

Financial Information Pt. 2



This month's article will cover the lower half of the Financial Information screen.

The **Escrow Account** field indicates which bank account is being used to collect and disburse funds for the file. Only a single account may be used for any given file. Once a receipt or disbursement is posted in the file, this field locks and can not be changed unless the posted escrow activity is deleted.

1099 Eligible indicates whether the file is eligible to be reported to the IRS during tax season. This will default to yes if the selected loan purpose is purchase.

The **Close Date** is the date the final closing takes place. This date automatically calculates both the **Rescission Date** and **Disbursement Date** based on the lender's Rolodex settings. The date may be entered in a MMDDYY format with no punctuation.

Closing Time and **Closing Location** indicate where and when the closing is to take place. The **Closing Location** defaults to your company's main address, but you may change it to a previously selected address from the drop-down menu or add a new location by clicking the **NEW** button.

The **Yield Spread Premium** does not receive much use as it is specifically related to the old HUD. This is essentially a fee paid by the lender to the mortgage broker.

The **Total Commission** is the combined amount of the Listing Broker and Selling Broker's total commissions, if any.

Contract Date can be used to tag documents. You can also create events and checklists based off this date.

The next section refers to the listing broker. It includes the fields **Listing Broker Name**, **Agent**, **Assistant**, and **Commission**. Similarly, the selling broker's section includes **Selling Broker Name**, **Agent**, **Assistant**, **Commission**, and **Create Disbursement**. The way these sections work is almost identical. The broker name fields are for the companies to which the **Agents** belong, not the **Agent** themselves. The **Agent** is the individual representative of the company. If they have an **Assistant** their information goes here as well. The **Commission** fields indicate how much each broker is being paid for the transaction. Please note that this is their gross commission amount and does not, nor is it intended to, consider any credits or reductions they may be giving. The combined amount of the **Commission** fields must equal the amount of the **Total Commission**.

While we're on the subject of the **Commission** field, there are several ways to enter this information. The first and most straightforward is to manually enter everything. Type in the amount of the **Total Commission**, then the amount of the Listing Broker's **Commission**, if any, then the amount of the Selling Broker's **Commission**.

The second is for when you know the percentage the brokers are each getting for their **Commission**. Skip the **Total Commission** field and type the letter p followed by the percentage the broker is receiving directly into their **Commission** field (p2.5 for a 2.5% commission, for example). Doing it this way will fill the **Total Commission** field automatically. You will need to do this for both brokers unless one is not taking a commission.

The third method is used when you know the amount of the **Total Commission**, but are given only the percentage of it that each broker is getting. In this method you will fill in the **Total Commission**, then in each of the individual **Commission** fields, you'll enter the % symbol followed by whatever percentage of the **Total Commission** each is getting.

The **Deposit or Earnest \$** field displays the total amount of all deposits that the borrower has made regarding this deal. **Deposit Held By** shows who the deposit is held by, and **Deposit Action** shows how the deposited funds are being handled. Different selections will create different results on both your HUD/CD and in Escrow Accounting.

FAQ

"More than one person is holding the total deposit for this file. How do I reflect this?"

Honestly, this is a much more complex issue than it may initially appear. How this is entered will depend heavily on how you wish to have your HUD/CD appear. Our best advice is to call Support at 800-421-9378 or email us at support@thefund.com. Once you have explained the situation to our support team, they will assist you in getting the file set up the way you need.

"My purchase price changed, why didn't the commission amounts automatically recalculate?"

This is because we do not store the percentage used to calculate the **Commission**. However, when the purchase price is changed and the screen updated, a warning message is generated that reminds you to check the **Commission** amounts.