

Mortgage+Care

Refunding An Overpayment To A Borrower

There are a number of ways to handle a borrower's overpayment. In most cases, a refund will be handled as an over-payment of a payoff.

1. Determine how much of the payoff the Borrower will receive. Deduct that amount from the total of the payoff check received.



2. Click **Add Payment**.

3. Change the **Status** to **Pay Off**.

A screenshot of a software interface titled "Loan Servicing Payments". It shows loan details for Andrew Walters, including a \$100,000 loan amount and a \$100.00 late charge. A table lists due dates from 02/01/2010 to 07/01/2010. A dropdown menu for "Status" is open, showing options like "Bankrupt", "Current", "Default", "NSF Check", "Past Due", "Repay NSF", and "Pay Off", with "Pay Off" selected and highlighted in blue. A red box highlights the "Pay Off" option in the dropdown menu.

4. Press the **Tab** key. The **Confirm** dialog appears twice asking if you want to charge a "**Late Fee**" and if you want to "**Calculate Pre-payment penalty?**" Click your response for each.

5. Enter the corresponding dates.

6. Enter the amount of the pay off check that you received, less the amount to be refunded to the **Borrower**.

Note: In our illustration below, the Broker fees are \$120.00 and the Borrower's refund amount is \$900.00. The Broker fees are included in the initial distribution of the payment.

Loan Servicing Payments

Borrower Name ANDREW WALTERS **Loan Number** C-1
Loan Amount \$100,000.00 **Balloon Date** 01/01/2015
Mo. Payment \$1,000.00 **Loan Type** Interest Only
Late Charge \$100.00 **Interest** In Arrears

Date Due 02/01/2010
03/01/2010
04/01/2010
05/01/2010
06/01/2010
07/01/2010
08/01/2010
09/01/2010
10/01/2010

Status Pay Off
Payment # 9
Add'l Payment # 0
Int. Paid To Date 10/01/2010
Payment Due Date 10/01/2010
Date Received 02/01/2011
Deposit Date 02/01/2011
Hold To Date 02/06/2011
Next Payment

Comments Payoff Of Loan
Borrower Check # Posted F
Interes
Principa
Late Fee
Broke
Investor / PPI
To
Past Due / Unapplied PAY
Past Due Balanc
Total
Servicing Fe

Edit Unapplied
Add Payment
Post Payment

Amount Due	101,200.00
Amount Received	101,320.00
New Loan Balance	0.00

7. Enter the reduced total in the **Amount Received** field. The program will disburse the Interest, Principal and Late fees.

8. The program puts the remaining amount in the **Past Due/Unapplied** field with a code of **PAY** as a negative amount.

Note: Negative amounts in the Past Due/Unapplied section of the payment screen are considered positive amounts that will add to the Borrower's account, if and when the same amount remains in the Past Due Balance field.

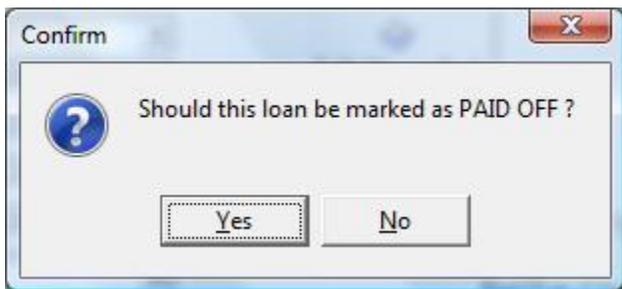
9. Enter the Broker fees (if any) manually to the **Broker** field. After entering the Broker's fees, the following **Select Category** screen will appear, click **Other** and **Select**.



10. Make sure the **Past Due Balance** field is zeroed out (in the **Past Due / Unapplied**) section.

11. Click **Post Payment** to commit the payment.

12. Click **No** on the **Confirm** dialog screen with the question "**Should this loan be marked as PAID OFF?**" since you will edit the payment after the initial Posting.



13. The **Edit Unapplied Entries** dialog screen appears, click **Next**.

14. Click **Yes** for "**Distribute this Payment to Investors Now?**"

15. The **Review Check Entries** screen appears with the Investor's check information, click **Continue**.

Investor #	Account #	Check Total \$	Svc Fee \$	Diff Svc Fee \$	Last Name	Hold Date	Check Date
I-1	C-1	60,720.00	0.00	0.00	WALTERS	02/06/2011	
I-2	C-1	40,480.00	0.00	0.00	WALTERS	02/06/2011	

Review Payments To Investors

16. Edit the payment by clicking **Edit Record** (shown in illustration below)



17. Click in the **Amount Received** field (see #1 below) and enter the **ACTUAL** amount of the payoff check received.

18. Click on the **Broker** field (see #2 below) and increase the Broker's amount by the Borrower's refund amount

- a. The **Select Category** screen appears
- b. Click **Other**
- c. Click **Select**
- d. Click **Post Payment**. The **Edit Unapplied** screen re-appears
- e. Click **Next**.

NOTE: If the edit is done correctly, the Total field (number 3. on the screen shot below) will be the same as the Amount Received.

Review Check Entries

Investor #	Account #	Check Total \$	Svc Fee \$	Diff Svc Fee \$	Last Name	Hold Date	Check Date	Ch
I-1	C-1	60,720.00	0.00	0.00	WALTERS	02/06/2011		
I-2	C-1	40,480.00	0.00	0.00	WALTERS	02/06/2011		
Z-BORR	C-1	900.00	0.00	0.00		02/06/2011		

2.

3.

1.

Review Payments To Investors

22. Enter the account number **Z-BORR** in the **Investor #** field (if you don't have a Z-BORR account, see Adding/Editing A Z-BORR Account) and the fields selected in #2 above.

23. Scroll to the right (shown in #3 above) to the **Pmt #** field and enter the payment number (use the same number as the other entries). Click **Continue** to complete the payment.

Review Check Entries										
	Interest \$	Int Paid To	Inv %	Inv Late Fee	Inv PPP	Inv Advance	Int. Adj.	Misc.	Pmt #	Additional
	600.00	10/01/2010	0.60000	120.00	0.00	0.00	0.00	0.00	9	
	400.00	10/01/2010	0.40000	80.00	0.00	0.00	0.00	0.00	9	
▶	0.00		0.00000	0.00	0.00	0.00	0.00	0.00	9	

Review Payments To Investors

24. Edit the **Z-BORR** investor account to change the **Pay To** information to reflect the current Borrower's information.

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