            |
| 6a)                                      | Current cycle's total cumulative variance (line 1 - line 5)                 |                                   | 10.63      |
| 6b)                                      | Previous cycle's total cumulative variance (line 6a from previous cycle)    |                                   | 10.62      |
| 6c)                                      | Total variance for the current cycle (line 6a - line 6b)                    |                                   | 0.01       |

Prepared by: Constance Blas Date: 4/15/10

Approved by: Dani Kufar Date: 4/15/10

The Principal and Interest Custodial Account Reconciliation Worksheet is a required document. See instructions worksheet for information on completing it. The additional worksheets in this workbook are optional tools to assist you in identifying variances.

# APPENDIX C: FREDDIE MAC FORM 59E



## Form 59E

As of 3/15/2010

### Escrow Custodial Reconciliation Worksheet - Monthly Account Statement

Note: Do not enter any data in shaded fields. Values will automatically calculate based on information entered in other fields.

You must complete a consolidated reconciliation if you have more than one Escrow Custodial Account

Seller/Service Number: 134150

Seller/Service Name: Alpena Alcona Credit Union

| Section 1 - Adjusted Bank Balance |   |           |
|-----------------------------------|---|-----------|
| 1a)                               | Bank Balance as of 03/15/10                             | 92,927.22 |
|                                   | 1b) Subtract: Outstanding debits                        |           |
|                                   | 1c) Add: Deposits in Transit 835.98                     |           |
| 1)                                | Adjusted bank balance (lines 1a-1b+1c)                  | 93,763.20 |
| Section 2 - Total Liability       |   |           |
| 2a)                               | Escrow trial balance total as of 03/15/10               | 92,368.80 |
| Enter cumulative totals for:      |   |           |
| 2b)                               | Negative escrow trial balance as of 03/15/10            | 1,394.40  |
| 2c)                               | Adjustments for suspense accounts                       |           |
| 2d)                               | Adjustments for Mortgages not included on trial         |           |
| 2e)                               | Adjustments for other accounts (e.g. buydown subsidies) |           |
| 2)                                | Adjusted escrow balance (lines 2a+2b+2c+2d+2e)          | 93,763.20 |
| Section 3 - Total Variance        |   |           |

|     |  |                    |
|-----|--|--------------------|
| 3a) | Current cycle's total cumulative variance (line 1 - line 2)            | 0.00               |
| 3b) | Enter previous cycle's cumulative variance (line 3a of previous cycle) |                    |
| 3c) | Current cycle's variance (line 3a - 3b)                                | 0.00               |
|     |  | overage/(shortage) |

Prepared by: Constantine Plas

Date: 4/15/10

Approved by: Dawni Kufner

Date: 4/15/10

The Escrow Custodial Reconciliation Worksheet is a required document. See Instructions tab for information on completing it. The additional tabs in this workbook are optional tools to assist you in identifying variances.