

## Mortgage Processing (Optional Software)

The Mortgage Processing Optional Software package will assist the credit union in processing the following:

- ⇒ Mortgage loan has a linked escrow account with automatic distribution with mortgage payment.
- ⇒ Automated tax and insurance withdrawals from the escrow suffix. **(See below for the six different types of withdrawal options available.)**
- ⇒ Escrow Distribution Report - can be generated for Winter or Summer Taxes (or Insurance) showing all accounts and distribution amounts. Transactions can be created or just the report generated.
- ⇒ Escrow Shortage notices may be generated (to be printed) for accounts below the needed escrow amount.
- ⇒ The Tax and Insurance amounts and due dates are entered by the staff on the Escrow Suffix Inquiry. New Escrow Amounts automatically calculated based on the tax and insurance amounts entered.
- ⇒ Census Tracking Report available.
- ⇒ Annual Mortgage Escrow Statements option available.
- ⇒ The ability to setup an escrow suffix on a non-mortgage loan, if desired. This will allow some additional capabilities, notably for mobile home loans which are not a mortgage but do have insurance and/or tax escrows. The account type can be a secondary share, Christmas Club or Vacation Club. All of the features for the Mortgage Processing with escrow are available for non-mortgage loans.

There are six different withdrawal options available to create transactions and withdraw money from the Escrow Suffixes to pay the insurance companies and/or tax municipalities. There are also three different notice only options available. This is done using the Escrow Distribution Report selection in the Reports window. The options are:

- ⇒ **Credit GL:** There are three automated withdrawal options that take funds from the Escrow Suffixes and credit the Escrow Payable general ledger account. Checks for taxes and/or insurance are manually issued from the Escrow Payable general ledger account when due.
- ⇒ **Create Checks:** There are three automated withdrawal options that take funds from the Escrow Suffixes and generate a check file and a credit to the Escrow Payable general ledger account. The checks will be payable based on the selection for the Check Names option on the Escrow Distribution Report screen. The member's address will be printed on the checks for mailing purposes. (See page 18)



**See chart on page 17 for more information.**

This package supports 360 day or 365-day interest calculations.

## Payable and Suspense Account Setup - Escrow

Select [\[Main Ribbon > System Settings > Payable and Suspense Account Setup > Other tab\]](#). This uses Batch 11 to post the offsetting credit entry when the withdrawal transactions (or check withdrawals) are created for escrow distributions. The credit union can issue checks from the Escrow Payable general ledger to the tax municipalities and insurance companies or a check withdrawal file can be created. The checks are made payable based on the selection for the Check Names option on the Escrow Distribution Report screen. The member's address will be printed on the checks for mailing purposes. (See page 18)

Datamatic VIEW X

**Payable and Suspense Account Setup**  

General **Other**

Batch	Payable Accounts	Debit	Credit	Post Method
95	ACH RETURNS	744000	744000	Main Office ▾
52	HSA SERVICE CHARGES	132700	132700	Post by Branch ▾
8	CASH REWARDS CKG	270500	270500	Post by Branch ▾
53	INTEREST REBATES	999999	999999	Post by Branch ▾
39	INTERNET BANKING	999999	999999	Main Office ▾
49	MEMBERSHIP SERV CHAR	132600	132600	Post by Branch ▾
11	ESCROW	801230	801230	Main Office ▾
9	ATM SURCHARGE REF	132200	132200	Post by Branch ▾
20	ATM CHARGE REF REW	132200	132200	Post by Branch ▾
				Main Office ▾

**Save**

Select the Save button, to save the changes.

## Escrow Payment Options

Select [\[Main Ribbon > System Settings > Transaction Setup > Escrow Payment\]](#). This option determines whether or not the system will take a partial Escrow Payment and needs to be determined by the credit union with the correct parameter set accordingly.

The system looks to this option when the member makes a payment that is less than the Payment Total (Principal and Interest + Escrow) but more than the principal and interest. The Escrow Payment option determines whether the extra funds (more than the principal and interest) will be applied to the principal balance or escrow suffix.

If a payment is made that is more than the Principal and Interest + Escrow, the extra money is applied to the principal balance.

Datamatic VIEW

Transaction Setup

Draft Grace Days:

Escrow Payment: Full

Pledges for Transfers: Hold Pledges

Regulation D: 4 Transactions Allowed

Transfer Source: Available Amount

Transfer Suffix Order: Increasing

Withdrawal Count: Counter Withdrawals Only

Transfer Option: Post Detail

Save

**Full -** If payment applied is less than the Payment Total (Principal and Interest + Escrow) but the amount is greater than the Principal and Interest; the system will apply any extra to the principal balance.

**Partial -** If payment applied is less than the Payment Total (Principal and Interest + Escrow) but the amount is greater than the Principal and Interest; the system will apply any extra to the escrow suffix.

Select the Save button, to save the changes.

## Mortgage Processing




The Mortgage Processing folder [\[Main Ribbon > System Settings > Mortgage Processing\]](#) is used to setup and maintain the different tax municipalities and insurance companies for which taxes and premiums are paid. Funds are collected through loan payments and placed into an escrow account and, at a specified date, the funds are distributed to the appropriate municipality or insurance company.

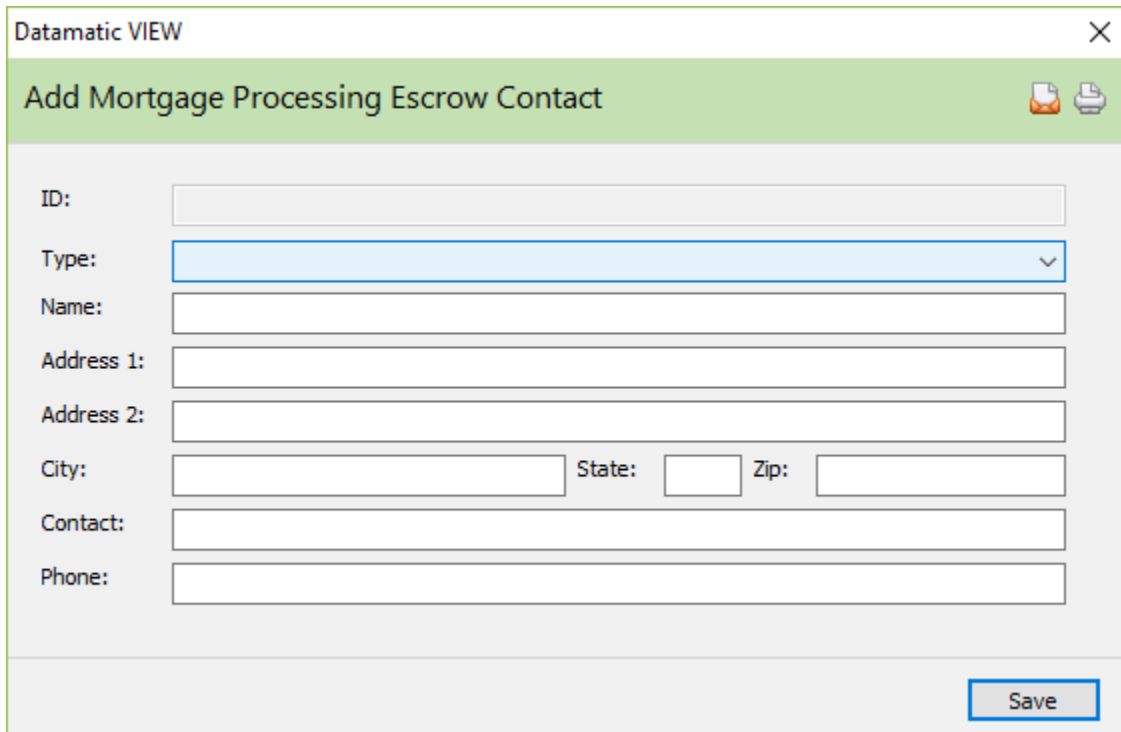
This would be used by credit unions using the Mortgage Processing optional software package.

System Settings - Mortgage Processing						
ID	TYPE	NAME	ADDRESS 1	ADDRESS 2	CITY STATE ZIP	CONTACT
1	Insurance	American Family Insurance			Madison, WI 53777-0001	
2	Insurance	State Farm Insurance	222 South 84th Street		Lincoln, NE 68510-2605	
3	Insurance	Liberty Mutual Group	PO Box 9510		Dover, NH 03821-9510	
4	Insurance	Wilson Mutual	PO Box 1028		Sheboygan, WI 53082-1028	
5	Insurance	State Auto Ins Co of Wisconsin	PO Box 182738		Columbus, OH 43218-2738	
6	Insurance	IDS Property Casualty Ins Co	3500 Packerland Dr		DePere, WI 54115-9070	
7	Insurance	Company Contact 2	Test 1 2	Test 2 2	Test City 2, RR 88888-2222	Contact Name 2
1	Tax	Fond du Lac County Treasurer	P.O. Box 1515		Fond du Lac, WI 54936-1515	
2	Tax	Town of Fond du Lac	Jody Roffers	W6918 Riverview Court	Fond du Lac, WI 54937-0000	
3	Tax	Town of Taycheedah-Treasurer	W3760 County Road Wh		Malone, WI 53049-1664	
4	Tax	Town of Empire	Carol Merrill	N6664 Richards Road	Fond du Lac, WI 54937-9090	
5	Tax	Town of Forest	Mary Ruplinger	N5853 County Road W	Mt. Calvary, WI 53057-0000	

## Add Mortgage Processing Escrow Contact

The Add Mortgage Processing Escrow Contact screen allows the user to add a new mortgage processing escrow contact. The screen can be launched by:

Click	Right Click	Shortcut Key
		



**Datamatic VIEW** Add Mortgage Processing Escrow Contact

ID:

Type:

Name:

Address 1:

Address 2:

City:  State:  Zip:

Contact:

Phone:

**Save**

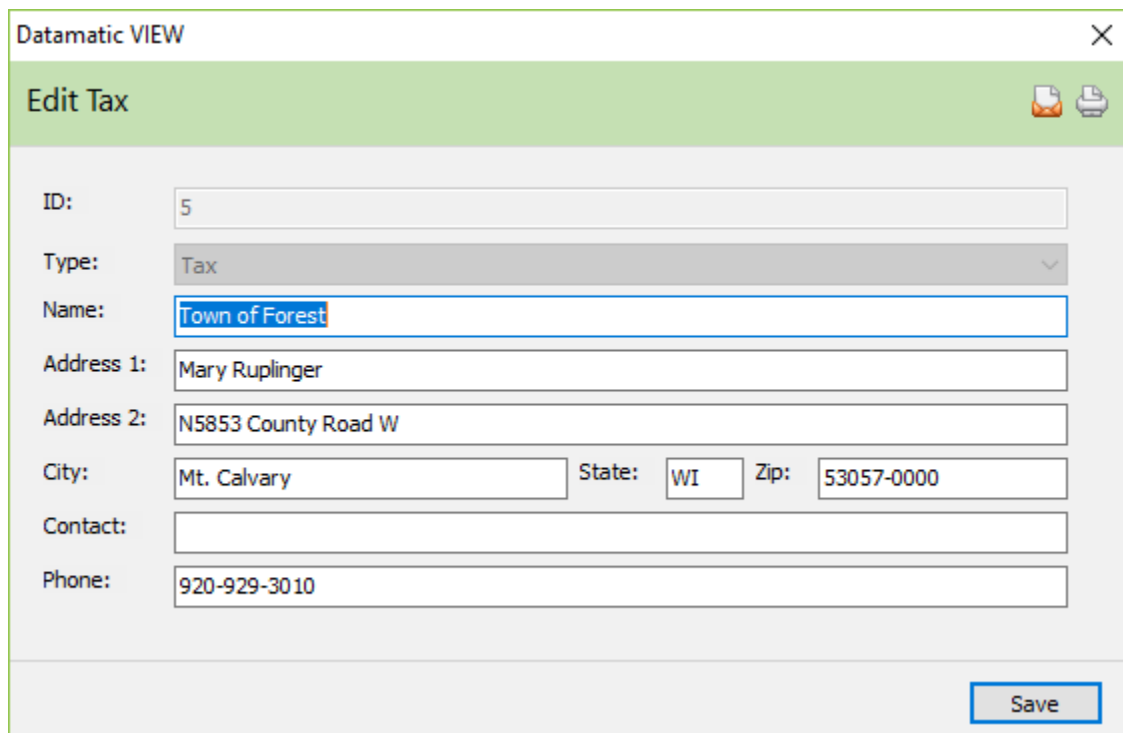
Field	Comments
<b>ID</b>	Numeric field used to identify the escrow contact. This number is used on the Mortgage Maintenance screen and used to run the escrow reports.
	<b>Credit Union Defined. 1-6 digits long.</b>
<b>Type</b>	Select appropriate type of escrow contact.
	<b>Insurance</b>
	<b>Tax</b>
	<b>PMI</b> Not available at this time
<b>Name</b>	
<b>Address 1</b>	
<b>Address 2</b>	
<b>City</b>	
<b>State</b>	

Field	Comments
Zip	
Contact	
Phone	

### **Edit Mortgage Processing Escrow Contact**

The Edit Mortgage Processing Escrow Contact screen is used to modify the escrow contact information. The screen can be launched by:

Double Click	Right Click	Shortcut Key
Item	None	



Datamatic VIEW

**Edit Tax**

ID: 5

Type: Tax

Name: Town of Forest

Address 1: Mary Ruplinger

Address 2: N5853 County Road W

City: Mt. Calvary State: WI Zip: 53057-0000


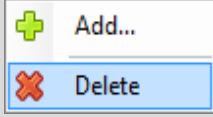

Contact:

Phone: 920-929-3010

Save

**Delete Mortgage Processing Escrow Contact**

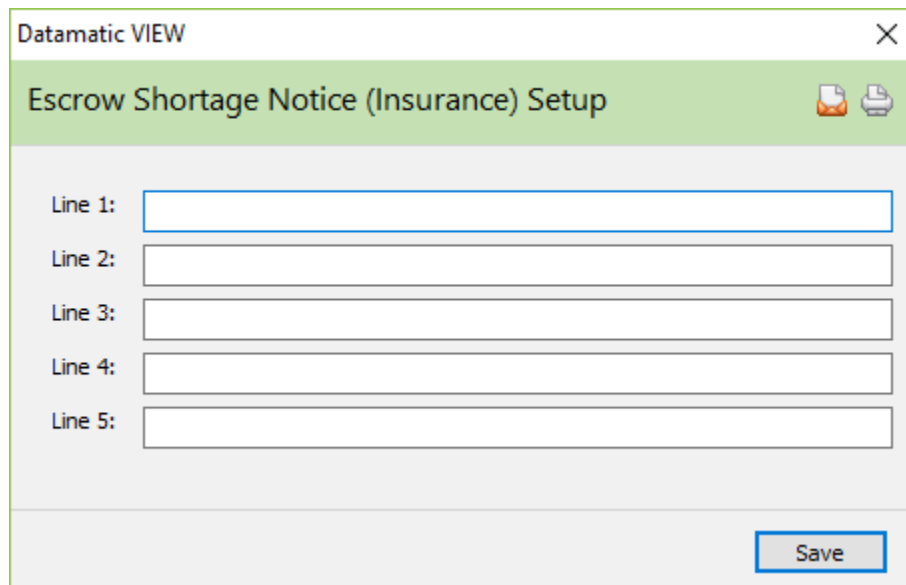
The Delete Mortgage Processing Escrow Contact allows user to delete an escrow contact. The screen can be launched by:

Click	Right Click	Shortcut Key
		

## Escrow Shortage Notice (Insurance) Setup

The Escrow Shortage Notice (Insurance) Setup selection under [\[Main Ribbon > System Settings > Escrow Shortage Notice \(Insurance\) Setup\]](#) is used to define the message that will be printed on the escrow notices. This would be used by credit unions with the Mortgage Processing optional software package.

The system uses the message(s) on this window at the time the Escrow Distribution Report is generated. Make any needed changes before generating this report.



The screenshot shows a software window titled "Datamatic VIEW" with a subtitle "Escrow Shortage Notice (Insurance) Setup". The window has a green header bar. Below the header, there are five text input fields, each preceded by a label: "Line 1:", "Line 2:", "Line 3:", "Line 4:", and "Line 5:". At the bottom right of the window, there is a "Save" button. There are also icons for a document and a printer in the top right corner of the window.

Enter the information to be printed on the escrow notice for insurance starting with line 1. Use as many lines as are needed. There are 35 positions available per line. When finished, select Save to save the changes.

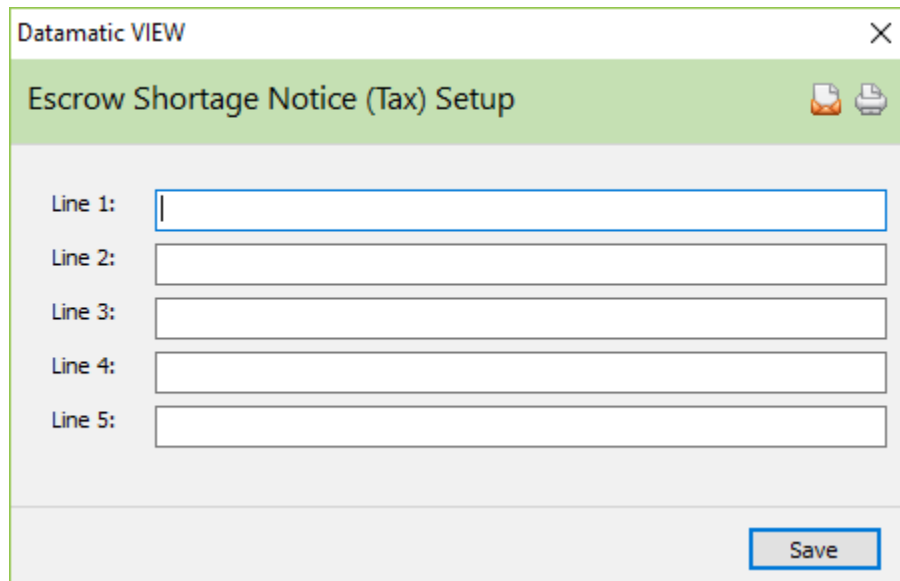
The notices are generated for the members who do not have enough money in the escrow account to pay the tax or insurance.



## Escrow Shortage Notice (Tax) Setup

The Escrow Shortage Notice (Tax) Setup selection under [\[Main Ribbon > System Settings > Escrow Shortage Notice \(Tax\) Setup\]](#) is used to define the message that will be printed on the escrow notices. This would be used by credit unions with the Mortgage Processing optional software package.

The system uses the message(s) on this window at the time the Escrow Distribution Report is generated. Make any needed changes before generating this report.



The screenshot shows a software window titled "Datamatic VIEW" with a close button (X) in the top right corner. Below the title bar is a green header area with the text "Escrow Shortage Notice (Tax) Setup" and two icons (a folder and a printer). The main area of the window is light gray and contains five text input fields, each preceded by a label: "Line 1:", "Line 2:", "Line 3:", "Line 4:", and "Line 5:". The first input field (Line 1) is currently active, showing a cursor. At the bottom right of the window is a blue button labeled "Save".

Enter the information to be printed on the escrow notice for taxes starting with line 1. Use as many lines as are needed. There are 35 positions available per line. When finished, select Save to save the changes.

The notices are generated for the members who do not have enough money in the escrow account to pay the tax or insurance.

## Escrow options on Loan Suffix Inquiry

The Escrow Suffix field on the mortgage loan suffix inquiry is used to establish a link between a loan suffix and an escrow share suffix (02-04, 45-59, 80-99). The Account Type for the escrow suffix can be a secondary share, Christmas Club or Vacation Club. Also, the updating of Mortgage Census Track information (if used) is done on this window. The Escrow amounts, as well as, insurance and tax information is entered on the Escrow Suffix Inquiry.

Prior to linking an escrow suffix to a loan suffix, at least one Tax Municipality and/or Insurance Company (under System Settings) must be setup. (See pages 4-7.) If not, an error message of Does not Exist will be displayed when file maintaining the escrow suffix field. This message will also show on the loan suffix in the Escrow Suffix field instead of the suffix number.

After linking the mortgage loan suffix and the escrow share suffix, the other escrow fields will be displayed. Some of the escrow fields are on the Mortgage Loan Suffix and some are on the Escrow Suffix Inquiry window. (See examples on the next couple pages.)

Delinquency Notice	Send
Escrow Census County Code	604
Escrow Census State Code	172
Escrow Census Tracking Number	141.00
Escrow Payment Amount	\$94.58
Escrow Suffix	50 Escrow Suffix
Fees - Year to Date	\$430.20
First Payment Date	10-03-2008
First Payment Date - Original	10-03-2008
Payment Amount - Escrow	\$94.58
Payment Amount - Principal & Interest	\$727.54
Payment Amount - Total	\$822.12

**Escrow Census Track Number:** Enter the Census Track Number applicable to the member mortgage. The Census Track Number is credit union defined. (5.2 format)

**Escrow Census County Code:** Enter the Census County Code assigned for the applicable county. The Census County Code is a three-digit numerical field and is credit union defined.

**Escrow Census State Code:** Enter the Census State Code assigned for the applicable county. The Census State Code is a three-digit numerical field and is credit union defined.

**Escrow Payment Amount:** Enter the Escrow Payment Amount. This amount will be added to the Principal and Interest and become the Total Payment Amount. The amount may need to cover BOTH insurance and taxes.

**Escrow Suffix:** Enter the Escrow Suffix to be linked to the mortgage suffix. If the suffix in the Escrow Suffix field needs to be changed from one suffix to another, it will be necessary to remove the suffix and save then go back in and file maintain the field again to enter the new suffix.

## Escrow options on Escrow Suffix Inquiry

Dormant Date	06-03-2018
Escrow Insurance Company	ABC INSURANCE COMPANY
Escrow Insurance Distribution Amount	\$197.00
Escrow Insurance Distribution Date	10-01-2018
Escrow Summer Tax Distribution Amount	\$408.00
Escrow Summer Tax Distribution Date	08-01-2018
Escrow Tax Name	CITY OF JACKSON
Escrow Winter Tax Distribution Amount	\$530.00
Escrow Winter Tax Distribution Date	12-15-2018
FGL Amount	\$0.00
Member Service Representative	3
Mortgage Suffix	60 Real Estate
Nickname	(none)

**Escrow Insurance Company:** Enter the applicable ID setup on the Mortgage Processing Insurance Setup screen. After the numeric ID is entered, press enter and the name in words will display in the field.

**Escrow Insurance Distribution Amount:** Enter the Escrow Insurance Distribution Amount, if applicable. This amount is filled in when the credit union receives a bill from the insurance company.

**Escrow Insurance Distribution Date:** Enter the Escrow Insurance Distribution Date. This is the date that the insurance premium is due to either to the member or the insurance company. It is not necessary to fill in a date, if the member does not need to pay an insurance company from escrow.

**Escrow Summer Tax Distribution Amount:** Enter the Escrow Summer Tax Distribution Amount, if applicable. This amount is filled in when the credit union receives a bill from the tax municipality.

**Escrow Summer Tax Distribution Date:** Enter the Escrow Summer Tax Distribution Date. This is the date that the summer tax is due to either to the member or municipality. It is not necessary to fill in a date, if the member does not need to pay a summer tax from escrow.

**Escrow Tax Name:** Enter the applicable ID setup on the Mortgage Processing Tax Setup. After the numeric ID is entered, press enter and the name in words will display in the field.

**Escrow Winter Tax Distribution Amount:** Enter the Escrow Winter Tax Distribution Amount, if applicable. This amount is filled in when the credit union receives a bill from the tax municipality.

**Escrow Winter Tax Distribution Date:** Enter the Escrow Winter Tax Distribution Date. This is the date that the winter tax is due to either to the member or municipality. It is not necessary to fill in a date, if the member does not need to pay a winter tax from escrow.

**Mortgage Suffix:** The Loan Suffix and description (even if the loan is not a mortgage suffix) that the escrow suffix is linked to is displayed.

## Building the Loans, Escrow Accounts and setting up Distributions

The following is a guideline to follow when either beginning to use the Mortgage Processing software (for existing loans) or for setting up new loans. The details on completing the steps described below such as notices, reports and file maintenance, etc., are covered in this chapter.

For existing loans:

- ❖ Add Escrow Suffix and link to mortgage.
- ❖ Enter Expected Distribution Amounts on the Escrow Suffix.
- ❖ Enter Monthly Escrow Payment Amount (1/12 of total distribution) on Mortgage Loan Suffix.
- ❖ Fund Escrow Account based on number of months left to distribution date.

For new loans:

- ❖ Build loans in Loan Documents.
- ❖ Add Escrow Suffix and link to mortgage.
- ❖ Enter Expected Distribution Amounts on the Escrow Suffix.
- ❖ Enter Monthly Escrow Payment Amount (1/12 of total distribution) on Mortgage Loan Suffix.
- ❖ Fund Escrow Account based on number of months left to distribution date.

When new Insurance/Tax bills are received, enter the new distribution amounts on the Escrow Suffix.

Before Insurance/Taxes are due (time period determined by the credit union), do the following:

- ⇒ Print Escrow pre-Distribution Report (do not create transactions).
- ⇒ Print the Escrow Shortage Notices.
- ⇒ Allow members to resolve shortage.

When Insurance/Taxes are due, do the following:

- ⇒ Print final Escrow Distribution Report (create transactions - withdrawals only).
- ⇒ Select the appropriate Escrow Shortages option.
- ⇒ Update Escrow Transactions.
- ⇒ Send collected escrow funds to Insurance Companies / Tax Municipalities.
- ⇒ Print final Escrow Shortage Notices.
- ⇒ Work with members to resolve shortages and pay Insurance Companies / Tax Municipalities.

When Insurance/Taxes are due and if generating checks payable to the member, the insurance company or tax municipality, or both, do the following:

- ⇒ Print final Escrow Distribution Report (create transactions - print checks).
- ⇒ Select the appropriate Escrow Shortages option.
- ⇒ Select the appropriate Check Names option.
- ⇒ Print Escrow checks to be mailed.
- ⇒ Update Escrow Transactions.
- ⇒ Print final Escrow Shortage Notices.
- ⇒ Work with members to resolve shortages.

At a time chosen by the credit union, recalculate the Escrow Payment Amounts.

- ⇒ Update Escrow Payment Amounts.
- ⇒ Print Escrow Payment Notices to mail to the members.

## Mortgage Payments

1. Mortgage payments are applied in the following order:
  - Late Charge
  - Interest
  - Principal
  - Escrow
  - Principal (if any money left over)
2. Payments are made by entering Payment (301 or 302) as the transaction code on the Add Transaction window when doing online transaction processing. Also, the Transfer Funds Wizard (303) could be used. The system will automatically validate total payments and generate two separate transactions. There will be a 301, 302 or 303 loan payment, including distribution of principal, interest and late fee, and a 101, 102 or 103 deposit to the linked escrow suffix for the amount entered as the Escrow Payment Amount on the Mortgage Loan Suffix Inquiry. Batch transactions will also generate two transactions in much the same manner.
3. When a member makes double payments or more than the scheduled payment, the system will always take only 1 escrow payment. If the member wants to make 2 escrow payments, treat as 2 separate payments.

**Example:** Mortgage Payment Amount = \$579.43

Transaction Code 3XX for \$579.43 and  
 Transaction Code 3XX for \$579.43  
 (3 = Payment on Add Transaction window)

or

Transaction Code 4XX for \$454.03 (P and I)  
 Transaction Code 1XX for \$125.40 (escrow)  
and  
 Transaction Code 4XX for \$454.03 (P and I)  
 Transaction Code 1XX for \$125.40 (escrow)  
 (4 = Payment Teller Figures Interest on Add Transaction window)

If the member makes more than the payment amount on a Mortgage Loan Suffix, the following message will be displayed by the system Excess payment amount will be applied to the principal. Do you want to continue? Yes No.

4. When a member makes a partial payment, the system looks to the Escrow Payment option under [\[Main Ribbon > System Settings > Transaction Setup\]](#). This determines if the credit union allows partial escrow payments to be made. See page 3 for more information.

If the credit union only allows full escrow amounts to be made, no escrow will be taken at all with partial payments. The system will give an override message indicating a partial payment, but nothing will go to escrow unless the credit union does a 4XX and a 1XX. (The reason the system does not take an escrow payment is because it doesn't know how much to take out of the partial payment.)

5. If the member is delinquent < 1 payment amount (principal and interest only), the system will take escrow. If the delinquent amount is > than 1 payment, the system will ask for an override. If the credit union does the override, the system will take escrow.
6. If the mortgage payment is made via ACH, payroll or transfer and the frequency is other than monthly, set up mortgage and escrow splits.

**Example:** P & I = \$306.00 Escrow = \$100.00  
 For bi-weekly, split should be: P & I = \$153.00  
 Escrow = \$50.00

7. If the mortgage loan is set up for loan transfer, the system will look for mortgage payments with the Delinquent Transfer option (for delinquent loans), but not the escrow portion of the payment. The escrow delinquency must be manually processed.
8. For variable payment mortgage loans setup with a loan transfer, if the Transfer Amount is greater than zero AND less than the new combination of the new payment amount and escrow payment (Payment Amount - Total), the Transfer Amount will be changed by the system when the Payment Amount is changed through the Variable Payment program. However, if the Transfer Amount is greater than zero AND greater than the new combination of the new Payment Amount - Total, the Transfer will not be changed by the system when the Payment Amount is changed through the Variable Payment program. The Transfer Amount will need to be file maintained in this scenario.

**Example:** Transfer Amount = \$575.00. Principal and Interest = \$475.00 and Escrow Amount = \$100.00. Payment Amount - Total = \$575.00.

If the new **Payment Amount - Total** goes up to \$600.00, the Transfer Amount will be changed to \$600.00 by the system.

If the new **Payment Amount - Total** goes down to \$550.00, the Transfer Amount will need to be file maintained since the system will not automatically change the amount.

9. For Mortgage loans with escrow, when a payment is made (at least PI&E) and the Interest Amount is more than the P&I then no escrow will be applied by the system when the Escrow Payment option is set to Full. (See page 3.) This is true for payments made through a teller, automatic transfer, payroll/ACH or internet/mobile banking.

The example below came from a loan that was opened on 8-25-15 with a first payment date of 10-1-15. The member made their payment using internet banking on 10-1-15.

**Example:** Escrow Payment option = **Full**  
 Regular Payment = \$499.89 P&I = \$227.89 Escrow = \$272.00  
 Payment Made = \$500.00 (Applied \$261.00 to Principal and \$239.00 to Interest)  
**Interest = \$239.00 + Escrow (\$272.00) = \$511.00**

The \$511.00 needed is more than the Payment made, therefore, since only a partial payment was made, no escrow is applied.

## Mortgage Processing Procedures

Once the credit union receives tax or insurance bills, the credit union has the option to create transactions for escrow distribution based on the type selection and date range entered when requesting the Escrow Distribution Report. Using this selection automatically generates notices for shortages with the Print Escrow Shortage Notices selection used to print them. The Escrow - Update Transactions selection is used to update the member's accounts, if transactions are created.

Enter the distribution amounts on the Escrow Suffix Inquiry. If the amount is the same as last year, there is no need to re-enter. If there are new amounts, enter at this time. The distribution dates on the Escrow Suffix Inquiry will be advanced by one year when the Escrow - Update Payment Amounts job is done. See pages 24-27 for more information.

Run the Escrow Distribution report to see how many people are actually short on escrow payments. For taxes, select either the Summer or Winter tax code. Use the All selection or specify the individual tax ID numbers. For insurance, use Selected ID numbers with a due date range.

The Escrow Distribution report can be generated under [\[Main Ribbon > Reports > On Demand > Escrow Distribution\]](#).

The following jobs can be completed under [\[Main Ribbon > Operations > Checks / Notices / Escrow folders\]](#).

- Print Escrow - in the Checks folder
- Print Escrow Payment - in the Notices folder
- Print Escrow Shortage - in the Notices folder
- Escrow - Update Payment Amounts
- Escrow - Update Transactions

## Escrow Distribution Report

Select [\[Main Ribbon > Reports > On Demand > Escrow Distribution\]](#) to generate the report. This selection automatically creates escrow shortage notices. The report will pull all distributions based on the selections regardless if there is an overage or shortage. Select N for Create Transactions.

Datamatic VIEW

Escrow Distribution

Print Quit

----- Escrow Distribution Report -----

Escrow Type Selection

Create Transactions (No) N

Escrow Shortages (Notice Only) N

Check Format (None) N

Check Names (Both Names) B

Starting Check Number

ID Selection (All ID's) 2

Selected ID's

Date Range - - thru - -

**Escrow Type Selection** - Enter the escrow type for the report. The options for this field are:

- 1 = Winter Taxes
- 2 = Insurance
- 3 = Summer Taxes

**Create Transactions** - Make a selection to choose whether or not the system should create transactions (and what type of transaction) when the report is run. If either W or C is selected, a transaction file to be updated will be created. The options are:

- W = Withdrawals Only \*\*
- C = Print Checks \*\*\*
- N = No

\*\*The **Withdrawals Only** selection will be withdrawn from the escrow share account and credited to the escrow payable general ledger account. **\*\*See the chart on the next page with the Escrow Shortage selections for Withdrawals Only.**

\*\*\*The **Print Checks** selection will withdraw funds from the escrow share account and generate a check file to be printed. The offset is a credit to the escrow payable general ledger account. The checks will be payable based on the selection for the Check Names option. The member's address will be printed on the checks for mailing purposes. **\*\*See the chart on the next page with the Escrow Shortage selections for Print Checks.**



**Escrow Shortages** - Make a selection for how an escrow shortage would be handled with the escrow distribution. The options are:

N = Notice Only (default)

P = Partial

O = Overdraw

Here is a table to show what will occur with different combinations for **Create Transactions**, **Escrow Shortages** and **Notice Only**.

Option Combinations	Results
Withdrawals Only/Notice Only	Creates Withdrawals for Full Distribution Amounts Only, Leaves Shortage Balances in the Accounts and creates Notices for Shortages.
Withdrawals Only/Partial	Creates Withdrawals for Full Distribution Amounts or Balance of Account if Less than Distribution Amount, Transfers Amount to GL and creates Notices for Shortages.
Withdrawals Only/Overdraw	Creates Withdrawals for Full Distribution Amount and will Overdraw the Account (if insufficient funds), Transfer Amounts to GL and create Notices for Shortages.
Print Checks/Notice Only	Creates Checks for Full Distributions Amounts only, leaves Shortage Balances in the Account and creates Notices for Shortages.
Print Checks/Partial	Creates Checks for Full Distribution Amounts or Balance of Account if Less than Distribution Amount. Creates Notices for Shortages.
Print Checks/Overdraw	Creates Checks for Full Distribution Amounts and will Overdraw the Account (if insufficient funds). Creates Notices for Shortages.
No/Notice Only	<u>No Transactions</u> but Creates Notices for Shortages. **Distribution Amounts (on the report) will be for Full Amounts only and leaves Shortage Balances in Account.
No/Partial	<u>No Transactions</u> but Creates Notices for Shortages. **Distribution Amounts (on the report) will be for either Full Distribution Amount or Balance in the Accounts if Less than Distribution Amount.
No/Overdraw	<u>No Transactions</u> but Creates Notices for Shortages. **Distribution Amounts (on the report) will be for Full Distribution and will Overdraw the Account (if insufficient funds).

**Check Format** - If Print Checks is selected for the Create Transactions option, select the check format to be used for the checks. The options are:

N = None

D = Dot-Matrix

L = Laser

P = Laser Pre-Printed Stock

**Escrow Check printer options:**

Receipt printer must be a slaved printer (cabled directly to the PC) and not a shared printer for Escrow checks to be printed. (Continuous Dot Matrix receipt printer.)

Continuous Dot Matrix Check Printer (dedicated check printer).

Laser Check Printer (dedicated check printer).

**Note**

Contact Datamatic Customer Support, if the credit union would like to start printing Escrow Checks to a Laser Network Printer in the laser format. The check printing options must be completed by programming before creating the escrow checks to be printed.

**Online credit unions** - In order to switch from Dot Matrix to one of the laser options, Datamatic will need the Name of the laser printer so that it can be set up.

**In-House credit unions** - In order to switch from Dot Matrix to one of the laser options, Datamatic will need the IP Address of the laser printer so that it can be set up. Once this change is made, the Escrow checks will print to the laser printer with no printer selection to be made.

**Check Names** - If Print Checks is selected for the Create Transactions option, make a selection that will determine what names are printed on the checks. In all cases, the member's address will be printed on the checks. The options for this field are:

B = Both Names

C = Company Name Only (Tax municipality or Insurance Company)

M = Member Name Only

**Starting Check Number** - If Print Checks is selected for the Create Transactions option, enter the starting check number for the checks to be printed.

**ID Selection** - Enter the appropriate ID selection to be included on the report. The ID number is assigned to the tax municipalities and insurance companies on the Tax Municipality Setup and Insurance Company Setup screens. The options for this field are:

1 = Selected ID's

2 = All ID's

**Selected ID's** - Enter selected ID's, if option 1 is used for the ID Selection.

**Date Range** - Enter the date range to be included on the report. The dates are coming from the Escrow fields on the Escrow Suffix Inquiry. This selection can be used for both Selected ID's and All ID's in the ID Selection.

Press enter then select yes to process the changes and press enter again.

Example of the Escrow Report for **Withdrawals Only and Notice Only**.




Escrow Report										
12/16/2010		Escrow Report for Ins ID: 1		PAGE 1						
Support Credit Union		( 1 )		ABC INSURANCE COMPANY		REPORT NO. MP200-01				
				Dates: 02/01/2011 thru 02/01/2011						
Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
19-0-50	Chipper Ball	60	02-01-2011	845.15	382.00		382.00		463.15	
612-2-50	JOSHUA L MEMBER	61	02-01-2011	193.58	309.00			115.42		Escrow Shortage
619-7-50	MICHAEL P GREEN	60	02-01-2011	275.48	249.00		249.00		26.48	
620-5-50	VICTOR NEWMAN	60	02-01-2011	499.65	160.00		160.00		339.65	
727-8-50	CONNIE L SMITH	60	02-01-2011	530.04	420.00		420.00		110.04	
6190-3-50	MARY P TELLER	60	02-01-2011	456.12	482.00			25.88		Escrow Shortage
333345-7-50	JACK C ABBOTT	60	02-01-2011	1,538.70	620.00		620.00		918.70	
Totals				4,338.72	2,622.00		1,831.00	141.30	1,858.02	
<Page Break>										
12/16/2010		Escrow Report for Ins ID: 2		PAGE 2						
Support Credit Union		( 1 )		ALLSTATE INSURANCE COMPANY		REPORT NO. MP200-01				
				Dates: 02/01/2011 thru 02/01/2011						
Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
2-6-50	ROBERT JONES	61	02-01-2011	324.69	375.00			50.31		Escrow Shortage
614-8-50	GLORIA P MEMBER	60	02-01-2011	213.16	210.00		210.00		3.16	
2323-4-50	Weston Benzing	60	02-01-2011	412.73	325.00		325.00		87.73	
6119-2-50	DOLLY A PARTON	60	02-01-2011	209.20	374.00			164.80		Escrow Shortage
65844-3-50	Charlie Ball	61	02-01-2011	469.09	577.00			107.91		Escrow Shortage
857799-1-50	SUSAN M JOHNSON	60	02-01-2011	374.04	645.00			270.96		Escrow Shortage
Totals				2,002.91	2,506.00		535.00	593.98	90.89	
<Page Break>										
12/16/2010		Escrow Grand Totals		PAGE 3						
Support Credit Union		( 1 )		Insurance Companies		REPORT NO. MP200-01				
				Dates: 02/01/2011 thru 02/01/2011						
Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
Grand Totals				6,341.63	5,128.00		2,366.00	735.28	1,948.91	

Example of the Escrow Report for **Withdrawals Only and Overdraw**.

Escrow Report										
02/06/2013		Escrow Report for Ins ID: 1		PAGE 2						
Support Credit Union		( 1 )		ABC INSURANCE COMPANY		REPORT NO. MP200-01				
Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
19-0-50	Chipper Ball	60	10-01-2013	342.99	394.00		394.00	51.01		Escrow Shortage
612-2-50	JOSHUA L MEMBER	61	10-01-2013	216.78	320.25		320.25	103.47		Escrow Shortage
619-7-50	MICHAEL P GREEN	60	10-01-2013	558.73	257.00		257.00		301.73	
620-5-50	VICTOR RICHARD NEWMAN	60	10-01-2013	520.74	172.00		172.00		348.74	
727-8-50	CONNIE L SMITH	60	10-01-2013	5.21	426.56		426.56	421.35		Escrow Shortage
6190-3-50	MARY P TELLER	60	10-01-2013	400.96	494.00		494.00	93.04		Escrow Shortage
58621-4-50	Rachel Gates	66	11-25-2013	798.86	764.19		764.19		34.67	
333345-7-50	JACK C ABBOTT	60	10-01-2013	767.20	629.00		629.00		138.20	
701701-5-50	Shelley Nelson Warner	60	11-25-2013	721.26	972.55		972.55	251.29		Escrow Shortage
Totals				4,332.73	4,429.55		4,429.55	920.16	823.34	

Example of Escrow Report for **Print Checks and Partial**.

Escrow Report

  Search  

12/16/2010  
Support Credit Union

( 1 )

Escrow Report for Ins ID: 1  
ABC INSURANCE COMPANY  
Dates: 02/01/2011 thru 02/01/2011

PAGE 1  
REPORT NO. MP200-01

Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
19-0-50	Chipper Ball	60	02-01-2011	845.15	382.00	1275	382.00		463.15	
612-2-50	JOSHUA L MEMBER	61	02-01-2011	193.58	309.00	1276	193.58	115.42		Escrow Shortage
619-7-50	MICHAEL P GREEN	60	02-01-2011	275.48	249.00	1277	249.00		26.48	
620-5-50	VICTOR NEWMAN	60	02-01-2011	499.65	160.00	1278	160.00		339.65	
727-8-50	CONNIE L SMITH	60	02-01-2011	530.04	420.00	1279	420.00		110.04	
6190-3-50	MARY P TELLER	60	02-01-2011	456.12	482.00	1280	456.12	25.88		Escrow Shortage
333345-7-50	JACK C ABBOTT	60	02-01-2011	1,538.70	620.00	1281	620.00		918.70	
Totals				4,338.72	2,622.00		2,480.70	141.30	1,858.02	

<Page Break>

12/16/2010  
Support Credit Union

( 1 )

Escrow Report for Ins ID: 2  
ALLSTATE INSURANCE COMPANY  
Dates: 02/01/2011 thru 02/01/2011

PAGE 2  
REPORT NO. MP200-01

Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
2-6-50	ROBERT JONES	61	02-01-2011	324.69	375.00	1282	324.69	50.31		Escrow Shortage
614-8-50	GLORIA P MEMBER	60	02-01-2011	213.16	210.00	1283	210.00		3.16	
2323-4-50	Weston Benzing	60	02-01-2011	412.73	325.00	1284	325.00		87.73	
6119-2-50	DOLLY A PARTON	60	02-01-2011	209.20	374.00	1285	209.20	164.80		Escrow Shortage
65844-3-50	Charlie Ball	61	02-01-2011	469.09	577.00	1286	469.09	107.91		Escrow Shortage
857799-1-50	SUSAN M JOHNSON	60	02-01-2011	374.04	645.00	1287	374.04	270.96		Escrow Shortage
Totals				2,002.91	2,506.00		1,912.02	593.98	90.89	

Example of Escrow Report for **No and Notice Only**.

Escrow Report										
02/07/2013		Escrow Report for Ins ID: 1		PAGE 2						
Support Credit Union ( 1 )		ABC INSURANCE COMPANY		REPORT NO. MP200-01						
Account	Name	Mort Sfx	Due Date	Escrow Bal	Due Amt	Check	Dist Amt	Shortage	Excess	Error Message
19-0-50	Chipper Ball	60	10-01-2013	342.99	394.00			51.01		Escrow Shortage
612-2-50	JOSHUA L MEMBER	61	10-01-2013	216.78	320.25			103.47		Escrow Shortage
619-7-50	MICHAEL P GREEN	60	10-01-2013	558.73	257.00		257.00		301.73	
620-5-50	VICTOR RICHARD NEWMAN	60	10-01-2013	520.74	172.00		172.00		348.74	
727-8-50	CONNIE L SMITH	60	10-01-2013	5.21	426.56			421.35		Escrow Shortage
6190-3-50	MARY P TELLER	60	10-01-2013	400.96	494.00			93.04		Escrow Shortage
58621-4-50	Rachel Gates	66	11-25-2013	798.86	764.19		764.19		34.67	
333345-7-50	JACK C ABBOTT	60	10-01-2013	767.20	629.00		629.00		138.20	
701701-5-50	Shelley Nelson Warner	60	11-25-2013	721.26	972.55			251.29		Escrow Shortage
Totals				4,332.73	4,429.55		1,822.19	920.16	823.34	

Next print the notices (laser format) using [\[Main Ribbon > Operations > Notices > Print Escrow Shortage\]](#). There are no Escrow Overage Notices. This information does show in the Distribution Report.

Once the member has been notified and sends the payment for the escrow shortage, process the payment with a 101 or 102 deposit (or 103 transfer) to the escrow share suffix.

If a stronger message is needed on the escrow shortage notices, change the escrow notice message, recreate the Escrow Distribution Report and print the notices. Select N to Create Transactions, in this instance.

## Issue Checks Manually from Escrow Payable General Ledger Account

When the credit union is ready for the system to withdraw funds from the escrow accounts to pay the taxes and/or insurance, do the following steps.

- Print the Escrow Distribution Report selecting W for Create Transactions to create the withdrawals from the escrow suffixes. The credit union can go in at any time to print the report and put in a future date (or previous date) for the date range and the system will pull only that distribution date.
- Select the appropriate Escrow Shortages option. See chart on page 17 for more information.  
N = Notice Only  
P = Partial  
O = Overdraw
- The system will create an escrow shortage notice file to be printed.
- The transactions are created to debit the member's escrow account and credit the escrow payable general ledger account.
- If the Escrow Shortages option of Notice Only is selected and there is not enough money in the escrow account, the system will take nothing. Select either Partial or Overdraw, if this result is not desired.
- Checks are not generated. The credit union will need to issue checks out of the Escrow Payable Account to the tax municipalities and/or insurance companies.

The credit union can either select [\[Main Ribbon > Operations > Escrow > Update Escrow Transactions\]](#) to update the escrow transactions with the online or the system will update the transactions with End of Day. The escrow transactions will show on the End of Day Preview when left for End of Day to update.

When receiving NEW distribution amounts from the tax municipalities and insurance companies in the next year, do the following steps:

- Enter the new amounts through the Escrow Suffix Inquiry.
- Select [\[Main Ribbon > Operations > Escrow > Update Escrow Payment Amounts\]](#). This step is done to recalculate the escrow payment amount (tax + insurance / 12 - plus an additional fraction, if entered), as well as, advance the year portion of the distribution dates, if the distribution date is less than the current year.
- Select [\[Main Ribbon > Operations > Notices > Print Escrow Payment\]](#) (laser format). Only print, if escrow payments have been updated in the step above. The notices will show the new escrow payment amounts.

The credit union will decide when to update the Escrow Payment Amounts.

## Create Check Withdrawals and generate a Check File

When the credit union is ready for the system to take money from the escrow accounts to pay the taxes and/or insurance, do the following steps. The checks will be payable based on the selection for the Check Names option. (See page 18) The member's address will be printed on the checks for mailing purposes.

- Print the Escrow Distribution Report selecting C for Create Transactions to create the withdrawals from the escrow suffixes and create the check file. The credit union can go in at any time to print the report and put in a future date (or previous date) for the date range and the system will pull only that distribution date.
- Select the appropriate Escrow Shortages option. See chart on page 17 for more information.
  - N = Notice Only
  - P = Partial
  - O = Overdraw
- Select the appropriate Check Names option. See page 18 for more information.
  - B = Both Names
  - C = Company Name Only (Tax municipality or Insurance Company)
  - M = Member Name Only
- The system will create an escrow shortage notice file to be printed.
- The transactions are created to debit the member's escrow account, generate a check file and credit the escrow payable general ledger account.
- If there is not enough money in the escrow account, and the credit union wants the balance in the escrow account withdrawn, select Partial for the Escrow Shortages option. Checks for the partial escrow amounts will be generated. The member will be responsible for making up the difference.
- Checks are generated and can be printed from the Operations window (Ctrl + O) in VIEW. Click on the Checks folder and select Print Escrow.
- JV the total check amount from the Escrow Payable General Ledger Account to the Checks Payable General Ledger Account.

The credit union can either select [\[Main Ribbon > Operations > Escrow > Update Escrow Transactions\]](#) to update the escrow transactions with the online or the system will update the transactions with End of Day. The escrow transactions will show on the End of Day Preview when left for End of Day to update.

When receiving NEW distribution amounts from the tax municipalities and insurance companies in the next year, do the following steps:

- Enter the new amounts through the Escrow Suffix Inquiry.
- Select [\[Main Ribbon > Operations > Escrow > Update Escrow Payment Amounts\]](#). This step is done to recalculate the escrow payment amount (tax + insurance / 12 - plus an additional fraction, if entered), as well as, advance the year portion of the distribution dates, if the distribution date is less than the current year.
- Select [\[Main Ribbon > Operations > Notices > Print Escrow Payment\]](#) (laser format). Only print, if escrow payments have been updated in the step above. The notices will show the new escrow payment amounts.

The credit union will decide when to update the Escrow Payment Amounts.

## Create Escrow Shortage Notices but No Withdrawal Transactions Generated

This would be used by credit unions that want to create escrow shortage notices ahead of time to notify members of the escrow shortage but not create a transaction file.

- Print the Escrow Distribution Report selecting N for Create Transactions not to create any withdrawals from the escrow suffixes.
- Select the appropriate Escrow Shortages option. See chart on page 17 for more information.
  - N = Notice Only
  - P = Partial
  - O = Overdraw
- The system will create an escrow shortage notice file to be printed.
- Select [\[Main Ribbon > Operations > Notices > Print Escrow Shortage\]](#). These notices are printed on the standard blue and white notices. Make sure to change the message for the notices before generating the Escrow Distribution Report. (See pages 8 and 9.)
- No transaction file is generated to withdraw from the escrow suffixes.

Regardless of the Escrow Shortages option chosen, the Escrow Shortage Notices will be the same. However, the Escrow Distribution Report will show different distribution amounts, based on the selection made for the Escrow Shortages option.

After selecting the job to print the escrow shortage notices, a message will display asking if you would like to remove the file. If an n for no is entered, the notice file will remain on the system until End of Day processing is completed. At that time, the notice file will be removed from the system. If a y for yes is entered, the notice file will be removed right away.

## Escrow - Update Payment Amounts

Select [\[Main Ribbon > Operations > Escrow > Update Escrow Payment Amounts\]](#). This can be used to update the escrow payments amounts, when needed. When this selection is made, the system will add the taxes + insurance amounts from the escrow suffix inquiry window and divide by 12 (plus an additional fraction, if entered) to calculate the new escrow payment amount. The specific loans that the system updates the escrow payment amount are based on the selections made on the screen below.

This step is done after entering the new distribution amounts from the tax municipalities and insurance companies for the next year.

- Enter the new amounts on the Escrow Suffix Inquiry.
- Update the payment amounts using Escrow - Update Payment Amounts selection. This step is done to recalculate the escrow payment amounts (Tax + Insurance / 12 - plus an additional fraction, if entered).
- Print the Escrow Payment Notices (laser format). This is located in [Main Ribbon > Operations > Notices\]](#). Only print, if escrow payments have been updated in the step above. The notices will show the new escrow payment amounts.

After selecting the printer option, the system displays:

Datamatic VIEW

Update Escrow Payment Amounts

Print Quit

----- Escrow Payment Amounts -----

Escrow Type Selection █

Update Payments (No) N

ID Selection (All ID's) 2 Selected ID's      

Require Additional Escrow (No) N Additional Fraction 1 / █

After making this selection to update the escrow payment amounts, it will be necessary to file maintain the loan transfer amount, automatic transfer amount, ACH and/or Payroll splits, for members that have them setup on the system. If the Payment Amount and the Transfer Amount are not the same for loan and automatic transfers, the escrow amount will not be deposited to the escrow suffix.

**Exception:** For Variable Payment loans, if the Transfer Amount on the mortgage loan suffix is greater than zero but less than the new Payment Amount - Total (P and I + Escrow), the system will change the Transfer Amount to the new Payment Amount - Total.



**Escrow Type Selection**

**Definition:** Used to select the loans that will have the escrow payment amount updated. The ID Selection and Selected ID's will also determine which loans are updated. If both tax and insurance escrow types are being updated, it will be necessary to process this screen twice. Once with the selection of 1 = taxes and once with the selection of 2 - insurance.

**Value:**           1 = Taxes  
                      2 = Insurance

**Update Payments**

**Definition:** Used to determine whether or not the escrow payment amounts will be updated when this job is run. When no is selected, this will allow the staff to review the escrow payment amount changes before being updated. Process this job a second time with yes selected, to update the escrow payment amounts. The report will be generated regardless of the selection for this option.

**Value:**           Y = Yes  
                      N = No (default)

**ID Selection**

**Definition:** Used to enter the tax municipality or insurance company (or select all ID's) that will have the escrow payment amount updated.

**Value:**           1 = Select ID's  
                      2 = All ID's

**Selected ID's**

**Definition:** If Select ID's is chosen for the ID Selection, enter the ID's that will have the escrow payment amount updated. The ID's are setup under [\[Main Ribbon > System Settings > Mortgage Processing\]](#).

**Require Additional Escrow**

**Definition:** Used to instruct the system to use an additional fraction when calculating the escrow payment amounts. If Y for yes is chosen for this option, an additional fraction can be entered.

**Value:**           Y = Yes  
                      N = No

**Additional Fraction 1 / \_\_\_\_** (If applicable, enter the additional fraction to be used in calculating the escrow payment amounts.)

**Here is an example of the calculations:**

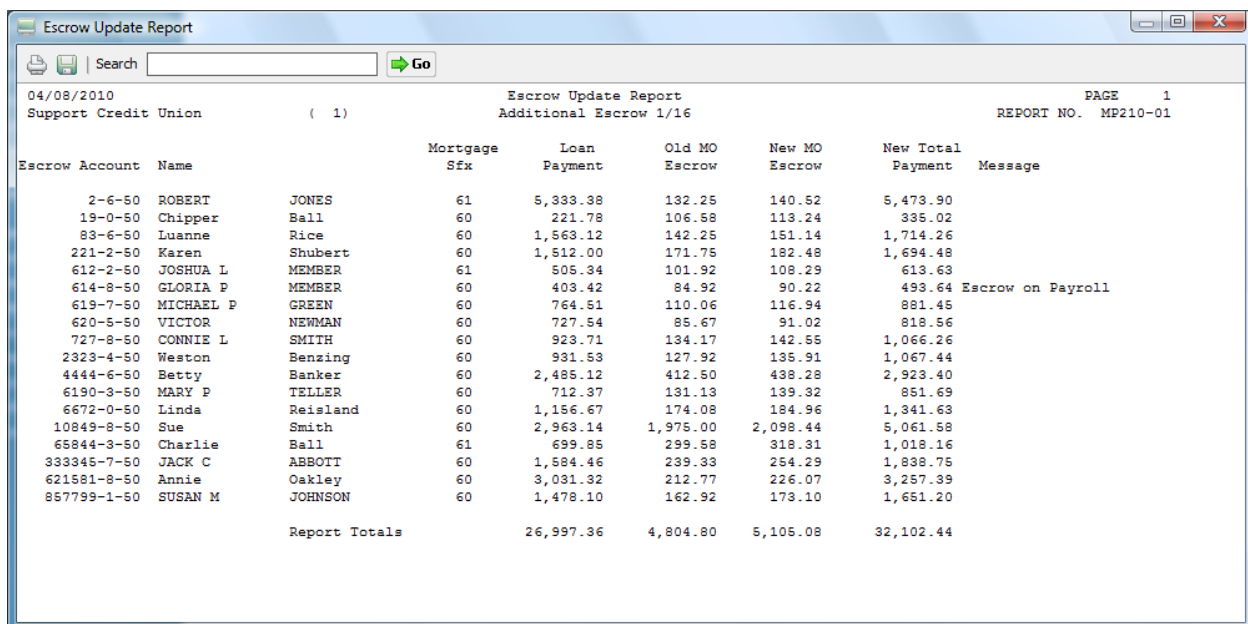
Assume a total annual distribution amount of \$1,200.

Without any additional escrow, the monthly escrow payment would be  $\$1,200 / 12 = \$100$ .

If an additional  $1/16^{\text{th}}$  of the total is added ( $\$1,200 / 16 = \$75$ ), then the monthly escrow payment would be  $\$1,275 / 12 = \$106.25$ .

Press enter then select yes to process the changes and press enter again.

The Additional Escrow fraction also appears on the page heading of the report, if entered. It is  $1/16^{\text{th}}$  in this example.



The screenshot shows a window titled "Escrow Update Report" with a search bar and a "Go" button. The report is dated 04/08/2010 and is for Support Credit Union. It is page 1 of 1, with report number MP210-01. The report title is "Escrow Update Report" and the additional escrow fraction is 1/16. The table below lists members with their account numbers, names, mortgage Sfx, loan payments, old and new mortgage escrow amounts, new total payments, and messages.

Escrow Account	Name	Mortgage Sfx	Loan Payment	Old MO Escrow	New MO Escrow	New Total Payment	Message
2-6-50	ROBERT JONES	61	5,333.38	132.25	140.52	5,473.90	
19-0-50	Chipper Ball	60	221.78	106.58	113.24	335.02	
83-6-50	Luanne Rice	60	1,563.12	142.25	151.14	1,714.26	
221-2-50	Karen Shubert	60	1,512.00	171.75	182.48	1,694.48	
612-2-50	JOSHUA L MEMBER	61	505.34	101.92	108.29	613.63	
614-8-50	GLORIA P MEMBER	60	403.42	84.92	90.22	493.64	Escrow on Payroll
619-7-50	MICHAEL P GREEN	60	764.51	110.06	116.94	881.45	
620-5-50	VICTOR NEWMAN	60	727.54	85.67	91.02	818.56	
727-8-50	CONNIE L SMITH	60	923.71	134.17	142.55	1,066.26	
2323-4-50	Weston Benzinger	60	931.53	127.92	135.91	1,067.44	
4444-6-50	Betty Banker	60	2,485.12	412.50	438.28	2,923.40	
6190-3-50	MARY P TELLER	60	712.37	131.13	139.32	851.69	
6672-0-50	Linda Reisland	60	1,156.67	174.08	184.96	1,341.63	
10849-8-50	Sue Smith	60	2,963.14	1,975.00	2,098.44	5,061.58	
65844-3-50	Charlie Ball	61	699.85	299.58	318.31	1,018.16	
333345-7-50	JACK C ABBOTT	60	1,584.46	239.33	254.29	1,838.75	
621581-8-50	Annie Oakley	60	3,031.32	212.77	226.07	3,257.39	
857799-1-50	SUSAN M JOHNSON	60	1,478.10	162.92	173.10	1,651.20	
Report Totals			26,997.36	4,804.80	5,105.08	32,102.44	

This gives the member a little cushion should the total distribution amount increase from year to year and helps reduce escrow shortages.

**Additional Information:**

After processing the Update Escrow Payment Amounts screen, the system will advance the year portion of the Escrow Distribution Date(s) to the next year. The escrow distribution dates for taxes and insurance displays on the Escrow Suffix Inquiry. The dates that are changed are based on the Escrow Type Selection and the ID Selection when this job is done. (Regardless of how many times this job is done, the year will only be advanced if the distribution date is less than the current year.)

**Example:** If the Escrow Type Selection is Taxes and the ID Selection is All, then the year portion of the Escrow Summer Tax Distribution Date and Escrow Winter Tax Distribution Date dates will be advanced by one year.

**Example:** If the Escrow Type Selection is Insurance, the ID Selection is Selected ID's and the Selected ID is 2, then only the year portion of the Escrow Insurance Distribution Date dates for Insurance ID = 2 will be advanced by one year.

This will eliminate the need to file maintain the distribution dates on the escrow suffixes each year unless the month or day portion needs to be changed.

After the Escrow - Update Payment Amounts step has been completed, the escrow payment notices can be printed. This is located under [\[Main Ribbon > Operations > Notices > Print Escrow Payment\]](#).

## Census Track Report

The Census Track Report is run in the Reports window. This report offers options to print all states or one selected state, as well as, all counties or one county in census track number order. Information provided includes the census track number, mortgage account, name and address information, original amount, balance, open date and loan purpose.

### State Selection

**Definition:** Used to determine what information will be printed on the report.

**Value:** 0 = All States  
1 = One State

### State Code

**Definition:** Enter the State Code assigned by the credit union, if a report is being run for one state.

### County Selection

**Definition:** Used to determine what information will be printed on the report.

**Value:** 0 = All Counties  
1 = One County

### County Code

**Definition:** Enter the County Code assigned by the credit union, if a report is being run for one county.

Press enter then select yes to process the changes and press enter again.

Example of report.

Census Tract Report

Search

Go

N/A	61057-6-60	MARVIN M	MEMBER	85,000.00	83,029.01	07-01-2004	Real Estate
		56561 EAST LINCOLN DR					
		WASHINGTON	DC 11111-7878				
N/A	61057-6-61	MARVIN M	MEMBER	4,800.00	6,800.00	09-01-2002	Real Estate
		56561 EAST LINCOLN DR					
		WASHINGTON	DC 11111-7878				
N/A	65844-3-60	Charlie	Ball	100,000.00	95,126.62	06-01-2004	Real Estate
		517 Cedar Street					
		Lansing	MI 48911				
N/A	65844-3-61	Charlie	Ball	150,000.00	147,900.45	06-01-2004	Land or Property
		517 Cedar Street					
		Lansing	MI 48911				
N/A	65844-3-66	Charlie	Ball	87,000.00	87,000.00	07-01-2004	Real Estate
		517 Cedar Street					
		Lansing	MI 48911				
N/A	100361-5-60	ELMER	FUDD	50,100.00	50,100.00	08-01-2004	Real Estate
		1234 WABBIT WAY					
		WOYAL	WI 54555				
N/A	333345-7-60	JACK	ABBOTT	6,000.00	5,927.58	06-15-2004	Home Improvements
		123 YOUNG ST					
		ANYTOWN	MI 48999				
N/A	621581-8-60	Annie	Oakley	91,500.00	75,783.10	03-01-2004	Real Estate
		45 Farnham Gardens					
		Lansing	MI 48910				
N/A	621581-8-62	Annie	Oakley	2,000.00	2,000.00	09-03-2004	Real Estate
		45 Farnham Gardens					
		Lansing	MI 48910				
		County Totals		1,858,996.25	1,762,612.49		
		State Totals		1,858,996.25	1,762,612.49		

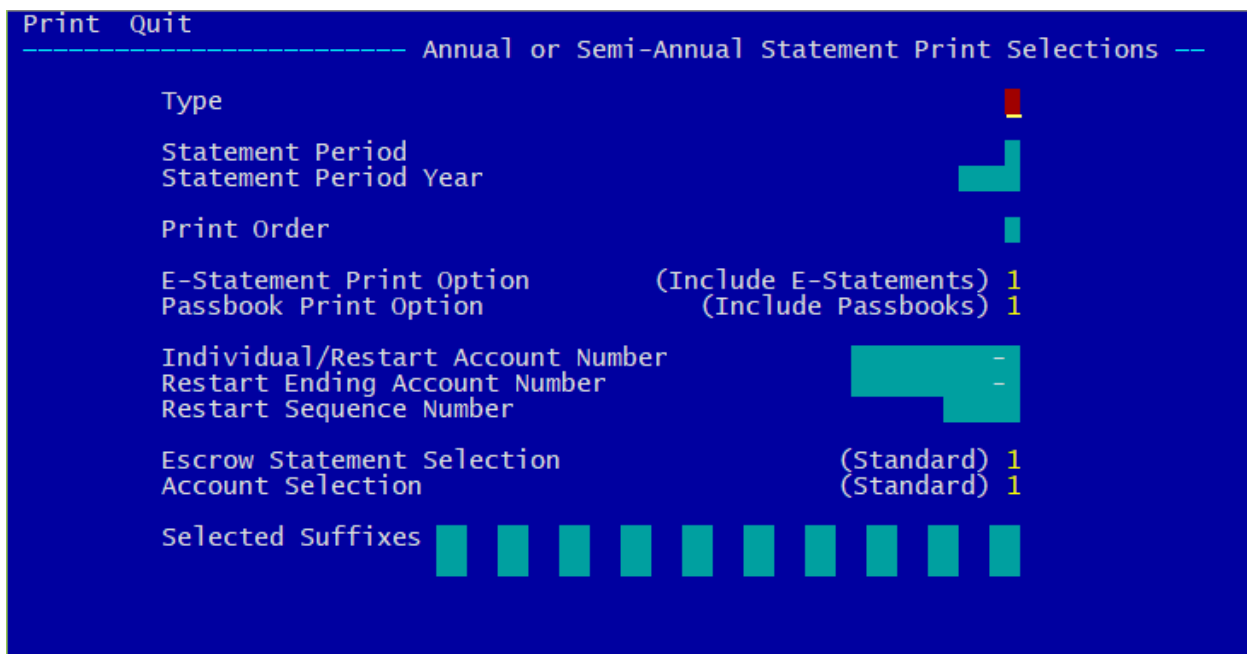
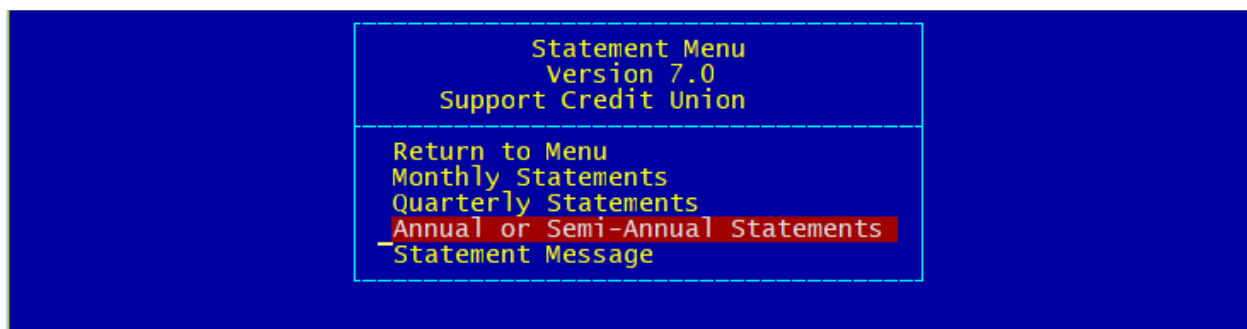
## Annual Mortgage Escrow Statements

Annual Mortgage Escrow Statements can be generated in January (for the previous year). This is located under [\[Main Ribbon > Reports > On Demand > Statements > Annual or Semi-Annual Statements\]](#).

Prior to generating the Annual Mortgage Escrow Statements, change the **Non-Monthly Statement Period** option to **Annual**. This is located under [\[Main Ribbon > System Settings > Statement Parameter Setup\]](#).

Online Credit Unions can request that the Annual Mortgage Escrow statements be generated by the Data Center.

After selecting the printer option, the system displays.



Selection	Description
Type	Select the appropriate type
Statement Period	Select 'January - December'
Statement Period Year	Enter the appropriate year (previous year - ccyy)

Selection	Description
Print Order	Select the appropriate print order
E-Statement Print Option	Select the appropriate e-statement print option
Passbook Print Option	Select the appropriate passbook print option
Individual/Restart Account Number	Use only if applicable
Restart Ending Account Number	Use only if applicable
Restart Sequence Number	Use only if applicable
Escrow Statement Selection	Select ' <u>Escrow Only</u> '
Account Selection	Select 'Standard'
Selected Suffixes	Not used for the annual mortgage escrow statements

The statement will show the history activity on both the Mortgage Loan Suffix and the Escrow Suffix for the year. Also, at the end of the statement, a summary of specific mortgage and escrow amounts are shown, as well as, the current mortgage payment and current escrow deposit amount.

## Example of an annual Mortgage Escrow Statement.

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>SEND INQUIRIES TO</b>   </div> <div style="border: 1px solid black; padding: 5px;"> <b>MEMBER NAME</b>   SUSAN M JOHNSON  584 MAIN STREET  LANSING MI 48910-0000 </div>	<div style="text-align: center; border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>STATEMENT OF ACCOUNT</b>  <small>OWNERSHIP OF SHARE, DEPOSIT, AND CERTIFICATE ACCOUNTS SHOWN ON THIS STATEMENT IS NOT TRANSFERABLE EXCEPT ON THE BOOKS OF THE CREDIT UNION.</small> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <small>Each loan marked * is open end credit. The daily periodic rate and the ANNUAL PERCENTAGE RATE used to compute the FINANCE CHARGE for each of these loans is printed above the first transaction relating to that loan. The daily periodic rate is applied to your balance for each day such balance is outstanding; your balance changes as new amounts are borrowed and as payments are made or credits given.</small> </div> <div style="text-align: center; font-size: small; margin-bottom: 10px;"> NOTICE: SEE DISCLOSURE FOR IMPORTANT INFORMATION REGARDING YOUR RIGHT TO DISPUTE BILLING ERRORS. </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <th style="width: 50%;">ACCOUNT NUMBER</th> <th style="width: 50%;">STATEMENT PERIOD</th> </tr> <tr> <td style="text-align: center;">857799-1</td> <td style="text-align: center;">01-01-17 TO 12-31-17</td> </tr> <tr> <th>SSN</th> <th>SEQUENCE</th> <th>MAIL CODE</th> <th>PAGE</th> </tr> <tr> <td></td> <td style="text-align: center;">93</td> <td></td> <td style="text-align: center;">1</td> </tr> </table>	ACCOUNT NUMBER	STATEMENT PERIOD	857799-1	01-01-17 TO 12-31-17	SSN	SEQUENCE	MAIL CODE	PAGE		93		1
ACCOUNT NUMBER	STATEMENT PERIOD												
857799-1	01-01-17 TO 12-31-17												
SSN	SEQUENCE	MAIL CODE	PAGE										
	93		1										

This is a free form area to enter information to display on the member's statements. The message will show on the printed statements & the Datamatic version of e-statements. Thank you for using the Support Credit Union.

TRANSACTION DATE	TRANSACTION DESCRIPTION	AMOUNT	PAYMENTS, CREDITS NEW LOANS	FINANCE CHARGE	BALANCE
60	REAL ESTATE LOAN REAL ESTATE	*Annual Percentage Rate*	6.000%		
		Periodic Rate	.01643836%		
		Payment Amount	1651.63		
		YTD Interest	6083.76		
		Next Payment is Due	01-02-2018		
01-02-17	Payment-Transfer Post Date:01-01-17	1478.10	935.30	542.80	105582.48
01-31-17	Payment	1478.10	974.78	503.32	104607.70
03-16-17	Payment-Phone Transfer Late Charge From: 00 REGULAR SHARES	1518.10 40.00	721.49 0.00	756.61 0.00	103886.21 103886.21
04-02-17	Payment-Transfer Post Date:04-01-17	1431.80	1141.49	290.31	102744.72
05-02-17	Payment-Transfer	1492.56	985.87	506.69	101758.85
06-02-17	Payment-Transfer	1492.56	974.01	518.55	100784.84
07-02-17	Payment-Transfer Post Date:07-01-17	1492.56	995.54	497.02	99789.30
08-02-17	Payment-Transfer	1083.37	574.85	508.52	99214.45
09-02-17	Payment-Transfer Post Date:09-01-17	1492.56	986.97	505.59	98227.48
10-02-17	Payment-Transfer	1492.56	1008.15	484.41	97219.33
11-02-17	Payment-Transfer	1492.56	997.14	495.42	96222.19
12-02-17	Payment-Transfer Post Date:12-01-17	1492.56	1018.04	474.52	95204.15
12-02-17	New Balance				95204.15
01-01-17	50 ESCROW SUFFIX Dividend		0.34		305.94
	Escrow Dividends				
	Annual Percentage Yield Earned:	0.95% from	12-01-16 thru	12-31-16	
01-02-17	Deposit-Transfer Post Date:01-01-17		187.99		493.93
01-31-17	Deposit		187.99		681.92
01-31-17	Deposit		187.99		869.91
01-31-17	Withdrawal-Cash rev 1 escrow pmt	187.99			681.92
02-01-17	Dividend		0.40		682.32
	Escrow Dividends				
	Annual Percentage Yield Earned:	0.95% from	01-01-17 thru	01-31-17	
03-01-17	Dividend		0.50		682.82
	Escrow Dividends				
	Annual Percentage Yield Earned:	0.96% from	02-01-17 thru	02-28-17	
03-16-17	Deposit-Phone Transfer From: 00 REGULAR SHARES		147.99		830.81
04-01-17	Dividend		0.61		831.42
	Escrow Dividends				
	Annual Percentage Yield Earned:	0.95% from	03-01-17 thru	03-31-17	
05-01-17	Dividend		0.65		832.07

CONTINUED ON NEXT PAGE



## Example of an annual Mortgage Escrow Statement (con't).

TRANSACTION DATE	TRANSACTION DESCRIPTION	AMOUNT	PAYMENTS, CREDITS NEW LOANS	FINANCE CHARGE	BALANCE
	Escrow Dividends				
05-02-17	Annual Percentage Yield Earned:	0.96% from 04-01-17 thru 04-30-17			
05-25-17	Deposit-Transfer		173.53		1005.60
	Withdrawal-Property Taxes	790.32			215.28
	Summer Taxes				
06-01-17	Dividend		0.66		215.94
	Escrow Dividends				
06-02-17	Annual Percentage Yield Earned:	0.95% from 05-01-17 thru 05-31-17			
07-01-17	Deposit-Transfer		173.53		389.47
	Dividend		0.30		389.77
	Escrow Dividends				
07-02-17	Annual Percentage Yield Earned:	0.96% from 06-01-17 thru 06-30-17			
	Deposit-Transfer		173.53		563.30
08-01-17	Post Date:07-01-17				
	Dividend		0.45		563.75
	Escrow Dividends				
09-01-17	Annual Percentage Yield Earned:	0.94% from 07-01-17 thru 07-31-17			
	Dividend		0.45		564.20
	Escrow Dividends				
09-02-17	Annual Percentage Yield Earned:	0.94% from 08-01-17 thru 08-31-17			
	Deposit-Transfer		173.53		737.73
	Post Date:09-01-17				
10-01-17	Dividend		0.58		738.31
	Escrow Dividends				
10-02-17	Annual Percentage Yield Earned:	0.96% from 09-01-17 thru 09-30-17			
10-25-17	Deposit-Transfer		173.53		911.84
	Withdrawal-Insurance	662.00			249.84
11-01-17	Dividend		0.61		250.45
	Escrow Dividends				
11-02-17	Annual Percentage Yield Earned:	0.95% from 10-01-17 thru 10-31-17			
11-30-17	Deposit-Transfer		173.53		423.98
	Deposit-Interoffice		100.00		523.98
	From: 00 REGULAR SHARES				
12-01-17	Dividend		0.33		524.31
	Escrow Dividends				
12-02-17	Annual Percentage Yield Earned:	0.96% from 11-01-17 thru 11-30-17			
	Deposit-Transfer		173.53		697.84
	Post Date:12-01-17				
12-05-17	Withdrawal-Property Taxes	630.00			67.84
	Winter Taxes				

TRANSACTION DATE	TRANSACTION DESCRIPTION	AMOUNT	PAYMENTS, CREDITS NEW LOANS	FINANCE CHARGE	BALANCE
	PRINCIPAL BALANCE START OF YEAR	106,517.78			
	PRINCIPAL INCREASE YEAR-TO-DATE	0.00			
	PRINCIPAL PAID DURING YEAR	11,313.63			
	PRINCIPAL BALANCE END OF YEAR	95,204.15			
	ESCROW BALANCE START OF YEAR	305.60			
	ESCROW PAID DURING YEAR	2,032.55			
	ESCROW DISBURSEMENTS	2,270.31			
	ESCROW BALANCE END OF YEAR	67.84			
	CURRENT TOTAL MORTGAGE PAYMENT	1,651.63			
	CURRENT ESCROW DEPOSIT	173.53			
	LATE FEE PAID DURING YEAR	40.00			
	INTEREST PAID DURING YEAR	6,083.76			

For credit unions that generate the Annual Escrow Statements and use option 4 or 7, the statements will now be displayed in the Statements folder in VIEW. Also, for Internet Banking and Mobile Banking users, the Annual Escrow Statements can be displayed. Normally, these statements would be generated in January for the previous year.

## 360 Day Interest Mortgage Loans

- Payments should be due on the 1<sup>st</sup> of each month. Regardless of what the payment date is set for, the computed interest is for the first through the end of the month. The interest is for the previous month or period of time. If the loan is displayed any time on or after the 1<sup>st</sup>, the Payoff Interest (on the Loan Suffix Inquiry) will stay at one month's worth (unless two months or more delinquent) until the payment(s) is made. After the regular monthly payment is made, the system will show zero in the Payoff Interest field until the 1<sup>st</sup> of the next month.
- System calculates the monthly interest by taking:
  - ⇒  $\text{Balance} * \text{Rate} * \text{Number of Months} / 12$ .
  - Number of Months** = If delinquent, the number of months is the number of payments to bring loan current.
- Interest is not calculated by the system from the open date through the end of the month or to the date ONE MONTH before the first payment date. This interest **must** be manually calculated and paid at closing. (**\*\*\*\*** $\text{Balance} * \text{rate} * \text{number of days} / 360$ )

**Examples:**

Open Date = 5-5-16  
 First Payment Date = 7-1-16  
 Calculate interest for 5-5-16 to 6-1-16 (26 days)  
**Balance \* rate \* 26 / 360 = interest to collect at closing.**

Open Date = 5-5-16  
 First Payment Date = 7-5-16  
 Calculate interest for 5-5-16 to 6-5-16 (31 days)  
**Balance \* rate \* 31 / 360 = interest to collect at closing.**

Open Date = 5-5-16  
 First Payment Date = 7-12-16  
 Calculate interest for 5-5-16 to 6-12-16 (38 days)  
**Balance \* rate \* 38 / 360 = interest to collect at closing.**

The interest can be posted using one of the following methods:

- ⇒ 4XX (Payment - Teller Figures Interest) transaction.
- ⇒ By posting a GL credit to the interest income GL and file maintaining the **Interest Paid - Year to Date** field on the suffix inquiry.
- In the case of a second payment made during the month, the system will not take interest unless the credit union does a 4XX (Payment - Teller Figures Interest) transaction. The interest was paid with the first payment during the month, therefore no interest is due until the next month.
- For Internet and Mobile Banking users, there is an option under [\[Main Ribbon > System Settings > Internet Banking Transfer Setup\]](#) that allows the credit union to determine when mortgage payments can be made on a 360-day interest loan. Set this appropriately.
  - ⇒ Yes (this means that members can make mortgage payments on any day of the month)
  - ⇒ Only the 1<sup>st</sup> thru the 15<sup>th</sup> of the Month

If set to Only the 1<sup>st</sup> thru 15<sup>th</sup> of the Month, for Mortgage loans that use the Payment Type of 360-day interest, members will be allowed to make loan payments from the 1<sup>st</sup> through the 15<sup>th</sup> of the month. If it is past the 15<sup>th</sup> of the month, the system will display the message Mortgage payments must be made between the 1<sup>st</sup> and the 15<sup>th</sup>. The member will need to make the payment by another method.

- If a member wants to pay off a 360-day interest loan during the month and their current monthly payment has been made, the system will not take additional interest for the partial month pay off days. If a payment is made after the Maturity Date (Delinquent), the system will only take the final month's interest that was due on the payment date. Any days past the maturity date will need to have the interest manually calculated and added to the Payoff Interest using a 4XX (Payment - Teller Figures Interest) transaction. **(See \*\*\*\* on previous page for the calculation.)**

If the member is delinquent on a loan and a payment is made, the system will take the Payoff Interest, if delinquent two or more months.