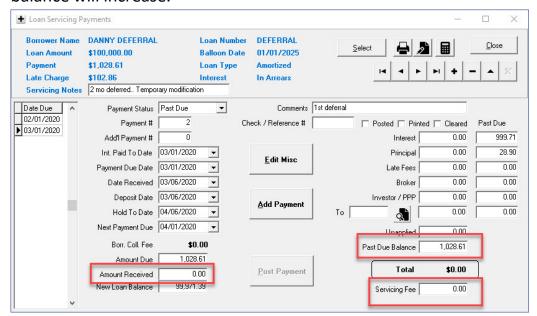
Mortgage+Care

How to post Loan deferrals and temporary modifications

If a borrower cannot make their payment, you have a couple of options to track the shortage in our software.

Temporary Modification: No payments for a short period then increase the expected payment amount until the shortage is paid off.

 In the payment entry screen, add payments for the deferred months. Set the amount paid to zero. Set the Servicing Fee to zero. The past due balance will increase.



- In the *loan input screen*, add Servicing Notes to remind the processor this loan is in a modified state.
- When the next payment comes in. The total due will show up. Adjust the Amount Received to the amount of the check. The check should match the agreed upon payment amount. Late fees can be waived at this point.

Defer the payment: In this scenario, the borrower would not make a payment for a short period, but the loan term would be extended.

- In the *payment entry screen*, add payments for the deferred months. Set the amount paid to zero. Change the Past due balance to zero (only if you intend to collect the deferred amount at payoff and do not want the Past Due amount to show on the monthly statement).
- Set the Servicing Fee to zero.
- Add comments on the entries created on the Unapplied Entries screen as these will appear on the Demand for Payoff report.
- In the *loan input screen*, add Servicing Notes to remind the processor this loan is in a modified state.
- Adjust the Final Payment Date.
- When payments come in, process them normally.