



Lending | Loan Modification



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LOAN MODIFICATION WIZARD

Overview

The Loan Modification Wizard assists with processing loan deferrals and allows the credit union to print loan modification documents for a specified loan. The wizard will complete the following:

- Ability to select a deferral method:
 - Extension
 - Additional payment(s) required after original final payment due date, extending maturity (Default)
 - Balloon
 - Balloon payment required, retaining original maturity date. Selection is available when loan has a maturity date.
 - Payment Change
 - Monthly payment amount increased, retaining original maturity date. Selection is available when loan has a maturity date.

- Updates the following fields:
 - Modification Type
 - Modification Date
 - Maturity Date
 - First Payment Date
 - Paid to Date (resets to zero)
 - Deferred Payments (resets to zero)
 - Next Payment Due Date (computed value)
 - Transfer Skip Count for Daily Loan Transfers
 - Effective Dates on ACH/Payroll Splits and Automatic Transfers
 - Date Active (based on whether the credit union forgives interest)
 - Interest Owing (based on whether the credit union forgives interest)

- Ability to charge a modification fee
- Ability to set credit bureau reporting option



Important

Deferring payments on linked escrow accounts may result in escrow shortages.

ACH/Payroll Splits or Automatic Transfer effective dates on a cross account will not be updated.

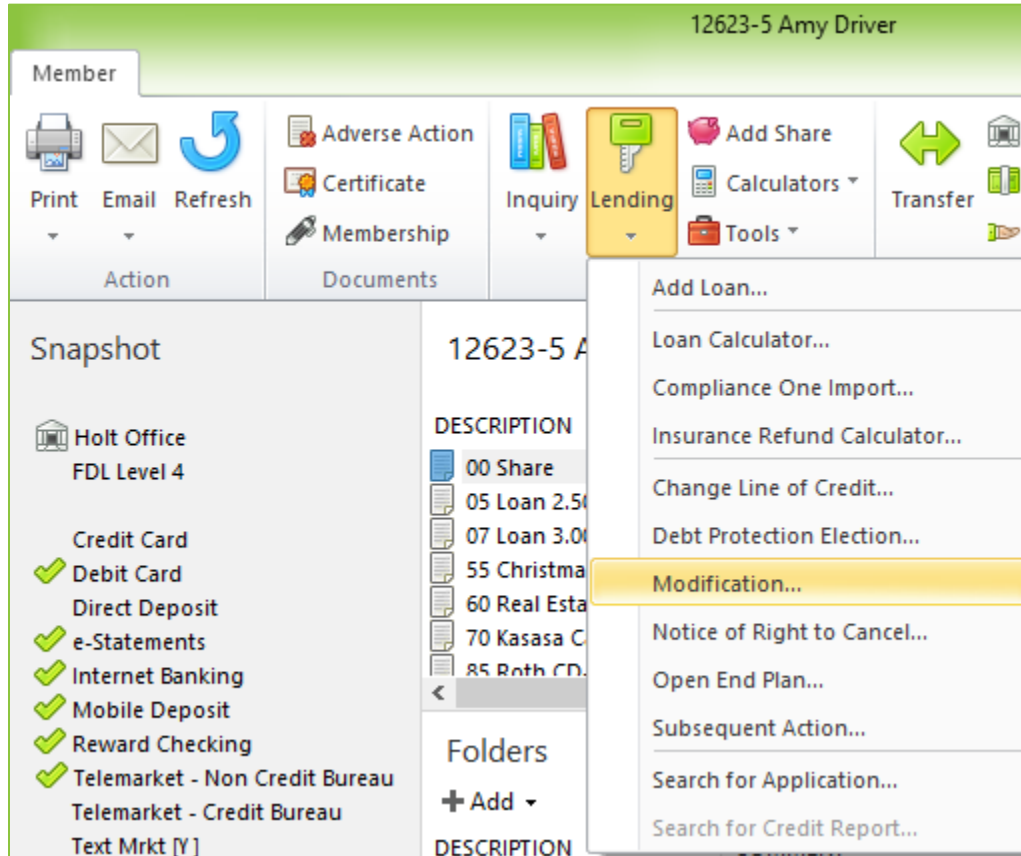


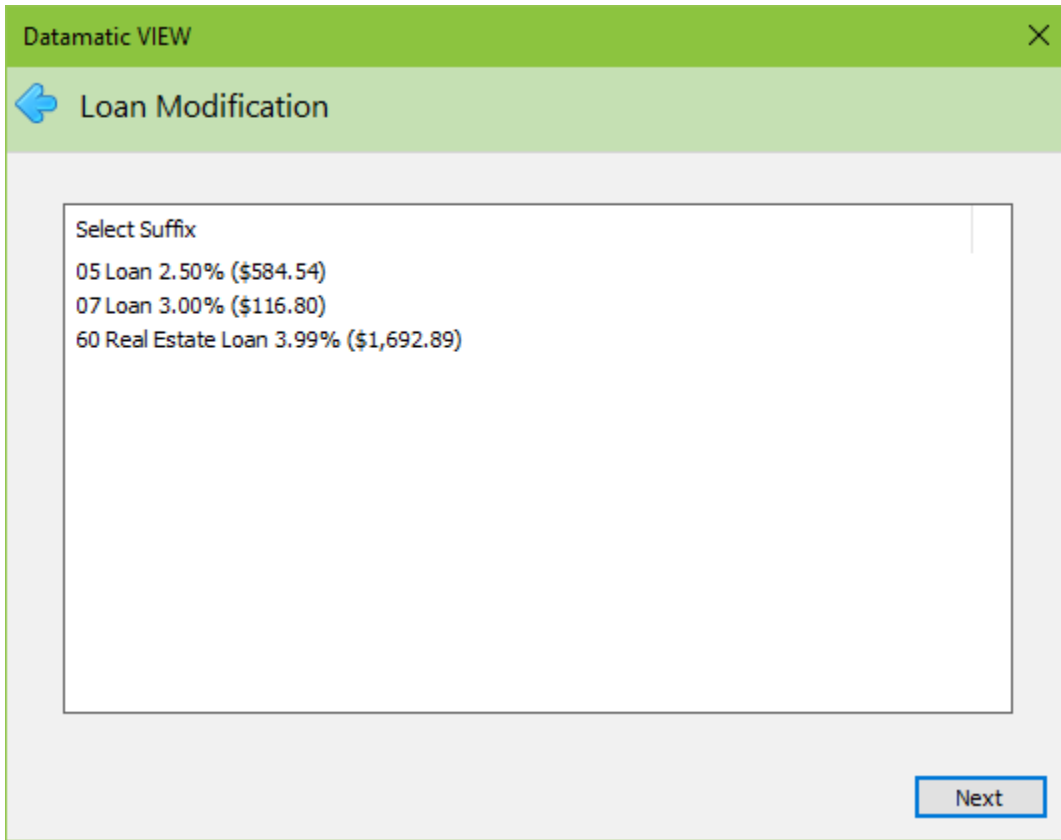
Note

Loan Modification Documents must be added in System Settings. [\[Main Ribbon > System Settings > PDFs\]](#)

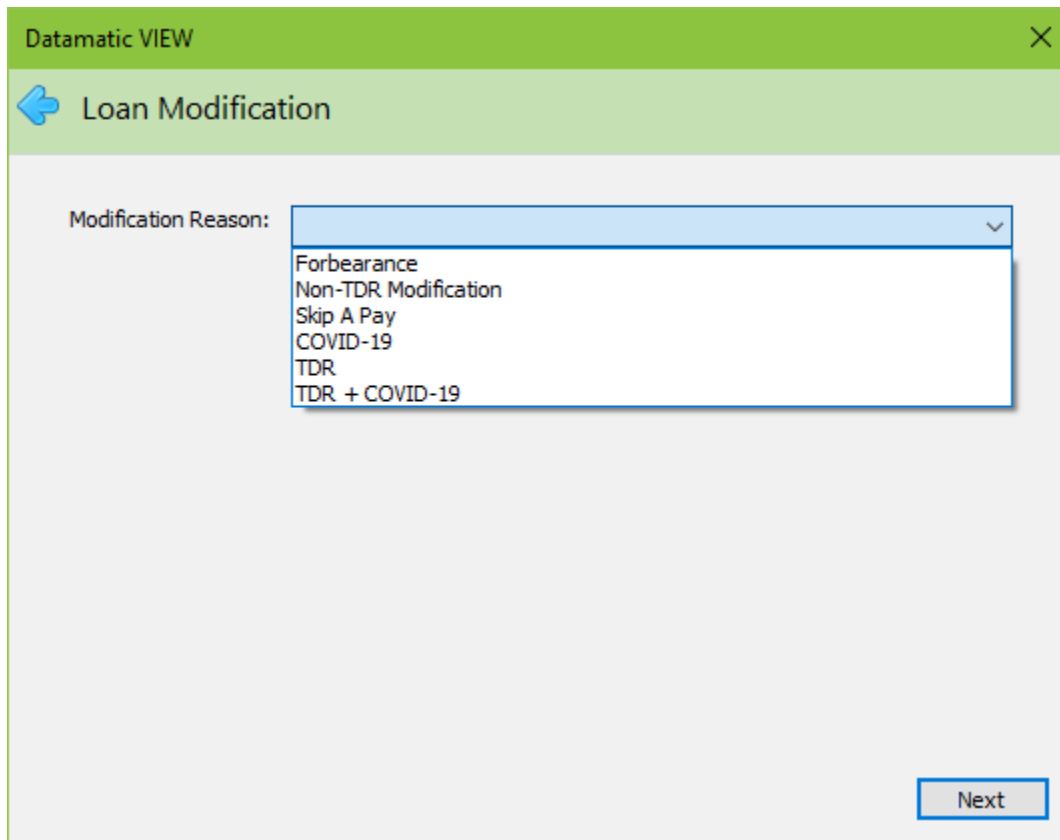
Loan Modification Wizard

The Loan Modification Wizard can be launched by [\[Member Ribbon > Lending > Modification\]](#).





Panel 1	
Column	Comments
Select Suffix	List of Loan Suffixes with balances



Panel 2

Column	Comments	
Modification Type	Modification Type will carry to the loan suffix field	
	Forbearance	Not reported as a TDR
	Non-TDR Modification	Not reported as a TDR
	Skip A Pay	Defers by number of payments (Not reported as a TDR)
	COVID-19	Not reported as a TDR
	TDR	Reported as Troubled Restructured Debt (TDR)
	COVID-19 + TDR	Reported as Troubled Restructured Debt (TDR)

Datamatic VIEW
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Loan Modification

Current Next Payment Due Date: 08-30-2019 (Monthly)

New Payment Due Date:

Deferral Terms:

Interest:

Credit bureau option:

Date to Delay ACH/Payroll Splits or Automatic Transfers:

Print Documents

Process Loan Modification

Next

Panel 3

Field	Comments
Current Next Payment Due Date	Displays the next payment due date and payment frequency
Number of Payment to Defer	Displays when the Modification Type selection is Skip A Pay <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <p>Current Next Payment Due Date: 08-30-2019 (Monthly)</p> <p>Number of Payments to defer: <input style="border: 2px solid #4CAF50;" type="text"/></p> <p>Terms: <input type="text" value="Additional Payments"/></p> <p>Interest: <input type="text" value="Accrue"/></p> <p>Credit bureau option: <input type="text"/></p> </div>
Next Payment Due Date	Displays when Modification Type selection is NOT Skip a Pay <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <p>Current Next Payment Due Date: 08-30-2019 (Monthly)</p> <p>New Payment Due Date: <input style="border: 2px solid #4CAF50;" type="text"/> </p> <p>Terms: <input type="text" value="Additional Payments"/></p> <p>Interest: <input type="text" value="Accrue"/></p> <p>Credit bureau option: <input type="text"/></p> </div>

Panel 3		
Field	Comments	
Deferral Method	Selections	
	Extension	Additional payment(s) required after original final payment due date, extending maturity (Default)
	Balloon	Balloon payment required, retaining original maturity date. Selection is available when loan has a maturity date.
	Payment Change	Monthly payment amount increased, retaining original maturity date. Selection is available when loan has a maturity date.
Interest	Selections	
	Accrue	(default)
	Forgive	Resets Date Active and Interest Owing
Credit Reporting Options	Selections	
	Standard	Normal reporting
	Deferred Loan	Reports zero payments due during deferral.
Date to Delay ACH/Payroll Splits or Automatic Transfer	Sets new Effective Date for ACH/Payroll Split or Automatic Transfer	
<input type="checkbox"/> Print Documents	Checkbox to print documents	
<input type="checkbox"/> Process Loan Extension	Checkbox to process loan Modification and update the loan	



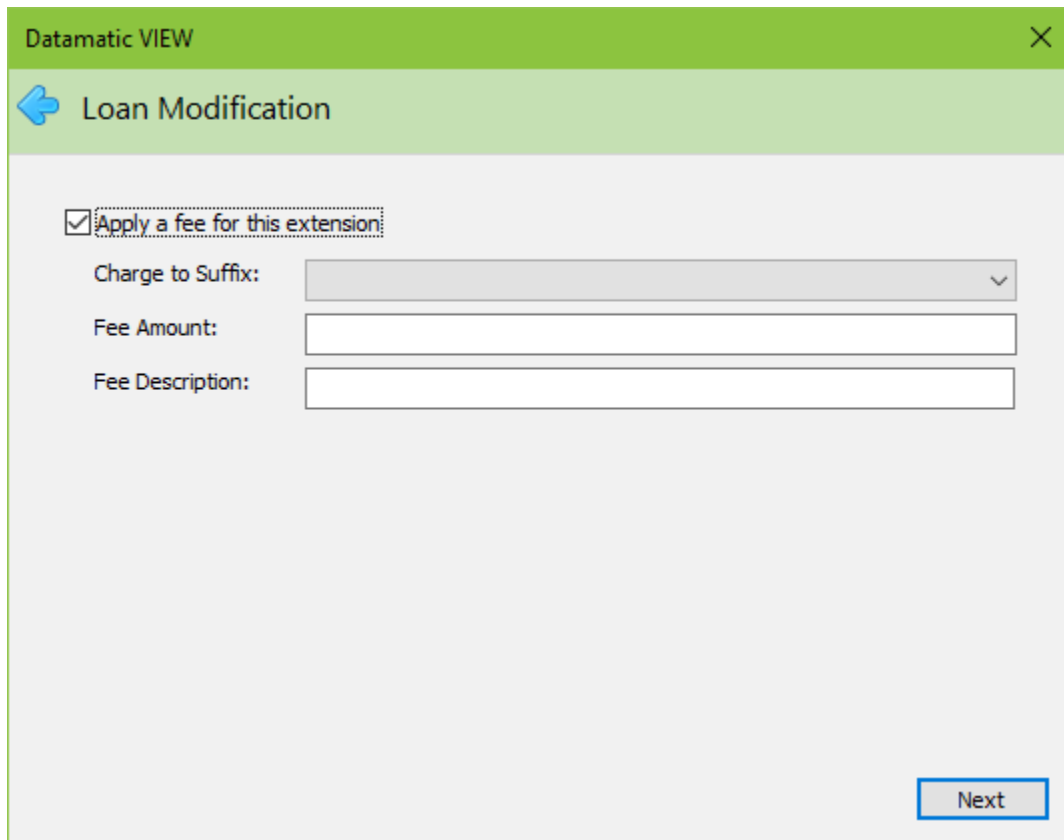
User Tip

The check boxes can be used to print documents before processing the loan modification. Use caution when selecting to print the document only. Document should contain the same information as the processed modification.



Note

The extension deferral method allows monthly extensions for Quarterly/Semi/Annual frequency loans. Skip Pays still must be based on frequency. Payments still must be due the same day of the month. This is NOT allowed for Balloons or Payment Change deferral methods.



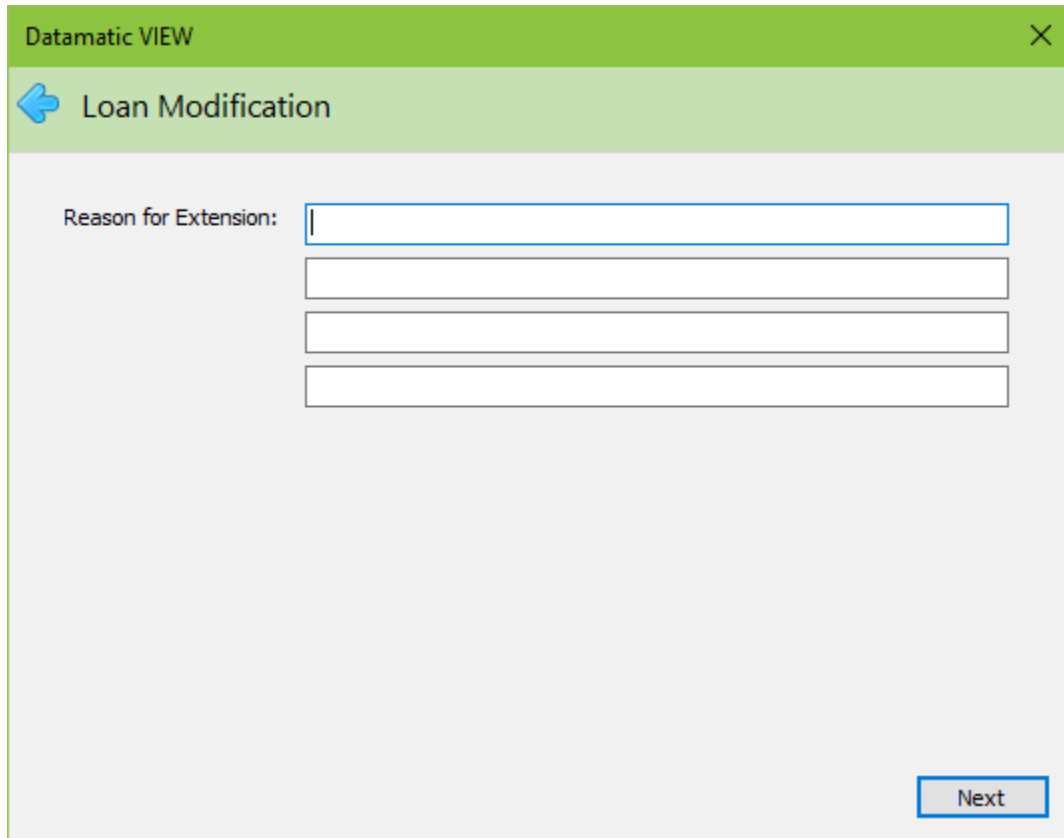
Panel 4 - Displays if Process Loan Modification was checked

Field	Comments
<input checked="" type="checkbox"/> Apply a fee for this extension	
Charge to Suffix	
Fee Amount	
Fee Description	



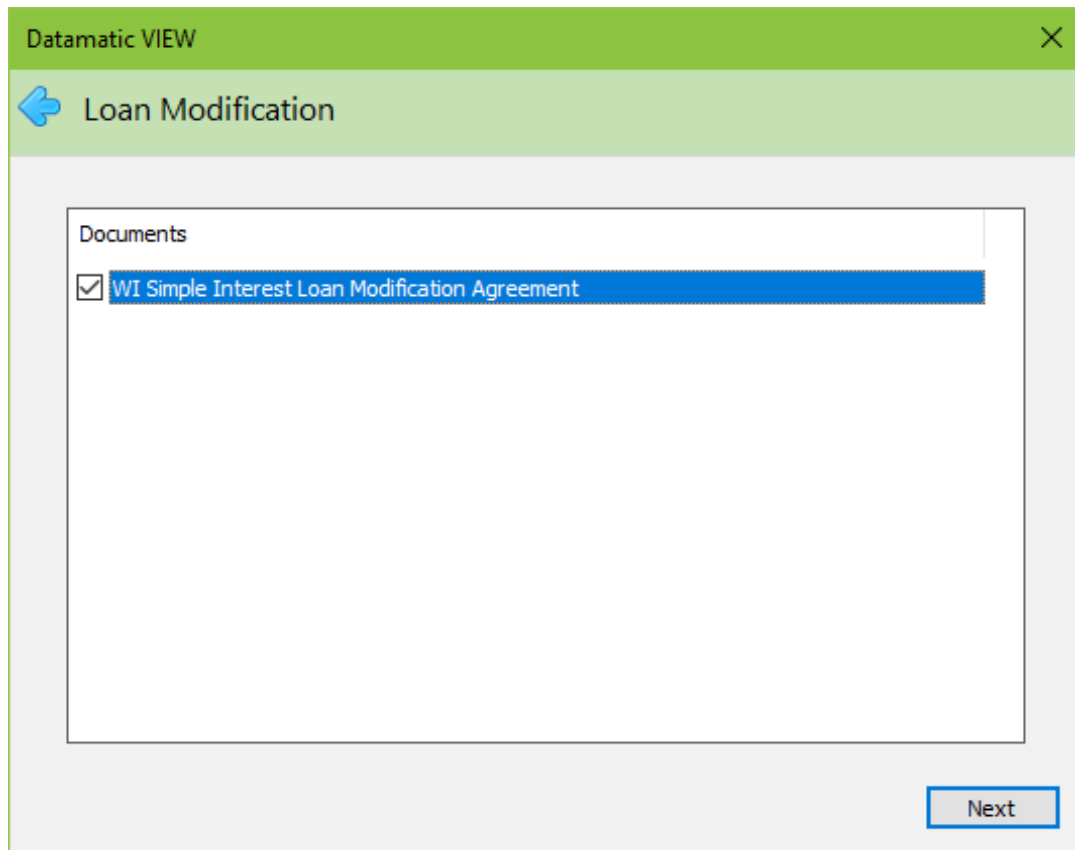
Note

Credit Union must setup a General Ledger Account in System Settings for the ability to charge a fee. [\[Main Ribbon > System Settings > Automated Transaction Setup > Ledger Offsets tab\]](#)

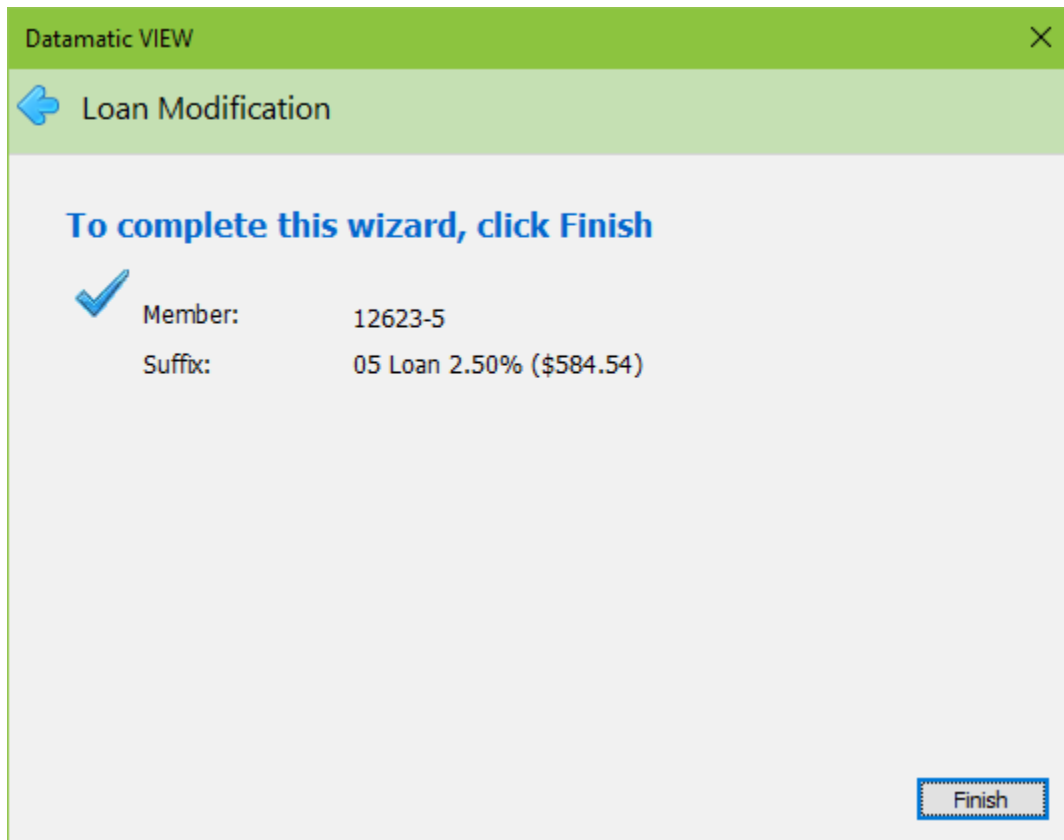


Panel 5 – Displays if Print Documents was checked

Field	Comments
Reason Line 1	Print field
Reason Line 2	Print field
Reason Line 3	Print field
Reason Line 4	Print field



Panel 6	
Column	Comments
Documents	Loan Modification document(s) available to print



Panel 7	
Field	Comments
Review Panel	Confirmation before save

Things to Consider

The system will provide the following error messages based of the following conditions when processing the Loan Modification.

Safety Check Errors

- Account not on file
- Account is not a loan
- Loan is marked No-paid-ahead allowed

Payment Date Errors

- Invalid New Payment Date – Monthly based payment frequency and NPD days don't match FPD days
- New Payment Date must be after Next Payment Date – self explanatory
- New Payment Date does not match payment frequency – New Payment date is not a due date based on First Payment Date

Errors Based on Existing Loan (Bad Data)

- Invalid Maturity date on the loan
 - Maturity Date must be after First Payment Date
 - Maturity Date does not match Payment Frequency
- Any of the Loan Calculator errors from computing the payment or term

Proofing ACH/Payroll Splits/Automatic Transfers

- Payroll split has effective date
- ACH split has effective date
- Automatic Transfer has effective date
 - Effective dated changes include:
 - Start date > today
 - End Date > today

LOAN MODIFICATION DOCUMENT PRINT FIELDS

The following field are available to print a Loan Modification Document.

Field	Field Number	
Account	1901	
Address 1 + Address 2	1925	
Balance	1908	
Balloon Amount	1934	
City + State + Zip	1926	
Contact Phone	1928	
Date	1902	
Date Open - Original	1915	
Date Opened	1920	
Email	1927	
Employer Name	1929	
Employer Phone + Ext	1930	
First Payment Date	1907	
First Payment Date - Original	1909	
Interest Rate	1914	
Joint Name	1913	
Maturity Date	1916	
Maturity Date - New	1919	
Modification Type	1935	
Member Name	1900	
New Payment Amount	1933	
Next Payment Due Date	1917	
Next Payment Due Date - New	1918	
Number of Remaining Payments	1921	
Number of Skipped Payments	1922	
Original Amount	1904	
Payment Amount	1906	
Payment Frequency	1905	
Project Maturity Date - After	1924	
Project Maturity Date - Before	1923	
Reason Line 1	1903	
Reason Line 2	1910	
Reason Line 3	1911	
Reason Line 4	1912	
Split/Auto Tfr New Effective Date	1932	
Teller Number	1931	