

MORTGAGES RECEIVABLES
MAIN MENU

MANUAL OF OPERATIONS
FOR
MORTGAGE RECEIVABLES
© 1991-2002 Magna Computer Corp.
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MORTGAGES RECEIVABLES MAIN MENU

Background Discussion:

Magna Computer's Mortgage Receivables is perhaps one of our most flexible and less automatic modules of all our packages. The user has control over many aspects of the software not available in other modules.

Certain issues exist which we feel must be resolved by the resort developer. Receivables initiation is one of these issues:

Each Mortgage Receivable must be individually initialized by the user with the Beginning Balance Transaction. The date of this transaction enables one to use various milestones, such as closing date, funding date, full down date, etc., as the key to initialize receivables. Additionally this date indicates the start date for interest accrual (on peridium interest only). Due care must be used if you are changing this date after the end of the period the sale was in. However the Beginning Balance Transaction Date can be changed to any reasonable date, such as Purchase Date, Date Accepted as a receivable etc. This is especially useful for down payment funding situations, in which interest on the mortgage does not start until the final full down payment has been made. Various types of transaction codes enable unique classification of accounts, such as "Non-Cash Principal Adjustment" for cashout discounts, etc..

Selection of PORTFOLIO, OWNERSHIP or OWNERSHIP STAGING through the use of the Ownership field. Accounts can be coded for different owners, enabling one to continue to service accounts which have been sold to third parties, and generate the various reports necessary to track these accounts. Therefore a carefully analysis of the developers reporting requirements will be reflected in the selection of Ownership codes. Careful thought and planning are required when designing, changing or adding additional codes.

Late fees are automatically calculated based upon resort specific rules. Disregarding the automatic rules to charge these fees require some thought from the users of the software system.

Reports use both contractual aging (useful for banking institutions) and recency aging (number of payments in the last 3 months) which is more reflective of actual portfolio conditions.

MORTGAGES RECEIVABLES MAIN MENU

1. MORTGAGE RECEIVABLES MAIN MENU

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M O R T G A G E S   M A I N   M E N U
-----
Account Look-up and entries
Reports Menu
Billing Menu
Unix Menu
```

From the Mortgages Main Menu, select Mortgage Receivables Menu. This is where all account processing, posting for payments received on mortgages, and all reports and maintenance. will be performed.

1.1. ACCOUNT-LOOKUP AND ENTRIES MENU:

Select Account Look-Up and entries and the above menu will appear.

```
MORTGAGES LOOKUP AND ENTRIES MENU
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Account Lookup and Posting
File Maintenance (use with care)
Unix Menu
```

Select Account Lookup. The "Find by" menu will appear. After you have made your selection, you may see a message Warning that you are proceeding to initialize the account. **BE VERY SURE YOU WANT TO DO THIS.** Answering "Y" will bring the account into Mortgage Receivables. Make sure you have read "Setting up new Mortgage Receivables Files", before proceeding. If you do not have initialization permission, then the message will say that the account is not initialized, ie. is not in recievables yet.

Disqualified deals will have a message indicating their nature. Some disqualified accounts are: Cash Outs (at the table), Pending and Cancelled deals.

FUNCTION-KEYS:

Once you are in the mortgage contract screen, you will notice that at the bottom are listed function keys and their functions. If at any time you are placed in something you do not want to be in, just press <ESC> to leave.

- F1 - Will let you view the payment history.
- F2 - Will save any changes made.
- F4 - Will take you into the posting screen.
- F5 - Will delete that record, be careful!
- F7 - Will give you a payoff figure if payed in one month.
- F8 - Will give you a payoff figure if payed in two months.

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F10- Will recalculate interest and principal amounts.

Example of a payment posting:

```

VIEW/EDIT ENTRY      CONTRACT# 1090      Sys:02-22-2002  3:13PM james
  OTHER K#:  0      Line:  HH      Source: OPC-126
  Name1:Edwards      Clifton And Mary      123-45-6789 SSN
  Name2:      SSN
  Street:75 Algonquin Street
  City: Providence      RI      Zip:29651      Country:
  Unit#1:G111BE10      Unit #2:  0      Type:A

  Sale Price $ 8,000.00      Begining Bal. :      6.64 CodPM
  Down Payment$ 1,000.00 Mthd:      Last Pymt Mthd:      Check# 0
  Add'l Payments:  0.00 on      Last TransDate: 11/29/2001 Trn# 49
  Terms (months):84 @ %Rate:14.50      Paid Thru Date: 11/30/2001
  Next Pymt Date: 12/30/2001
  Current Rate. : 14.50      RStat A
  Prin. Balance :      346.30
  Ownshp      Fund Code:      Num:
  Purchase Date :10/10/2001      Regular Pmt:      6.64 Sevicer:
  FD: 10/10/2001      Fund:      LstDraft:      PreNote
  Clsd      Btch#:      PmtMthd Acct#
  Occ Date:      Bank/Exp
  Cmmnt:      Status:N      Date Status Est:10/10/2001 Cmmnt:
  MAGNAware
  F1 REPORT F2 SAVE F4 POST F6 NOTES F7 Pay/Off F8 Letters F9 M/F F10 Re-CALC
  
```

F2SAVE

Posting: On the screen you will see the Mortgage contract, check the name, unit and week to be sure that you have the correct contract. If it is a new account, check the beginning balance, first monthly payment due date, and monthly payment amount for accuracy. If not correct, make the necessary changes and <F2> to save the information.

Even though the whole contract will appear, you will only be allowed to make changes in the bottom right hand portion of the screen when you are posting.

To post a payment press <F4>. You will then ask for a transaction code. Almost all transactions are PM (payment). However, if you are unsure, simply space and <RETURN> for a help menu. Select from the box style menu, the appropriate transaction.

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SELECT CODE :
<hr/>
PM Payment
PN Non-Cash payment
PH Historical Payment
PR Payment returned
AJ Non-Cash Prin. Adjustment
CA Cash Prin. Adjustment
IA Acc. Interest adjustment
DA Date adjustment
RA Rate adjustment
TA Term adjustment
RR Reinstate from CXL
RB Reinstate - Buy back
RM Reinstate - Misc.
ZC Charge off account
ZS Account sold

The posting screen will appear, check the fields for correctness.

If you are entering a payment: Check that the payment shown is the amount that you have received, if not enter in the correct amount including the cents with decimal point, i.e. 90.71. Next enter in how the payment was made, i.e. P for personnel check, etc.. Enter in the check number, and enter in the date the check was received. If there are any comments enter them in, such as another person making the payments. When all information is correct press <F2> to save. If during posting you discover that you have the wrong contract, simply press <ESC> you will return to the "Find By:" menu.

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TABLE OF TRANSACTION CODES AND THEIR EFFECTS:

ITEMS AFFECTED

CODES	Number of Payments	Intrst Charge	Prin Charge	1st Pymnt Date	Next Pymnt Date	Cash Recv'd	Interest Rate	Set Status TO:
PM	+	+	-		*	*		A
PN	+	+	-					A
PH	+				*			A
PR	-	-	+		-			A
AJ			-					A
CA		+	-			+		A
IA								A
DA				*	*			A
RA							*	A
TA								
RR			+	*	*			A
RB			+	*	*			A
RM			+	*	*			A
ZC			-		0			C
ZP			-		0			C
ZS			-		0			C

Receivables Status Codes: <hr/> S= SOLD C= CHARGED OFF P= PAYED OFF A= ACTIVE

SCREEN-REPORT: If you would like to view the payments made, first display that contract on screen and press <F1>. You will be asked for a destination, printer, file, or interactive on screen. Indicate your selection. If you chose screen you will see the date payment made, how much the payment was, the amount that was applied to principle and interest any late fees, the new balance and date the payment was due. Interactive will allow to view each transaction, one at a time. When you hit "Esc" the current transaction will be on screen and you will be able to edit it.

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EXAMPLE:

DATE	PDAYS/#	CD	PAYMENT	PRINCIPAL	INTEREST	LATE	BALANCE	DATE DUE	
01-05-88	0 0	BB	2580.00	0.00	0.00	0.00	2,580.00		
02-01-88	27 1	PM	90.71	56.11	34.40	0.00	2,523.69	02-10-88	
03-09-88	37 2	PM	90.71	57.06	33.65	0.00	2,466.63	03-10-88	
04-09-88	31 3	PM	90.71	57.82	32.89	0.00	2,408.81	04-10-88	
05-03-88	24 4	PM	90.71	58.59	32.12	0.00	2,350.22	05-10-88	
06-09-88	37 5	PM	90.71	59.37	31.34	0.00	2,290.85	06-10-88	
07-15-88	36 7	PM	181.42	120.33	61.09	0.00	2,170.52	07-10-88	
TOTALS==	27		634.97	409.48	225.49	0.00	NXT DUE	09-10-88	
Outstanding:		Interest = 0.00			Late = 0.00				
ANY KEY TO				CONTINUE					

When you are done press <ESC> until you reach the menu.

FILE-MAINT:

The Mortgage Maintenance Menu should be used with extreme care to make necessary adjustments to the account, and is subdivided into the following areas:

Beginning-Bal:

Use the "Find By" screen to select a contract. You will see the beginning balance screen, which will in turn will show the beginning balance information. Check the name and verify that you have the correct contract. By using the "F9" key it will let you scan through all the posting entries that have been done on that account.

Edit Transaction:

To make corrections to a transaction, scan until you find the item that needs to be corrected. Make your correction and <F2> to save.

Delete Transaction:

If you need to delete an a whole transaction, (for instance, a payment was posted twice), press F9 until you find the transaction, and press <F5>. You will be prompted with as (Y/N) to delete.

After making any corrections return to Account Editing and Posting. Look under the payment schedule to verify the changes.

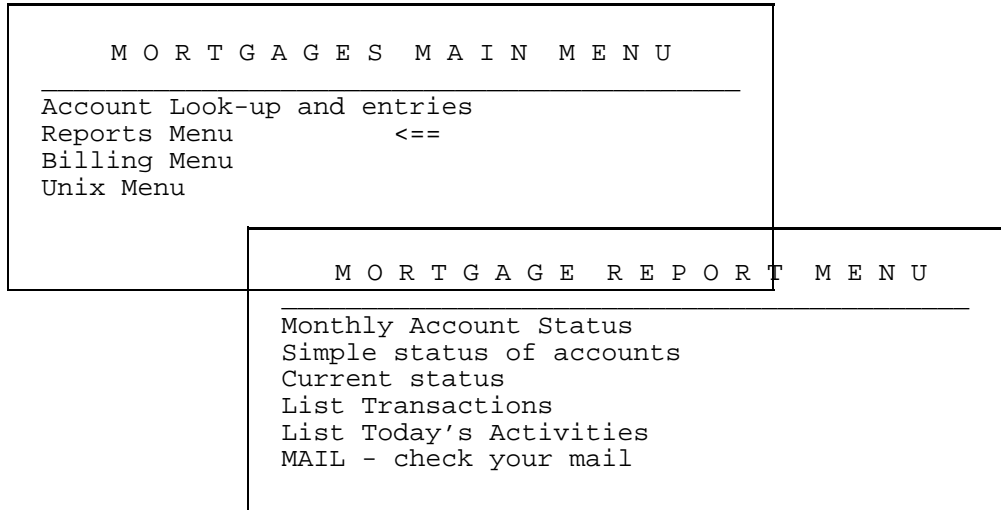
Account-Headers:

Use the "Find By" menu to select the account. You can make any changes relating to the header records, i.e. monthly payment, date, balance and next payment due date. Make changes and <F2> to save.

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1.2. REPORTS-MENU:

This will take you to a sub menu with the following options.



1.2.1. MONTHLY ACCOUNT LISTING:

Prints portfolio or combinations of portfolio's (Ownership Type) with current months results and delinquency information in a variety of ways. Includes an aged recap of the delinquency status.

Setting the parameters

Journal date: May also be considered the "as of" date or cutoff date.
Ownership to match: Match string of account types or ownership.
Receivable's status: Print accounts with these status (see prior section).
Zero Balance: What to do with paid out accounts.
Sort order: Define the order of the accounts.
THERE IS MORE HERE>>>>>>>>>

Once the parameters are set use the "Send report to" menu to select a print destination.

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Report Headings: Definitions:

O:	Ownership of account or account type.
R_STS:	A combination of the contractual status and the receivable status.
NAME:	Name of account.
PRIN._BALANCE:	Principal balance.
%_OF_EQUITY:	Ratio of the sales price to current prin. balance.
PAYMENT DUE:	Regular monthly payment.
AMOUNT:	Total of payments received this month.
PRINCIPAL:	Portion of payment that went to principal.
INTEREST:	Portion of payment that went to interest.
CUMM._DUE:	Number of payments expected to date times the regular payment.
CUMM. PAID:	Cumulative payments received.
CON_DEL:	Contractual delinquency (CUR current, CHG charged off, number of days delinquent).
RCY_DEL:	Recency delinquency, number of payments in last 3 months.

MONTHLY ACCOUNT LISTING TOTALS:

Prints a totals only portfolio or combinations of portfolio's with current months results and delinquency information. Includes a recap of the delinquency status.

1.2.2. Current-Status:

The current status report is good for bank reviews of portfolio receivables, because all owner information is given (Name address, date written, etc.) You will need to set the report parameters as stated above.

1.2.3. List-Trans:

CASH LIST BEGINING BALANCES ETC.

This gives you the option of seeing what was posted between any two dates, based on different transaction type: NEW, CASH, NON-CASH, AND CHARGE OFF press <RETURN>. You will be requested to select the transaction type you wish to see, beginning and ending dates for the report, and the "Send Report To" menu.

1.2.4. List-Trans by Entry Date:

Same as the above, sorted by entry date. Useful for making monthly journal entries.

1.2.5. List Today's Activities:

Should be run each day entries are made. Payments should probably tie to a bank deposit, etc..

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1.3. BILLING MENU

Send Monthly Billings Send Manual Billings Edit Monthly bill

1.3.1. Send Monthly Billings:

You will be requested to enter a "Date to Bill For" and an ownership to match. This will bill all contracts written as of that date, matching the given ownership group.

1.3.2. Send Manual Billings:

You will be requested to enter a "Date to Bill For", and ownership to match. This will bill all contracts written as of that date, matching the given ownership group.

1.3.3. Edit Monthly Bill:

Initialization procedure:

- Selection of ownership type
- Begin Bal Date implications
- FPD implications
- Amount Implications

Daily Cash intake procedures:

Cashouts:

Final payments:

Charge offs: