

Quick and Comprehensive Review of Application of Payments in Mortgage Servicing

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Customer



- A Residential Mortgage Servicer

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Business Challenge



Challenge 1:

- Borrowers' payments being processed but not applied to the loan balances in the lenders' systems leading to interest being accrued on the loan, followed by misclassification of borrowers as delinquent

Challenge 2:

- Borrowers charged late fees greater than the amount permitted by mortgage note or states rules

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Business Impact



- Untimely/ incorrect payment application or no payment application leads to derogatory reporting and delinquent fees being assessed

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Solution and Execution



The Copasys® solution – Challenge 1:

1. Pre-defines the payment application date considering the key payment parameters
2. Automatically allocates a target payment application date for payment application

Audit result is published as 'Compliant' if satisfactory payment is accurately applied within the timeline set forth by the federal or state agencies

The Copasys Solution - – Challenge 2:

1. Pre-defines all the applicable late fee thresholds set forth by states

Audit result is published as 'Compliant' if satisfactory payment is accurately applied within the timeline set forth by the federal or state agencies

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Business Value



Initiating certain payment processing testing rules via Copasys:

Significantly reduces the consumers risk of derogatory credit reporting, inaccurate application of delinquency fees, and prevents any inappropriate downstream default activities