

PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN
THE CITY OF OKLAHOMA CITY AND
NEIGHBORHOOD HOUSING SERVICES OF OKLAHOMA CITY, Inc., dba
NEIGHBORHOOD HOUSING SERVICES OKLAHOMA

This Agreement is made and entered into this 29TH day of AUGUST 2023, by and between The City of Oklahoma City, a municipal corporation, hereinafter referred to as "City" and Neighborhood Housing Services Oklahoma City, Inc., dba Neighborhood Housing Services Oklahoma (NHSOKLA), hereinafter referred to as "NHSOKLA" or "Contractor". The term of this Agreement shall be effective July 1, 2023, and expire June 30, 2024, unless sooner terminated by the parties hereto. This Agreement may be extended annually by action of the City Council.

I

A. COMPENSATION AND METHOD OF PAYMENT: The City will pay NHSOKLA a monthly unit servicing fee of \$20.50 per loan, and not to exceed a total of \$8,000.00 per year, which shall constitute full and complete compensation for the Contractor's services hereunder. Provided, however:

1. Payment for services shall be made not less than monthly, based upon statements supporting the number of loans managed during the billing month, for services from the effective date of this Agreement through June 30, 2024.
2. The unit servicing fee per loan for services performed for this Agreement in total shall not exceed \$8,000.00, provided however, if it appears that services performed pursuant to this Agreement shall exceed \$8,000, the Agreement may be renegotiated by the parties hereto.

II

B. SCOPE OF SERVICES: NHSOKLA shall act as an independent contractor for The City and shall provide services from the effective date of this Agreement through June 30, 2024. The Contractor shall work with the Planning Department- Housing & Community Development Division (HCDD) to facilitate and coordinate the transfer of existing loans assigned to the Contractor, to manage new loans that are assigned subsequently, and provide support for other related matters provided for hereunder.

NHSOKLA shall work with City staff to provide advice on loans that are not performing well and shall provide monthly reports, including a completed copy of the spreadsheet described in the Schedule "A" Monthly Reporting Form below, as needed for oversight and management purposes.

Specifically, NHSOKLA shall also:

- A. a. Comply with the Loan Servicing Procedures for the City of Oklahoma City as described in Schedule "B" below, and with all laws, legislative rules, and regulations governing the

servicing of mortgage loans that apply to a professional organization employed as a loan servicer, or to the activities undertaken in the performance of such services.

B. Provide expert advice on matters related to the Real Estate Settlement and Procedures Act 12 U.S.C. §§ 2601-2617, particularly as the Act applies to the management of mortgage loan escrow accounts and loan administration.

C. Represent and assist the City in servicing loans assigned to the Contractor for that purpose.

D. Perform the following tasks and services:

a. The City shall continue to provide the use of its loan servicing software and a computer to the Contractor. Said software generates reports, coupons, notifications, and other data useful for both borrowers and City staff, relative to loan servicing. The software shall be able to perform annual escrow analysis, to ensure that borrowers are aware of the required payment changes needed to maintain adequate P&I balances to prevent loan deficiencies.

b. Program Policies/Procedures and Organizational Management Plan

NHSOKLA shall maintain and update as needed, an effective policies/procedures and organizational management plan for the Program. A copy of the Program's Policies/Procedures and Organizational Management plan shall be submitted to the Planning Department (HCDD) within one month of execution of the loan servicing contract.

NHSOKLA shall provide adequate space for the computer system provided by the City, and shall not use the computer or its program(s) for any other activity. Upon termination of this Agreement for any reason, NHSOKLA shall immediately make the computer and software available for retrieval by The City. The computer shall have peripherals capable of automation of the current and anticipated loan portfolio accounts, the management tracking system, and all required and special reports. The system shall have high- speed printing capabilities and a sufficient number of terminals to permit easy access to the system by NHSOKLA's loan servicing and management staff and monitors authorized by the City's Planning Department Housing and Community Development Division - HCDD. The computer and software programs purchased by The City for use by NHSOKLA shall be compatible with computer systems maintained by The City.

NHSOKLA shall provide for the safe on-site storage of hard copies or digital records from the computer system. NHSOKLA also agrees to retain all City loan records for five (5) years from the release of the mortgage and the end date of the Agreement under which the activities were funded. NHSOKLA shall retain records pursuant to the requirements of 24 CFR 92.508(c).

NHSOKLA shall provide adequate space to house the loan servicing program and ensure that adequate staff competent to operate the loan servicing program is available to service the contract. Physical locations designated for receipt of loan payments shall meet the accessibility requirements of The Americans with Disabilities Act (ADA).

c. Assumption of Loan Servicing

NHSOKLA shall work with The City to transfer all records and servicing information on existing accounts. The actual transfer of existing account records shall not take place until:

- i. NHSOKLA has entered the account records in its computer and is prepared to actively service the loans.
- ii. All loan servicing and escrow accounts have been reviewed by NHSOKLA staff for accuracy and updated, if necessary.

d. Implementation of a Management Information System

NHSOKLA shall keep a management and information system (MIS) in place and operational. The system shall provide management and accounting information on all phases of loan account activity monthly and at such other times as requested by The City. NHSOKLA shall generate a monthly tracking report on actions concerning delinquent loans, escrow payments, legal processing, and account processing from the lockbox account and provide this information to The City by the 17th of each month.

e. Program Income

- i. Establishment of Loan Servicing Bank Account. NHSOKLA shall own and maintain an FDIC-insured bank account for the deposit of loan payments from borrowers. The account will be used exclusively for the accumulation of loan payments applying to principal, interest, taxes, and insurance; no other funds shall be deposited into this account. The account shall be an insured, non-interest-bearing account. Deposits of loan payments shall be made to the account daily, or as they are received.
- ii. Monthly Payment of Principal and Interest. A check covering the accumulated principal and interest portion of the loan payments shall be drawn and paid to The City by the last business day of each month. A transcript of the loan accounts covered in the payment shall be provided with this check, and shall identify appropriate account numbers.

- iii. Escrow. The remainder of the loan payment, (that portion related to escrow for real estate taxes and homeowner's insurance), shall be administered in accordance with accepted loan escrow management procedures.
- iv. Program Fund Numbers. The Planning Department- HCDD shall provide NHSOKLA with the proper current fund numbers for the different programs. NHSOKLA shall code the fund of loan origination in the individual loan accounts entered in the loan servicing program.
- v. Authorized Payments. NHSOKLA may write checks on this account to draw principal and interest payments to The City under the terms herein, and for the payment of homeowner real estate taxes, homeowner insurance premiums, and refunds of over- payments by homeowners, exclusively based on the annual analysis of the sufficiency of escrow payments.
- vi. Deposit Slips. NHSOKLA shall send to The City monthly a copy of all deposit slips, listing the name and account number of the borrower, the amount paid, and the fund number from which the loan was made.
- vii. Monthly Bank Statement. NHSOKLA shall reconcile bank statements each month and submit a copy of the reconciled statement to The City within five (5) days of the reconciliation.

III

CONFLICT OF INTEREST: NHSOKLA shall maintain safeguards to protect the interests of both The City and the U.S. Department of Housing and Urban Development (HUD), which is the source of all funding for the loan programs covered by this Agreement.

NHSOKLA agrees to the following Conflict of Interest provisions:

1. NHSOKLA or its employees and agents shall not receive compensation from the borrower or other interested parties for recommendations or actions favorable to a borrower, i.e., suppressing information regarding the value of the secured property or the assets of the borrower so that legal action is not initiated.
2. Neither NHSOKLA or its employees and agents shall profit from a delinquent borrower's plight, i.e., by purchasing the borrower's property at a foreclosure sale or by receiving a fee from a delinquent borrower for selling or finding a buyer for the property.
3. NHSOKLA shall disclose unbiased recommendations based on borrowers' payment history data to The City that may increase or decrease the workload and NHSOKLA's accompanying fee.

4. NHSOKLA shall not solicit financing or refinancing transactions from borrowers served or covered under this Agreement.

IV

TERMS AND CONDITIONS: This Agreement is subject to and incorporates the applicable provisions of 2 CFR 200 Appendix II as additional Terms and Conditions for Agreements for Professional Services in a Community Development Program. Said Terms and Conditions provide for:

1. Administrative, contractual, or legal remedies where contractors violate or breach contract terms and provide for such sanctions and penalties as may be appropriate.
2. Termination for cause and for convenience by the grantee or subgrantee including how it will be affected and the basis for settlement.
3. Compliance with Executive Order 11246, September 24, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375, October 13, 1967, and as amended by Department of Labor regulations at 41 CFR Part 60.
4. Compliance with the Copeland "Anti-Kickback" Act as supplemented in Department of Labor regulations at 29 CFR Part 3.
5. Notice of awarding agency requirements and regulations pertaining to reporting.
6. Notice of awarding agency requirements and regulations pertaining to patent rights regarding any discovery or invention which arises or is developed in the course of or under such contract.
7. Notice of awarding agency requirements and regulations pertaining to copyrights and all data created by the Contractor.
8. Access by The City, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books and records pertaining to the services provided herein, for monitoring or auditing purposes.
9. Compliance with Section 109 of Title I of the Housing and Community Development Act of 1974 and Section 25-41 Chapter 25 of the Oklahoma City Municipal Code, 2020 as amended which requires, in part, that no person in the United States shall on the grounds of race, color, national origin, disability, age, religion, and sex, (including gender identity and sexual orientation), be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds provided under the Act. Program or activity is defined as any function conducted by an identifiable administrative unit of the recipient or by any unit of government, sub-recipient, or private contractor receiving community development funds or loans from the recipient. Coverage under the Act is extended to services provided for which compensation is paid.

10. NHSOKLA its contractors and subcontractors shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Universal Numbering System (DUNS), the System for Award Management (SAM) database, and the Federal Funding Accountability and Transparency Act, including 2 CFR Part 25, Appendix A to Part 25, and 2 CFR Part 170.
11. NHSOKLA shall adhere to requirements of Schedule "C" attached hereto concerning subcontract provisions for non-Federal entity contracts under Federal awards.

OTHER TERMS AND CONDITIONS: The contractor agrees to protect the rights of Financial Industry Computer Systems (FICS) concerning its software program in accordance with the licensing agreement issued to The City and installed in the loan serving system.

V

NONDISCRIMINATION: In the performance of work under this Agreement, NHSOKLA agrees:

1. Not to discriminate against any employees or applicants for employment because of age, race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, age, or disability. NHSOKLA shall take affirmative action to ensure that employees are treated without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, age, or disability. Such actions shall include, but not be limited to the following employment, upgrading, demotion or transfer, of pay or other forms of compensation and section for training, including apprenticeship.
2. In the event of NHSOKLA's non-compliance with this non-discrimination clause, this Agreement may be canceled or terminated by The City and Contractor declared ineligible for further contracts with The City until satisfactory proof of intent to comply is made.
3. NHSOKLA agrees to include this non-discrimination clause in any subcontracts connected with performing this Agreement.

VI

HOLD HARMLESS CLAUSE: The Contractor shall defend, indemnify, and save harmless The City from any claims and causes of action against the City for damages or injury to any person or property arising solely out of, or relating to the negligent performance or negligent acts of Contractor, its subcontractors, agents, or employees under this Agreement. Besides the foregoing, NHSOKLA agrees to hold harmless the City from any liability arising from the claims of NHSOKLA's subcontractors or any others that NHSOKLA might employ or obtain services or materials from in the performance of this Agreement.

VII

INSURANCE AND BONDING: NHSOKLA shall provide liability insurance coverage of \$1,000,000.00, naming the City as a beneficiary. NHSOKLA shall provide copies of a Blanket Position Bond or other Bond; the Contractor shall extend said bond coverage to the services provided for the City.

VIII

INDEPENDENT CONTRACTOR STATUS: The Contractor shall be an independent contractor of the City. The contractor agrees to conduct itself in a manner consistent with such status and further agrees that it will neither hold itself out as nor claim to be an officer, employee, or agent of the City by reason of this Agreement and that it will not by reason of this Agreement make any claim, demand, or application for any right or privilege applicable to an officer, employee or agent of the City, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit.

IX

TERMINATION: This Agreement incorporates the provisions of 2 CFR §§ 200.339 to 200.343, relating to remedies for noncompliance, termination, a notice of termination, opportunities to object, hearings, and appeals. Under 2 CFR §§ 200.339 to 200.343, this Agreement may be suspended or terminated prior to the expiration of the term by unanimous written Agreement by the parties to this Agreement. The CITY may also unilaterally terminate or suspend this Agreement, in whole or in part, upon ten (10) days written notice from the CITY to the Contractor for the following reasons:

1. Failure to perform the services set forth in the scope of services and requirements incident thereto.
2. Making unauthorized or improper use of funds provided under this Agreement.
3. Submission of an application, report, or other documents pertaining to this Agreement that contains a misrepresentation of any material aspect.
4. The carrying out of the Scope of Services or the objective of this Agreement is rendered improbable, unfeasible, impossible, or illegal.
5. Failure of the HUD to make funds available or if HUD suspends funds for any reason.
6. Upon the determination of the CITY the Agreement be suspended or terminated, without cause.
7. For the convenience of the CITY.

8. Termination or suspension shall not affect otherwise valid and allowable obligations incurred in good faith prior to receipt of a notice of termination or suspension.

X

CERTIFICATIONS: NHSOKLA shall execute the following certifications as part of this Agreement:

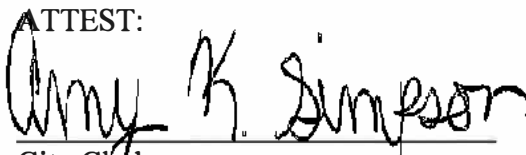
- PROFESSIONAL SERVICES CONTRACT AFFIDAVIT
- CERTIFICATION REGARDING LOBBYING
- NON-DISCRIMINATION STATEMENT
- CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS
- DRUG-FREE WORKPLACE CERTIFICATION
- SCHEDULE "A" MONTHLY REPORTING FORM
- SCHEDULE "B" APPENDIX II TO 2 CFR PART 200

NEIGHBORHOOD HOUSING
SERVICES OKLAHOMA

By 
Katrina Washington, Executive Director

ADOPTED by the Council and **APPROVED** by the Mayor of the City of Oklahoma City
this 29TH day of AUGUST, 2023.

TEST:


City Clerk




David Holt

APPROVED as to form and legality.


Assistant Municipal Counselor

PROFESSIONAL SERVICES CONTRACT AFFIDAVIT

I, Katrina Washington have not previously entered into a contract with The City or any other entity which would result in substantial duplication of the final product required by the proposed Agreement.

Signed: [Signature]

State of Oklahoma

County of Oklahoma

Before me, the undersigned, a Notary Public, in and for said County and State on this 8th day of August, 2023 personally appeared Katrina Washington to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as its Executive Director and acknowledged to me that she executed as her free and voluntary act and deed and as the free and voluntary act and deed of such agency, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year above written.



Lucy C. Parks
Notary Public

My Commission Expires:

11/03/2024

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal Loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontract, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

Neighborhood Housing Services Oklahoma

BY



DATE

8/8/2023

ATTEST:

SECRETARY



NON-DISCRIMINATION STATEMENT

As a contractor of the CITY, and a recipient of federal funding, NHSOKLA must execute and post this statement in a conspicuous place available to employees and applicants for employment.

NHSOKLA agrees, in connection with performing work under the agreement(s)/contract(s) with the CITY or its public trusts:

a. That NHSOKLA will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, age, or disability as defined by the Americans with Disabilities Act of 1990, §3(2). The contractor will take affirmative action to ensure that applicants are employed and that employees are treated, during employment, without regard to their race, color, religion, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

b. NHSOKLA will, in all solicitations or advertisements for employees placed by or on behalf of the NHSOKLA, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, sexual orientation, gender identity, or national origin.

c. NHSOKLA agrees to include this non-discrimination clause in any subcontracts connected with performing City trust agreement(s)/contract(s).

d. In the event of NHSOKLA's non-compliance with the above non-discrimination clause, this agreement may be canceled or terminated by the City. The contractor may be declared by the City and or its Trusts ineligible for further agreement (s)/contract(s) with the City/Trust until satisfactory proof of intent to comply is made by the contractor.

Oklahoma City Municipal Code Chapter 25, Section 25-41.

Federal Executive Order 11246

NHSOKLA

By: _____



CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS- PRIMARILY COVERED TRANSACTIONS

NHSOKLA certifies to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; Contractor shall require that any subcontracts funded under this Agreement include this certification by the sub-contractor.
2. Have not within a three-year period preceding this agreement been convicted of or had a civil Judgment rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with the commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Habira Washington
Print Name

[Signature]
Signature

Executive Director
Title

Date 8/1/2023

CERTIFICATION REGARDING DRUG-FREE WORKPLACE

The certification set out below is a material representation upon which reliance is placed by the US. Department of Housing and Urban Development in awarding the loan guarantee assistance. If it is later determined that the public entity knowingly rendered a false certification or otherwise violates the requirements of the Drug-Free Workplace Act, the US. Department of Housing and Urban Development, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

CERTIFICATION

A. The public entity certifies that it will provide a drug-free workplace by:

- 1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the public entity's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- 2) Establishing a drug-free awareness program to inform employees about:
 - a) The dangers of drug abuse in the workplace.
 - b) The public entity's policy of maintaining a drug-free workplace.
 - c) Any available drug counseling, rehabilitation, and employee assistance program; and
 - d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- 3) Making it a requirement that each employee to be engaged in the performance of the activities undertaken with the loan guarantee assistance be given a copy of the statement required by paragraph (A) (1).
- 4) Notifying the employee in the statement required by paragraph (A)(1) that, as a condition of employment under the loan guarantee, the employee will:
 - a) Abide by the terms of the statement; and
 - b) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.
- 5) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (A) (4) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.

6) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (A) (4), with respect to any employee who is so convicted:

- a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency.

7) Making a good faith effort to continue to maintain a drug-free workplace through the implementation of paragraphs A (1) through A (6).

B. NHSOKLA shall insert in the space provided below the site(s) expected to be used for the performance of work under the assistance covered by the certification:

Place of Performance (include street address, city, county, state, zip code for each site):

4101 N Classen Blvd Suite A OKla City OK 73111

Check _____ if there are workplaces on file that are not identified here.

Date 08/08/2023

SCHEDULE "A"
MONTHLY REPORTING FORM

Monthly submittals will include the electronic submittal of a copy of the Excel spreadsheet provided and will report the following:

- Loan Type
- Loan Number
- Borrower's Name
- Borrower's Address
- Borrower's Birth Year
- Original Amount of Loan
- Original Date of Loan
- Balance
- Monthly Principal amount
- Monthly Interest
- Monthly Taxes
- Monthly Insurance
- Total Monthly Payment Amount
- Next Due Date
- Date of Last Payment
- Number of Monthly Payments Behind
- Past Due Amount
- Monthly Taxes & Insurance Combined
- Mortgage Position
- Unapplied Payment Amount
- Loan Servicer Comments - i.e., collection efforts, letters, phone calls, etc.
- Recommendations

Additionally, NHSOKLA will retain records concerning the details of notes on each account.

SCHEDULE "B"

LOAN SERVICING PROCEDURES FOR THE CITY OF OKLAHOMA CITY

(Insert Document)

Attached Below

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(1) Professional Service Agreement-changes annually.

(Insert Current Contract)

(2) 2002 Resolution.



**The City of
OKLAHOMA CITY**
PLANNING DEPARTMENT
Community Development Division

September 5, 2002

**Donna Garcia. Acting Director
Neighborhood Housing Services
FAX 231-5137**

Dear Ms. Garcia:

Attached for your information is a copy of a Resolution passed by the Oklahoma City Council amending the housing rehabilitation loan policy to eliminate late charges on loan payments and to set a payment distribution policy that is straight forward.

The changes are effective as of September 1, 2002. If you have any questions, please contact me at 297-1626 or FAX 297-3796.

Sincerely.

A handwritten signature in black ink, appearing to read "Al B.", is written over the typed name.

Al Behrens

AMENDMENTS TO ROUSING REHABILITATION LOAN POLICY

The Housing Rehabilitation Loan Policy is amended as follows:

LATE PAYMENTS AND PAYMENT DISTRIBUTION:

1. The provision for late or partial payment charges is eliminated.
2. Late or partial payments shall be recorded in the loan servicing system as follows:
 - a. First, loan payments received shall be distributed to interest due, if any;
 - b. Second, to principal whether a full or partial payment;
 - c. Third, the balance of the payment shall be posted to escrow, if any
3. If the payment distribution policy results in a deficiency in the escrow account, the owner shall be notified of the amount of deficiency and that the deficiency is their responsibility.
4. First preference for payments out of the escrow account shall be for taxes to prevent sale of the property for delinquent taxes.
5. No payments shall be made from a. client's escrow account, and no payment shall be made on behalf of individual loan client if funds in the client's escrow account balance are insufficient to make the payment.
6. In cases where an escrow deficiency exists when statements for taxes and/or insurance are presented for payment, the statement shall be forwarded to the client for payment. Clients shall be reminded that failure to pay taxes or insurance will result in a default in their Loan Agreement.

DELINQUENT LOAN POLICY;

Background

The City makes interest-free loans of federal funds to eligible lower income owner-occupants for substantial rehabilitation of homes that do not meet City standards. In addition, the City participated in an Urban Homestead Program where homes acquired from HUD at no cost were raffled off to eligible applicants and low interest loans were made for rehabilitation of the homes. Other loan assistance was provided that produced interest-bearing loans through non-profit organizations. The loan types are:

1. General loans are interest-free but require monthly payments:
2. Senior loans are forgiven over a five-year period without interest and without monthly payments; if the mortgage is assumed by heirs prior to the expiration of the five-year period payments are required on the balance due. Senior loans have particular age or disability and income requirements that must be met; loss of disability status requires

payments on the balance of the mortgage at the point where status changes.

3. Urban Homestead loans bear interest at 3% for a period of 20 years. Urban Homestead loans are cases where the borrower receives the home from the City at no cost and obtains a rehabilitation loan for repair the property.
4. There are a number of loans made by subrecipient organizations for purchase and repair of homes that bear interest of up to 6%.

All properties for which rehabilitation loans are made must be completely rehabilitated to the City's standards within \$33,500 or the owner must provide the additional funds needed at the time of loan closing to insure the repairs are made.

Loan payments, except for Urban Homestead loans and the subrecipient programs, are set up based on the borrowers ability to pay considering other housing expense. In this manner, a mortgage(s) superior to the City's mortgage is taken into consideration when setting the payment amount. The term of the loan is determined by dividing the payment into the loan amount.

Urban Homestead Loans (UHL) have original first mortgages to the City. Payments for such loans are determined based on the Homesteader's ability to meet the requirements for a 3% loan with a 20-year term covering the cost of the repairs. UHLs are the only loans where the City requires a credit report.

When set up, the loan is assigned to the mortgage loan servicer for collection and recording of loan payment by the borrower. Neighborhood Housing Services is presently contracted to service the City's loan accounts using a computer and a loan servicing program provided by the City.

The Loan Servicing Program:

1. Prints coupon books annually for borrowers use as a reminder in making their monthly payment.
2. Prints late payment notices which are mailed to borrowers if a payment(s) is not received by the: 16th day of the month.
3. Prints a monthly report with collection detail on all accounts that are late or delinquent. Delinquent accounts are those with payment past due 30 days or more. The monthly report contains information on late/delinquent accounts such as the loan balance, payment amount, number of payments due, escrow balance, payments received less than full amount and other information.
4. The service program can produce a loan payment history when necessary.
5. Payment receipts are not generated unless non-routine actions are taken. To avoid extra processing and mailing costs, this feature is not used. Receipts are handwritten for all payments made in person.

6. An amortization schedule is provided to each loan client for use in keeping track of payments made and current loan balance.
7. A year-end statement is printed out showing the loan balance, interest paid, and disbursements from escrow for taxes and insurance, if any.
8. Annually, the escrow account, if any is analyzed for adequacy, and if justified the borrower is notified of adjustments to the monthly payment.
9. Excess escrow funds are refunded to the borrower in accordance with RESPA regulations.

Delinquent Loan Collection Procedure:

1. The monthly report of late and delinquent accounts shall be reviewed periodically but not less than once each quarter.
2. In addition to the late notices printed by the loan-servicing program, letters of loan delinquency shall be sent by certified mail to all borrowers who are two or more months in arrears at the time of the report review.
3. Every letter sent to a loan client shall specify a. date for receipt of the delinquent amount that is at least forty-five days from the date of the letter.
4. Loan clients that chronically use the 45-day notice period as a way of delaying subsequent payments shall be invited to a counseling session to avoid legal action. If payment issues cannot be resolved, the client will be offered the opportunity to attend credit counseling sessions to work out their payment problems. The client shall be expected to complete the counseling and be certified by the credit agency. The City shall accept payment adjustments recommended by the credit agency regarding mortgage payments to the City, provided however, that payments meet the City's minimum payment plus escrow payments, if any. Clients with whom agreement cannot be reached and who refuse the credit counseling opportunity shall be recommended for legal action.
5. Every delinquent loan client shall be offered a one-time opportunity to adjust their mortgage by extending the mortgage to cover the number of months in arrears if there are no violations concerning occupancy requirements.
6. In cases where loan clients are required to make escrow payments for insurance and/or taxes, delinquent payments will cause a shortage in the escrow account; this policy shall provide that the mortgage may be extended further so payments made can go toward restoring the escrow account to its proper level before having the payments apply to principal or interest.
7. No payments will be made from the escrow account for taxes or insurance where the client's escrow account balance is insufficient to cover such payments. In such cases, tax and insurance bills shall be sent directly to the borrower with a letter explaining that the client may

either make up the deficiency or pay the bill directly.

8. Loan clients will be offered the opportunity to meet with staff to discuss verifiable changes in their situation regarding loss or reduction in income only that is a cause for the delinquent payments. Verification and examination of the documentation may lead to a mortgage modification. Payments for medical costs, cars, etc. are not grounds for mortgage adjustment. Alternatively, the client will be referred to a Credit Counseling Program to resolve payment problems.
9. If there is a lack of response to delinquency letter by the loan client, a recommendation for legal action shall be made.
10. In cases when: the delinquency letter is returned unopened an inspector will visit the property and determine if it has been rented or abandoned, and appropriate legal action will be recommended.
11. In cases where the loan client was granted a previous mortgage extension and has not responded to correct the current delinquent amount, the client will be invited to make an appointment to discuss the loan. If no appointment is made within 30- days, a recommendation for legal action shall be made.
12. In lieu of legal action, a loan client may propose to deed the property to the City in satisfaction of the loan. An inspection will be made to determine: the condition of the property and a recommendation made as to the probable disposition of the property before City Council acceptance of any deed.
13. The City may take action to redeem a property in danger of sale for delinquent taxes. In situations such as this, the redemption shall be subject to obtaining title to the property.

(3) Receiving Payments

- Payments are received at front desk with the following procedures.
 - ✓ Payments must be in the form of a check or a money order
 - ✓ No cash payments accepted
 - ✓ Payments are received in the office either through mail or in person
 - ✓ Log all payments in the receipt book using the date **NHS received the payment.**
 - White copy (Client)
 - Yellow Copy (attach to check or money order)
 - Pink copy remains in the receipt book.
 - ✓ All receipts must include...
 - The date the payment was received
 - The name of the home owner associated with the payment
 - Loan number
 - Check # or Money Order #
 - Initials of who received the payment
 - ✓ Mail the white copy of the receipt to a homeowner requesting one.
 - ✓ Attach the yellow copy of the receipt (and white, if the homeowner did not request their copy) to the check/money order using a paper clip
- Once a receipt book is full, label the front cover with the dates covered in the receipt book, starting with the first receipt and ending with the last receipt in the receipt book. All receipt books are kept in a file until the end of the calendar year and are filed with year-end close-out.

(4) Depositing Payments Electronically

1. Separate all receipts paper clipped to the check/money order (and/or Payment Coupon) by the loan number. (Bank Acc't #: 5236)
 - a. 200
 - b. 800
 - c. 900
 - d. CDBG
 - e. 0909
2. Double click on the Imanage (Midfirst) Deposit icon on the desktop
3. User Name: _____ Password: _____
4. The **CREATE DEPOSIT** window opens
 - a. Select the account number in the window that corresponds with the account number from the batch of loans being deposited. (Ex: 5236 City of Oklahoma City)
 - b. Total each group of loan accounts separated in step 1. Each group total is a separate deposit.
 - c. Enter the total of one of the groups in the **Deposit Control Total** field.
 - d. Stamp the back of the check/money order with a **For Deposit Only** stamp.
 - e. Click **Proceed**.
5. The **CAPTURE ITEMS** window opens.
 - a. Click **Start Scan**
 - b. Place the check or money order in the **Deposit Scanner** one at a time.
 - c. Click **Stop Scan** after each check **in the group** has been scanned.
 - d. Verify that the captured check/money order total matches the **Total Debit Amount** field on the right hand side.
 - e. Click **Proceed** even if the totals do not match.
 - f. The **Correct Items** window will appear if there is an **Error** when a check/money order did not scan.
 - g. Enter the amount of the payment that did not scan into the **Enter Correct Amount** section.
 - h. Click **Accept**.
6. The **BALANCE WINDOW** opens
 - a. **Verify** the account number on the screen matches the account number of the groups of loans being deposited.
 - b. **Difference** field on the right-hand side indicate \$0.00
 - c. Click **Proceed**
 - d. **Verify** again.
 - e. Click **Finish Deposit**
7. **REVIEW CAPTURE ITEMS** Window - Ensure the deposit was successful. The screen will indicate if the deposit was successful
8. Print Reports
 - a. **Detail Reports** – Click **Deposit Detail Report** (Right side of screen)
 - b. (x3) **Print**

9. Using a paper clip, attach the receipts and any payment coupons to the corresponding **Deposit Detail Reports**. Set aside to post payments in Mortgage Servicer.
10. Click the **Deposit** tab to create a new deposit if there are any more.
11. See Section 5 to **Post Payments** in Mortgage Servicer

(5) Original Way to Access Mortgage Servicer

Accessing Mortgage Servicer Remotely

City of Oklahoma City



Version Control

Version	Date	Author	Change Description
1.0	4/4/2011	Dusty Borchardt	Procedures documented
1.1	4/13/2011	Dusty Borchardt	Added login information for Mortgage Servicer application.
1.2	6/7/2011	Dusty Borchardt	Modified Mortgage Servicer login instructions so that users will use their assigned username. Included instructions regarding changing user passwords, after first login.
1.3	10/19/2017	Dusty Borchardt	Updated instructions for new GlobalProtect web VPN software.

Purpose

The purpose of this document is to provide instructions for accessing the Mortgage Servicer application from a remote location not on the City of Oklahoma City's network.

Scope

This document is intended for individuals authorized by the City of Oklahoma City to access its network and the Mortgage Servicer application.

Procedures

Open an internet browser (e.g. Internet Explorer) and navigate to <https://gpweb.okc.gov>.

In the **Username** field, enter your City provided username (firstname.lastname, WITHOUT @okc.gov).

In the **Password** field, enter your 4-digit pin number followed by the 6-digit number generated by your token generator.

Click the **Sign In** button or press the **ENTER** key.

Click the **Remote Desktop** option.



At the logon prompt, enter your City provided username (firstname.lastname@okc.gov, WITH @okc.gov).

Enter your City of OKC network password (i.e. the password you created, NOT your passcode).

Click the **Login** button or press the **ENTER** key.

In the **Computer** field, enter **NSVMRGTSRV01**. Your username should carry over from the previous login. In the **Password** field, enter your City of OKC network password.

Click the plus sign in the upper right-hand corner to expand additional Remote Desktop options. For example: **Enable Clipboard** and **Enable Printer** can be found in the **Resources** tab.

General | Display | Resources | Program | Experience | Advanced

Computer: NSVMRGTSRV01

Username: SILVER\YOUR.USERNAME

Password:

Click **Connect** once you have set your options and are ready to connect to the City's Mortgage Servicer PC.

Double-click the **Mortgage Servicer** shortcut on the Desktop.

Login to Mortgage Servicer using the username and password provided by The City of Oklahoma City Information Technology department.

Upon first successful login, you will be required to change your password:

- a. Your current username will be displayed. Enter your old password and then enter and re-enter your new password. Click **OK**.

Change Password

Password Messages
Your password must be changed upon initial login. Please enter a new password now.

User ID: dustyb (Dusty Borchardt)

Old Password:

New Password:

Retype New Password:

Password Parameters
Passwords must be a minimum of 8 characters and consist of Upper Case and Lower Case characters, at least one special character (<, >, and ' are not valid), and at least 1 number.

Note: If you use Radstar, your password will be changed for both the Loan Producer/Mortgage Servicer and Radstar databases.

OK Cancel Help

When finished using the system, exit Mortgage Servicer and log out of the City's Mortgage Servicer PC by clicking the Windows button → Log Off.

(6) Revised Way to Access Mortgage Servicer

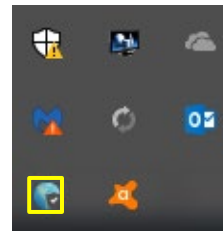
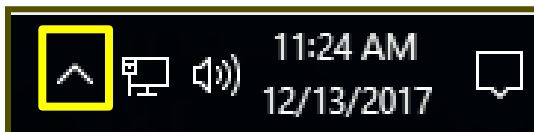
Accessing Mortgage Servicer Remotely

City of Oklahoma City

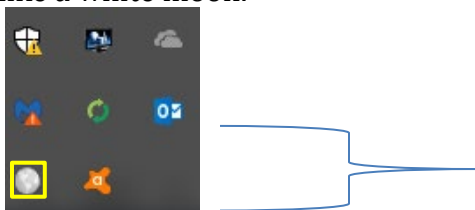


The City of Oklahoma City made internal changes, which restricted our ability to log into their domain using the method described in the previous section. Dusty, our IT contact at the City, provided the solution which is described below.

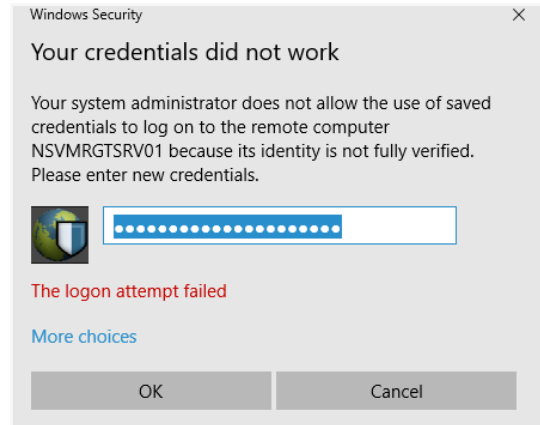
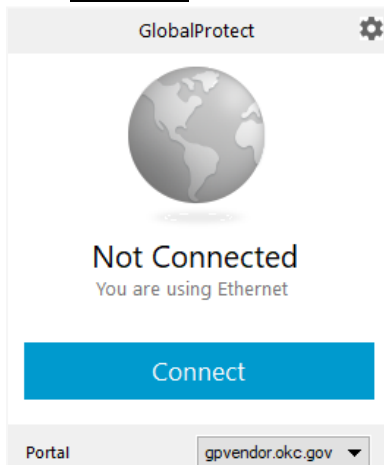
1. **Click** on the upward facing arrow of the icon tray in the bottom right hand corner of the screen.



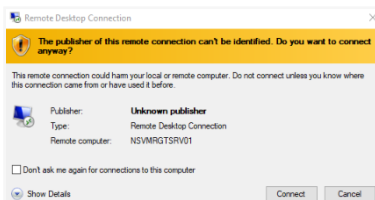
2. A pop up screen of icons appear. **Right-Click** on the icon that looks like a white moon.



3. Click "**Connect.**"

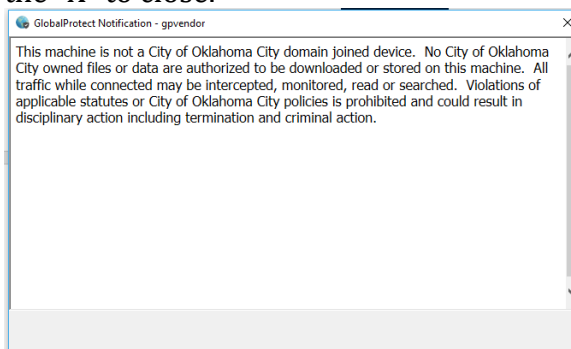


4. Open Mortgage Servicer by clicking on the Mortgage Servicer icon on the desktop
5. Click Connect



6. Two Windows will pop up at the same time

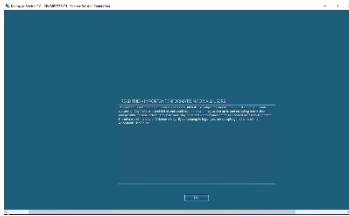
When this window pops up just click the "X" to close.



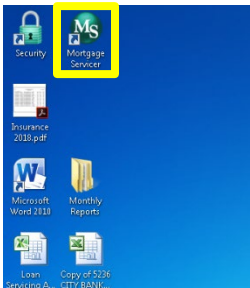
Enter the password
Neighborhood234

Then click on "**OK.**" at the bottom left of the pop-up box

- 7.
8. Click "OK."



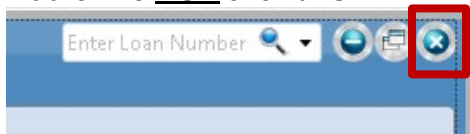
9. Click on the Mortgage Servicer icon



10. User id = nadiam
Password = nhS@okc123



11. Exit Mortgage Servicer when finished
Click on the "X" in the **Upper Right Hand** corner to close MS.
(There is another "X" in the Upper Middle. Do **NOT** click this "X")



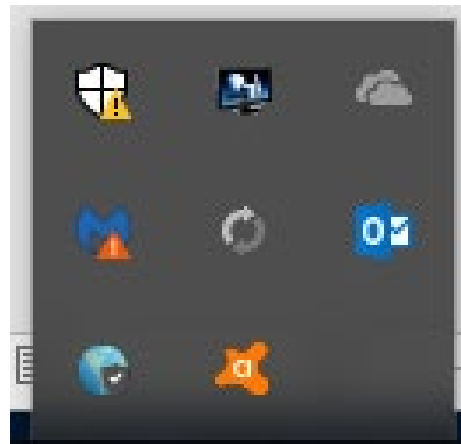
12. Click the Windows button in the lower left corner.



13. Click "Log Off."



***Right click on the globe in the tray icon again to "Disconnect" after logging out of Mortgage Servicer. This re-enables the ability to send and receive e-mails and restores access to the internet. Just as the globe changed appearance when connecting, it will change appearance again, back to the globe with the red "X" over it, when disconnected.



(6-2) 2022 Revision to Access Mortgage Servicer

Accessing Mortgage Servicer Remotely

City of Oklahoma City

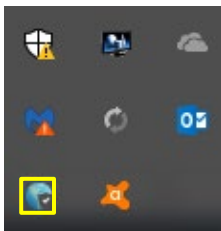
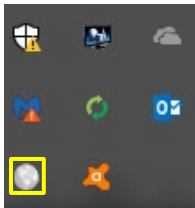


The City of Oklahoma City made changes to the virtual desktop we will now access. The new virtual desktop is to a Vendor desktop rather than the City loan servicing desktop.

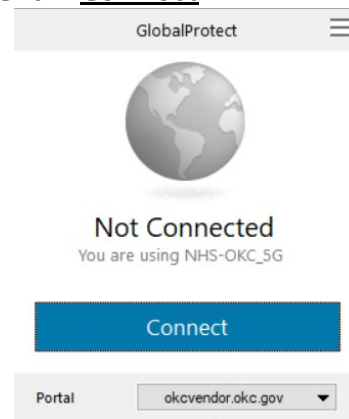
14. **Click** on the upward facing arrow of the icon tray in the bottom right hand corner of the screen.



15. A pop up screen of icons appear. **Right-Click** on the icon that looks like a white moon.

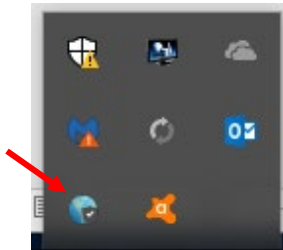


16. Click "**Connect.**"



17. The new portal 'okcvendor.okc.gov' now requires the app known as 'Defender Soft Token' (Currently only Toby Thavisak is connected to their soft token generator.)
18. Enter 'SILVER\toby.thavisak' for the 'Username'

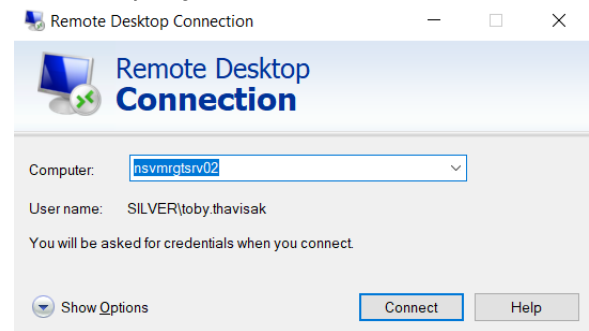
19. After acquiring the Soft Token (a 6-digit number) and clicking 'Connect', you will be prompted for a 4-digit PIN (Toby's PIN is 9521) followed by the 6-digit Soft Token.
20. You will now be connected to the VPN.



21. Run 'Remote Desktop Connection'
You can search for it here:



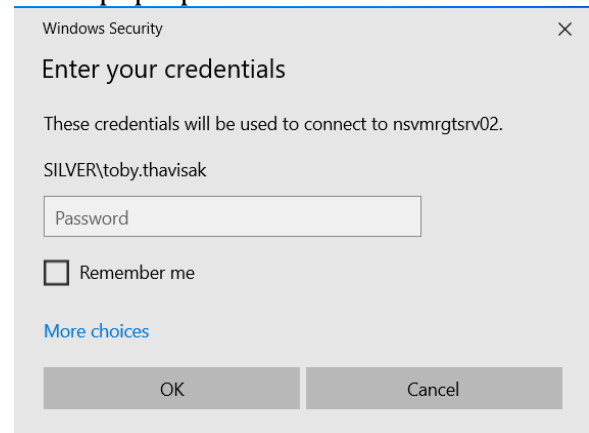
Connect to computer 'nsvmrgrtsv02'
with username:
'SILVER\toby.thavisak'



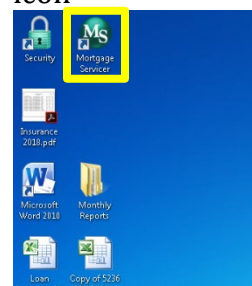
Enter the password

Ttnhsokla95

Then click on "OK" at the bottom left of the pop-up box



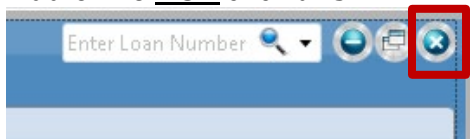
22. Click on the
Mortgage Servicer
icon



23. User id = tobyt
Password = Nh\$Th_45!



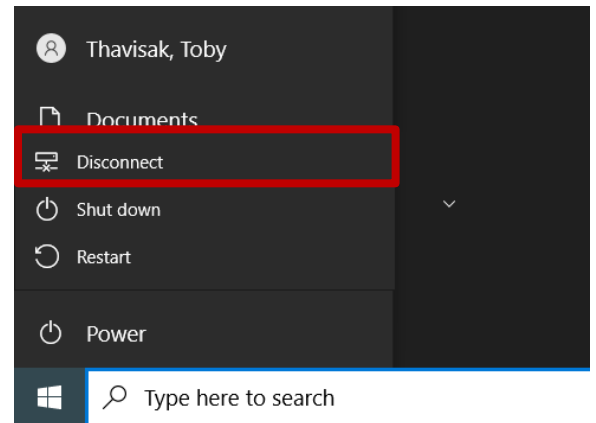
24. Exit Mortgage Servicer when finished
Click on the "X" in the **Upper Right Hand** corner to close MS.
(There is another "X" in the Upper Middle. Do **NOT** click this "X")



25. Click the Windows button in the lower left corner.



26. Click 'Power' and then 'Disconnect'



***Right click on the globe in the tray icon again to "Disconnect" after logging out of Mortgage Servicer. This re-enables the ability to send and receive e-mails and restores access to the internet. Just as the globe changed appearance when connecting, it will change appearance again, back to the globe with the red "X" over it, when disconnected.

Revised for 2021-2022
changes.

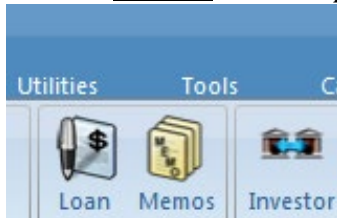
(7) Posting Payments

Post payments in Mortgage Servicer after they are deposited.

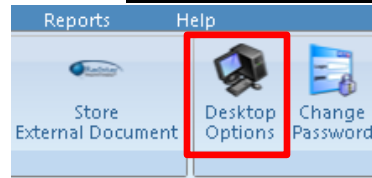
1. Separate payments into groups by the first digit in the Loan Number. Post payments from each group. These groups are **Bundles**.

(The [Deposit Detail Reports](#) is a great reference to use when separating payments.)

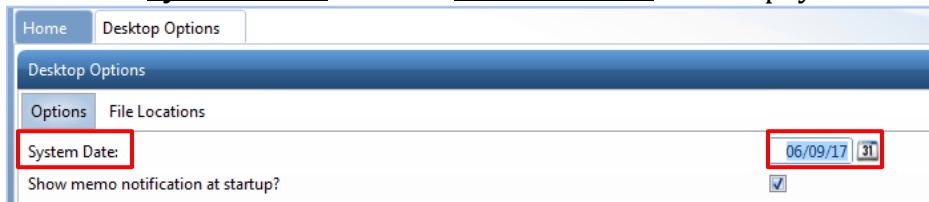
2. Change the date in Mortgage Servicer to reflect the date the payment was received
 - a. Click on **TOOLS** at the top
 - b. Click on **DESKTOP OPTIONS**



of the screen



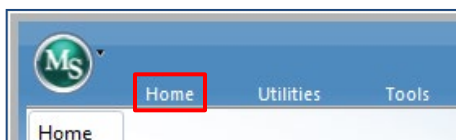
- c. Match the **System Date** with the **received date** of each payment.



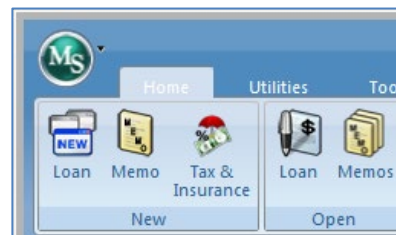
- d. Click "**OK**" on the bottom right of the screen after verifying the System Date to the Received Date.

3. Post the payment to the Mortgage Loan Account.

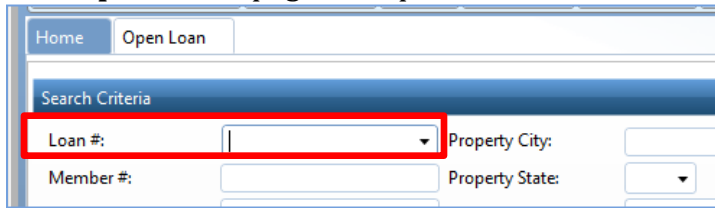
- a. Click on **Home** at the top of the screen.



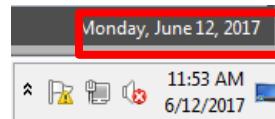
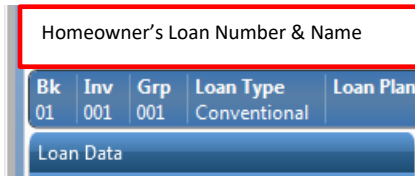
- b. Click on the **Loan** icon.



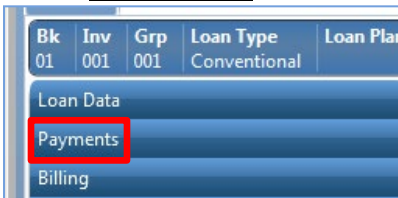
- c. The “**Open Loan**” page will open.



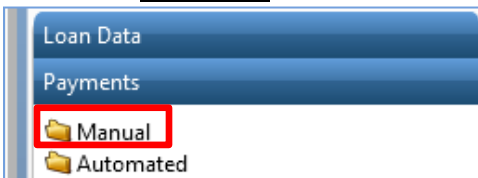
- d. Enter the homeowner's loan number to pull up the account that the payment is being posted to
- e. When the homeowner's account page opens, **VERIFY**...the information in Mortgage Servicer is the same information on the receipt.
- i. The Borrower's name
 - ii. The Date Paid. The System Date is the date in the brown colored bar in the low right hand corner. This is the date to verify. The date underneath it is the actual date.



4. Select **PAYMENTS** on the left



5. Select the **MANUAL** folder



Under the Manual folder are different types of payment options to choose from when posting payments. Determine which, of the three options listed below, to use based on the homeowner's account status.

6. **Regular Payment Odd Amount** and **Multiple Payments** will advance the customer's **next payment due** date. The **Adjustment** option will **not** advance the **next payment due** date. The next payment due stays the same after the payment has been posted.

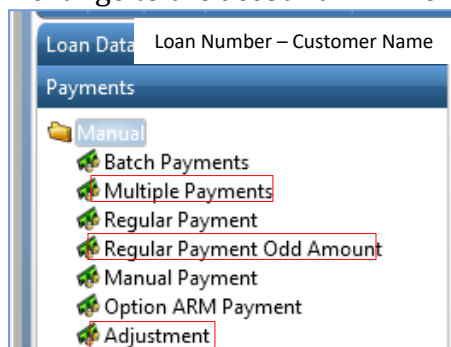
- a. **Regular Payment Odd Amount** – The homeowner's **Next payment due** date advances one month. Use this option when the customer is making one monthly payment.

*Apply any remaining balance to one of the available options listed in the screen (usually it will go to either "Tax & Insurance" or "Unapplied.") if it is **NOT** enough to cover another month. If a remaining balance **is** enough to cover more than one month, then go to Multiple Payments.*

- b. **Multiple Payments** – The homeowner's **Next payment due** date advances the number of months the payment covers. Use this when the customer submits a payment to cover more than one monthly payment.

The screen will assist in adjusting any remaining balance to post on the two above methods.

- c. **Adjustment** – When the homeowner has not made a monthly payment, but there is a change to the account. *Ex: Homeowner sends in a partial payment.*



It is possible to use more than one payment method per Bundle

7. Determine the type of payment to post and select the corresponding icon under the Manual folder.
8. Enter payment amount in the box next to Amount Received. (see receipt)

Frequency	Due Date	Int Rate	Maturity Date	Rem Term	T&I B
Monthly	06/01/17	3.00000	07/01/36	230	

Regular Payment Odd Amount for Loan Number: 2000001760 (EASON, TIMO)

Enter Amounts		Total Pa
Amount Received:	<input type="text" value="100"/>	Loan Infr
Transaction Description:	<input type="text"/>	Bank/In
Principal Adjustment:	<input type="text" value="0.00"/>	Interest
		Current
		Deferred

9. Click **Apply**
a. Post all the payments from each **Bundle**.
b. Click the icon at the bottom left side of the screen to enter the customer's **Loan Number**. This will open the next customer's account page. Repeat steps 2-9.

10. **STOP!!!**

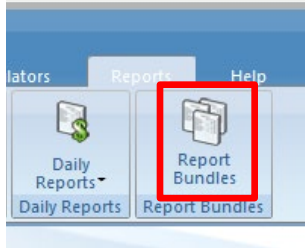
- a. Clear the **Transaction History** from each **Bundle** of payments posted.

*Clearing the **Transaction History** does two things. (1) It totals the balance of payments posted to the **Bundle Report** and (2) It zeros out the running balance of the previous*

*payments posted and starts back at \$0.00. This will provide a new balance for the next **Bundle Report**.*

11. Print **Bundle Reports** - (2 Copies)

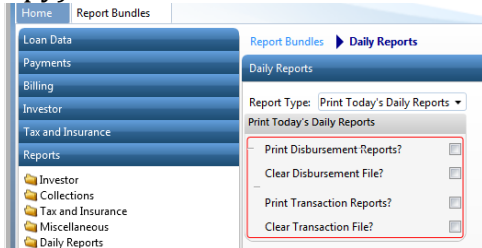
- a. Click on **Bundle Reports**



- b. Click **Print** on the bottom right of the screen.

See the next step for a view of the next screen after clicking print.

- c. Check both **Print Disbursement Reports** and **Print Transaction Reports** (For the first copy)



- d. The **Bundle Report** has three pages

- i. **Transaction Distribution** (Always on top of the bundle)
- ii. **Listing of Transactions in Chronological Order**
- iii. **Transaction Register**

- e. Review the first printed **Bundle Report**. Compare the balance on the **Bundle Report** to the balance on the **Deposit Detail Report**. In addition, the Loan Numbers of the payments posted should be in the same group.

*Make any necessary corrections if there is an error. See section (7) **Reversing Payments** to correct any posting transactions.*

- f. Check all four boxes to print a second set if there are no errors to correct and to **Clear Transaction History**.

This clears the Transaction History and zeroes out the balance of payments posted.

- g. “Do you want to clear the transaction history?” pops up.

- h. Click “**Yes**” if there are no errors to correct.

12. Repeat Steps 1-11 to post payments from other **Bundles**.

(8) Recording Deposits and Posted Payments

1. Enter the information from the **Bundle Reports** onto the **5236 City Bank Rec.** Form.

Page 1

NEIGHBORHOOD HOUSING SERVICES OKLAHOMA

April 12, 2018
15:27:18

Mortgage Servicer System
Transaction Distribution

Bk	Inv	Grp	RT	Loan #	Loan Name	Total Payment	Interest/ T&I	Principal/ Curtailments	Late Chg/ Def Prin	Ret Check/ Misc Fee	Unapplied Misc Ins	Loss Draft/ FCL/Bank Fee	Subsidy	Serv Fee
01	001	001				50.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
							0.00	0.00	0.00	0.00	0.00	0.00		
					Investor Group Total	50.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
							0.00	0.00	0.00	0.00	0.00	0.00		
					Investor Totals:	50.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
							0.00	0.00	0.00	0.00	0.00	0.00		
					Investor Bank Totals:	50.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
							0.00	0.00	0.00	0.00	0.00	0.00		
					Grand Totals:	50.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
							0.00	0.00	0.00	0.00	0.00	0.00		

These three amounts =
Principal & Interest

This = Tax & Insurance

This = Unapplied

Item Count = 1

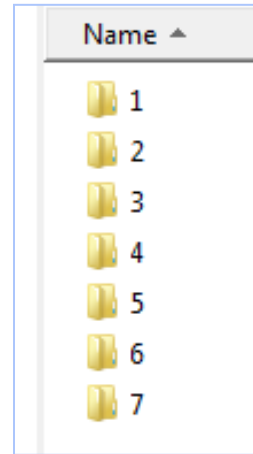
[illegible]

2. There are three copies of the **Deposit Detail Report** per group deposit.
 - a. Staple the checks that correspond with the **Deposit Detail Report** to the upper left corner of one of the **Deposit Detail Report**. Fold the report two times with the checks tucked inside the first fold. Set to the side.
 - b. Staple another **Deposit Detail Report** to the following documents.
 - i. Bank Reconciliation Sheet
 - ii. Deposit Detail Report
 - iii. Bundle Report
 1. (The “Transaction Distribution” should be on top of the other two documents in the Bundle Report)
 - c. Staple the third **Deposit Detail Report** to one of the Bundle Reports. .
 - i. Bundle Report (The “Transaction Distribution” on top)
 - ii. **Deposit Detail Report**
 - iii. Receipts & Payment Coupons.
 - d. Paper clip the folded **Deposit Detail Report** (with the checks stapled to it) to the batch containing the Bank Reconciliation. Set these two aside to give to the Finance Director later. (Typically, this will be close to the end of each month.)
3. Enter the information from the “Transaction Distribution” onto the corresponding Loan Servicing Spreadsheet in the NetDrive.

(9) 17th of the Month Report

Post **ALL** payments made up to and on the 16th. Do not post any payments made after the 16th until after doing this.

1. Create a folder in the City's desktop and name it with the month that the report covers. Ex: 1=Jan. 2=Feb. 3=Mar



2. Generate the five reports that make up the **17th of the Month Report**. Save each report to the corresponding folder just created. To do this see steps at the end of this section. Those reports are...

- 1) Collection Detail
- 2) Delinquent Notice By Date
- 3) Late Notices
- 4) Tax & Insurance Expiration List
- 5) Trial Balance

The path to generate the reports starts from the left side of the **MORTGAGE SERVICER screen**

1. Collection Detail

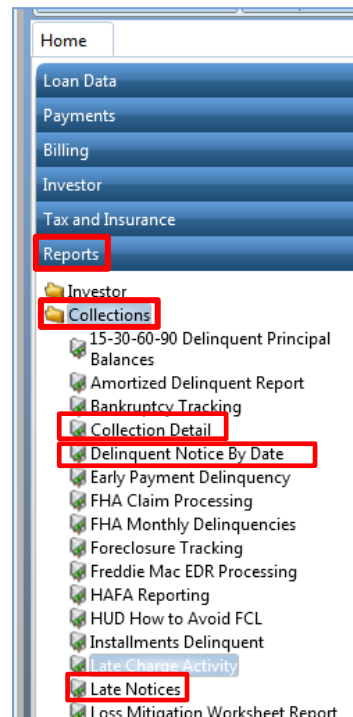
- a. Current Month
 - i. Date = 01 (always)
 - ii. Current Year

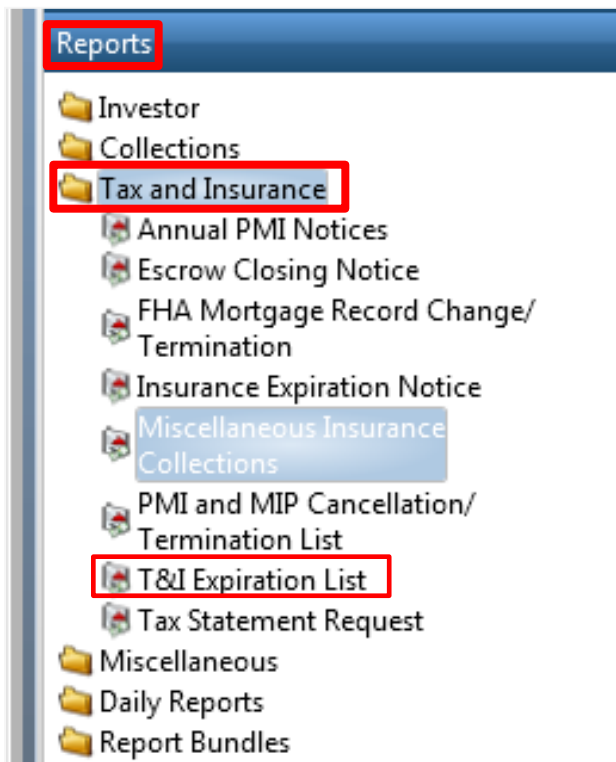
2. Late Notices

- a. Beginning Date –
 - i. Current Month
 - ii. Date = 16,
 - iii. Current Year 00/00/00 format
- b. Ending Date
 - I. Current Month
 - II. Date = 17, (always)

3. Delinquent Notice By Date

- a. Due Date
 - I. Prior Month
 - II. Current Year - 00/00/00 format





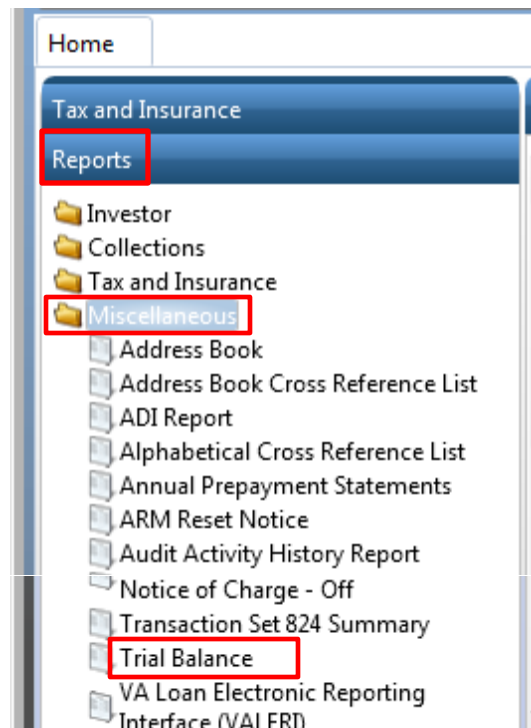
4) Tax & Insurance Expiration List

1. Beginning Date
 - i) Current Month
 - ii) Day = 01
 - iii) Current Year
2. Ending Date
 - i) Current Month
 - ii) Day = Last Day of that Month
 - iii) Current Year

5) Trial Balance

Click **OK** on the bottom right of the screen when the **Trial Balance** screen opens. **Ignore** the other options to click on.

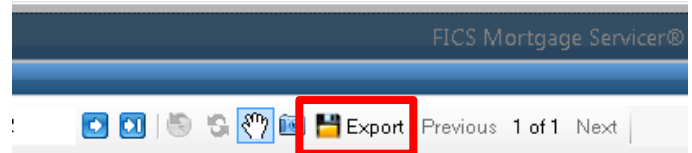
*The **Trial Balance** icon is further down this list in Mortgage Servicer. Part of the Image to the left was altered for space-saving purposes.*



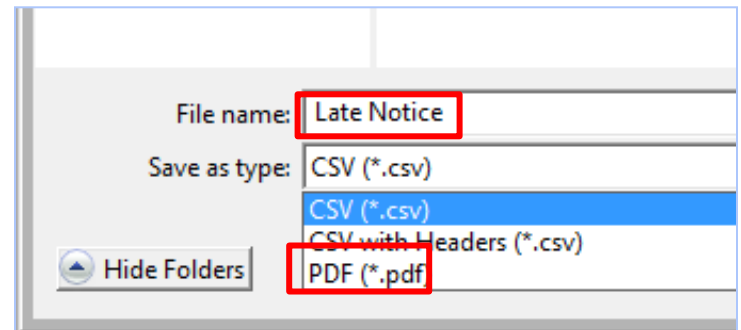
Submit the monthly reports to the contact person at the City of Oklahoma City. The easiest way to do this is to...

1. Print each document.
2. Name & Save each document to the folder just created.

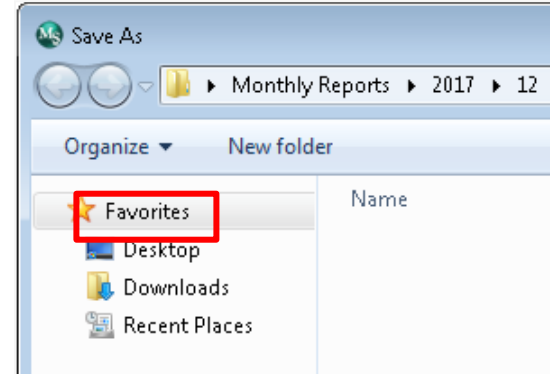
1. Click on **Export** at the top



2. Name the file
3. **Save as type:** PDF (*.pdf)



4. Click on **Desktop** on the left,
5. Save the document to the folder just created



5. **Copy & Paste** the documents from the City's desktop to the NHS desktop
6. Attach the documents to an E-mail addressed to the city contact. (Presently, it is Diana Dean)

(Another way to forward the documents to the City is to fax them)

PRINT EACH DOCUMENT. File in the monthly City Loan Servicing folder

(10) End of the Month

The End of the Month procedure serves two purposes. NHS submits a check and an invoice to the City of Oklahoma City. The check is for the amount of Principal & Interest collected that month. The invoice to the City is for the number of accounts NHS serviced that month.

1. **Post** all payments for the month into Mortgage Servicer.
 - a. Do **NOT** prepare the End of the Month report until this has been done.
 - b. Do **NOT** post any more payments for the following month until this has been done.
2. **Trial Balance** - Print a Trial Balance report.
 - a. Mark a line through each of the loans on the Trial Balance report that NHS does not service.
(Note: These loans are in the top half section of page 1.)
 - b. Count the number of these loans.
 - c. Write this number on the bottom of the last page under the number next to "**Item Count**". Subtract to get a new "**Item Count**".
(Note: This new total is what will go on the "Invoice." More information on this later in this chapter.)
 - d. Add up the total of the "T & I" balances per Group
Ex. 200, 800, 900, etc.
 - e. Add up the total of the "Unapplied" balances per group
Ex. 200, 800, 900, etc.
 - f. Indicate these groups & corresponding balances on the bottom of the second page of Trial Balance report
Ex. Of how it might look.

	T&I	Unapplied
200	10,000.00	500.00
800	1,000.00	0
900	18,000.00	250.00
 - g. Enter these totals in the corresponding spreadsheets in the City Loan Servicing file.
 - h. The "T&I" totals and the "Unapplied" totals from the Trial Balance should match the totals on the corresponding spreadsheets. The "Difference" on the bottom of the columns should read \$0.00. If not, there is an error.
3. **Bank Statement** - For the corresponding month.
 - a. Enter the information from the Bank Statement onto the corresponding "Bank Reconciliation" tab/spreadsheet in the Loan Servicing File.
 - b. There should **NOT** be an amount next to the word "Difference" on the bottom of the spreadsheet. There is an error if there is.

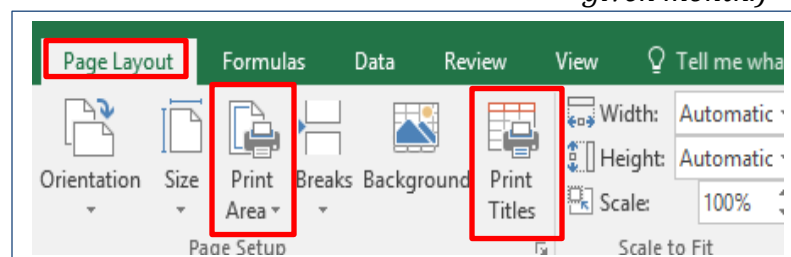
4. **Support Documentation Needed**– Gather the documents listed in the table below and distribute them accordingly.

Document Needed	Where to get it	Number of copies needed	Distribution
Cover Sheet 1: NHS	CLS file - Net drive	One	NHS Loan Servicing File
Cover Sheet 2: City Copy	CLS file - Net drive	One	City
Transaction spreadsheets	CLS file - Net drive	Three of each page	City Loan Servicing File Vendor File
Bank Statement	Accounting Director	Two	City Loan Servicing File
Bank Reconciliation	CLS file - Net drive	One	City Loan Servicing File
Trial Balance	Mortgage Servicer	Three	City Loan Servicing File Accounting Director
Invoice	CLS file - Net drive	Three	City Loan Servicing File Accounting Director
Check	Accounting Director	One	City
Copy of Check	Copier	Three	City Loan Servicing File Vendor File

- a. To Print the Group Transaction Pages...
- Highlight enough months' worth of activity to print onto one page, omitting the two last columns. (Balance & "Correct" or "Wrong")
 - Select the "Page Layout" tab.
 - Select "Print Area"
 - Select "Set Print Area"
 - Select "Print Titles" – *three icons to the right of "Print Area"*
 - Select "Print Preview"

Print, if satisfied with Print Preview. The invoices are in a separate folder.

- Access the corresponding folder and invoice.
- Enter the number of accounts NHS serviced that month
(*Note: This number is the one that was added on the bottom of the last page of the Trial Balance. It will **not** necessarily be the same as the previous month. Changes happen with accounts in any given month.*)

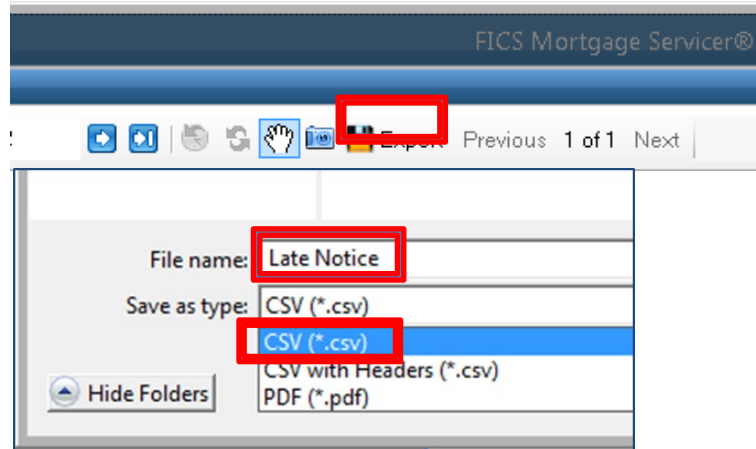


b.

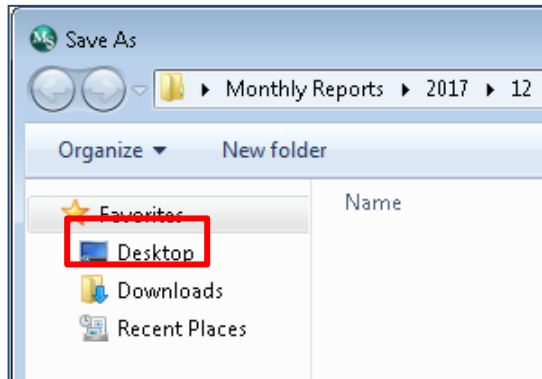
(10-2) End of the Month – Loan Reports

The End of the Month procedure now includes a new spreadsheet to fill out with information of each loan servicing client for CLS. You can find most of this information on the Trial Balance for the End of the Month reports.

1. **Trial Balance** – When printing the Trial Balance there will be an **Export** button located at the top of the window:



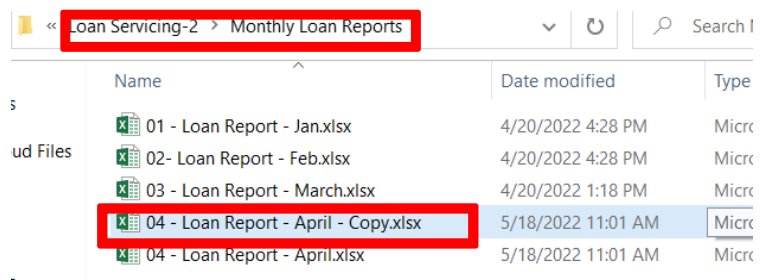
2. Name the file
3. Save the file as a .CSV
4. Click on **Desktop** on the left
5. Save the document to the Trial Balances folder



- a. Copy the .csv file on the City Loan Servicing Desktop
- b. Minimize the virtual desktop

and paste the file to your personal desktop

6. Open the Trial Balance file you have just pasted
7. Located in the CLS Folder ('Loan Servicing – 2') there will be a subfolder named 'Monthly Loan Reports'. Copy and paste the prior month's spreadsheet to carry over information from previous entries.



8. At the top of the spreadsheet is the date, make sure to update this first. Afterward, copy the

data inside the Trial Balance .csv file

opened earlier and paste into the Data

sheet of the spreadsheet.

- Filling the information into 'Data' will

auto populate the required 'Loans' sheet

with most of the information needed.

9. After pasting the Trial Balance

information in you can start to fill out the

remaining required data in the 'Loans'

sheet. These are classified with the **grey**

and **rose** columns. The only information if

you used the Trial Balance information is

'Last Paid' and '#P/D' (which is number of payments due)

10. Use either your receipt book or the information in the loan payment history from mortgage

Last Paid	# P/D	P/D
3/6/2020	0	\$14,5
1/14/2022	1	\$16
12/2/2021	9	\$2,5
4/18/2022	3	\$1,9
4/13/2022	5	\$2,4
3/31/2022	0	\$0
4/5/2022	0	\$0

servicer to fill out the 'Last Paid' column.

11. Next count the months between their 'Next Due'

column and the month you are making the report for and use

that sum to fill out the '# P/D' column. After that, your

spreadsheet is now complete and ready to turn in alongside

your End of Month report.

Loan #	Loan Name	Inv Loan #	Due Date	Bk	Inv	Grp	Int Ra
1080001	CAA - Commercial Conce	1080001	6/28/2012 0:00	1	1	1	5
1080003	CAA-Embassy Suites	1080003	9/10/2017 0:00	1	1	1	0.04
3500002	Don A. Boyington	3500002	9/28/2017 0:00	1	1	1	
3500007	Dowell Property #5	3500007	2/28/2013 0:00	1	1	1	
3500008	Dowell Property #6	3500008	1/28/2013 0:00	1	1	1	
3500009	Dowell Property #7	3500009	1/28/2013 0:00	1	1	1	0.
3500012	Brian Fitzsimmons	3500012	1/28/2013 0:00	1	1	1	
3500014	Goldman & Goldman	3500014	1/28/2013 0:00	1	1	1	
3500015	J&B Properties	3500015	1/28/2013 0:00	1	1	1	
3500016	Mason Realty (1007 N. B	3500016	12/28/2012 0:00	1	1	1	
3500017	Mason Realty (1015 N. Br	3500017	12/28/2012 0:00	1	1	1	
3500022	Price Company	3500022	1/28/2013 0:00	1	1	1	
3500023	Quality Properties	3500023	9/28/2012 0:00	1	1	1	
3500024	Renaissance Partners	3500024	1/28/2013 0:00	1	1	1	
3500026	Dennis & Shelle Wells	3500026	1/28/2013 0:00	1	1	1	
3500029	OK Nat'l Memorial Found	3500029	12/28/2012 0:00	1	1	1	
3500031	Peoples/Rolls	3500031	1/28/2013 0:00	1	1	1	0.00
2000000121	Cynthia Brooks	2000000121	1/1/2020 0:00	1	1	1	
2000000122	LOGGINS, PHYLLIS	2000000122	3/1/2022 0:00	1	1	1	
2000000123	Tisha Cl	2000000123	7/1/2021 0:00	1	1	1	
2000000124	BACY, C TREVA	2000000124	2/1/2022 0:00	1	1	1	
2000000127	SAMUEL-DAVIS, JANIE	2000000127	12/1/2021 0:00	1	1	1	
2000000128	GATES S. STEPHEN	2000000128	5/1/2022 0:00	1	1	1	
2000000129	CARTER, ANNETTE S.	2000000129	4/1/2022 0:00	1	1	1	
2000000131	COLBERT, PAQUITA ANTF	2000000131	1/1/2022 0:00	1	1	1	
2000000134	PIERSON, EFIA N.	2000000134	1/1/2022 0:00	1	1	1	
2000000135	KNOWLES, TONI	2000000135	5/1/2022 0:00	1	1	1	
2000000136	SEAY, KENOSHA A	2000000136	1/1/2022 0:00	1	1	1	
2000001663	Cook, Reginald	2000001663	3/1/2019 0:00	1	1	1	
2000001747	JALINDA MURPHY	2000001747	6/1/2022 0:00	1	1	1	
2000001760	EASON, TIMOTHY JR.	2000001760	5/1/2022 0:00	1	1	1	

> | Loans | **Data** | Frequent Phone #'s | (+) | :

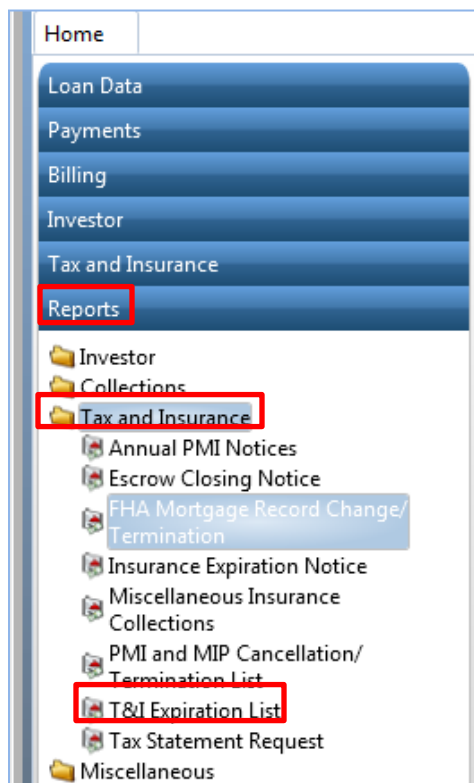
(11) Paying Property Taxes

The Oklahoma County Treasurer's office sends an Audit List to the City of Oklahoma City around July of each year. The Audit List is a reference to determine which property taxes to pay through the homeowners' escrow accounts. The City will e-mail a copy of this list to NHS.

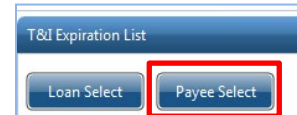
1. Print two copies.
2. Print a **T&I Expiration List**

Path:

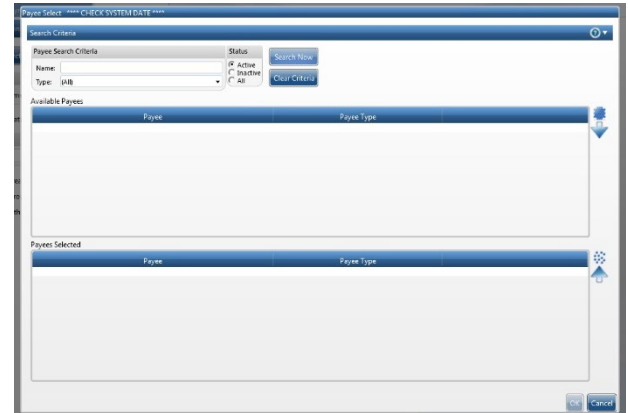
- a. **Reports**
- b. **T&I Expiration List**



- c. Click on **Payee Select**



- d. In the **Payee Select** screen, enter **Oklahoma County** in the space provided.



- e. Click on Search Now
- f. Double Click on the name when it appears under **Available Payees**
- g. That will move it to the next window under **Payees Selected**
- h. Highlight the name.
- i. Click **OK**

- j. Ignore the **Loan Select, Select By:**, and the **Beginning Date & Ending Date** options
- k. Click on **Loan #** option under **Sort By:**
- l. Click **OK** on the lower right side of the screen

- m. A **T&I EXPIRATION List** page will open in another screen.
- n. Click **Print** in the upper left.

3. Compare Oklahoma County's **Account Audit List** to the **T&I Expiration List**.
 - I. Update the county's **Audit List** with any of the following changes that apply.
 - 1) Payoffs
 - 2) Foreclosures
 - 3) Forgiven Loans
 - 4) Loan Assumptions – Write the name of the new owner
 - 5) New accounts – Add the name, address and any other necessary information to the list
 - 6) Any other changes that need to be marked

Write "Delete."

4. Mail back a copy of the list with the corrections to the County and retain a copy to file.
 - a. The County will mail back a new list, called **Advalorem Taxes**. This list should reflect the changes written on the **Audit List** as well as the amount of property taxes owed per household/account.
 - b. Update the accounts in Mortgage Servicer by entering the property taxes owed for that year
 - c. Print a new **T&I Expiration List**.
 - d. Compare the **Amount Owed** column to the **T&I Balance** column to determine which property taxes to pay, based on the escrow account balances.
(NOTE: The Oklahoma County Treasurer's office will accept a payment for half the amount owed, with the remaining half due by the end of March the following year. Remember to update this information in Mortgage Servicer if this applies to any of the accounts. This will show up on the T&I Expiration list in March the following year.)
 - e. On the right hand side of the **Advalorem Taxes** list are two columns. One column shows the total "**Tax Amount**" and the other column shows the "**First Half**" owed for each homeowner. Circle the amount that is going to be paid from the homeowner's escrow accounts. If there is not enough funds in a customer's escrow account to cover either "**half**" or "**all**" of their property taxes, then write the word "**Bill Homeowner**" in the blank space on the right hand side under the \$\$\$\$ amounts.
(NOTE: Mail a copy of this list back to the county along with the check for the property taxes. This list is what they use to determine how much of the check to apply to each homeowner's account.)

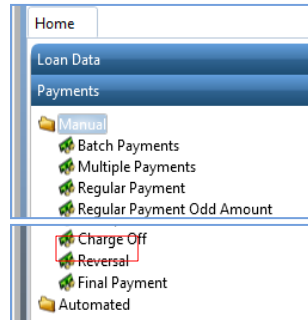
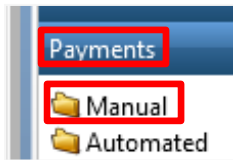
(12) Reversing Payments

(When a payment is posted incorrectly)

1. Change the System Date to the original date of the incorrect post.
2. Enter the loan number of the account for the payment reversal.
3. Verify the **Correct** account for the **Reversal** is showing.
4. Go to...
 - a. **Payments**
 - b. **Manual**
 - c. **Reversal** (almost to the bottom of the Manual Folder)

5. Find the date on the screen that matches the date of the incorrect payment posting.

6. Highlight the transaction that needs **Reversed**.
7. Click **Apply**.
8. **Print** Bundle Reports.
9. **Clear** Transaction History.



Any transaction can be reversed.
Just make sure the system date is
set to the original transaction date

Frequency	Due Date	Int Rate	Maturity Date	Term Term	T&I Balance	Principal Balance	Status	Property Address
Monthly	06/01/17	3.00000	07/01/16	210	714.24	69,206.87	Active	2400 NW 1st Terrace, C

Trans Code	Due Date	Date Paid	Payment Amount	Ret Chk Chrg	Unapplied?	Trans Desc for Reversal
REG	05/01/2017	05/24/2017	570.00	.00		
DIS	05/01/2017	05/04/2017	-1,208.00			T&I Dis
REG	04/01/2017	04/13/2017	570.00	.00		
REG	03/01/2017	03/09/2017	570.00	.00		
ADJ	03/01/2017	02/23/2017	180.00	.00		
ADJ	03/01/2017	01/19/2017	180.00	.00		
BEG	03/01/2017	01/01/2017	.00			Year End
ADJ	03/01/2017	12/14/2016	180.00	.00		
DIS	03/01/2017	12/15/2016	-987.64			
ADJ	03/01/2017	11/15/2016	180.00	.00		
ADJ	03/01/2017	10/05/2016	180.00	.00		
ADJ	03/01/2017	09/15/2016	180.00	.00		
ADJ	03/01/2017	08/09/2016	180.00	.00		
ADJ	03/01/2017	07/27/2016	.00	.00		
ADJ	03/01/2016	07/13/2016	160.00	.00		
ADJ	03/01/2016	06/09/2016	160.00	.00		
REG	02/01/2016	05/23/2016	160.00	.00		
DIS	02/01/2016	05/05/2016	-1,046.00			T&I Dis
ADJ	02/01/2016	04/13/2016	160.00	.00		

103 History Row(s) Found.

Transaction Note: Total Payments Reversed: .00

Enter Loan Number

(13) Escrow Analysis with MS

(With Mortgage Servicer)

An **escrow account** is set up to pay the homeowner's property taxes and homeowner's insurance as they come due each year. The homeowner pays into this account each month along with their mortgage payments.

The purpose of an **escrow analysis** is to determine...

1. If the homeowner's escrow payments are sufficient to cover the distributions.
2. If they receive a surplus check.
3. If their monthly payments increase/decrease.
4. If any changes are necessary.

RESPA (Real Estate Settlement Procedures Act) requires a six-week notice to a homeowner regarding any increases/decreases in their monthly payments.

Begin the analysis at the beginning of June and **mail out the disclosure statements by June 18.**

Any payment changes are effective **August 1**. This satisfies our obligation, per RESPA to notify the homeowner six weeks prior to any changes made to their account.

-
1. A homeowner's distributions may change from year-to-year. The reasons for these changes will vary.

***Example:** We pay a homeowner's insurance each year with their escrow funds, but **not** their property taxes. However, extenuating circumstances may justify using their escrow funds in one specific year to pay the taxes. That distribution will show up in the current analysis as a payee in the future.*

2. In the above example, delete The Oklahoma County Treasurer as a payee in the homeowner's account to prevent the system from calculating them into the analysis in the future.

***Note:** Deleting the payee will not change the homeowner's distribution history. It only removes them as a future payee.*

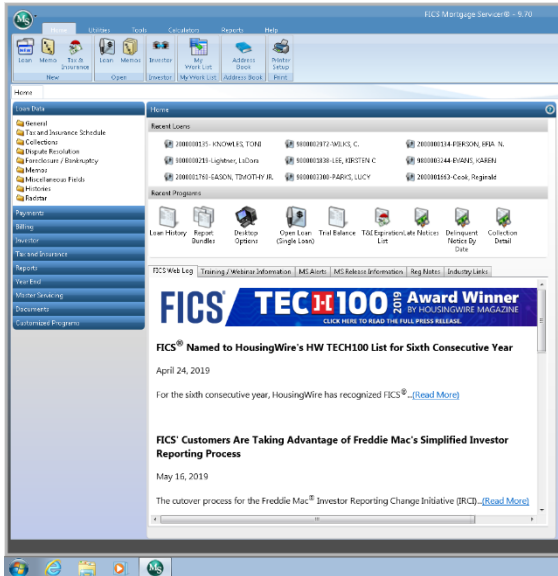
3. To get an accurate analysis, review each escrow account and make any necessary changes to their account in Mortgage Servicer.
-

Step 1. Print a **Loan History** report on all active Loan Servicing accounts covering the previous twelve months.

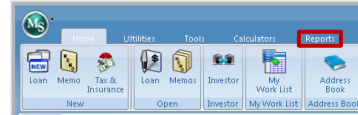
- a. The Loan History reports are a great reference when reviewing the **Disclosure Statement/Escrow Analysis Report**

- b. Not all homeowners have an escrow account. Put their reports aside and file later with the rest of the reports.

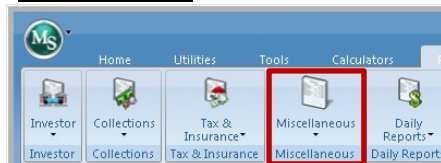
- c. The screen shot below is the first screen when opening Mortgage Servicer.



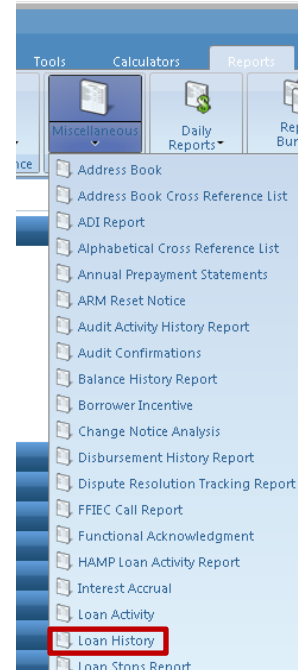
- d. Click on **Reports**, the tab located on the top of the screen



- e. Click on the arrow down on the **Miscellaneous** tab.



- f. Click on **Loan History** in the drop-down box.



- g. Ignore the **Loan Select** option. (There are times when it is necessary to use the Loan Select option, but not for an escrow analysis)

- h. The **Beginning Date Paid** equals one year ago
i. The **Ending Date Paid** equals the current date
j. Ignore **Send E-Mail**

Step 2. Go to the **Tax & Insurance** Screen.

Steps to this Screen

1. **Loan Data**

2. **General**
3. **Tax & Insurance Details**

4. **Tax & Insurance Disclosure** – (Third tab across the top)

5. **# Months Cushion Disclosure** – “2” Always
Months Spread Shortage – “12” Always

Steps to Arrive at the dates in the screen above

*The dates listed below are **only examples**. Enter the dates that actually apply.*

Next T&I Analysis Date – (Format: mm/yy) The next date the loan is to be analyzed.

Beginning Computation Period = 08/16 (Format: mm/yy)

- Add two months to the **Next T&I Analysis Date**. This date allows for the minimum six-week notice required by RESPA.
- Subtract one year

Example:

Next T&I Analysis Date = 06/17

Add two months = 08/17 (The month and year that any new payment begins. The date is always the first.)

Subtract one year = 08/16 The **Beginning Computation Period**

Ending Computation Period – (Format: mm/yy)

- Beginning Computation Period** = 08/16
- Add 11 Months = 07/17
- 08/16 – 07/17 = The date range of the analysis

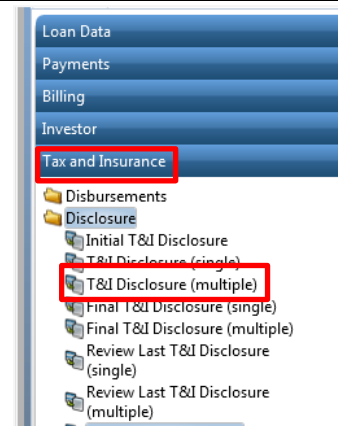
Step 3 Review of a Preliminary Escrow Analysis – Run **T&I Disclosure (Multiple)**

Steps to this Screen

1. Tax & Insurance



2. Disclosure T&I Disclosure (multiple)



1. T&I Disclosure (Multiple) screen

- a. **Beginning Projection Date** – Enter the date the new calculated T & I payment is to begin. Format: MM/YY.
- b. **Analysis Date** – Enter the date of the next scheduled analysis.
 - i. **Note:** Choosing **00/00** will run a report of **ALL** the active loans.
 - ii. To analyze all the loans at the same time, Skip the **Analysis Date** field for selection. This prevents the system from missing loans without an Analysis Date or ones that contain an incorrect date.
(See Escrow Analysis Recommended Procedures)
- c. **Delinquent Loan Selection** – All Delinquent Loans
- d. **Copies** – “0” Only the report is generated this time in order to review the accounts.
- e. The review is to determine which accounts are justifiable for an updated analysis, meaning a potential change to their monthly payments, a surplus refund or both.
- f. **Update** – Do **NOT** check this box now.
- g. Click **OK**
- h. A report will appear.
- i. **Print**
- j. **Review** the report

Step 4 - Final Escrow Analysis Run

1. Separate the accounts by the first digit in the **Loan Number**
 - a. **200's**, **800's**, **900's**, etc...
2. Go back to the **T&I Disclosure (Multiple)** screen
3. **Loan Select**

WHY?

4. The **Loan Select** screen will pop up

- a. Enter all the Loan Numbers per group-**ONE** Loan Number at a time.
 - i. **200's, 800's, 900's**, etc...
 - ii. Double Click on **Search Now** after each loan number is entered
 - iii. Each account will appear in the **Available Loans** box
 - iv. Double Click on the Account in the **Available Loans** box.
 - v. The account will now appear in the **Loan(s) Selected** box.
 - vi. Click on **Select** when all the accounts appear in the **Loan(s) Selected** box
(For the group that an analysis is being done on.)
 - vii. This will bring up the **T&I Disclosure (Multiple)** screen again
- b. **Beginning Projection Date** – Enter the date the new calculated T & I payment is to begin. Format: MM/YY.
- c. **Analysis Date** – Enter the actual date.
- d. **Delinquent Loan Selection** – All Delinquent Loans
- e. **Copies** – “**1**”
- f. **Update** – **Check** this box now.
- g. Check the box by **Print Coupons**
- h. Enter the **Beginning Date** and **Ending Dates** for the number of coupons to be mailed to each customer
- i. Click **OK**
- j. The **Analyses** will print.
- k. If there are **Surplus Refund** checks, the system will automatically reduce the escrow balances. They **DO NOT** need to be manually entered like a tax or insurance disbursement
- l. Before starting on the next group of loan numbers in the list print **Bundle Reports** and clear the screen.
- m. **Make 3 copies of each analysis**
 - i. One, to mail to the homeowner
 - ii. One for the individual's file folder
 - iii. One for the Loan Servicing Folder.

***** Mortgage Servicer will automatically adjust any new payments due on the set date as determined by the analysis. Do not make these adjustments manually. *****

1. A homeowner must be current on their account to justify an Escrow Analysis and making any changes to their account.
2. Click UPDATE in Mortgage Servicer to accept the analysis results
3. **UPDATE** advances the next scheduled analysis date to the following year.
4. The reason to **NOT UPDATE** an account is that a homeowner is not current on their payments at the time of the analysis
5. If **UPDATE** was not selected for a specific account in a previous analysis, then that account will not be reflected in the current analysis.

Review **ALL** active accounts in Mortgage Servicer before generating the rep

(14) Escrow Analysis (Manually)

Real Estate Settlement Procedures Act (RESPA)

Calculate Escrow Account Maximum Limits

The steps in the following example will help you estimate the maximum amount of money your lender may require you to have in your escrow account (either a new or existing account, under aggregate accounting). [RESPA limits this amount by law](#), for the borrower's protection.

1. List all the payment amounts and dates for items that will be paid out from your escrow account for the next 12 months. In the example below, taxes of \$500 are to be paid in July and taxes of \$700 are to be paid in December; and hazard insurance of \$360 is to be paid in September. If you have a payment like flood insurance, which is paid every 3 years, you must project a running balance over that 3-year period.
2. Divide this total amount by 12 monthly payments (in this example, \$1560 divided by 12 = \$130).
3. Create a running monthly balance for the next 12 months including all payments to the escrow account (in this example, \$130 per month) and all payments out of the account.
4. Increase all the monthly balances to bring the lowest point in the account (in this example, December is lowest, with a negative \$780) up to 0.

	Payments to Escrow	Payments from Escrow	Balance (#3 above)	Balance (#4 above)
Jun	-	-	0	780
Jul	130	500	-370	410
Aug	130	0	-240	540
Sep	130	360	-470	310
Oct	130	0	-340	440
Nov	130	0	-210	570
Dec	130	700	* -780	* 0
Jan	130	0	-650	130
Feb	130	0	-520	260
Mar	130	0	-390	390
Apr	130	0	-260	520
May	130	0	-130	650
Jun	130	0	0	780

5. Add any cushion your lender requires to the monthly balances. The cushion may be a maximum of 1/6 of the total escrow charges (1/6 of \$1560 = \$260).

	Payments to Escrow	Payments from Escrow	Balance with Cushion
Jun	-	-	1040
Jul	130	500	670
Aug	130	0	800
Sep	130	360	570
Oct	130	0	700
Nov	130	0	830
DEC	130	700	* 260
Jan	130	0	390
Feb	130	0	520
Mar	130	0	650
APR	130	300	780
May	130	0	910
Jun	130	0	1040

In this example, \$1040 is the maximum amount the lender should require in the account. The account should fall to the cushion at least once during the year. In this example, it is in December (\$260).

New Accounts -- In this example, if you settled May 15, and the first payment was due in July, \$1040 would be the maximum amount you should be required to place in an escrow account. If your lender requires less than the maximum cushion, the amount would be less.

Existing Aggregate Accounts -- In this example, during escrow analysis, the lender would compare the required amount of \$1040 to the actual balance in your account in June. For example:

If your balance is \$1076, there is a surplus of \$36. Your lender may choose to apply any surplus less than \$50 to future payments, reducing your monthly escrow payment to \$127, or may choose to return the surplus to you.

If your balance is \$1090, there is a surplus of \$50. The lender must return any surplus of \$50 or more to you within 30 days of the analysis.

If your balance was \$940, there is a shortage of \$100. This amount is less than one month's escrow payment and the lender may ask you to pay this amount within 30 day or may spread it out over a year.

If your balance was \$800, there is a shortage of \$240. The lender must spread the collection over at least 12 months. If the lender spreads the shortage over 12 months, your monthly escrow payment would increase to \$150.

If you have a deficiency in your account (where the lender has to use his own funds to pay a bill), you may have to reimburse the lender sooner than over 12 months. If the deficiency is less than one monthly escrow payment, you may have to repay the lender in 30 days. If the deficiency is more than or equal to one monthly escrow payment, the lender may require you to repay the amount over 2-12 months.

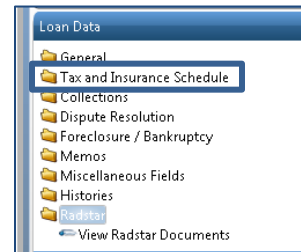
(15) Adjust Insurance / Property Tax Rates

1. Pull up the account of the homeowner whose rate needs adjusted.

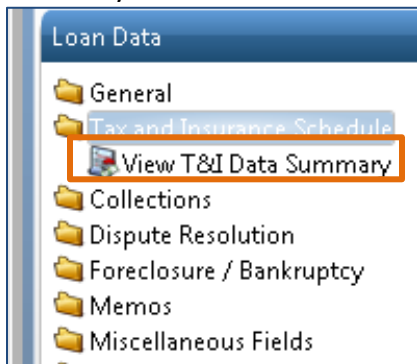
2. Click on "Loan Data"



3. Click on "Tax and Insurance Schedule."



4. Click on "View T&I Data Summary"



5. A screen will pop up with the homeowner's Tax & Insurance information.

6. Click on the appropriate line item to adjust.

Payee: OKLAHOMA COUNTY TREASURER				(Tax)		
T&I Stop:						
Payee Type	Include Cushion	Disb Date	T&I Frequency	Non Escrowed	Amount	Policy/Tax Acct
TAX	<input checked="" type="checkbox"/>	12/31/17	Annually		1,060.50	06-334-2260
HAZ	<input checked="" type="checkbox"/>	12/12/17	Annually		899.00	H0207316

7. A new screen will pop up with the information of that account.

8. Make the necessary adjustments. Typically, the "Total Disbursement" is what will change.

9. Click on "Generate Disbursement Schedule" after all necessary adjustments.

10. Click "Apply" in the bottom right corner.

A screenshot of a software window titled 'Generate Disbursement Schedule'. The window is divided into two main sections: 'Details' on the left and 'Disbursement Schedule' on the right. The 'Details' section contains fields for Payee (OKLAHOMA COUNTY TREASURER), Type (TAX), Agency, T&I Frequency (Annually), Pol/Tax Acct # (06-334-2260), Acct Identifier, Payee Stop, Remittance Method, Incl Cushion? (checked), Non Escrowed? (unchecked), USDA/RHS? (unchecked), Next Disbursement Date (12/31/17), Total Disbursement (1,060.50), Bill Received Date (10/27/17), and Policy Coverage Amount (.00). The 'Disbursement Schedule' section shows a table with columns for Disbursement Date, Expiration Date, and Amount To Be Paid. It lists one disbursement: 12/31/17, 12/31/17, 1,060.50. Below the table, it states 'Total Disbursement: 1,060.50' and '1 disbursement listed.' At the bottom right, there are 'Apply' and 'Close' buttons.

(16) Set Up New Loans

The City of Oklahoma City will provide the information of a new account/homeowner. Enter this information into Mortgage Servicer.

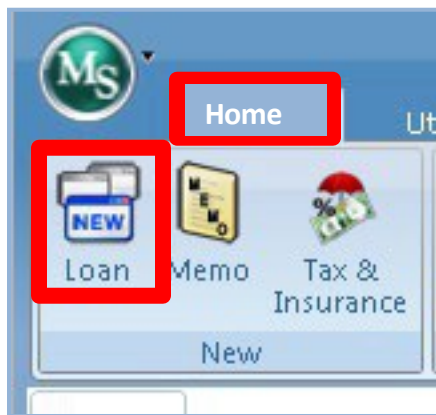
*****VERIFY all the new loan information is provided by the City of OKC before proceeding. Mortgage Servicer will not shut down or exit to a different screen until ALL the information is entered. *****

Information Needed

- | | |
|--|--------------------------|
| 1. First & Last Name | 7. Total monthly payment |
| 2. Address (including City, State & ZIP) | 8. Loan Amount |
| 3. Loan Number | 9. Interest rate |
| 4. Due date of first payment | 10. Date of Note |
| 5. Principal & Interest payment amount | 11. Funding Date |
| 6. Escrow (T&I) amount (if any) | 12. Maturity Date. |
| | 13. Contact Number(s) |

These two maybe the same date

-
1. Log into Mortgage Servicer
 2. Click on the "Home" tab in the upper left corner.
 3. Click on "New Loan."

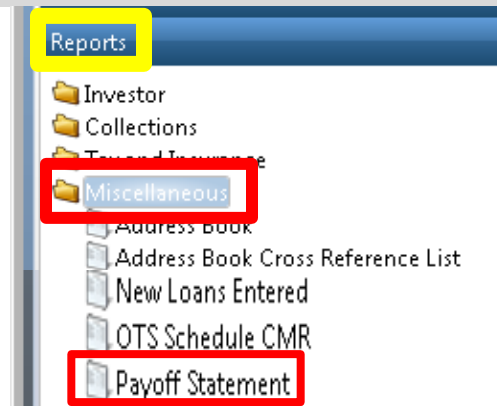


Follow the prompts in Mortgage Servicer to enter the information of the new loan.

(17) Payoff Statements

In Mortgage Servicer

1. Click
 - b. Reports.
 - c. Miscellaneous
 - d. Payoff Statement



2. The "Payoff Statement" screen will pop up.

3. Click "Loan Select"

4. Enter the Loan Number
5. The "Payoff Statement" screen will pop up again.
6. Enter an "Estimated Payoff Date."
(This is usually within a 4-6 week date range.)
7. "Interest Calculation Method:"
Conventional-365.
8. Click "Select All."
9. Click on "Borrower" in the drop down menu in the "Mailing Name & Address" box.
10. Click "Select All."

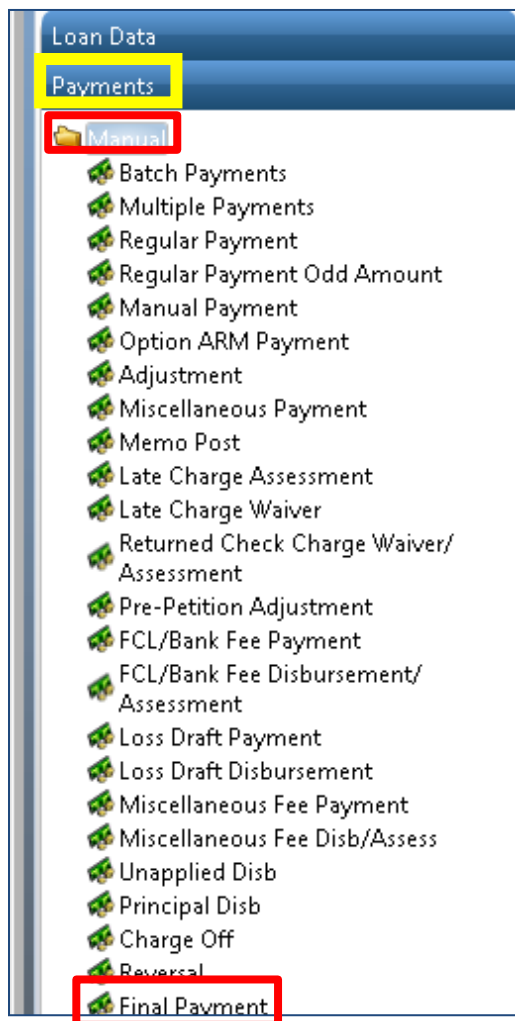
(18) Payoffs

Run a "Payoff Statement." (See previous section.)

1. If this has been done already, It is not necessary to run another statement if there have been no changes to the account since the "Payoff Statement" was printed.
2. If there have been **ANY** changes, such as a payment, a T&I Disbursement, any accumulated interest, etc... then **IT IS** necessary to run another "Payoff Statement," as these will have an effect on the payoff amount.

1. ADJUST THE "SYSTEM DATE" to the Received date of the payoff.
2. Click "Payments."
3. Click "Manual."
4. Click "Final Payment."

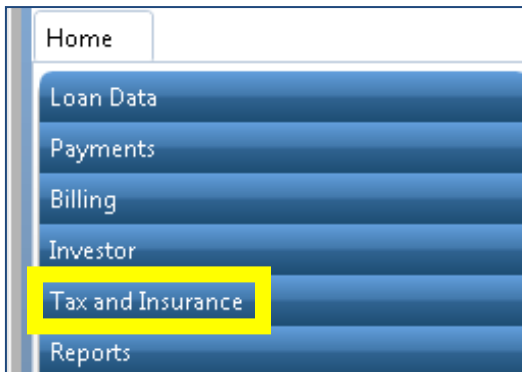
5. Enter the "Amount Received."
6. Click "Load Amounts from Payoff Statement."
7. Mortgage Servicer will automatically apply any balance in "Unapplied" or "T&I" to adjust the payoff balance.



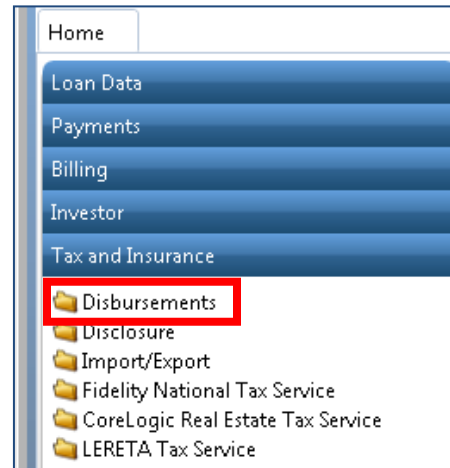
A screenshot of a 'Payment Information' form. The form has three tabs: 'Payment Information' (selected), 'Additional Information', and 'Payment Stop'. Under the 'Payment Information' tab, there is a section titled 'Enter Amounts'. It contains several input fields with corresponding labels: 'Amount Received:' (with a value of 100), 'Transaction Description:' (a dropdown menu), 'Apply To Principal:', 'Apply To Interest:', 'Apply To Unapplied:', 'Apply To T&I:', 'Apply To Subsidy:', 'Apply To Late Charge:', 'Apply To Ret Chk Charge:', 'Apply To FCL/Bank Fee:', 'Apply To Misc Fee:', 'Apply To Loss Draft:', and 'Balance To Adjust:'. Each of these fields has a value of .00. At the bottom of the form, there is a button labeled 'Load Amounts from Payoff Statement' and a section for 'Transaction Note'.

(19) Payoffs

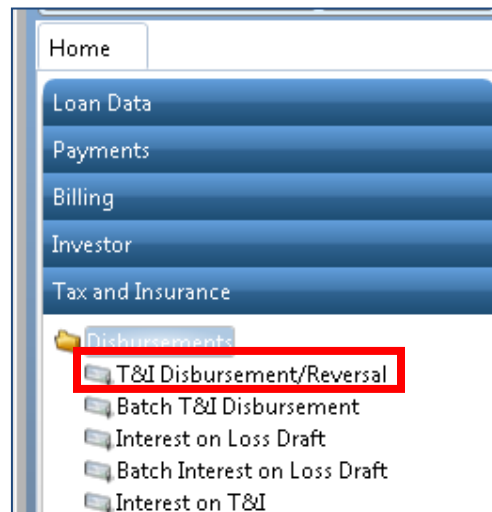
1. Click on "Tax and Insurance."



2. Click on "Disbursements."



3. Click on "T&I Disbursement/Reversal"



4. The Tax & Insurance screen will pop up
5. Highlight the payee's name - in the top half of the screen
6. The homeowner's name also appears in the top half of the screen. (*The homeowner's name is blocked out in the example below.*) At times, the homeowner may be a recipient of the disbursement. (*Ex: A Surplus Refund*)
7. Enter the amount paid in the bottom half of the screen.
8. **VERIFY** the highlighted payee is the correct recipient.
9. Once verified, Click "Apply" in the bottom right corner.

Payee	Payee Type	Policy/Tax Account #	Disb Date
OKLAHOMA COUNTY TREAS...	TAX	03-819-2730	12/31/17
Tim Parkman, Inc.	HAZD	AXDS006007	02/26/18

Homeowner's Name

Property Address:

T&I Disbursement Information		Loan Information	
Payee Name:	OKLAHOMA COUNTY TREASURER	Bank/Inv/Group:	01/001/001
Payee Address:	320 ROBERT S. KERR OKLAHOMA CITY OK 73102	Interest Rate:	3.00000
Payee Type:	TAX	Current Principal Balance:	38,413.77
T&I Frequency:	Annually	Unapplied Balance:	.00
Payee Stop:		Subsidy Balance:	.00
Non Escrowed?	<input type="checkbox"/>	T&I Balance:	2,062.09
Include Cushion?	<input checked="" type="checkbox"/>	FCL/Bnk Fees Balance:	.00
Bill Received Date:	10/27/17	Unpaid Late Charges:	.00
T&I Disb Due Date:	12/31/17	Misc Fee Balance:	.00
T&I Expiration Date:	12/31/17	Returned Check Balance:	.00
T&I Disb Amount:	628.41	Loss Draft Balance:	.00
		Due Date Next Payment:	09/01/17

T&I Disbursement Payment		T&I Stop:	
Amount Paid:	<input type="text" value=".00"/>	Total Amount Disbursed:	.00
Transaction Description:	<input type="text"/>	Transaction Note	<input type="text"/>
Update Dates?	<input checked="" type="checkbox"/>		
Change Amount Due:	Replace Amount Due		

T&I Payment Reversal

1. Highlight the Payee of the disbursement to reverse
2. Enter a negative (-) sign in front of the dollar amount to reverse
3. Select the checkbox to roll the Disbursement Date backward one frequency
4. Select the "Change Amount Due" and press the "Delete" button to on the keyboard to delete the data displayed in the Drop Down box. This sets the T&I Disbursement amount to the previous amount.

4. The Loan Select screen will pop up

- a. Enter all the Loan Numbers per group- ONE Loan Number at a time.
 - i. 200's, 800's, 900's, etc...
 - ii. Double Click on Search Now after each loan number is entered
 - iii. Each account will appear in the Available Loans box
 - iv. Double Click on the Account in the Available Loans box.
 - v. The account will now appear in the Loan(s) Selected box.
 - vi. Click on Select when all the accounts appear in the Loan(s) Selected box (For the group that an analysis is being done on.)
 - vii. This will bring up the T&I Disclosure (Multiple) screen again
- b. Beginning Projection Date – Enter the date the new calculated T & I payment is to begin. Format: MM/YY.
- c. Analysis Date – Enter the actual date
- d. Delinquent Loan Selection – All Delinquent Loans
- e. Copies – “1”
- f. Update – Check this box now.
- g. Check the box by Print Coupons
- h. Enter the Beginning Date and Ending Dates for the number of coupons to be mailed to each customer
- i. Click OK
- j. The Analyses will print.
- k. If there are Surplus Refund checks, the system will automatically reduce the escrow balances. They DO NOT need to be manually entered like a tax or insurance disbursement
- l. Before starting on the next group of loan numbers in the list print Bundle Reports and clear the screen.
- m. Make 3 copies of each analysis
 - i. One, to mail to the homeowner
 - ii. One for the individual's file folder
 - iii. One for the Loan Servicing Folder.

***** Mortgage Servicer will automatically adjust any new payments due on the set date as determined by the analysis. Do not make these adjustments manually. *****

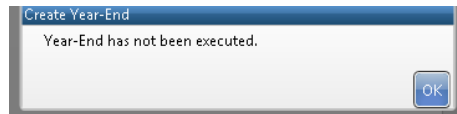
1. A homeowner must be current on their account to justify an Escrow Analysis and making any changes to their account.
2. Click UPDATE in Mortgage Servicer to accept the analysis results
3. UPDATE advances the next scheduled analysis date to the following year.
4. The reason to NOT UPDATE an account is that a homeowner is not current on their payments at the time of the analysis
5. If UPDATE was not selected for a specific account in a previous analysis, then that account will not be reflected in the current analysis.
6. Review ALL active accounts in Mortgage Servicer before generating the report for the analysis.

(20) Year - End

Post all payments made through the end of December.

Do **NOT** post any more payments made after December 31st, until the Year-End Process is complete.

The image below will appear in each screen of Mortgage Servicer until the Year-End Process is complete. Click OK each time



The City of OKC will perform the first two steps. Do **NOT** proceed with Year-End until after verification they have performed these two steps.

- Update version
- Back up the system

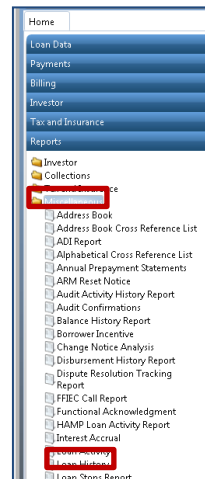
(Once the City has verified they have updated the version of MS and have backed up the system.)

1. Follow the steps below for the Year-End Procedure.

Run a Loan History Report from January to December of the calendar year for each account. This allows the opportunity to review each account and make any necessary adjustments before proceeding to The Year End Process.

IMPORTANT: Set the System Date to 12/31/0000 (YR=4 Digits) This ensures that all active loans will

- a. Reports
- b. Miscellaneous
- c. Loan History
- d. OK
- e. When Loan History opens, Click "Print"
- f. Review each Loan History Report and make any corrections.



SCHEDULE "C" APPENDIX II TO 2 CFR 200 SUBPART A
CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS
UNDER FEDERAL AWARDS

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the Contractor under this CDBG award must contain provisions covering the following, as applicable.

1. Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subcontractor must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
2. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM) in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
3. All contracts over \$10,000 must address termination for cause and for convenience by the non-Federal entity, including the manner by which it will be affected and the basis for settlement.