LENDER SOFTWARE PRO USER GUIDE

You will find illustrated step-by-step examples in these instructions.

We recommend you print out these instructions and read at least pages 4 to 20 before you start using the software. This will prevent much frustration and error.

SYSTEM REQUIREMENTS

Windows Vista, Windows 7, Windows 8 and Windows 8.1.

Microsoft Excel 2007 or later.

Adobe pdf reader. Downloadable free from www.adobe.com.

COPYRIGHT

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There are no annual renewal fees, nor does our software expire. You may make as many copies as you like for your own use.

WARRANTY

No software manufacturer can or will guarantee their software is 100% bug free and nor can we. If not satisfied your sole remedy is to delete this software from your computer and receive a FULL REFUND from us of the price you paid.

In common with all other software providers we accept no responsibility for any losses or costs incurred by you while using these spreadsheets.

However, we have been in the Private Mortgage lending business for some 30 years. We designed this software for use in our own business and believe it is the best and easiest to use program of its type.

SUPPORT

If you find what you believe is a bug in our software, you can follow links on our websites to a contact form: http://www.mortgage-investments.com/lender-software/contact-us-lender-software/

The email address and name you give in the contact form MUST be the same as those used to purchase the software. No support will be provided to anyone who has not legitimately purchased Lender Software Pro.

VERSION

These instructions are for version 1.7.8 or above.

Table of Contents

GETTING STARTED

Create a Folder on your computer and copy the spreadsheet template files **Lender Software Pro v1.7.8.xlsx** and **Mortgage Sample v1.7.8.xlsx** to this folder.

In our example, the folder we have used has the path: **C:\Users\Owner\Documents\Mortgage.** You can create a folder anywhere on your computer with whatever name you want.

> **Tip**: You can create **multiple folders for different clients,** as long as you follow the same steps for setting up each.

Also copy **APR costs to include.pdf** to this folder for your reference.

WARNING! - ERRORS WITH COPY & PASTE

IMPORTANT: If you copy and paste from another spreadsheet you may encounter errors, as even if a cell looks similar, it might be a different data type. This is especially important for cells containing numbers.

Some merged cells will not allow you to directly copy from cells that are not merged. You will encounter this on the **Setup** worksheet and will need to manually type in the contents. There aren't that many like this.

If you follow the steps below, you should not have a problem:

1. **Using your mouse**
    a. On your spreadsheet with the cell you want to copy to Lender Software Pro, highlight the cell to copy. For example the Lender's name.
    b. Right click on your mouse and select 'Copy'.
    c. Go to your Lender Software Pro template and single click on the Lender's name which in this example is Cell C8 on the **Setup** worksheet to select it.
    d. Then, right click on your mouse and select 'Paste Special...'.
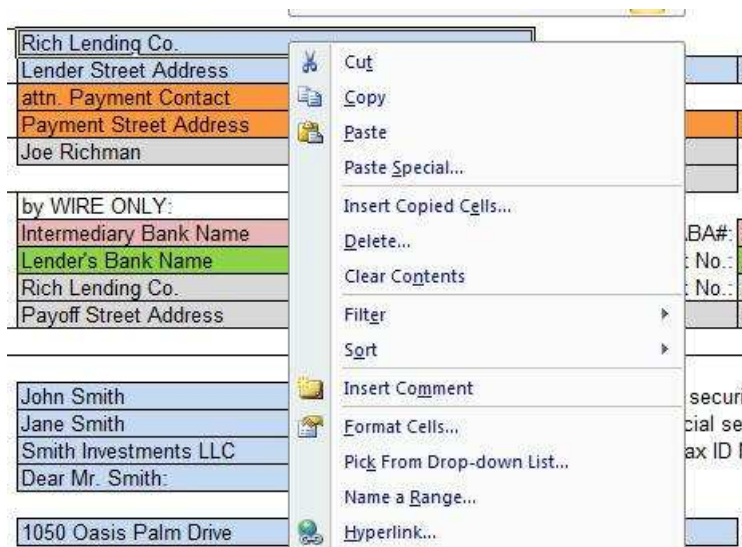
e. Then, click on 'Values'. This will paste the values only and not any formatting.
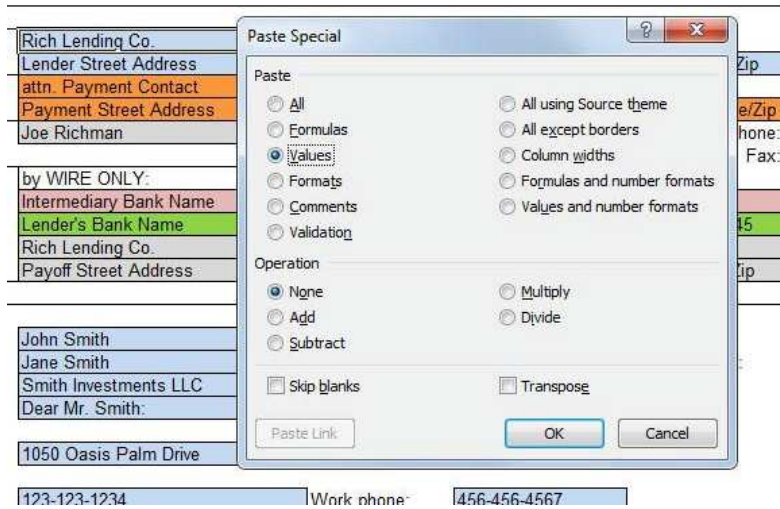
Or

2. **Using the Excel top menus:**
    a. On your spreadsheet with the cell you want to copy to Lender Software Pro, highlight the cell to copy. For example the Lender's name.
    b. Right click on your mouse and select 'Copy'.
    c. Go to your Lender Software Pro template and single click on the Lender's name which in this example is Cell C8 on the **Setup** worksheet to select it.
    d. Then, click on the down arrow on the Paste option and then click on 'Paste Values'.
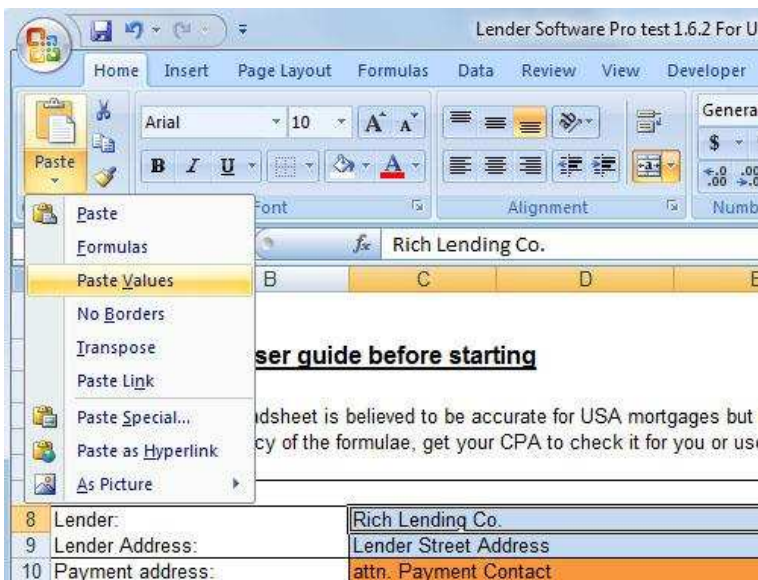
LENDER DETAILS

Open the Template **Lender Software Pro v1.7.8.xlsx** which should be in the folder you created and select the **Setup** worksheet:

See **Mortgage Sample v1.7.8.xlsx** for a completed example.

Then enter your Lender details into the colored boxes at the top of the spreadsheet:

LENDER DETAILS				
Lender:	Rich Lending Co.			
Lender Address:	Lender Street Address	Lender City	Lender State/Zip	Lender Country
Payment address:	attn. Payment Contact			
	Payment Street Address	Payment City	Payment State/Z	Payment Country
Lender Contact:	Joe Richman	joe@richlending.com	Phone:	813-308-7676
	Lender TAX ID No.	12345	Fax:	813-333-0222
Send Payoff to:	by WIRE ONLY:			
Intermediary bank:	Intermediary Bank Name		ABA#: 24005322	SWIFT Code: PNBPUS3NNYC
For Onward credit to:	Lender's Bank Name		Account No.: 2102192202645	SWIFT Code: FCIBKYKY
Beneficiary	Rich Lending Co.		Account No.: 10553051	
Street Address:	Payoff Street Address	Payoff City	Payoff State/Zip	Payoff Country

> IMPORTANT: Ensure you fill in all the colored boxes as they're essential for payment coupons and letter templates. This will be your master template you create other files from, so add everything now and you won't have to individually enter information later.

When you have filled in the lender details on your master template, save a copy in the same folder.

Change the file name using **File > Save As > My Mortgage Template.xlsx** (or whatever you would like to call it)

Then, save **My Mortgage Template.xlsx** as a new file for your first mortgage, for example **mortgage1.xlsx**.

When you are ready to create more files, simply open the **My Mortgage Template.xlsx** template and save as **mortgage2.xlsx** etc.

> **TIP**: You can call your mortgage files whatever you want, but something descriptive is easier. In our example, you could always call the file '**Smith Investments LLC - $125k Jul 2012**'.

BORROWER DETAILS

Open **mortgage1.xlsx** which should be in the folder you created

Click on the **Setup** worksheet.

> **Tip**: You will find a filled-in example in **Mortgage Sample v1.7.8.xlsx**

Enter the borrower name, address etc. into the light blue cells. It is very important to enter the cells correctly. Hover your mouse over the cells with a red corner in the top right to show helpful comments.

Here you enter the borrower details, their names, addresses, social security numbers etc.

> WARNING: Be careful who has access to your borrowers' social security numbers as this is confidential information by law.

You can alter the salutation for the letter templates in Cell C24. You may want to be formal and say 'Dear Mr. Smith' or perhaps 'Dear John'.

Enter the company name if there is one.

BORROWER DETAILS			
Borrower name:	John Smith	Borrower Social security number:	123-45-6789
Co-borrower name:	Jane Smith	Co-Borrower Social security number:	987-65-1234
Company:	Smith Investments LLC	Company Fed Tax ID Number:	59-123456
Salutation for letter templates:	Dear Mr. Smith:		
Borrower Address:	1050 Oasis Palm Drive	Borrower City: Tampa	State, Zip: FL 33629
Home phone number:	123-123-1234	Work phone: 456-456-4567	Mobile phone: 789-789-7890

PROPERTY DETAILS

Enter the property address.

If you enter the property value in Cell C31, the Loan to Value is shown. You can update this at any time by over-writing the date and changing the property value.

PROPERTY DETAILS			
Property address:	113 2nd St. E	Property City: Bradenton	State, Zip: FL 34208
Property Value		Date to Use	Current LTV

LOAN DETAILS

Enter loan details in the light blue cells only. Example below and in **Mortgage Sample v1.7.8.xlsx**.

LOAN DETAILS				
Date of loan:	Jul-15-12	Amount of loan:	125,000.00	Balloon Amount (if any)	73,296.37
Initial Annual Interest rate:	7%	Days before late	10	First payment due:	Sep-01-12
Late Charge Percent	5	Bad check charg	25.00	Overwrite first due date	
Amortization Months	120	Days in year:	365		
(enter 5000 for interest only mortgage)		Points %	2%	Price Paid for Note	
Months bef. balloon	60	Other Fin. Charg	1000.00	(if bought at discount)	

Enter the Date of loan, Amount of Loan, Annual Interest Rate, Days before you make a Late Charge, Bad Check Charge, Percentage late charge.

Loan amount 125,000.00.

The loan was originated on July 15, so there will be 17 days of pre-paid interest and a first payment date of September 1.

The annual interest rate is 7.00% and there is a 5% late charge on payments received after 10 days.

The loan is amortized over 120 months (10 years) but there is a balloon after 60 months.

This balloon is calculated to be 74,747.73.

> IMPORTANT: Enter dates like 9/30/12 and they will appear as Sep-30-12 and enter amounts without "$" or "," between 1,000s. Otherwise you may get errors.

AMORTIZATION

Enter the amortization period in Cell C36. This would be 360 for 30 yr. amortization, 180 for 15 yr. etc. and enter 5000 for interest only mortgages.

If the loan is fully amortizing, there is no balloon. Then enter the same number in Cell C38 that you entered in Cell C36 for the amortization period.

BALLOON PAYMENT

Enter the months before any balloon payment (when the balance of the loan is due and payable) in Cell C38. The balloon payment is automatically calculated for you.

You don't need to calculate balloon payments, pre-paid interest or last payment dates. It is all done for you.

YOUR LOAN ORIGINATION DATE

The software is designed to automatically calculate pre-paid interest based on you receiving payments on the 1st of the month, as is USA mortgage standard. Thus if you originate a mortgage on July 15, 2012, the first payment is due on September 1, 2012 and you collect 17 days pre-paid interest at closing. See PRE-PAID INTEREST below.

Some private lenders originate a mortgage mid-month, and collect their payments on the SAME day the following month. If this is the case, you will need to override the payment start date in the orange background Cell I35.

If you wished to do this in this example, your payments would start on August 15. Usually this orange background cell will be empty.

POINTS AND OTHER FINANCE CHARGES

This sample mortgage has two points. If your mortgage has no points, just replace this with zero.

$1,000 in Other Finance Charges. Likewise replace with zero if there are no extra finance charges. Other finance charges are defined in law. See the APR help guide included. Copyright: The Compliance Group, Inc.

PREPAID INTEREST

The pre-paid interest is calculated for you automatically provided you have correctly entered the loan origination date.

Please be clear about this. If your loan date is Feb 1, then the first payment due is Mar 1 with no pre-paid interest.

But if your loan date is Feb 2, then the first payment is due April 1 and you should collect 27 days pre-paid interest.

Enter the date you receive this pre-paid interest (usually the day the loan closes) and the amount in Row 5 on the **Record Payments** worksheet. Or you might lend less money rather than collecting a check.

Either way the pre-paid interest should be shown on the HUD-1 closing statement page 2, line 901.
Line 901 says" Interest from   to   at   per day for   days."

When you receive the pre-paid interest, enter the date received and the amount in the Yellow Cells, D5 and G5 on the **Record Payments** worksheet.

NO PRE-PAID INTEREST

The above pre-paid interest treatment is standard for USA lenders. However some lenders may have originated mortgages where the payments start exactly one month later and there is NO pre-paid interest.

Example: Mortgage funded July 15, 2012, first payment August 15, 2012.

To correctly handle this, just enter the first payment due date in the orange background Cell I35 on the **Setup** worksheet. This will now adjust every future payment due date.

DISCOUNTED MORTGAGES

If you bought the mortgage at a discount enter the price you paid in Cell I37 (in the Loan Details Section).
The Amount of Loan (Cell F33) and Number of Payments Left (Cell C38) will be that at the date you purchased the Note.

You will be able to see the monthly Capital Returned to You and Discount Earned in Columns AD and AE on the **Record Payments** worksheet, also in the year totals in the **Year View** worksheet.

ESCROWING FOR TAXES AND INSURANCE

You can escrow for taxes and insurance. Enter the escrow deposit and initial monthly escrow charge in lilac background Cells G41 and G42 on the **Setup** worksheet.

ESCROW DETAILS	
Mthy. Ins. & tax escrow:	
(if any) Escrow deposit	

If the Monthly Escrow payment changes later, enter the date and new amount in the Lilac Cells in the **Setup** worksheet.

Cells L42 to L49 and M42 to M49.

MONTHLY ESCROW CHANGES	
Date	Mnthy Esc. Charge
Sep-01-12	200

When you disburse money from the Escrow Account, enter the Date, Purpose and Amount in Columns L, M and N with a Lilac background on the **Record Payments** worksheet.

Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)	Total In Escrow	Date of Escrow Disbursement	Type of Escrow Disbursement	Amount Escrow Disbursement
929.17	200.00	200.00			
929.17	200.00	400.00			

ENTERING PAYMENTS, NON-PAYMENTS AND BAD CHECKS

The following can happen after you originate a mortgage:

1. You receive the correct payment on time
2. You receive the correct payment late including late charge
3. You receive the usual payment late without late charge
4. You receive a partial payment on time
5. You receive a partial payment late
6. You receive MORE than the correct payment
7. You receive a LOT more than the correct payment
8. You receive nothing
9. You receive a bad check
10. Catch-up payments

This software will correctly handle all the above scenarios, with a little guidance from you.

Only enter in the colored cells. Everything else is calculated.

Don't worry if you don't find the instructions below to be clear, there is a step-by-step example of each of the scenarios.

ENTER A PAYMENT

Click on the **Record Payments** worksheet.

When you receive a payment you should enter the date the payment was received in **Column B**. Dates should be entered like 10/09/12 and will appear like Oct-09-12.

You will see the payment expected for the current month in Column C AFTER you enter a date in Column B or enter a date in Column F if no payment is received for that month. See below.

If the payment date is after the due date, the late charge is automatically added on.

If your mortgage provides for a monthly escrow payment, this is also included in the payment expected.

Enter the amount received in column D.

We recommend you enter the check number in Column G.

Then enter the payment to allocate to that month into Column I. This is almost always the same amount as the Amount Received (Column D).

Once the check clears your bank account, enter the date it clears in Column H.

> **Tip**: You are not required to enter the check number in Column G or the date it clears in Column H. However, we recommend you do to aid later queries and lost check problems.

ESCROW PAYMENTS

If you are escrowing for taxes and insurance the amount to escrow will be automatically calculated and deducted as a prior expense.

You should plan on escrowing enough every month to have enough money in the account to pay the property tax and insurance bill when it is due. But be careful about escrowing too much. There are government regulations against escrowing too much and a partial refund may be needed.

The monthly amount to escrow will initially be set in Cell G41 on the **Setup** worksheet. If it changes enter the date the change applies from and the new amount in the lilac boxes from Cell L42.

When you disburse money from the Escrow Account, enter the Date, Purpose and Amount in Columns L, M and N with a Lilac background on the **Record Payments** worksheet.

SCENARIO 1: You receive the correct payment on time

First enter the Payment Received Date against the Sep-01-12 Due Date on the **Record Payments** worksheet:

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)	Total In Escrow
Sep-01-12									0.00	0.00
Oct-01-12									0.00	0.00

We received this payment on September 8, 2012. Note the Amount Due is now filled in. Enter the same amount in the Amount Received Cell:

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)	Total In Escrow
Sep-01-12	Sep-08-12	1,651.36							0.00	0.00
Oct-01-12									0.00	0.00

Since this is correct, we now enter the same amount in the Total to Apply Cell. Also the Check Number (if you wish):

You will note that the $200 escrow payment has been applied to Escrow. (if you are not escrowing for Taxes and Insurance, nothing will appear here.)

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)	Total In Escrow
Sep-01-12	Sep-08-12	1,651.36				1234		1,651.36	200.00	200.00
Oct-01-12									0.00	200.00

The check clears on 9/15/12 and we recommend you enter the Cleared Date, but it is not essential.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)	Total In Escrow
Sep-01-12	Sep-08-12	1,651.36				1234	Sep-15-12	1,651.36	200.00	200.00
Oct-01-12									0.00	200.00

You have now entered the payment.

LATE CHARGES AND UNDER-PAYMENTS

If the borrower pays late, a late charge is added automatically to the amount owed.

If the borrower pays less than owed, the difference is added to the Amount Due the following month (Column C) when you enter a date in Column B and/or F on the **Record Payments** worksheet.

FORGIVE LATE CHARGE

We do not recommend forgiving late charges. However, if you wish to do so then change the Date Received in Column B to a date before the Late Payment date.

Example: You have a 15 day late period and received the payment on the 17th of December 2012.

Your spreadsheet will show a late charge. You want to forgive this as it is Christmas.

Enter the Date Received in Column B as 12/15/12, and no late charge will be added.

OVERRIDE LATE CHARGE

The late charge is displayed in Column Q. This cell has a complicated formula and you should usually never have any need to change it. The cells in this column have been unlocked, so you have the option to override the calculated amount.

> **WARNING: Once you overwrite Column Q's late charge, the hidden formula will be deleted and you will NOT be able to put it back how it was. You would then have to enter the amount manually.**

SCENARIO 2: You receive the correct payment late including late charge

Payment received late on 9/15/12 including the late charge.

Note the payment expected is increased by the amount of the Late Charge when you enter the Received Date.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)	Total In Escrow
Sep-01-12	Sep-15-12	1,723.93							0.00	0.00
Oct-01-12									0.00	0.00

Since you received the correct amount, we now enter the same amount in the Total to Apply cell. Also the Check Number (if you wish):

You will note that the $200 escrow payment has been Applied to Escrow. (If you are not escrowing for Taxes and Insurance, nothing will appear here.)

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-15-12	1,723.93				1234		1,723.93	200.00
Oct-01-12									0.00

SCENARIO 3: You receive the usual payment late without late charge

Payment received on 9/15/12 without the late charge.

Enter the Received Date. Note the payment expected is increased by the amount of the Late Charge. Since the borrower did NOT add the late charge, you enter what you did receive in the Amount Received.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-15-12	1,723.93	1651.36						0.00
Oct-01-12									0.00

Now enter the Check Number (if you like) and the Total to Apply (this month). $200 was first deducted to Apply to Escrow.

We recommend you enter the Check Cleared Date later, but it is not essential to the workings.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-15-12	1,723.93	1651.36			1234		1,651.36	200.00
Oct-01-12									0.00

LATE NOTICE

If you wish to send a Late Notice for the unpaid Late Charge, just click on the **Late Notice** worksheet. When you create your Late Notice, you should enter how many days they have to "pay up" in Cell H12 before you file a default.

Go to the **Late Notice section on page 34** for further information.

SCENARIO 4: You receive a partial payment on time

Enter the Received Date and the Amount Received which is $1,451.36 and not $1,651.36 that was expected.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-08-12	1,651.36	1451.36						0.00
Oct-01-12									0.00

Enter the Check Number (if you wish) and Total to Apply (this should never be more than the Amount Received).

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-08-12	1,651.36	1451.36			1234		1,451.36	200.00
Oct-01-12									0.00

When you enter next month's payment, the shortfall will be added to the Payment Due.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-08-12	1,651.36	1451.36					1,451.36	200.00
Oct-01-12	Oct-04-12	1,851.36							0.00

SCENARIO 5: You receive a partial payment late

This is entered exactly the same way as the payment above (Situation 4) except that the Received Date is late and the Late Charge will be added on.

When a payment is next received, it is automatically applied first to the Accrued Interest/Late Charge and then to the Current Interest and Principal.

SCENARIO 6: You receive MORE than the correct payment

Any payment received above the amount required to clear the current month's interest will automatically be applied to Principal.

If the payment received is greater than the payment shown as due in Column C. You will see a warning of this in Column E in Red text AFTER you enter the amount in Column I. Example "200.00 applied to principal."

You will usually want to just leave this to automatically apply to principal.

In the example below, the borrower over paid by $200 which you enter in the Amount Received.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-08-12	1,651.36	1851.36						0.00
Oct-01-12									0.00

When you enter 1851.36 in the Total to Apply cell, you will see a warning that $200.00 extra is being applied to principal.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-08-12	1,651.36	1851.36	200.00 extra to principal		1234		1,851.36	200.00
Oct-01-12									0.00

SCENARIO 7: You receive a LOT more than the correct payment

Perhaps a double payment to apply to two months.

In this case you should break the payment down into the various months. And then enter them in Column I.

Example: The monthly payment is $1,651.36. On September 6, 2012 you receive $3,302.72 to cover the September 1 and October 1 payments.

In Column B row for September 1, 2012, enter a Received Date of September 6, 2012, in Column D an amount of $3,302.72.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-06-12	1,651.36	3302.72						0.00
Oct-01-12									0.00

Then in Column I (of the same row) an Amount Cleared of $1651.36.

AND in Column B row for October 1, 2012, enter a Received Date of September 6, 2012 and in Column I (of the same row) an Amount Cleared of $1651.36. See **Mortgage Sample v1.7.8.xlsx** and see comments by hovering your mouse over the cell.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-06-12	1,651.36	3302.72			1234		1,651.36	200.00
Oct-01-12	Sep-06-12	1,651.36	3302.72			1234		1,651.36	200.00

SCENARIO 8: You receive nothing

If NO payment is received, enter a date later than the LATE PAYMENT DUE date in the "Late Notice Date" cell in Column F.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12		1,723.93			Sep-20-12				0.00
Oct-01-12									0.00

These cells have an Orange background. This will add on the accrued interest and late charge for the month. You can see that when the October payment is added, the interest is accrued from the missing September payment and Late Charge.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12		1,723.93			Sep-20-12				0.00
Oct-01-12	Oct-06-12	3,375.29							0.00

This will also automatically calculate your Late Notice (click on the **Late Notice** worksheet).

SCENARIO 9: You receive a bad check

You will already have entered the payment. When you get the check back from your bank, clear the Received Date from Column B and the amounts from Columns D and I (if you have shown it as cleared).

This will add on the accrued interest and Late Charge.

Enter the word "bad" (without the " ") in the Cleared Date Column G. This will automatically add the bad check charge to the Late Fee.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12		1,748.93			Sep-30-12	1234 bad			0.00
Oct-01-12									0.00

> IMPORTANT: For correct functioning, it is very important to EITHER enter a Date Received and Payment Received in each month or a date in Column F to indicate non-payment, or interest owed will not accrue.

SCENARIO 10: Catch-up Payments

Example: You receive a payment of $1,500 and usually this will be applied $1,000 to interest and $500 to principal.

However there is $400 of Accrued Interest owing. So $400 is automatically applied in the "Apply to Accrued Interest" cell. This will clear the Accrued Interest and reduce the amount applied to Principal to $100.

INTEREST RATE CHANGES

Change the interest rate ONLY in the correct row of Columns L and M on the **Setup** worksheet. This has an orange colored background.

Remember that interest is charged in arrears. This will correctly calculate interest for the following month.

Note changing the interest rate will also change it for future months. If you change the interest rate mid-month, there is automatic compensation for the days at the previous rate.

INTEREST RATE CHANGES						
Date	Interest Rate	Moth Amort	Prin Rem	Due from	Pmt	Late Charge
Jul-15-12	7.00%	120	125,000.00	Sep-01-12	$1,451.36	$72.57
					$0.00	$0.00
					$0.00	$0.00
					$0.00	$0.00
					$0.00	$0.00
					$0.00	$0.00

ESCROW CHANGES

As time passes you may want to increase or decrease the amount you hold in escrow. You do this on the Lilac background cells in Columns L and M on the **Setup** worksheet.

MONTHLY ESCROW CHANGES	
Date	Mnthy Esc. Charge
Sep-01-12	200

PAYOFFS

Please remember that mortgage payments are made at the end of the month that they apply to. So a payment received on March 5 covers the interest for February.

If the borrower wants to pay off on April 2. You need to accrue the interest for the whole of March + 2 days.

TWO SIMPLE RULES:

1. If you have received a payment for the current month, ensure you have entered the received date in Column B and amount in Columns D and I.

2. If you have NOT received a payment for the current month (or earlier months), you need to enter a suitable date in the Late Notice Date cell Column F. For the current month, this date would be the beginning of the payment due period. Usually the 1st.

   For previous months the date would be AFTER the Late Due Date, if you want to accrue the late charges, or BEFORE the Late Due Date if you do NOT want to accrue earlier late charges.

STEP-BY-STEP PAYOFF SCENARIOS

Use the same Mortgage Example as before, (**Mortgage Sample v1.7.8.xlsx**)

SCENARIO 1: All Payments Made, Mid Month Payoff

In the first scenario, the borrower has made all their payments for September, October and November. They want a payoff commencing November 10, 2012. (We assume here that the November check was certified or you are otherwise sure it will clear.)

Sep-01-12	Sep-03-12	1,651.36	1651.36				1,651.36	200.00
Oct-01-12	Oct-06-12	1,651.36	1651.36				1,651.36	200.00
Nov-01-12	Nov-05-12	1,651.36	1651.36				1,651.36	200.00

Then go to the **Payoff** worksheet.

Enter 11/10/12 in the Payoff Start date in Cell G2. The late fee would be due after 10 days, but as the November payment has been made there is no late fee. The payoff will now include the days from 11/1/12 to the payoff date in November.

Enter any additional charges in Cell G4 for such items as pre-payment penalties, legal fees and court fees for foreclosures for example, insurance paid by lender during foreclosure etc.

	Last Payment	Amount	To Principal	To Interest	Escrow Balance		Late fee due after
29							
30	November 5, 2012	1651.36	730.64	720.72	600.00		10
31							days
32				Addnl. Payoff			
33	Payoff Date		Payoff Amount	Charges	Late Charges less Escrw		Total payoff
34	November 10, 2012		$123,232.75	$0.00	0	$600.00	$122,632.75
35	November 11, 2012		$123,256.31	0.00	0	$600.00	$122,656.31
36	November 12, 2012		$123,279.86	0.00	0	$600.00	$122,679.86
37	November 13, 2012		$123,303.42	0.00	0	$600.00	$122,703.42
38	November 14, 2012		$123,326.97	0.00	0	$600.00	$122,726.97
39	November 15, 2012		$123,350.53	0.00	0	$600.00	$122,750.53
40	November 16, 2012		$123,374.08	0.00	0	$600.00	$122,774.08
41	November 17, 2012		$123,397.63	0.00	0	$600.00	$122,797.63
42	November 18, 2012		$123,421.19	0.00	0	$600.00	$122,821.19
43	November 19, 2012		$123,444.74	0.00	0	$600.00	$122,844.74
44	November 20, 2012		$123,468.30	0.00	0	$600.00	$122,868.30
45	November 21, 2012		$123,491.85	0.00	0	$600.00	$122,891.85
46	November 22, 2012		$123,515.41	0.00	0	$600.00	$122,915.41
47	November 23, 2012		$123,538.96	0.00	0	$600.00	$122,938.96
48	November 24, 2012		$123,562.52	0.00	0	$600.00	$122,962.52
49	November 25, 2012		$123,586.07	0.00	0	$600.00	$122,986.07
50	November 26, 2012		$123,609.63	0.00	0	$600.00	$123,009.63
51	November 27, 2012		$123,633.18	0.00	0	$600.00	$123,033.18
52	November 28, 2012		$123,656.74	0.00	0	$600.00	$123,056.74
53							
54	There is a balance in escrow that may be deducted from the payoff:			600.00			
55							
56	Per diem	23.555					

You can now Print Preview and print the Payoff letter.

SCENARIO 2: Last Month's Payment Not Made, Mid Month Payoff

In the second scenario, the borrower has made all their payments for September, October but NOT for November. They want a payoff commencing November 10, 2012.

Since no payment was received for November you enter a suitable date in the late Notice Date cell to accrue the interest due from October 1 to November 1. Any date is fine between November 1 and November 10.

Sep-01-12	Sep-03-12	1,651.36	1651.36					1,651.36	200.00
Oct-01-12	Oct-06-12	1,651.36	1651.36					1,651.36	200.00
Nov-01-12		1,651.36			Nov-05-12				0.00

Then go to the **Payoff** worksheet.

Now enter 11/10/12 in the Payoff Start date in Cell G2.

Because the November payment was not received, there will be a late fee due from 11/11/12 as the number of days before the late fee is triggered is set as 10 days.

Enter any additional charges in Cell G4 for such items as pre-payment penalties, legal fees and court fees for foreclosures for example, insurance paid by lender during foreclosure etc.

	Last Payment	Amount	To Principal	To Interest	Escrow Balance		Late fee due after
29							
30	October 6, 2012	1651.36	726.41	724.95	400.00		10
31							days
32				Addnl. Payoff			
33	Payoff Date		Payoff Amount	Charges	Late Charges less Escrw		Total payoff
34	November 10, 2012		$124,685.37	$0.00	0	$400.00	$124,285.37
35	November 11, 2012		$124,709.06	0.00	72.57	$400.00	$124,381.63
36	November 12, 2012		$124,732.76	0.00	72.57	$400.00	$124,405.33
37	November 13, 2012		$124,756.45	0.00	72.57	$400.00	$124,429.02
38	November 14, 2012		$124,780.15	0.00	72.57	$400.00	$124,452.72
39	November 15, 2012		$124,803.84	0.00	72.57	$400.00	$124,476.41
40	November 16, 2012		$124,827.54	0.00	72.57	$400.00	$124,500.11
41	November 17, 2012		$124,851.23	0.00	72.57	$400.00	$124,523.80
42	November 18, 2012		$124,874.93	0.00	72.57	$400.00	$124,547.50
43	November 19, 2012		$124,898.62	0.00	72.57	$400.00	$124,571.19
44	November 20, 2012		$124,922.32	0.00	72.57	$400.00	$124,594.89
45	November 21, 2012		$124,946.01	0.00	72.57	$400.00	$124,618.58
46	November 22, 2012		$124,969.71	0.00	72.57	$400.00	$124,642.28
47	November 23, 2012		$124,993.40	0.00	72.57	$400.00	$124,665.97
48	November 24, 2012		$125,017.10	0.00	72.57	$400.00	$124,689.67
49	November 25, 2012		$125,040.79	0.00	72.57	$400.00	$124,713.36
50	November 26, 2012		$125,064.49	0.00	72.57	$400.00	$124,737.06
51	November 27, 2012		$125,088.18	0.00	72.57	$400.00	$124,760.75
52	November 28, 2012		$125,111.88	0.00	72.57	$400.00	$124,784.45
53							
54	There is a balance in escrow that may be deducted from the payoff:			400.00			
55							
56	Per diem	23.695					

You will note the payoff increases after November 11 as the payment is then late. You will also note the payoff is greater than the first example, because you did not receive a payment for November.

You can now Print Preview and print the Payoff letter.

SCENARIO 3: Last Two Payments Not Made, Mid Month Payoff

In the third scenario the borrower has made their payment for September but NOT for October and November. They want a payoff commencing November 10, 2012.

You enter a date in the Late Notice Date cell AFTER the October "Late Payment Date" as set by you for the October non-payment. This will add on the accrued interest and late charge for October.

You enter a date in the Late Notice Date Cell BEFORE the November "Late Payment Date" to only add on the accrued interest from October 1 to November 1.

NOTE. If for some reason you do NOT want to charge a late fee for October you simply use an earlier date before the "Late payment Due Date" in this example any date from October 1 to October 10.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Sep-01-12	Sep-03-12	1,651.36	1651.36					1,651.36	200.00
Oct-01-12		1,723.93			Oct-12-12				0.00
Nov-01-12		3,375.29			Nov-04-12				0.00

Then go to the **Payoff** worksheet.

Now enter 11/10/12 in the Payoff Start date in Cell G2.

Because the October payment was not received, there will be a late fee due from 11/11/12 as the number of days before the late fee is triggered is set as 10 days. Because the November payment was also not received, there will be a late fee due from 11/11/12.

Enter any additional charges in Cell G4 for such items as pre-payment penalties, legal fees and court fees for foreclosures for example, insurance paid by lender during foreclosure etc.

	Last Payment	Amount	To Principal	To Interest	Escrow Balance		Late fee due after
29							
30	September 3, 2012	1651.36	722.19	729.17	200.00		10
31							days
32				Addnl. Payoff			
33	Payoff Date		Payoff Amount	Charges	Late Charges	less Escrw	Total payoff
34	November 10, 2012		$126,142.22	$0.00	0	$200.00	$125,942.22
35	November 11, 2012		$126,166.06	0.00	0	$200.00	$125,966.06
36	November 12, 2012		$126,189.89	0.00	0	$200.00	$125,989.89
37	November 13, 2012		$126,213.73	0.00	0	$200.00	$126,013.73
38	November 14, 2012		$126,237.56	0.00	0	$200.00	$126,037.56
39	November 15, 2012		$126,261.40	0.00	0	$200.00	$126,061.40
40	November 16, 2012		$126,285.23	0.00	0	$200.00	$126,085.23
41	November 17, 2012		$126,309.06	0.00	0	$200.00	$126,109.06
42	November 18, 2012		$126,332.90	0.00	0	$200.00	$126,132.90
43	November 19, 2012		$126,356.73	0.00	0	$200.00	$126,156.73
44	November 20, 2012		$126,380.57	0.00	0	$200.00	$126,180.57
45	November 21, 2012		$126,404.40	0.00	0	$200.00	$126,204.40
46	November 22, 2012		$126,428.23	0.00	0	$200.00	$126,228.23
47	November 23, 2012		$126,452.07	0.00	0	$200.00	$126,252.07
48	November 24, 2012		$126,475.90	0.00	0	$200.00	$126,275.90
49	November 25, 2012		$126,499.74	0.00	0	$200.00	$126,299.74
50	November 26, 2012		$126,523.57	0.00	0	$200.00	$126,323.57
51	November 27, 2012		$126,547.40	0.00	0	$200.00	$126,347.40
52	November 28, 2012		$126,571.24	0.00	0	$200.00	$126,371.24
53							
54	There is a balance in escrow that may be deducted from the payoff:			200.00			
55							

Setup / Record Payments / Pay Coupons / **Payoff** / Late Notice / Balloon Notice / Accel Notice / Sub 1098 / TIL / Year View

You will note the payoff for November 10 includes the late fee from October. From 11/11/12 it now also includes the late fee for November as the payment is late. You will also note the payoff is greater than the first example, because you did not receive a payment for October or November.

You can now Print Preview and print the Payoff letter.

SCENARIO 4: Mortgage Originated Mid Month, Start of Month Payoff

In the fourth scenario, the mortgage is originated on July 15, but the first payment is due <u>August 15</u>. They want a payoff commencing October 1.

If your first payment date is NOT overridden in Cell I35 on the **Setup** worksheet this does not apply to you.

For this scenario, override the Payment Start Date by entering 8/15/12 in Cell I35 on the **Setup** worksheet. You will note that the **first payment is shown as due August 15, 2012**.

Borrower has made their payment due August 15 and September 15 but NOT for October 15. (In this example they paid their September payment early on September 8).

You will note there is **no pre-paid interest collected** as the prepaid number of days is zero. If you are working from a previous example on the **Mortgage Sample v1.7.8.xlsx** file, delete the Prepaid Int. Received date in Cell D5 and the Prepaid Rec'd Amount in Cell G5 on the **Record Payments** worksheet.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Aug-15-12	Aug-16-12	1,651.36	1651.36					1,651.36	200.00
Sep-15-12	Sep-08-12	1,651.36	1651.36					1,651.36	200.00

Then go to the **Payoff** worksheet.

Now enter 10/1/12 in the Payoff Start date in Cell G2.

Enter any additional charges in Cell G4 for such items as pre-payment penalties, legal fees and court fees for foreclosures for example, insurance paid by lender during foreclosure etc.

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	Last Payment	Amount	To Principal	To Interest	Escrow Balance		Late fee due after
29	**Last Payment**	**Amount**	**To Principal**	**To Interest**	**Escrow Balance**		**Late fee due after**
30	September 8, 2012	1651.36	726.41	724.95	400.00		10
31							days
32				**Addnl. Payoff**			
33	**Payoff Date**		**Payoff Amount**	**Charges**	**Late Charges less Escrw**		**Total payoff**
34	October 1, 2012		$124,140.39	$0.00	0	$400.00	$123,740.39
35	October 2, 2012		$124,164.08	0.00	0	$400.00	$123,764.08
36	October 3, 2012		$124,187.78	0.00	0	$400.00	$123,787.78
37	October 4, 2012		$124,211.47	0.00	0	$400.00	$123,811.47
38	October 5, 2012		$124,235.17	0.00	0	$400.00	$123,835.17
39	October 6, 2012		$124,258.86	0.00	0	$400.00	$123,858.86
40	October 7, 2012		$124,282.56	0.00	0	$400.00	$123,882.56
41	October 8, 2012		$124,306.25	0.00	0	$400.00	$123,906.25
42	October 9, 2012		$124,329.95	0.00	0	$400.00	$123,929.95
43	October 10, 2012		$124,353.64	0.00	0	$400.00	$123,953.64
44	October 11, 2012		$124,377.34	0.00	0	$400.00	$123,977.34
45	October 12, 2012		$124,401.03	0.00	0	$400.00	$124,001.03
46	October 13, 2012		$124,424.73	0.00	0	$400.00	$124,024.73
47	October 14, 2012		$124,448.42	0.00	0	$400.00	$124,048.42
48	October 15, 2012		$124,472.12	0.00	0	$400.00	$124,072.12
49	October 16, 2012		$124,495.81	0.00	0	$400.00	$124,095.81
50	October 17, 2012		$124,519.51	0.00	0	$400.00	$124,119.51
51	October 18, 2012		$124,543.20	0.00	0	$400.00	$124,143.20
52	October 19, 2012		$124,566.90	0.00	0	$400.00	$124,166.90
53							
54	There is a balance in escrow that may be deducted from the payoff:				400.00		
55							
56	Per diem	23.695					

| I◄ ◄ ► ►I | Setup | Record Payments | Pay Coupons | **Payoff** | Late Notice | Balloon Notice |

You can now Print Preview and print the Payoff letter.

SCENARIO 5: Mortgage Originated Mid Month, Last Month Not Paid, Mid Month Payoff

In the fifth scenario, the mortgage is still originated on July 15, but the first payment is due <u>August 15</u>. They want a payoff commencing October 15.

If your first payment date is NOT overridden in Cell I35 on the Setup worksheet this does not apply to you.

You have already overridden the Payment Start Date by entering 8/15/12 in Cell I35 on the **Setup** worksheet. You will note that the first payment is shown as due August 15, 2012.

Borrower has made their payment due August 15 and September 15 but NOT for October 15. (In fact they paid their September payment early on September 8).

You will note there is no pre-paid interest collected or shown.

Since their October 15 payment is due, you accrue it by entering a date in the Late Notice Date cell.

Due Date	Received Date	Amount Due this mth inc. escrow	Amount Received	Excess to Apply (if any)	Late Notice Date (if any)	Check Number	Cleared Date	Total to Apply this month (Inc. to esc)	Apply to Escrow (if any)
Aug-15-12	Aug-16-12	1,651.36	1651.36					1,651.36	200.00
Sep-15-12	Sep-08-12	1,651.36	1651.36					1,651.36	200.00
Oct-15-12		1,651.36	1651.36		Oct-15-12				0.00

Then go to the **Payoff** worksheet.

Now change the Payoff Start date (Cell G2 of **Payoff** worksheet) to October 15.

Enter any additional charges in Cell G4 for such items as pre-payment penalties, legal fees and court fees for foreclosures for example, insurance paid by lender during foreclosure etc.

	Last Payment	Amount	To Principal	To Interest	Escrow Balance		Late fee due after
29							
30	September 8, 2012	1651.36	726.41	724.95	400.00		10
31							days
32				Addnl. Payoff			
33	Payoff Date		Payoff Amount	Charges	Late Charges less Escrw		Total payoff
34	October 15, 2012		$124,472.12	$0.00	0	$400.00	$124,072.12
35	October 16, 2012		$124,495.81	0.00	0	$400.00	$124,095.81
36	October 17, 2012		$124,519.51	0.00	0	$400.00	$124,119.51
37	October 18, 2012		$124,543.20	0.00	0	$400.00	$124,143.20
38	October 19, 2012		$124,566.90	0.00	0	$400.00	$124,166.90
39	October 20, 2012		$124,590.59	0.00	0	$400.00	$124,190.59
40	October 21, 2012		$124,614.29	0.00	0	$400.00	$124,214.29
41	October 22, 2012		$124,637.98	0.00	0	$400.00	$124,237.98
42	October 23, 2012		$124,661.67	0.00	0	$400.00	$124,261.67
43	October 24, 2012		$124,685.37	0.00	0	$400.00	$124,285.37
44	October 25, 2012		$124,709.06	0.00	0	$400.00	$124,309.06
45	October 26, 2012		$124,732.76	0.00	72.57	$400.00	$124,405.33
46	October 27, 2012		$124,756.45	0.00	72.57	$400.00	$124,429.02
47	October 28, 2012		$124,780.15	0.00	72.57	$400.00	$124,452.72
48	October 29, 2012		$124,803.84	0.00	72.57	$400.00	$124,476.41
49	October 30, 2012		$124,827.54	0.00	72.57	$400.00	$124,500.11
50	October 31, 2012		$124,851.23	0.00	72.57	$400.00	$124,523.80
51	November 1, 2012		$124,874.93	0.00	72.57	$400.00	$124,547.50
52	November 2, 2012		$124,898.62	0.00	72.57	$400.00	$124,571.19
53							
54	There is a balance in escrow that may be deducted from the payoff:			400.00			
55							
56	Per diem	23.695					

Setup | Record Payments | Pay Coupons | **Payoff** | Late Notice | Balloon Notice

You will notice that the Payoff shown for October 15 is higher than before, this is because you have now accrued a whole month's interest. There is also now a late charge added for payoff received after the late due date, in this case October 25 with the late fee starting on October 26.

You can now Print Preview and print the Payoff letter.

WHEN YOU RECEIVE THE PAYOFF

When you eventually get the wire or cashier's check for the payoff, enter the Actual Payoff Date in the Yellow Cell D255 and the amount at the bottom of the **Record Payments** worksheet in Cell D257. This will zero out the amount you are owed.

252	TOTAL FOR MORTGAGE	
253		
254	Principal Outstanding at Payoff	$122,820.76
255	Actual Payoff Date	
256	Total Payoff you SHOULD Receive	
257	Payoff Amount ACTUALLY Received	
258	Late charges received at payoff	$0.00
259	Interest and late charges actually rcvd	$0.00
260	Accrued Interest, late charges owing at Payoff	$0.00
261	Mortgage Balance as at 4/17/2014	$122,820.76
262	Loss of Accrued interest owing at Payoff	$0.00
263	Number of payments made excluding payoff	3

If the number in Cell D259 is a negative, mortgage paid off or sold at a loss. Example if principal owed is $50,000 and you received $40,000 payoff you have a CAPITAL loss of $10,000 shown in this cell.

LOANS OF MORE THAN 10 YEARS

In order to keep Lender Software Pro to a manageable size, we limit the duration of a loan to a maximum of 10 years (120 payments). Most investor loans are paid off within 10 years or less. However, it is possible you may have a loan where payments continue after the initial 10 year period.

There is a special section on the **Setup** worksheet that is designed to make this process as easy as possible. You only enter information in this section if you are starting a new spreadsheet for the next 10 years.

USE ONLY IF LOAN IS MORE THAN 10 YEARS
In order to keep the size of this spreadsheet manageable it is designed to allow you to enter 120 payments
Please see the user guide for detailed instructions on how to extend this.

Enter the ending principal balance from the previous spreadsheet above in cell F33
(You can find the ending principal balance after 10 years by looking at cell AJ249 on the Record Payments worksheet of the spreadsheet you have completed).

Enter the latest interest rate in cell C34 if it has changed.

Enter last payment amount to carry over from the last spreadsheet:
(Enter the last payment from the first 10 or 20 years to carry over)

The amortization months you need to set for next 10 years:
(set cell C36 to exactly this figure and your payment amount should match)

Enter carried forward Accrued Int.+ Late Charge:

Original number of months before balloon:
After 10 years the number of months remaining before balloon: n/a
After 20 years the number of months remaining before balloon: n/a
(Set cell C38 to the new number of months before balloon for 10 or 20 years)

At the end of 10 years after you have entered all payments, the first step is to create a new spreadsheet and enter information in such a way to allow you to continue the loan for more than 10 years. This is how to handle it.

1. Enter all payments up to and including the final payment in your original spreadsheet.
2. Create a new blank spreadsheet and copy over all the Borrower's details, Property details and Loan details based on the original.

LOAN DETAILS

Date of loan:	Jun-01-00	Amount of loan:	40,000.00	Balloon Amount (if any):	359.53
Initial Annual Interest rate:	7.00%	Days before late:	15	First payment due:	Jul-01-00
Late Charge Percent:	5.00	Bad check charge	25.00	Overwrite first due date:	
Amortization Months:	180	Days in year:	365		
(enter 5000 for interest only mortgage)		Points %:		Price Paid for Note:	
Months bef. Balloon:	180	Other Fin. Charge		(if bought at discount)	

The example above shows a loan dated Jun 1 2000. The loan amount is $40,000.00. Once this information has been copied across it can be altered.

3. Alter the Amount of loan in Cell F33 on the **Setup** worksheet to be the outstanding principal balance from the last line of the original spreadsheet.

In our example, the original Amount of loan is $40,000.00 and after 10 years it is $39,598.88 as little has been paid off. You can find this by looking on the **Record Payments** worksheet in Cell AJ249 on the original spreadsheet.

Enter the new value in the Amount of loan field in Cell F33 on the new **Setup** worksheet.

Under Payment accrued	payment due without accrued	Days late	New Principal End of Period	Interest due	bad check test
22403.97	427.51	16	39,598.88	230.99	0.00
22831.48	427.51	16	39,598.88	230.99	
23258.99	427.51	16	39,598.88	230.99	

Choose the last entry for the last payment

4. Set the Annual interest rate to the last rate you had in your original spreadsheet. In our example, it is still the same at 7%. Enter the applicable rate in Cell C34 on the **Setup** worksheet of the new spreadsheet.

5. **As soon as the Amount of loan is changed, the payment amount may change which is going to be incorrect**. In order to prevent this, the Amortization Months needs to be altered to make sure the payment amount is correct.

Originally, the amortization months was 180 months which is 15 years. In order to find out what this should be changed to, enter the last payment amount from the original spreadsheet into Cell E61 on the **Setup** worksheet of the new spreadsheet.

In our example, the payment amount at the end of 10 years was $359.53. Enter this amount into Cell E61.

Enter last payment amount to carry over from the last spreadsheet: (Enter the last payment from the first 10 or 20 years to carry over)	359.53
The amortization months you need to set for next 10 years: (set cell C36 to exactly this figure and your payment amount should match)	176.843

Now update Cell C36 with the value 176.843. The reason it has a fraction is to make sure the payment amount is correct. You will see in our example below that the payment amount is now as expected.

Change the Amortization months here

LOAN DETAILS

Date of loan:	Jun-01-10	Amount of loan:	39,598.88	Balloon Amount (if any):	
Initial Annual Interest rate:	7.00%	Days before late:	15	First payment due:	
Late Charge Percent:	5.00	Bad check charge	25.00	Overwrite first due date:	
Amortization Months:	176.843	Days in year:	365		
(enter 5000 for interest only mortgage)		Points %:		Price Paid for Note:	
Months bef. Balloon:	180	Other Fin. Charge		(if bought at discount)	

Last payment due:	Jun-01-25	**ESCROW DETAILS**	
		Mthy. Ins. & tax escrow:	
Monthly Payment:	359.53	(if any) Escrow deposit	

6. **Next, you need to carry over the Accrued Interest and Late Charge**. This will allow any outstanding interest and late charges to be carried across and not lost.

   In our example, the Accrued Interest and Late Charge is $4,780.31. You can find this by looking on the **Record Payments** worksheet in Cell R249 on the original spreadsheet.

Accrued Interest & late chg	Apply to Accrued Int. & late chg	Apply to Accrued Int only	Apply to Interest & Principal	To Interest
4,063.88	0.00	-30.70	0.00	0.00
4,302.69			00	0.00
4,541.50	0.00	-30.70	0.00	0.00
4,780.31	0.00	-30.70	0.00	0.00
	0.00	-184.20		0.00
	$8,987.18	**$7,482.88**		**$13,454.52**

Choose the last entry for Apply to Accrued Int. & Late chg

Now enter 4,780.31 into Cell E67 which will carry forward the Accrued Interest and Late Charge.

7. Finally, you need to alter the **number of months before balloon**. For a 15 year mortgage this would be 180 months. After 10 years there are 60 months remaining.

   Enter 180 in Cell E65 on the **Setup** worksheet and below it will confirm that you now have 60 months remaining.

   Now alter the value in C38 and change the Months bef. Balloon to 60 instead of 180.

> Change the Months bef. Balloon to be the actual months remaining

LOAN DETAILS

Date of loan:	Jun-01-10			.88	Balloon Amount (if any):
Initial Annual Interest rate:	7.00%	Days before late:	15		First payment due:
Late Charge Percent:	5.00	Bad check charge	25.00		Overwrite first due date:
Amortization Months:	176.843	Days in year:	365		
(enter 5000 for interest only mortgage)		Points %:			Price Paid for Note:
Months bef. Balloon:	60	Other Fin. Charge			(if bought at discount)

With everything entered, this section of the **Setup** worksheet should look like this for our example.

USE ONLY IF LOAN IS MORE THAN 10 YEARS

In order to keep the size of this spreadsheet manageable it is designed to allow you to enter 120 payments
Please see the user guide for detailed instructions on how to extend this.

Enter the ending principal balance from the previous spreadsheet above in cell F33
(You can find the ending principal balance after 10 years by looking at cell AJ249 on the Record Payments worksheet of the spreadsheet you have completed).

Enter the latest interest rate in cell C34 if it has changed.

Enter last payment amount to carry over from the last spreadsheet: 359.53
(Enter the last payment from the first 10 or 20 years to carry over)

The amortization months you need to set for next 10 years: 176.843
(set cell C36 to exactly this figure and your payment amount should match)

Enter carried forward Accrued Int.+ Late Charge: 4780.31

Original number of months before balloon: 180
After 10 years the number of months remaining before balloon: 60
After 20 years the number of months remaining before balloon: n/a
(Set cell C38 to the new number of months before balloon for 10 or 20 years)

PAYMENT COUPONS

The **Pay Coupons** worksheet lets you print payment coupons for the next 12 months. You can enter the first due date in Cell M6.

> IMPORTANT: You can enter the escrow amount in Cell M7. If you change the escrow amount during the year, don't forget to add this manually to Cell M7 and then print new payment coupons for the borrower. The escrow amount will NOT be updated from the **Setup** worksheet, so it is important you add it in manually and reprint if necessary.

```
Keep for your records      John Smith, Jane Smith                              This page is for your eyes only.
113 2nd St. E              113 2nd St. E                                       Do not send it to the borrower.
Due:      1-Dec-12         Smith Investments LLC        Due:      1-Dec-12
Escrow       $0.00                                      Escrow:      $0.00     Due:        1-Dec-12
Amount:  $1,451.36         Payable to:                  Amount   $1,451.36     Escrow:
                           Rich Lending Co.
Date Paid: _____                                     After     11-Dec-12
                           Send payment to:             Add:          72.57
By:      _____          attn. Payment Contact
                           Payment Street Address       Extra prin. _____
                           Payment City, Payment State/Zip
                           Payment Country
                                                        Total Enc. _____

----------------------------------------------------------------------

Keep for your records      John Smith, Jane Smith
113 2nd St. E              113 2nd St. E
Due:      1-Jan-13         Smith Investments LLC        Due:      1-Jan-13
Escrow:      $0.00                                      Escrow:      $0.00
Amount:  $1,451.36         Payable to:                  Amount   $1,451.36
                           Rich Lending Co.
Date Paid: _____                                     After     11-Jan-13
                           Send payment to:             Add:          72.57
By:      _____          attn. Payment Contact
                           Payment Street Address       Extra prin. _____
                           Payment City, Payment State/Zip
                           Payment Country
                                                        Total Enc. _____

----------------------------------------------------------------------
```

LATE NOTICE (DEFAULT NOTICE)

If you have NOT received ANY payment: Enter the date you want to send late notice in Column F of the **Record Payments** worksheet in the correct month Row. This date will usually be after the "grace period" and a Late Charge will automatically be added to the payment due. Enter the number of days to "pay up" in Cell H12.

If the borrower has sent a partial payment and you want to send a Late Notice for the difference: Enter the date in the Received Date in Column B of the **Record Payments** worksheet which will be sufficient to accrue the interest for that month. Enter the number of days to "pay up" in Cell H12.

> IMPORTANT: Make sure you have a date entered in either the Received Date (Column B) or a date in the Late Notice Date (Column F) late enough in the month to Accrue both the Interest and the Late Charge.

> IMPORTANT: Note, that the late charge will not be added if a partial payment has been received by the Late Notice Date. If you WANT to charge a Late Fee, and are legally entitled to under the terms of your mortgage, then just change the Received Date to a date late enough to trigger the late charge.

> Or, you can manually add a late fee into Column Q on the **Record Payments worksheet** where the Late Charge can be overridden, remembering once you have overtyped this cell it cannot be undone.

CUSTOMIZING THE LATE NOTICE TEMPLATE

You can customize some of the text of the Notice of Default. Row 31 includes the following text to amend:

> If you fail to cure your default, it will result in the acceleration of the sums secured by this mortgage, foreclosure by judicial proceeding and sale of the Property. You may have the right to assert in the foreclosure proceedings the non-existence of a default or other defence to acceleration and foreclosure.

Simply click in the cell to edit. Click on Row 31 in the far left bar and drag it up or down to change the row height.

To add a blank line, press the alt+enter keys together whilst editing the cell.

ACCELERATION NOTICE

This is the demand for the borrower to pay off their mortgage in full. It is our experience that they never do, so it is realistically just a formality before filing for foreclosure.

Enter any additional payoff charges in Cell G5. You can print and mail this to your Borrower.

IMPORTANT: The Acceleration Notice is based on the Payoff and the same rules apply with creating this notice. Please review the **Payoff section starting on page 20** BEFORE creating this notice.

	A	B	C	D	E	F	G
1	**Mortgage Acceleration Notice**						
2					Payoff start date		November 28, 2012
3	**Lender**				Late charge		69.69
4	Rich Lending Co.				Addl. Payoff Charges		
5	Lender Street Address				Payoff originated date		April 17, 2014
6	Lender City				Deadline before attorneys		December 23, 2013
7	Lender State/Zip						
8	Lender Country				Loan reference:		
9					**113 2nd St. E**		
10	Contact:	Joe Richman			**Bradenton, FL 34208**		
11	Email:	joe@richlending.com					
12	Phone:	+1 (813)-308-7676					
13	Fax:	+1 (813)-333-0222					
14							
15	Company name:	Smith Investments LLC					
16	Borrower's name:	John Smith					
17	Co-borrower's name:	Jane Smith					
18	Borrower's address:	1050 Oasis Palm Drive, Tampa, FL 33629					
19							
20	**Send Payoff to:**	**by WIRE ONLY:**					
21	Intermediary bank:	Intermediary Bank Name		SWIFT Code: PNBPUS3NNYC		ABA#: 24005322	
22	For Onward credit to:	Lender's Bank Name		SWIFT Code: FCIBKYYK		Acct No.: 2102192202645	
23	Beneficiary:	Rich Lending Co.				Acct No.: 10553051	
24	Street Address:	Payoff Street Address					
25		Payoff City, Payoff State/Zip, Payoff Country					
26							
27	Dear Mr. Smith:						
28							
29	Since you have not brought your mortgage current, we hereby give Notice of Acceleration and demand this mortgage is						
30	paid off in Full as follows:						
31							
32	**Last Payment**		**Amount**	**To Principal**	**To Interest**	**Escrow Balance**	**Late fee due after**
33	October 16, 2012		1651.36	728.25	723.11	600.00	10
34							days
35				**Addnl. Payoff**			
36	**Payoff Date**		**Payoff Amount**	**Charges**	**Late Charges**	**less Escrw**	**Total payoff**
37	November 28, 2012		$123,796.85	$0.00	0.00	$600.00	$123,196.85
38	November 29, 2012		$123,817.11	0.00	0.00	$600.00	$123,217.11
39	November 30, 2012		$123,837.37	0.00	0.00	$600.00	$123,237.37
40	December 1, 2012		$123,857.63	0.00	0.00	$600.00	$123,257.63
41	December 2, 2012		$123,877.88	0.00	0.00	$600.00	$123,277.88

42	December 3, 2012	$123,898.14	0.00	0.00	$600.00	$123,298.14
43	December 4, 2012	$123,918.40	0.00	0.00	$600.00	$123,318.40
44	December 5, 2012	$123,938.66	0.00	0.00	$600.00	$123,338.66
45	December 6, 2012	$123,958.91	0.00	0.00	$600.00	$123,358.91
46	December 7, 2012	$123,979.17	0.00	0.00	$600.00	$123,379.17
47	December 8, 2012	$123,999.43	0.00	0.00	$600.00	$123,399.43
48	December 9, 2012	$124,019.69	0.00	0.00	$600.00	$123,419.69
49	December 10, 2012	$124,039.94	0.00	0.00	$600.00	$123,439.94
50	December 11, 2012	$124,060.20	0.00	69.90	$600.00	$123,530.10
51	December 12, 2012	$124,080.46	0.00	69.90	$600.00	$123,550.36
52	December 13, 2012	$124,100.72	0.00	69.90	$600.00	$123,570.62
53	December 14, 2012	$124,120.97	0.00	69.90	$600.00	$123,590.87
54	December 15, 2012	$124,141.23	0.00	69.90	$600.00	$123,611.13
55	December 16, 2012	$124,161.49	0.00	69.90	$600.00	$123,631.39
56						
57	There is a balance in escrow that may be deducted from the payoff:		600.00	Per diem		23.634
58						
59	In the event you fail to do this by December 23, 2013 at the latest, your mortgage documents will be immediately					
60	delivered to our attorney for foreclosure.					
61						
62	Sincerely,					
63						
64						
65						
66						
67	Joe Richman					
68	on behalf of:					
69	Rich Lending Co.					

BALLOON NOTICE

This is a courtesy letter to remind borrowers that their mortgage is ballooning soon.

Balloon Notice

Lender
Rich Lending Co.   April 8, 2013
Lender Street Address
Lender City
Lender State/Zip   Loan reference:
Lender Country   **113 2nd St. E**
                                                      Bradenton, FL 34208

Contact: Joe Richman
Email: joe@richlending.com
Phone: +1 (813)-308-7676
Fax: +1 (813)-333-0222

Company name: Smith Investments LLC
Borrower's name: John Smith
Co-borrower's name: Jane Smith
Borrower's address: 1050 Oasis Palm Drive, Tampa, FL 33629

Balloon Date: **July 1, 2017**
Approx. Balloon: **$73,296.37**

Send Payoff to: **by WIRE ONLY:**

Intermediary bank:	Intermediary Bank Name	SWIFT Code: PNBPUS3NNYC	ABA#: 24005322
For Onward credit to:	Lender's Bank Name	SWIFT Code: FCIBKYYK	Acct No.: 2102192202645
Beneficiary:	Rich Lending Co.		Acct No.: 10553051
Street Address:	Payoff Street Address		
	Payoff City, Payoff State/Zip, Payoff Country		

Dear Mr. Smith:

According to our records, you have a balloon payment due to us as referenced above.

Please note this is NOT the exact payoff required. It is only the Balloon Amount shown in the original Note. Please contact us nearer the balloon date for an exact Payoff.

If you need to find other financing to make this balloon payment please begin looking for another lender immediately. It may be possible that we can extend the terms of your mortgage with us.

You may contact us at the email address or phone number above if you wish us to consider extending your loan, or if you have any questions concerning this final balloon payment or its due date.

Sincerely,

You can edit the text here

CUSTOMIZING THE BALLOON NOTICE TEMPLATE

You can customize some of the text of the Balloon Notice. Row 37 includes the following text to amend:

> If you need to find other financing to make this balloon payment please begin looking for another lender immediately. It may be possible that we can extend the terms of your mortgage with us.
>
> You may contact us at the email address or phone number above if you wish us to consider extending your loan, or if you have any questions concerning this final balloon payment or its due date.

Simply click in the cell to edit. Click on Row 37 in the far left bar and drag it up or down to change the row height.

To add a blank line, press the alt+enter keys together whilst editing the cell.

SUBSTITUTE 1098

You may or may not be required to file forms 1098 and 1096 with the IRS. It depends on how many notes you own.

However it is good business practice to let your borrower(s) know the amounts so they can properly claim it on their tax return.

If you ARE required to file forms 1098 and 1096 with the IRS, you will need to obtain the latest forms from the IRS and transfer the information over from this Substitute 1098. If you own enough mortgages you will be required to file electronically. For information about electronic filing, speak to your CPA or go to: www.irs.gov.

We do not fill these forms in here as they can change from year to year.

The amount you are interested in for your borrower is the **Total Interest Received**.

Substitute 1098

Lender			
		Year end date:	December 31, 2012

Lender
Rich Lending Co.   Lender FED tax ID: 12345
Lender Street Address
Lender City   Loan reference:
Lender State/Zip   **113 2nd St. E**
Lender Country   **Bradenton, FL 34208**

Contact: Joe Richman
Email: joe@richlending.com
Phone: 813-308-7676   Amount of Loan: $125,000.00
Fax: 813-333-0222

Company name: Smith Investments LLC
Fed Tax ID Num.   59-123456

Borrower's name: John Smith
Payer's SSN: 123-45-6789
Co-borrower's name: Jane Smith
Payer's SSN: 987-65-1234
Borrower's address: 1050 Oasis Palm Drive, Tampa, FL 33629

Total Monthly Payments Received	$3,302.72
Interest Received	$1,554.71
Prepaid interest If any. First yr. only	$0.00
Total Principal paid	$1,348.01
Total Escrow Paid	$400.00
Plus interest rcvd at Payoff (if applicable)	$0.00
Total Late Charges Paid	$0.00
Total Interest Received:	**$1,554.71**

TRUTH IN LENDING STATEMENT

You may be required to give these if the loan is a residential loan to a homeowner. Just click on the **TIL** worksheet AFTER having completed everything in the colored cells of the **Setup** worksheet.

The APR calculated is within Federal limits for accuracy. For information on what should be included in Finance Charges, see **APR Costs to Include**.**pdf**.

> WARNING: Please note it is your responsibility for complying with all Lending laws, Federal, State and Local. We are not experts in this field. If you don't know what you are doing, consult an experienced real estate attorney, mortgage broker and / or title company.

Truth in Lending Statement

Date Printed: April 8, 2013

Lender
Rich Lending Co.
Lender Street Address
Lender City
Lender State/Zip
Lender Country

Loan reference:
113 2nd St. E
Bradenton, FL 34208

Contact: Joe Richman
Email: joe@richlending.com
Phone: +1 (813)-308-7676
Fax: +1 (813)-333-0222

Company name: Smith Investments LLC
Borrower's name: John Smith
Co-borrower's name: Jane Smith
Borrower's address: 1050 Oasis Palm Drive, Tampa, FL 33629

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

If you obtain this loan, the lender will have a mortgage on your home.

YOU COULD LOSE YOUR HOME, AND ANY MONEY YOU HAVE PUT INTO IT IF YOU DO NOT MEET YOUR OBLIGATIONS UNDER THE LOAN.

Your regular monthly payment will be: $1,451.36
plus an initial monthly escrow charge of: $200.00

Here is your Truth in Lending disclosure statement. Please contact us immediately if you have any questions about the information that appears on this document.

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate	FINANCE CHARGE The dollar amount the credit will cost you	Amount Financed The amount of credit provided to you or on your behalf	Total of Payments The amount you will have paid after you have made all your payments as scheduled
7.83%	$38,877.73	$121,500.00	$160,377.73

YEAR VIEW

Click on the **Year View** worksheet to see this.

Enter the date you want your year to start from; usually this will be 1 January of the year. Example: 1/1/13. But you could have a different accounting period. So use that date instead. If nothing is entered as a start date, the first date listed is the first mortgage payment due date.

If you bought the mortgage at a discount, you will also see the Principal Recaptured and Discount Earned.

Rich Lending Co.
Lender Street Address, Lender City, Lender State/Zip, Lender Country

Report for 12 months from: Jan-01-12

Company name:	Smith Investments LLC
Borrower's name:	John Smith
Co-borrower's name:	Jane Smith
Borrower's address:	1050 Oasis Palm Drive, Tampa, FL 33629

Property Address: 113 2nd St. E, Bradenton, FL 34208

Date of loan:	Jul-15-12
Amount of loan:	$125,000.00
Balloon Amount (if any):	$74,747.73
Initial Annual Interest rate:	7%
Initial Monthly Payment	$1,451.36
Amortization Months:	120
Mths before Balloon (if payments made on time)	57
Days before late:	10
Late Chg. %	5
Days in Year	365

This page and the ones below it are for your eyes only, not for borrowers.

<---For Calendar Year enter the beginning day of year. Example 1/1/13
If no date, enter the start date set to the first date payments are due.

Start Date   Jan-01-12

Columns Below for Mortgages Bought at a Discount Only
For Lender's eyes only.

(Prepaid interest if any) = 407.49

Due Date	Paid Date	Due Amount	Applied Amount	Prin. Balance After Payment	Applied to Principal	Applied to Interest	Late Charge	Escrow Balance		Return of Capital	Discount Earned
Jan-01-12	-	-	-	-	-	-	-	-		-	-
Feb-01-12	-	-	-	-	-	-	-	-		-	-
Mar-01-12	-	-	-	-	-	-	-	-		-	-
Apr-01-12	-	-	-	-	-	-	-	-		-	-
May-01-12	-	-	-	-	-	-	-	-		-	-
Jun-01-12	-	-	-	-	-	-	-	-		-	-
Jul-01-12	-	-	-	-	-	-	-	-		-	-
Aug-01-12	-	-	-	-	-	-	-	-		-	-
Sep-01-12	Sep-03-12	1,651.36	1,651.36	124,277.81	722.19	729.17	-	200.00		-	-
Oct-01-12	Oct-06-12	1,651.36	1,651.36	123,551.40	726.41	724.95	-	400.00		-	-
Nov-01-12	Nov-05-12	1,651.36	1,651.36	122,820.76	730.64	720.72	-	600.00		-	-
Dec-01-12	-	-	-	-	-	-	-	600.00		-	-
TOTALS			4,954.08		2,179.24	2,582.33	0.00			0.00	0.00