

## **EXAMPLE 2:**

### **Cashiering Department Procedures**

While working as an analyst at a small mortgage servicing company, I was tasked to also document our policies and procedures regarding how we handled the processing of mortgage loan payments, escrows, and remitted funds to investors such as Fannie Mae and Freddie Mac.



**A Random Mortgage Co.**

Cashiering Department  
Procedures

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## Posting Payments

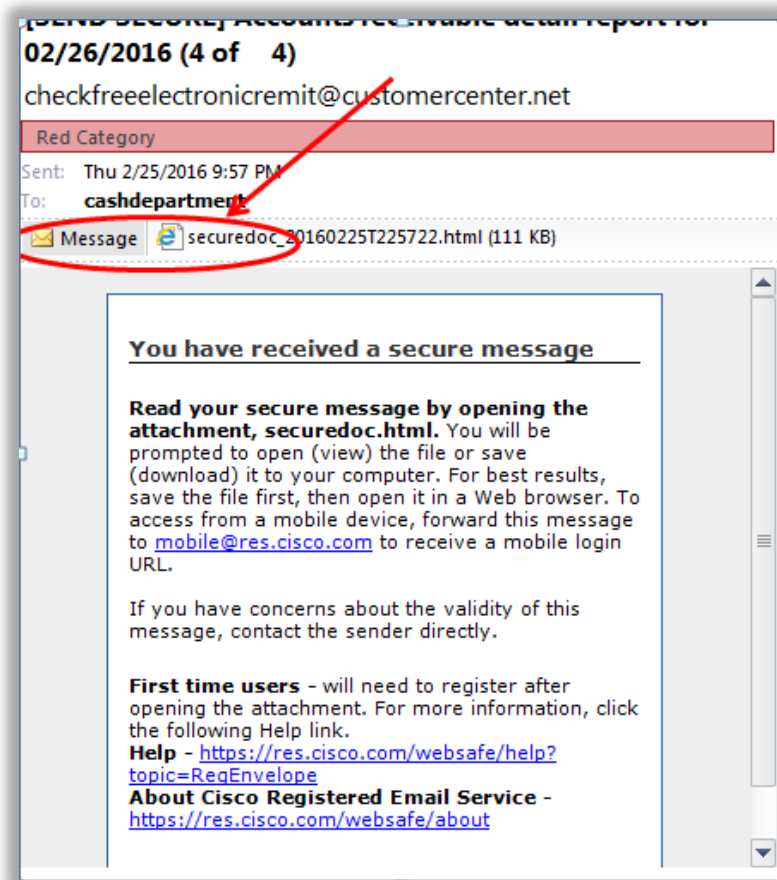
Borrower payments will come from the following: ACH Bill pays ACH (via Checkfree and MARS), bill pay physical checks, and physical checks that have been mailed in. Each method of receiving checks will need to be batched, logged, and saved in different ways.

ACH Bill pay services

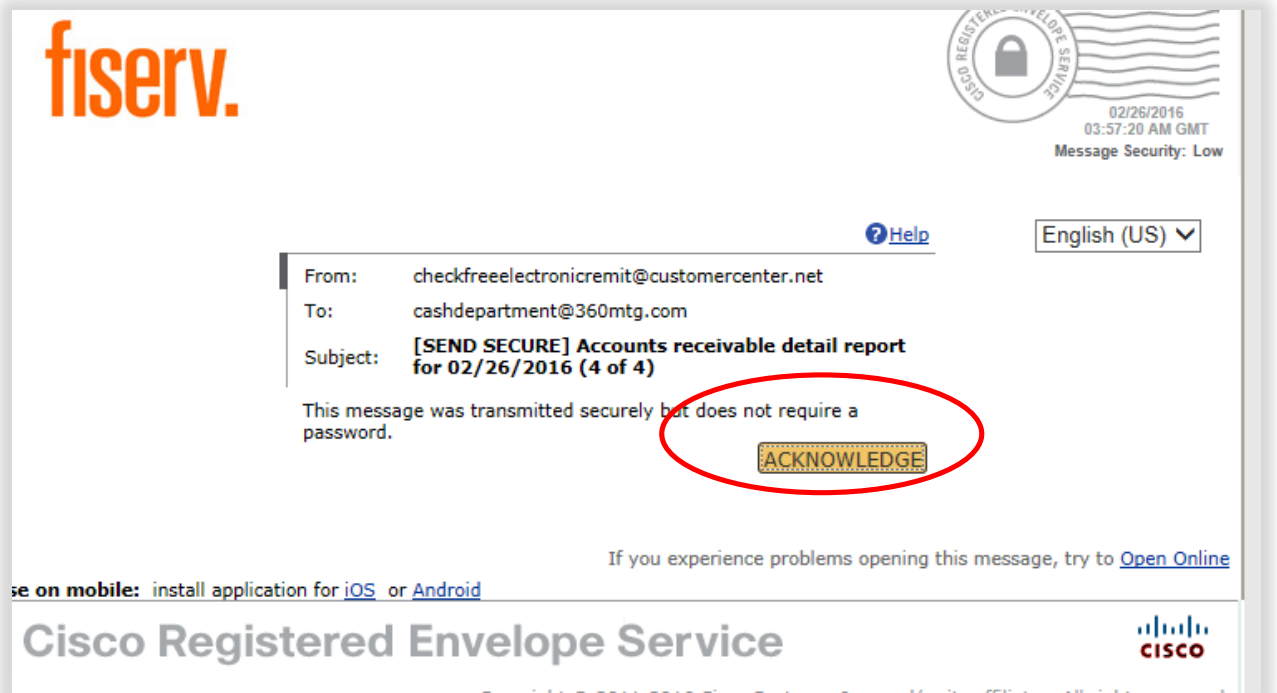
- Email from Checkfree
- Email received from MARS

## Obtaining ACH's from CheckFree

1. Open email(s) received from Checkfreeelectronicremittance@customercenter.net; these can come in multiple emails-each email will contain the loan information (loan number, payment amount, address, borrower name), with the total for that particular email as well as the total for all emails associated with that particular batch.
2. Click on the attached link to open the secured attachment containing the list of loans



- Then click on "Acknowledge" to open the file in a new browser window.



- Once the document opens, copy and paste the loan information into Excel and sort the information so that there is a column for Customer Account Number, Customer Name, and Payment amount.

Customer Account Number	Customer Name	Trace Number	Amount
0010078263	M JENNIFER WIEMEYER 3723 W HEARD RD, PHOENIX, AZ 85033-6428	1282009400000624	\$1,005.17
9124075538	CONNIE B ANDRUS 476 STEVENS RD, ROCKWALL, TX 75082-6755	1282009400000624	\$1,352.57
9223041003	FILE KEANS 5200 149TH LN NW, RAMSEY, MN 55303-5141	1282009400000624	\$950.00
9122041655	ROBERT J MANGLIN 5415 BROOK MEADOW CT, STOCKTON, CA 95219-2439	1282009400000624	\$2,500.00
0010077449	MISSHAM, MICHAEL L 1362 W DARRAN DR, MERIDIAN, ID 83646-3113	1282009400000624	\$700.27
0010064408	REGUY SHERIDAN 3441 N 31ST ST UNIT 102, PHOENIX, AZ 85016-8804	1282009400000624	\$355.00
9123122844	BRAD A KASPER 1770 ZIPPLING BROOK DRIVE, WANSFIELD, OH 44304	1282009400000624	\$1,002.40
9123039876	PRIETO, WILFREDO 3064 BEAVERHEAD ST, ALFORD, FL 32420-7259	1282009400000624	\$927.21

Total amount of payments in this e-mail: \$8,693.02  
Total amount of payments made today: \$203,738.31

Need Help?  
Please do not reply directly to this message. If you have questions regarding these payments, contact us by:  
1. Sending an e-mail inquiry to [remittancerequest@fiserv.com](mailto:remittancerequest@fiserv.com)  
2. Calling customer service at 800-450-0958 (Monday through Friday, 8AM - 5PM ET).

- Save the spreadsheet in the following location on the J drive: *Loan Servicing* → *Cashiering* → *ACH Payment Files* → *Check Free* (and corresponding *Check Free Folder date*). Be sure to name the file as “Checkfree YYYY.M.DD”.

6. **Once the spreadsheet is saved, proceed to “Posting Payments into PMT1”**

## Obtaining ACH’s from MARS

- After receiving the email notification from MARS mars@billpaysite.com), log into the billpaysite.com to retrieve the file
- At the primary screen after logging in, go to “Payment Files”

- Next, select the CSV file for the date you are posting, which will open up a file with borrower and loan information. Hide the appropriate fields so that the loan number and payment amount columns are visible.

Payment Date	Format
2/2/2016	TEXT CSV
2/3/2016	TEXT CSV
2/4/2016	TEXT CSV
2/5/2016	TEXT CSV
2/8/2016	TEXT CSV
2/9/2016	TEXT CSV
2/10/2016	TEXT CSV
2/11/2016	TEXT CSV
2/12/2016	TEXT CSV
2/16/2016	TEXT CSV
2/17/2016	TEXT CSV
2/18/2016	TEXT CSV
2/19/2016	TEXT CSV
2/22/2016	TEXT CSV
2/23/2016	TEXT CSV
2/24/2016	TEXT CSV
2/25/2016	TEXT CSV
2/26/2016	TEXT CSV
2/29/2016	TEXT CSV
3/1/2016	TEXT CSV

4. Save the spreadsheet in the following location on the J drive: *Loan Servicing* → *Cashiering* → *ACH Payment Files* → *MARS* (and requisite *Check Free Folder date*). Be sure to name the file as “MARS YY.M.DD”. **Note: Save the file as a CSV file.**

5. **Once the spreadsheet is saved, proceed to “Posting Payments into PMT1”**

## Logging Regular Mail and Bill Pay Checks

Checks will be received via mail from Bill Pay payment services offered by the borrowers’ banks, and from borrowers mailing in checks with payment coupons. Bill Pay checks will have the loan number somewhere on the check; borrower checks most often will include the payment coupon. Payment coupons can entail the borrower’s actual mortgage payment amount as well as Escrow Shortage coupons, where the borrower is making a one-time payment to address any shortages in their escrow.

Bill Pay checks and borrower checks will need to be posted in their requisite batch numbers (refer to current Batch List). The information (Loan Number and Payment Amount) will need to be entered into the corresponding batch spreadsheet located in the Batch Logs folder with the processor’s name ( i.e. *Loan Servicing* → *Cashiering* → *Batch Logs* → *Joe Smith*).

Open the batch spreadsheet located in the J: drive (address: *Loan Servicing* → *Cashiering* → *Batch Logs* → *Your folder*), then go to the appropriate worksheet tab located on the bottom of the spreadsheet for the batch you are working on. Then enter loan and payment amount received.

- a. **Note that if the payment coupon or Escrow shortage coupons indicate extra money to Escrow, that amount will need to be placed into the “Esc” column. Any amounts on the payment coupons that are deemed additional to principal will be automatically applied once posted into the PMT1 screen. For example, if the payment coupon shows the borrower’s payment as \$500, and the check is written for \$600, and there is a notation on the coupon to add \$100 to principal, post the entire \$600 in the “Amt” column.**

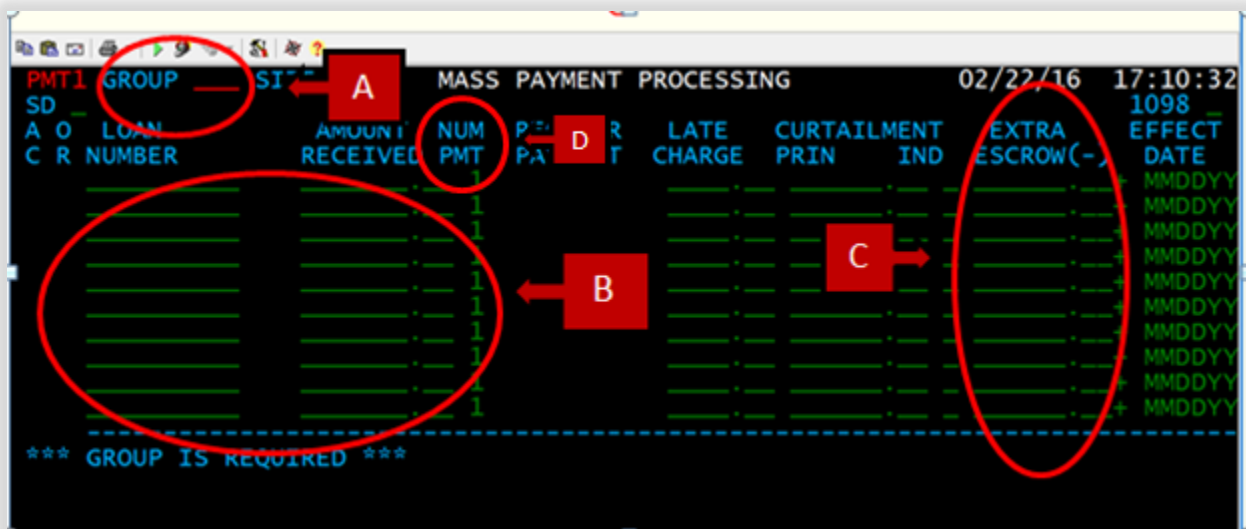
	A	B	C	D	E	F
1	Loan	Amt	Esc	Prin	Note	
2	0010062549	845.00				
3	2500003570	525.00				
4	0010057866	734.57				
5	2500002191	926.24				
6	0010053298	1,145.90				
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## Posting Payments into PMT1

Once all information has been entered into a particular batch spreadsheet, it is then time to copy and paste the loan numbers and amounts into PMT1. Note that PMT1 will only allow 10 loans to post at one time, and that each batch will hold up to 300 loans.

1. Enter in the appropriate batch number in the "Group field (A), then hit "Enter". Then copy the loan numbers and amounts from the Cash Batches spread sheet into the Loan Number and Amount Received fields (B).



**NOTE: Posting Escrow Payment Coupons:** When posting batches where either the payment coupons indicate additional money is to go to escrow, OR when applying escrow payment coupons, ensure that the additional amount to escrow is placed into both the Amount Received field AND the Extra Escrow Field (C), and that the NUM PMT field (D) for that line is changed to "0".

**NOTE: Receiving Short Payments:** If the borrower sends in a payment that is short their regular payment, it can be applied as long as it is within \$50 dollars. If escrowed, the escrow portion of the payment can be shorted. For example, if the borrower's regular payment is \$1,000.00, and they send in a payment for \$990, the \$10 dollar shortfall can be withheld from escrow. Go to PMT2 to apply the payment as normal, and once the "transaction out of crossfit" message appears, make a reduction in the escrow portion (see below)

```

PMT2 0010078630   GRP 4U1   IRREGULAR PAYMENTS   07/20/16 10:34:25
NAME MA KLIPFEL   BILL MODE 7   LOAN TP 12   V.A.
DUE 07/01/16 INV G51 PERSON CD 0 PMT LC   53.48 MIN LC   .00 IOE IND   _
(PF3:DWND)   NEXT LOAN NUMBER:
AMT RECVD PMTS   O/N   REG PMT   REG PMT AMT   CURTAILMENT 2ND MTG ESCROW (-)
      1   1337.07   1337.07   0.07
EFF DT 1098   SUSP(-)   FEE & CD   LIFE(-) A&H(-) MISC(-) REPRESENT(-) 237.53
070116   1337.00-   .00   .00   .00   .00   CORP ADV(-)
ACT OVR SD   TO SUSP   SRC   FEE & CD   FEE & CD   FEE & CD   FEE & CD PAYEE
A   N   .00   .00   .00   .00   REASN
-----
OVR GROUP 4U1 USED BY GA1 FOR PMTS,   0 ITEMS, OPEN.
LAST TRANSACTION: 0000000000   FOR   $ .00
*** TRANSACTION OUT OF CROSSFOOT BY $   0.14 ***
-----~DUE-----CHG DATE-----REG PMT-----NUM-----TOT REG PMT-----
REG PMTS           1,337.07           1,337.07           1           1,337.07
LC BAL              53.48
NSF BAL             .00
OTHER FEES          .00
INTEREST DUE        .00
ESCROW ADV          .00
TOT DUE             1,390.55
PRIN BAL            251,148.73

```