

# 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.

The screenshot shows the 'Loan Servicing Payments' window. At the top, it displays loan details: Borrower Name (DANNY DEFERRAL), Loan Number (DEFERRAL), Loan Amount (\$100,000.00), Balloon Date (01/01/2025), Payment (\$1,028.61), Loan Type (Amortized), Late Charge (\$102.86), and Interest In Arrears. The Servicing Notes field contains '2 mo deferred.. Temporary modification'. Below this is a table of dates due: 02/01/2020, 03/01/2020, and 04/01/2020. The main area shows a 'Payment Status' of 'Past Due' with a 'Payment #' of 2. The 'Amount Due' is 1,028.61, and the 'Amount Received' is 0.00. The 'Past Due Balance' is 1,028.61, and the 'Servicing Fee' is 0.00. The 'Total' is \$0.00. The 'New Loan Balance' is 99,971.39. The 'Comments' field contains '1st deferral'. There are buttons for 'Edit Misc', 'Add Payment', and 'Post Payment'. A 'To' field is also present.

- 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.