Chapter #4 - Demonstration:

Meeting the Accelerating Needs of Loan Servicing

Effective loan servicing requires control over an immense quantity of data. For all but the smallest operations, computerized bookkeeping is no longer just an option — it's a necessity.

Fifty loans in a single portfolio write 600 checks annually. Each month, dozens of deposits, refunds, foreclosures, delinquent notices, and so on are generated. And if you manage more than one portfolio, or when a group of loans has more than one owner, the difficulty of tracking income and expenses increases exponentially.

As you will see in this demonstration, **Contract Collector** automates the entire process of loan servicing — from receiving payments to printing checks. Never again will you have to type delinquent notices, payment invoices, or financial statements. Journals no longer need to be handwritten or maintained with a separate spreadsheet.
Since **Contract Collector** was originally introduced in 1983, yearly upgrades and literally thousands of development hours have been devoted to keeping **Contract Collector** on the leading edge of loan servicing systems.

The Next Generation of Loan Servicing Software

By harnessing the full power of today's 32-bit technology we've created a whole new generation of loan servicing software. Far more than a simple upgrade, **Contract Collector** represents the cutting edge of applied technology.

Your selection of a loan servicing software system is one of the most important decisions you face. This Demonstration Chapter of **Contract Collector** is designed to help you make the right choice.

Now you can enjoy the benefits of a computerized collection system, reducing your workload and increasing your productivity - without spending a fortune. **Contract Collector** brings all the power and features of mainframe software technology to personal computers and networks.

A wide variety of businesses use **Contract Collector** for many different types of collections:

- Real Estate Mortgages
- Auto Dealerships
- Deeds of Trust
- Land Contracts
- Commercial Companies
- Student Loans
- Construction Services
- Acceptance Companies
- Bank Loans
- Time-Share Resorts
- Personal Loans
- Legal Judgments & Billings
- Equipment Leasing
- Finance Agreements
- Insurance Companies

- Credit Unions

For large organizations, **Contract Collector** is the cost-effective solution for transferring contract collection processing from costly mainframe resources down to personal computers at the branch or department level.

Contract Collector is the affordable solution for small companies needing to acquire high-powered software capabilities - without the large investment required for a mainframe or minicomputer.

Contract Collector is easy to learn and use. You can manage any type of installment payment loan, note or contract for your own company or third parties. You can handle any number of contracts and payers, with variable terms, variable interest rates, variable payment plans, partial payments, early payoffs, balloon payments, late fees, and more. And you can network any number of users on any number of personal computers, with complete security.

Contract Collector performs all of your repetitive chores quickly and accurately. Collection management, accounting, reporting and information management features organize every aspect of the collection process for greater control and productivity.

Contract Collector automates the difficult and time-consuming chores of amortizing, billing, and receiving installment payments. Payments are easy to record. All information is entered only once and posted throughout the system. Detailed statements and management reports are provided.

Printing and mailing collection notices is easy and very flexible. Standard notice formats are provided, ready for mailing in window envelopes. And you can create new types of notices using the FORMS EDITOR included with the system.

Contract Collector also includes an extensive GENERAL LEDGER with complete ACCOUNTS PAYABLE and RECEIVABLE, and provides a wide variety of management and financial reports. Reports, Notices, Statements, Checks, Payment Receipts, Coupon Books, 1098's and 1099's are easily printed on virtually any printer.

Powerful information management features are provided to optimize your data and computer resources. You get direct access to powerful database features for ad-hoc query and reporting.

Contract Collector is easy to learn and use. Follow the directions outlined in this Demonstration Chapter for a complete review of the major features and functions of **Contract Collector**. Before getting started with the Demonstration Chapter, it is highly recommended that you review the **Operating Features Chapter** which provides detailed descriptions of how to use all the features that make up the Contract Collector user interface, including the Main Toolbar, Find Windows, Drill-Down, Pick Lists, and other important components of Contract Collector.

Contract Collector v5® Demonstration Chapter Outline:

1. Contract Collector v5® Trialware Installation

2. Client Window

3. Client Report

4. Portfolio Window

5. Contract Window

6. Contract Report

7. Contract Balance Report

8. Contract Inventory Report

9. Payment Entry Window

10. Payment Audit Report

Contract Collector Trialware Installation:

Refer to the **Installation** chapter in this manual for instructions on how to install and run **Contract Collector**. If you have any trouble with the installation, please do not hesitate to contact our Technical Support Department for assistance.

After installing and starting the system, you should see the **Contract Collector** Main Menu at the top of your computer screen which includes the following menus: File, Edit, Client, Portfolio, Contract, Payment, Reports, G/L, System and Help.

If you do not have experience using pull-down menus, toolbars, check boxes, radio buttons and the other features of a Windows ® graphical user interface, you will find it helpful to read through the **Operating Features** section before proceeding with the Demonstration. The **Operating Features** Chapter provides detailed descriptions of how to use all the features that make up the **Contract Collector** user interface, including the Main Toolbar, Find Windows, Drill-Down, Pick Lists, and other important components of **Contract Collector**.

Warning: This Trialware version of **Contract Collector** contains sample data for clients, portfolio, contracts, etc. You can also enter your own data into the software to test **Contract Collector**. However, before entering any real data into the software, you will need to run the Clear All Data Process to remove the demo data from the system. After you are comfortable with the software and are ready to start entering your real data, follow the **Initial Setup Sequence** to set up your **Contract Collector** system.

Throughout this demonstration section, instructions will be given for using the mouse and/or the keyboard. This allows you to experiment with each method for data entry. In all cases, you may use the mouse and keyboard interchangeably, as none of the windows in **Contract Collector** require you to exclusively use the keyboard or mouse.

Next Demonstration Chapter Topic: Client Window

Client Window - Demonstration Chapter:

The many data entry windows included in **Contract Collector** are your direct access to the data in the system. Each window is accessed from its appropriate menu. For example, the Client Window (shown above) is found in the Client Menu, together with all of the other functions relevant to clients.

Windows are made up of labeled fields, such as the Client ID field in the upper left corner of the Client Window. Fields are where you enter and edit the data that makes up a record.

{#1} Choose "Client" from the Main Menu and select the first option on the menu, Client Window.

After the Client Window appears, note that the Client ID field is highlighted. The highlighting indicates where data typed from the keyboard will appear.

{#2} Type **001** and then press [TAB]. The record for the client with the ID of **001**, **CAPITAL FINANCE GROUP INC.**, appears in the window. If you know the Client ID, this is one method of opening or selecting that particular record.

You may have also noticed that when you opened the Client Window many of the buttons on the Main Toolbar became enabled. The function of these toolbar buttons and other controls used in Contract Collector will be described as you work your way through this Demonstration Chapter.

Once a record is displayed, each of the fields in the window can be updated or edited quickly and easily.

{#3} Press [TAB] seven (7) times to highlight the Address Edit button and press ENTER. This will open the Address Window.

{#4} Press [TAB] once (1), this will highlight the Address Line 1 field. Press the [END] key to un-highlight the data in the field and put your cursor at the end of the Address Line 1 field. A blinking cursor appears after the last character in the field.

{#5} Press [BACKSPACE] four (4) times to delete the number 4500. Then type **5000** and press [TAB]. Save your changes by pressing the Save Toolbar button on the Address Window or on the Main Toolbar. Then press the [OK] button on the Address Window to close the Address Window.

By using a mouse, you can move directly to a field or button without pressing [TAB]. Move your mouse and look for a cursor (shaped like either an I-beam or an arrow) moving across the window relative to the way you are moving the mouse on your desktop.

The cursor is shaped like an I-beam when it is positioned over a text field or edit box. The cursor looks like an arrow when it is located anywhere else in the window. The I-beam is for editing text, while the arrow is for activating push-buttons and other controls in a window.

{#6} Using the mouse, place the arrow over the Phone Tab and click the left mouse button. This will open the Phone and E-mail information for the client. Now place the mouse over the first Phone Number listed in the Phone Grid ("325-6600"), notice that the mouse cursor will change from an arrow to an I-beam. Position the I-beam after the last character in the first phone number field and click the left mouse button to move the blinking keyboard cursor to this location. Backspace over the 6600 and type **7600** and then press [TAB]. Save your changes by pressing the Save Toolbar button on the Main Toolbar.

{#7} Close the Client Window by pressing the Close Toolbar button on the Main Toolbar or the "X" in the upper right hand corner of the Client Window.

Next Demonstration Chapter Topic: Client Report

Client Report - Demonstration Chapter:
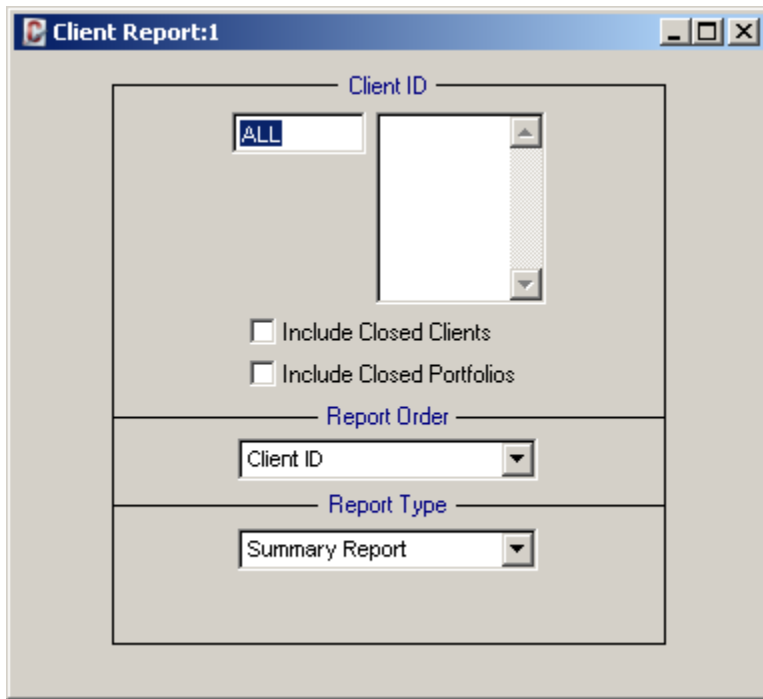
As you will see in the Client Report you are about to run, there are four (4) clients in the sample data. Their Client IDs are 001, 002, 003 and 004. Please review the Reporting Features section in the Operating Features chapter for more information on printing and previewing reports.

{#1} Choose "Client" from the Main Menu. The second option on the menu is the "Client - Reports" Submenu, click on this submenu and then select Client Report.

In the report window that appears, note that the defaults provided are Client ID: **ALL**, Report Order: **Client ID**, and Report Type: **Summary Report**. *{#2}* Without making any changes to the report criteria, press the Preview toolbar button on the Main Toolbar. This will open a preview of the report to the monitor. After reviewing the report, close the report with the Close toolbar button on the Print Preview Toolbar.

{#3} Using the Report Type drop-down list, change the report from the Summary Report to the **Detail Report**. Press the Preview Toolbar button on the Main Toolbar again. Notice that the report now contains additional columns that were not included on the summary version of the report.

{#4} Close the Client Report by pressing the [ESC] key on the keyboard, the Close Toolbar button on the Main Toolbar or the "X" in the upper right hand corner of the Client Report.

Next Demonstration Chapter Topic: Portfolio Window

Portfolio Window - Demonstration Chapter:

{#1} Choose "Portfolio" from the Main Menu and select the first option on the menu, Portfolio Window.

This data entry window is where you add, edit and query portfolios. Each portfolio can have one or more bank account associated with it for depositing contract/ loan payments. Each portfolio is also assigned to (or owned by) one or more client(s).

When any data entry window is first opened, the last record (as sorted by the ID field) will be the record that is displayed in the window. If you know the ID of the record that you would like to view, you can type in that ID and press [TAB] or [ENTER] to open and view that record. If you do not know the ID, then you can use the scroll buttons: First, Previous, Next and Last to change the records being displayed or use the Find feature to locate the record you are looking for.

{#2} Using the First Toolbar button on the Main Toolbar, change record being displayed in the Portfolio Window to the first record: **001 - Capital Finance Group Inc.**

{#3} With the cursor in the Portfolio ID field, press the Find Toolbar button on the Main Toolbar, the [F2] Function Key, the [CTRL]+[F] Keyboard Shortcut, or the Right Mouse Click (Designated Mouse Click). Any of these will open the Portfolio Find window.

{#4} Press the [TAB] key once (or use the mouse), to go to the Name field in the Portfolio Find. On the keyboard, type the letter "P" (upper or lower case). If the Incremental Search option is turned on (checked) in the lower left corner of the Find Window, then as soon as the letter "P" is typed the list of options in the find grid will be updated to just those records that meet this search criteria. In this case, there is only one record: **002 - Pacific Capital Ventures**. Press the [OK] button at the bottom of the Portfolio Find window to open this record in the Portfolio Window.

{#5} Click on the Client Info Tab of the Portfolio Window. Note that this company has one owner, client 002. Click

on the Contract Info Tab, note that the Portfolio has 3 contracts assigned to it.

{#6} Right mouse click anywhere within the grey area of the Portfolio Window (not on a field), this will open the Right-Click Shortcut Menu, click on the Close shortcut menu item to close the Portfolio Window.

Next Demonstration Chapter Topic: Contract Window

Contract Window - Demonstration Chapter:

Choose "Contract" from the Main Menu and select the Contract Window.

The Contract Window is where you enter, edit and view information for each contract or loan. This data entry window displays all the essential information about the contract, such as the portfolio, borrower name, contact information, balances, contract status and contract type.

Contract Find:
Contract Collector offers very powerful Find Windows that allow you to search for records according to multiple search criteria. Name searches can be restricted to exact matches, or you can widen a search to include names with similar spellings and even common nicknames. This allows you to search by first name, last name, nickname, or even different spellings of the name (if you are not sure how the name is spelled, example: "Peterson" vs "Petersen").

In the Contract ID field, press the [F2] Function Key to open the Contract Find window. Change the Search mode from "Exact" to "Like". Notice that the Incremental Search option is automatically turned off (unchecked) in the lower left corner of the find window. Now type "BRADFERD" (yes, that is Bradferd with an "e") in the Name field and then press the [TAB] key on the keyboard. Pressing the tab key will execute the search if Incremental Search is off. Note that there are two results both with the same Contract ID: **Jeffrey Bradford** and **Kate Bradford** (note that "Bradford" is spelled with an "o"). Press the [OK] button at the bottom of the find window to open this record: **10004** in the Contract Window. Using the "Like" Search mode is also a great way of searching for a record when only the last name is known.

Adding a Phone Number:

Contract Collector can store an unlimited number of phone numbers, e-mail addresses and contact information for each contract or loan. In the Contract Window for Contract ID: **10004 - Jeffrey Bradford**, click on the Phone Tab in the Address/ Phone section. Next, click on the last phone number listed in the phone grid (you can click on either the last Description or on the last Phone Number - either column will work). Then, press the [DOWN-ARROW] key on the keyboard. This will add a new line to the phone grid. Type in a Description of "**CELL**" and then press [TAB] and type in a Phone Number of "**864-5555**". You can also use the [F2] Phone Description Find to select the Description from a predefined list of options. Press the [F2] Function Key while in the Description column.

Contract Notes:

You can enter an unlimited amount of notes for a contract using the Notes field. You can use this field to enter any notes or comments regarding this contract or loan.

Contact Log:

Each time you have contact a borrower, whether in person or on the phone, you should record the contact. The contact history for each individual contract or loan can be viewed using the Contact Log Tab.

Click on the Contact Log Tab to open the contact log. Note that there are two entries for this contract, both are two payoff quotes requests. Using the mouse, click on the last one listed, and then use the [DOWN-ARROW] on the keyboard to add a new contact entry. Pressing the [DOWN-ARROW] will open the Contact/ Task Manager Log for Contract ID: 10004. By default this window will open to the current date, select the date that you want to create a new contact entry for (or accept today's date), and type in any notes regarding the contact that you had with the contract or loan. Press the Save button and then the Exit button, to save your new contact entry and close the Contact/ Task Manager. You can also access this same Contact/ Task Manager by selecting the Record Specific Calendar button on the Main Toolbar.

Payment Interest Setup:

An important tab of the Contract Window is the Payment/ Interest Tab. This is where all the information concerning the payment schedule and interest calculation setup is entered. Click on the Payment Interest Tab. As you can see by viewing these details, the Bradfords have a 260 month contract with monthly payments. The interest is setup as fixed interest, compounded based on a 360 day year. The interest rate of 12.75% is not based on a table and can be changed manually.

Late Fees:

Each contract must have certain maintenance information set up for it, such as late fees, invoicing, coupons and collector information. This information is set up and maintained in the Other Setup Tab. Click on the Other Setup Tab. This tab contains information for late fees, collection fees, invoices/coupons, same as cash days (if applicable) and collector information.

Payoff Quotes:

If a borrower decides to pay off a contract earlier than the scheduled term, you can use the Payoff Quote Tab to precisely calculate the amount due according to the borrower's chosen payoff date. Click on the Payoff Quote Tab and enter a future payoff date in the Payoff Quote Date field. Based on this date, the system will calculate the necessary payoff amount. Check the Include Escrows in Payoff checkbox to include the amount of money held in escrow in the payoff. This escrow balance will be refunded as part of the payoff, if this option is selected. When you check or uncheck this box, the system will recalculate the payoff accordingly. Save the payoff by pressing the save button in the Payoff Quote Records control panel. (Note that this payoff information is added to the Payoff Quote History.)

Ledger Information:

You can also view and edit the ledger information from the Contract Window by using the Ledger Tab. Click on the Ledger Tab. Changing the Ledger Display to All Entries, Open Entries, Payment History or Escrow Payout will change the information displayed in the ledger grid. Press the Edit Ledger button below the grid to Add a Charge or Adjust a Charge. You can also print the displayed entries by selecting a Report ID of "LEDGER" and pressing the

Preview or Print toolbar buttons from the Main Toolbar.

Next Demonstration Chapter Topic: Contract Report

Contract Report - Demonstration Chapter:

{#1} Choose "Contract" from the Main Menu. The second option on the menu is the "Contract - Reports" Submenu, click on this submenu and then select Contract Report. The Contract Report provides a general listing of the contracts on file for each portfolio and their individual settings, including their current payment amount, interest rate, term, contract type, etc.

Report Date Range:

The following exercise will demonstrate how the Date Range feature is used to specify date sensitive criteria for reports. The Date Range control is found on many report windows. On some reports, including the Contract Inventory Report this date range control is also accompanied by a Date Range Selection control. The date range selection control is used to designate the criteria that the date range applies to. Typically this date range will default to the current month (first day of the current month to the last day of the current month), however, this option can be specified on a per user basis in User Preferences.

The initial default of the Contract Report does not use a date range. The Date Range Selection option is set to "(None)" and the Beginning and Ending dates as disabled. *{#2}* Without making any changes to the report criteria, press the Preview toolbar button on the Main Toolbar to preview the Contract Report. Note the begin date for each of the contracts listed on the report. The majority of the contracts listed on the report began last year (2009), one contract began two years ago (#10001: 3/2/2008), and one began this year (#C303: 1/2/2010).†

{#3} Now change the Date Range Selection from "(None)" to "Begin Date" and set the Date Range to last year. Set the Beginning date to January 1st (01/01/2009) and the Ending date to December 31st (12/31/2009). Preview or print the report again and note that the two contracts (#10001 and #C303) with a begin date outside this specified date range have been excluded from the report. Change the Ending date to March 31st of last year (03/31/2009), note that there are only 3 contracts that began in the first quarter last year.

{#4} Next change the Date Range Selection back to "(None)" and also change the Report Type from "Summary Report" to "Detail Report". Press the Preview toolbar button on the Main Toolbar, the detail version of the report will contain additional information about each contract that was not on the summary version of the report, including a Last Payment Date. You should note that these contracts all made their last payment in June or September of the current year.

{#5} Now change the Date Range Selection from "(None)" to "Last Payment Date" and set the Date Range to June of the current year. Set the Beginning date to June 1st (06/01/2010) and the Ending date to June 30th (06/30/2010).

Once again, preview or print the report and note that this selection criteria has determined which records are included on the report. Those that do not meet this criteria have been excluded from the report.

Note that the Date Range Selection includes date ranges options for: Begin Date, Next Payment Date, Last Payment Date, Next Contact Date, and SAC (same-as-cash) Payoff Date.

Next Demonstration Chapter Topic: <u>Contract Balance Report</u>

† Date values may vary depending on current calendar year and the demo data in the software. The dates and years above are provided for clarity, and may be outdated depending on the publication date of this manual. Please adjust the dates and years as necessary to correspond with the demo data you are using.

Contract Balance Report - Demonstration Chapter:
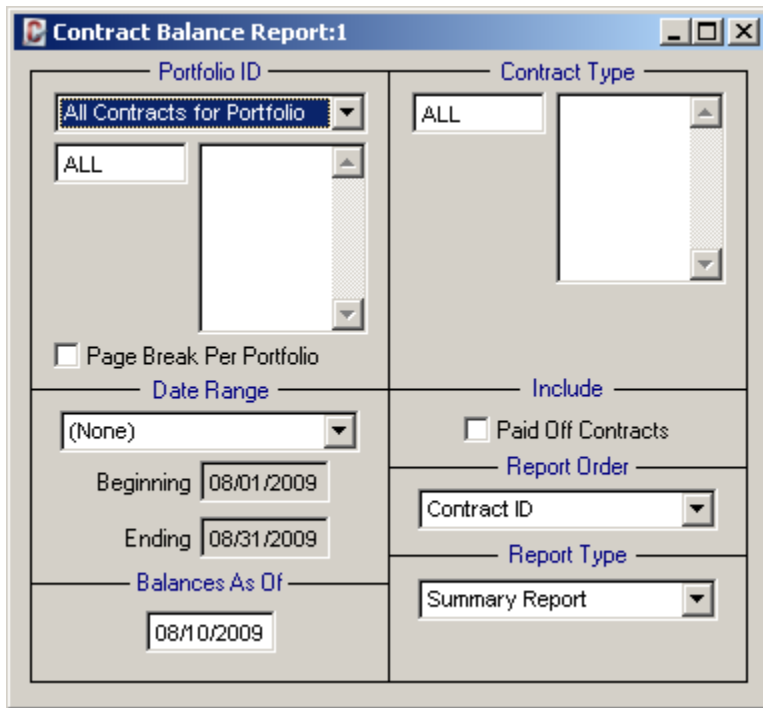
{#1} Choose "Contract" from the Main Menu. The second option on the menu is the "Contract - Reports" Submenu, click on this submenu and then select Contract Balance Report. Note that this report is also available from the Reports menu item of the Main Menu. The Contract Balance Report displays the current balances for all of your contracts, or their balances as of a specified date.

Report Pick Lists:
The following exercise will demonstrate how Pick Lists are used to specify the report criteria and limit the report to a specified subset of data. Specifically, the Portfolio Pick List, Contract Pick List, and Contract Type Pick List (which are available on many of the reports throughout Contract Collector) allow you to select exactly what data you want printed on the report. By doing so, you can generate a report for just certain contract types, just specific portfolios, or even just select contract ids.

{#2} Without making any changes to the report criteria, press the Preview toolbar button on the Main Toolbar to preview the Contract Balance Report. Note that there are contracts listed for 3 different portfolios: 001, 002, and 003. After reviewing the report, close the report with the Close toolbar button on the Print Preview Toolbar.

{#3} In the Contract Balance Report window, press the [TAB] key once to move the cursor to the Portfolio Pick List. The word "ALL" will be selected, type in "**001**" and then press [TAB]. The id "**001**" will be added to the Portfolio Pick List. Also type in "**002**" to this pick list and press [TAB] again. Note that "**002**" is added to the pick list below "**001**". Once again, preview the report with the Preview toolbar button on the Main Toolbar. Note that only the contracts for portfolio "**001**" and "**002**" are listed on the report. Close the preview.

{#4} Now using the Pick List Selection drop-down list, change the report from "**All Contracts for Portfolio**" to "**Specific Contracts**". Note that the caption above changes from "**Portfolio ID**" to "**Contract ID**", this also changes the pick list below to the Contract Pick List. In the Contract ID field immediately below the drop-down list, where you see the word "**ALL**", use the Right-click Mouse Shortcut to open the Contract Selection window. Click on two or three of the contracts and press [OK]. The Contract Pick List will be populated with the contract ids that you selected. Preview the report again and note that only the specific contracts you requested are included on the report. When you are done, close the report.

{#5} Back in the Contract Balance Report window, type in the word "ALL" in the Contract ID field and press [TAB]. Note that this will clear out the list of selected contract ids. Next, click in the Contract Type Pick List. Press the [F2] Function Key on the keyboard to open the Contract Type Selection window, and click on "**REM**" in the list, and

press [OK]. Note that "**REM**" is added to the Contract Type Pick List. Preview the report. Note that now only contracts with a Contract Type of "**REM**" are included on the report.

Next Demonstration Chapter Topic: Contract Inventory Report

Contract Inventory Report - Demonstration Chapter:

{#1} Choose "Contract" from the Main Menu. The second option on the menu is the "Contract - Reports" Submenu, click on this submenu and then select Contract Inventory Report. Note that this report is also available from the Reports menu item of the Main Menu. The Contract Inventory Report is designed to provide a listing of the active contracts (ones that have not been paid off) in inventory.

Report Order:
The Report Order feature, available on most report windows, can be used to specify the output order of the records included on the report. Unlike many of the options available on report windows, the Report Order option does not specify *which* records will appear on the report, but instead *how* those records will be displayed. The available Report Order options will vary from report to report.

The initial default of the Contract Inventory Report specifies a report order by "Contract ID". *{#2}* Without making any changes to the report criteria, press the Preview toolbar button on the Main Toolbar to preview the Contract Inventory Report sorted by their Contract ID.

The Report Order options available for the Contract Inventory Report include: Contract ID, Contract Sort Name, and Contract Type. *{#3}* Change the Report Order from "Contract ID" to "Contract Sort Name" and then preview or print the report again. You will notice that all of the same records are included on the report, but they are now in a different order.

Next Demonstration Chapter Topic: Payment Entry Window

Payment Entry Window - Demonstration Chapter:

Just like every data entry window, report or process in Contract Collector, the Payment Entry Window can be opened from the Main Menu. The Payment Entry Window is available from the Payment Menu item. However, the Payment Entry Window can also be opened from Data Entry Screens Toolbar and also the Right-Click Shortcut Menu of the Contract Window. The Payment Entry Window is the data entry window where contract/ loan payments are entered.

{#1} To begin, open the Payment Entry Window by selecting the Payment Entry Window menu option from the Payment Menu. Notice that unlike most data entry windows, the Payment Entry Window will open to a new entry. This expedites the process of entering a new payment. Similarly, the Save & New button is also frequently used with this screen to expedite data entry.

Once the Payment Entry Window is open and ready for a new payment, enter the Contract ID for the new payment. If you know the Contract ID, simply type in the ID and press [TAB]. However, if the Contract ID is not known, like most ID Fields, you can press the [F2] Function Key or the Right-Click Mouse Shortcut to open the Contract Find Window to assist in locating the appropriate contract/ loan record for the payment. *{#2}* Type in the Contract ID: "10002" and press [TAB] twice. This will initiate a payment for "Kevin Adams".

The Payment Date will always default to the current date. If the payment was received on a earlier date, edit the date as necessary. *{#3}* Accept the default date by pressing the [TAB] key once.

The Payment Amount will default to either their past due amount or their next regular payment amount. Edit this

amount, if necessary, to the amount that they paid. *{#4}* Again, accept the default amount by pressing the [TAB] key once.

Enter the Check Number, money order number, or cashier's check number for their payment. If no check number is entered, a cash payment is assumed. You may also enter "CASH" in the check number field to clearly indicate cash payments. *{#5}* Enter a check number of "1234" and press [TAB].

The Bank Routing Number, like the Check Number is optional. However, for tracking and record keeping purposes it is good idea to fill in this information, if it is available. *{#6}* Enter a routing number of "987654321" and press [TAB].

{#7} Note the Batch Number and Receipt Number in the upper right corner of the window (you will need to know the batch number for the Payment Audit Report). Every payment will be assigned a unique sequential receipt number, and each deposit taken to the bank will have a unique sequential batch number. Use the Close Batch Process or the Bank Deposit Slip Process to close the current batch and establish a new batch number for the next deposit. Before saving the payment, also note that the payment grid will display each payment number and the amount being applied to both principal and to interest.

{#8} Press the Save button on the window or on the Main Toolbar to save the payment entry. (Once again, typically multiple payments will be entered at the same time, so it will often be expeditious to use the Save & New button instead of the Save button.)

This example demonstrates a straight-forward, quick and easy, payment entry. Quite often there will be situations where applying a payment is more complicated. The Payment Entry Window in Contract Collector is incredibly powerful and flexible. There are quite a few options and features that allow you to apply the payment exactly the way you need it to apply. There are four payment application options: Future Payments, Principal Reduction, Principal Only, and Payoff. You can also specify the application order default for principal/ interest, escrow and fees. Therefore, if your business collects escrow amounts first, then fees and then principal/ interest this can be specified so that all payments are collected in this particular order. However, it still may be necessary to revise this on special occasions or control the exact amounts that apply to escrow, fees and/or principal/ interest. The "Edit Disbursement" option of the Payment Entry Window provides this precise control. So regardless of whether you need to apply the entire payment to principal, or if you need to apply a certain amount to late fees, the Payment Entry Window can do it.

Multitasking in Contract Collector:
One of the many great features of Contract Collector is its multitasking capabilities. Interruptions are common throughout the typical business day. Incoming phone calls, e-mails, or even an in-person visit from one of your clients or borrowers may interrupt whatever current task(s) you are working on, making it necessary for you to open another window in Contract Collector to get the information that they require or to receive a payment and print a receipt. Contract Collector supports a number of multitasking features that facilitate acquiring this information in a timely fashion without losing whatever you were working on previously. Some of these multitasking features includes: multiple open windows, drill-down, shortcut menus, and the Window Menu.
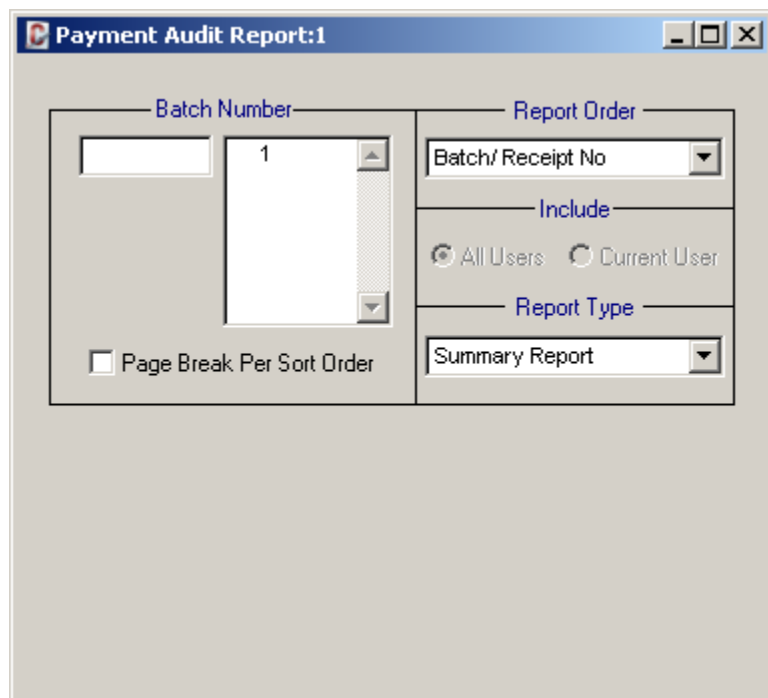
Contract Collector allows you to have virtually an unlimited number of windows open at the same time. One technique that can be used to access additional information from another window within Contract Collector is the drill-down feature. Drill-down is available from just about any ID Field. For example, if you need additional information about the contract that you are currently entering a payment for (or just saved a payment for), using the drill-down feature will save time in accessing this information.

{#9} Double-click on the Contract ID in the upper left corner of the Payment Entry Window. This will drill-down to the Contract Window and automatically open the window to Contract ID "10002". Then right-click in the blank area (grey area) of the Contract Window to access the Right-Click Shortcut Menu and select the Payment Entry Window option. This will open another Payment Entry Window (notice that the caption of the window is "Payment Entry Window:2") to a new payment entry for Contract ID: "10002". The Window Menu provides a great tool for managing all of your open windows, as well as providing a means of returning to any open window and resuming the task(s) you were working on before being interrupted.

{#10} Close both Payment Entry Windows. When closing Payment Entry Window:2, it will ask you if you want to save your changes (since this payment has not yet been saved), answer "no" to close the window without saving the payment. Leave the Contract Window open to record "10002".

Next Demonstration Chapter Topic: Payment Audit Report

Payment Audit Report - Demonstration Chapter:

{#1} Open the Payment Audit Report from the Payment Menu. The Payment Audit Report is used to verify payment entries. Notice that when the Payment Audit Report opens the Batch Number is automatically populated with the current batch number/ batch id. This will be the same batch number that you just save a payment to (see step #8 in the previous Demonstration Chapter topic: Payment Entry Window).

{#2} Preview the report. Notice that the report will list all of the payments that have been received in the current batch or deposit, including the payment you just entered. Each payment will be listed by their respective receipt number, display the name of the borrower (payer), and the amount of the payment. A grand total at the end of the report will summarize the total payments received to-date for the batch.

This audit report can also be generated for any previous batch or deposit as well.

Several other methods of verifying payments entered in the Payment Entry Window, include: the Bank Deposit Slip, the Statement of Payments Report/ Notice, the Payment Summary Report, and the Payment History Report.

{#3} Close the Payment Audit Report.

Next Demonstration Chapter Topic: Statement of Payments Notice

Statement of Payments Notice - Demonstration Chapter:

{#1} Return to record "10002" in the Contract Window. If you left the Contract Window open, you should be able to easily return to this screen via the Window Menu or by clicking on the open Contract Window. (It may already be selected by default, if it is the only window left open.) If necessary, re-open the Contract Window to Contract ID "10002" via the Contract Menu.

{#2} Right-click in the grey area of the window to activate the Right-Click Shortcut Menu. Select the Statement of Payments Notice option from the shortcut menu. The Statement of Payments provides a list of payments made in a given period (date range). These payments will be broken down to show how much of the payment applied to principal, interest, fees and/ or escrow. It will also display a running balance of the new principal amount. This report is designed to provide a history of payments to the borrower.

Notice that when the Statement of Payments Notice is opened from the Right-Click Shortcut Menu, the Pick List Selection will indicate "Specific Contracts" and the Contract Pick List will be automatically populated with the Contract ID from the Contract Window. This expedites running this report/ notice for one particular contract.

{#3} Be sure the Report ID in the lower right corner has been populated. If it is still blank, select the Report ID of "STANDARD" and also check the "Summary By Receipt No." checkbox. By default, the Date Range will display the current month, for now do not change these date values. Preview the report. You note that the payment (designated by the receipt number) that you entered and saved earlier is included on this report along with how that payment was applied to principal and to interest.
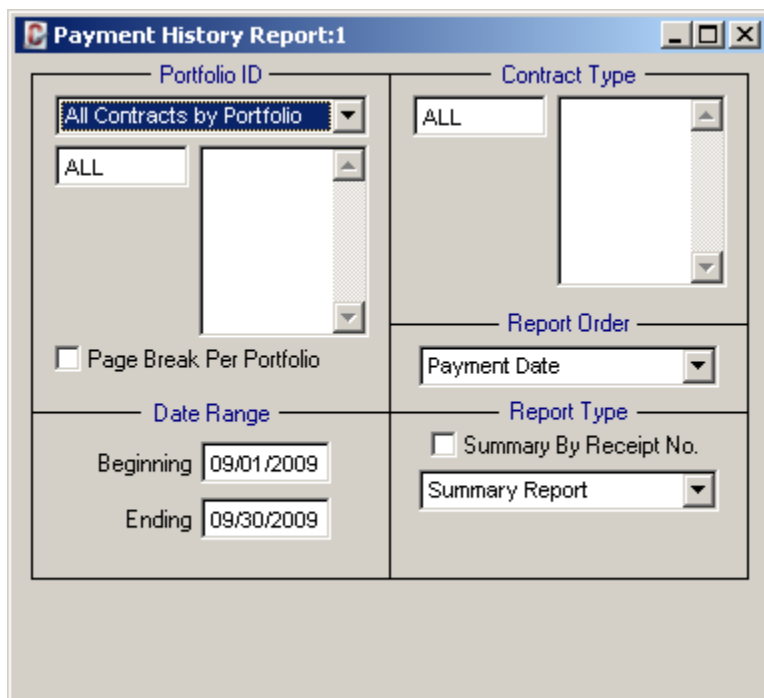
{#4} Next change the Beginning Date for the Date Range to January 1st, 2000 (01/01/2000), and leave the Ending Date unchanged. Preview the report again. Now notice that this report contains every payment that has been made by this contract all the way back to Payment #1, how each payment applied to principal, interest, fees and escrow, and the running balance of the new principal amount.

{#5} With your cursor in the Beginning Date field of the Date Range, press the [=] button on the keyboard and then the [m] key (lower case "M"). These two Date Keyboard Shortcuts will change the date back to the first day of the current month. Also change the Pick List Selection from "Specific Contracts" to "All Contracts for Portfolio". This will change the Pick List from the Contract Pick List to the Portfolio Pick List, and the Portfolio Pick List will default to "ALL" portfolios. Now preview the report a third time. Now this report/ notice will print once for every contract that has made a payment in the designated period, each contract will print on a separate page and include all of the payments that contract made during that date range.

{#6} Once you are finished experimenting with the Date Range on the Statement of Payment Notice, close both the Statement of Payments Notice and the Contract Window.

Next Demonstration Chapter Topic: Payment History Report

Payment History Report - Demonstration Chapter:

{#1} Open the Payment History Report from the Reports Menu. This report provides a historical record of payments for all contracts in the system. It can be printed for all contracts by portfolio, client or by date. This report is often used to provide a record to clients of payments received for their contracts in a certain period.

{#2} Experiment changing the various options on this report, including the Date Range, the Pick List Selection option, the page break checkbox, the "Summary By Receipt No." checkbox, and the Report Type: "Summary Report" vs "Detail Report". Compare the results and note how each option affects the contents of the report.

{#3} Close the Payment History Report.

Next Demonstration Chapter Topic: Projected Cash Flow Report

Projected Cash Flow Report - Demonstration Chapter:

{#1} Open the Projected Cash Flow Report from the Reports Menu. The Projected Cash Flow Report computes future cash flow based on the payment schedules of the contracts in the system. It breaks down the projected cash on a contract by contract basis, at either the company or client level.

{#2} Accept the default of "All Contracts by Portfolio" for "ALL" portfolios. The Beginning Period will default to the current month and year and the Report Type in the lower right corner will default to "3 Year Analysis". Accept both of these defaults and preview the report.

{#3} Next change the Report Type from "3 Year Analysis" to "9 Month Analysis" and preview the report. Note the differences in the report compared to the 3 year analysis. Also note that you can run the report based on a Report Type of "Date Range" that will allow you to specify a date range. You can also run the report for both principal and interest cash flow, just interest cash flow or just principal cash flow by selecting the appropriate choice under the Cash Flow Type option.

{#4} Close the Projected Cash Flow Report.

Next Demonstration Chapter Topic: Delinquent Payment Report

Delinquent Payment Report - Demonstration Chapter:

The Delinquent Payment Report compiles a list of the contracts that are delinquent in their payment schedules. This report is designed to be an internal audit report and can be run as a Collection Report, which gives a detailed listing of the debt (past due charges), or as an Aged Delinquent Report, which details the periodic aging of the overdue payments.

{#1} Open the Delinquent Payment Report from the Reports Menu.

{#2} Accept the default Report Type of "Collection Report" and preview the report without making any changes to the default settings. Note that a complete list of overdue charges will be listed for each contract.

{#3} Next change the Report Type from "Collection Report" to "Aged Delinquent Report" and preview the report again. This will display a report listing all contracts that are delinquent, with a schedule showing the aging of the overdue payments.

{#4} Close the Delinquent Payment Report.

Next Demonstration Chapter Topic: Delinquent Payment Notice

Delinquent Payment Notice - Demonstration Chapter:

The Delinquent Payment Notice is similar to the Delinquent Payment Report, however like most notices, the delinquent notice is designed as a letter to be sent to the borrower. A Delinquent Payment Notice will be generated for each contract with past due charges. Like all of the notices and letters in the system, the terminology on this notice can be customized to suit your business requirements. You can also maintain several versions of this delinquent notice. For example, you may have a "polite reminder" delinquent notice for borrowers who may have forgotten their first payment and are only slightly overdue, and a "harsh/ demanding" delinquent notice for borrowers who are consistently overdue and/ or are way behind on their payments.

{#1} Open the Delinquent Payment Notice from the Reports Menu. (Note that the Delinquent Payment Notice is also available from the Contract - Notices Submenu.)

{#2} In the lower right corner, select the Report ID of "Deli1" and preview the notice. Notice that this letter/ notice contains a detail breakdown of all of the past due charges that are outstanding for each contract individually.

{#3} Next change the Report ID to "Deli2" and preview the notice again. Now notice that this letter only shows a total balance due for each contract instead of the itemized charges.

{#4} Finally, change the Report ID to "Deli_w" and preview the notice. This will open a Microsoft Word version of the letter, similar to the detail notice "Deli1". (Important Note: If your computer does not have the Microsoft Visual FoxPro ODBC drivers installed, you may not be able to print or preview the Word Mail Merge letters, including "Deli_w".)

{#5} Close the Delinquent Payment Notice.

Next Demonstration Chapter Topic: Chart of Accounts Window

Chart of Accounts Window - Demonstration Chapter:

The Chart of Accounts Window is a data entry window where you can enter, edit and display general ledger account numbers and their descriptions. This window is also where you can enter, edit and display budget figures for each account and each month.

{#1} Press [ALT] + [G] to display the G/L Menu and then press the [RIGHT ARROW] key to display the Chart of Accounts Submenu. Press [ENTER] to select the first option in the submenu, this will open the Chart of Accounts Window.

{#2} Type "001" in the Portfolio ID and then press [TAB], this will open Account ID "1100" - the first COA on file - for Portfolio ID "001". Notice that the description for this account is "Cash in Bank". Also notice that this account is an Asset account (the Type is "Asset").

{#3} After pressing [TAB] in the previous step, your cursor should be in the Account ID field. (If your cursor is in any other field, use the mouse to place the cursor into the Account ID field.) With the cursor in the Account ID field, press the [F2] Function Key on the keyboard. This will open the Chart of Accounts Find Window. Notice that the Portfolio ID is already filled in (this can be changed if necessary). Press [TAB] to accept the Portfolio ID, and type the number "4" in the Account ID field of the find. If Incremental Search is turned on, then the list will immediately display only those records with an account id that begin with the number "4". Click on the first account number listed "4100" and press the [OK] button at the bottom of the find window. Note that the Chart of Account Window is now displaying account "4100" - "Income Principal" for the Portfolio ID "001".

{#4} Once you are comfortable using the Chart of Accounts Window, please close it.

The General Ledger in Contract Collector:

The accounting processes in Contract Collector are completely integrated with the collection features. The general ledger handles both calendar and fiscal year accounting and fully supports open item accounting. The system's complete audit trails and trust accounting are designed to meet stringent auditor requirements anywhere in the United

States and Canada.

Contract Collector features on-line posting of general ledger data. This means that the system is updated as soon as you enter and save new data, so the information displayed in windows, finds and printed reports and notices is always accurate and up-to-date.

With on-line posting, you don't have to remember to run a separate posting process in order to finalize data from one month or fiscal year before you're able to enter transactions for a new month or year. And the system also automatically adjusts for late entries.

Contract Collector offers full flexibility in defining General Ledger accounts. A separate chart of accounts can be set up for each portfolio as well as the management company itself, if necessary. Each account maintains an opening balance, debit activity, credit activity and a closing balance for each accounting period.

You can also establish a budget for each accounting period. A budget comparison is then shown on the Profit and Loss Statements (if desired).

Next Demonstration Chapter Topic: <u>Chart of Accounts Report</u>

Chart of Accounts Report - Demonstration Chapter:

In lieu of scrolling through the records in the Chart of Accounts Window, it may be easier to print or preview the Chart of Accounts Report to view a listing of the current accounts for a particular portfolio. To demonstrate, we will preview a listing of accounts for the sample Portfolio ID "001".

{#1} Open the Chart of Accounts Report from the G/L Menu and the Chart of Accounts Submenu.

{#2} In the Portfolio ID Pick-List, type in an ID of "001" and press [Tab]. (Note that the ID is added to the list to the right.) Preview the report. Notice that the account number for the "Cash In Bank" account for Portfolio "001" is "1100".

General Ledger Accounts:
There are five types of accounts: Asset Accounts, Liability Accounts, Equity Accounts, Income Accounts and Expense Accounts. All Assets Accounts begin with the number "1", Liability Accounts being with "2", and Equity Accounts with a "3". Income Accounts begin with a "4" and also sometimes a "5". Expense accounts begin with a "5" or "6" and above. The Beginning COA option in the Management Company Setup Window will determine if an account that begins with a "5" is an income or expense level account.

{#3} Close the Chart of Accounts Report.

Next Demonstration Chapter Topic: Payables Journal Window

Payables Journal Window - Demonstration Chapter:

The Payables Journal Window is where you add, edit and view payables transactions (expenses). The system automatically builds appropriate cash or accrual accounting transactions on a portfolio-by-portfolio basis. With the Payables Journal Window, you either create an Invoice line item to show that a bill is due or you create a Payment line item (cash disbursement) to show that you paid a bill. The following exercise will create a payable from the system on behalf of Portfolio ID "001", Capital Finance Group, to Vendor ID "106", Mortgage Insurance Corp for $100 in Insurance Fees.

{#1} From the G/L Menu, select the Payables Journal Submenu and then the Payables Journal Window.

{#2} Start a new entry in the Payables Journal Window by pressing the New button on the Main Toolbar.

{#3} Press [Tab] twice to accept the default of today's date for both the Date and Due Date fields.

{#4} Press [Tab] a third time to accept the Payee Type of "Vendor" and move the cursor to the ID Field.

{#5} Press [F2] Function Key on the keyboard to open the Vendor Find Window, select Vendor ID "106" from the list and then press the [OK] button on the window.

{#6} Press [Tab] twice to move the cursor to the Invoice # field and type in an invoice number of "54321" and then press the [Tab] key again.

{#7} Press [Tab] key four (4) more times to move the cursor to the first line of Description field (column) of the

payables grid on the Details tab of the Payables Journal Window. Type in a description of "Insurance Fees" for this invoice line. (Note the Type column indicates that this is an invoice line with the letter "I".)

{#8} Press [Tab] once and type "100.00" in the Amount column. Press [Tab] again and note the the Amount to Pay will default to the full amount that was input in the Amount column. Press [Tab] again to accept this default. Press [Tab] once more and leave the Code column blank.

{#9} In the Portfolio ID column, press the [F2] Function Key and select Portfolio ID "001" from the list and press the [OK] button. (Note that the Bank ID and the Credit Account will both default based on the Portfolio ID selected.)

{#10} Press [Tab] once to advance to the Debit Account field and type in an Account ID of "5300". (Note that the descriptions for both the Debit and Credit Accounts will be displayed just below the grid. Also note that they are displayed as hyperlinks, using the mouse to click on each one of these links will open the appropriate data entry window, similar to the Drill-Down feature.) Press [Tab] once to advance to the Credit Account column. (This column is a protected field and cannot be changed or edited.)

{#11} Press the Save button on the Main Toolbar to save this invoice entry. (Note that the Status field will indicate in a color coded format the status of "Scheduled" to indicate that this invoice has not been paid yet.)

If you leave the Check No field blank, the system will automatically assign a check number when you print checks with the Check Printing Process. If you write checks manually, you can enter the appropriate check number in this Check No field. To demonstrate, lets assume that this invoice was paid with a hand-written check on check number #12345.

{#12} Using the mouse, click into the Check No column in the grid for this invoice line. Type in a check number of "12345" and then press [Tab]. Once again, save this entry with the Save toolbar button. (Notice now that the Status changes to "Paid in Full" and that check number is used to create second line in the payables grid with a Type letter of "p" indicating that this is a payment line.)

{#13} Close the Payables Journal Window.

Next Demonstration Chapter Topic: Financial Statements

Financial Statements - Demonstration Chapter:
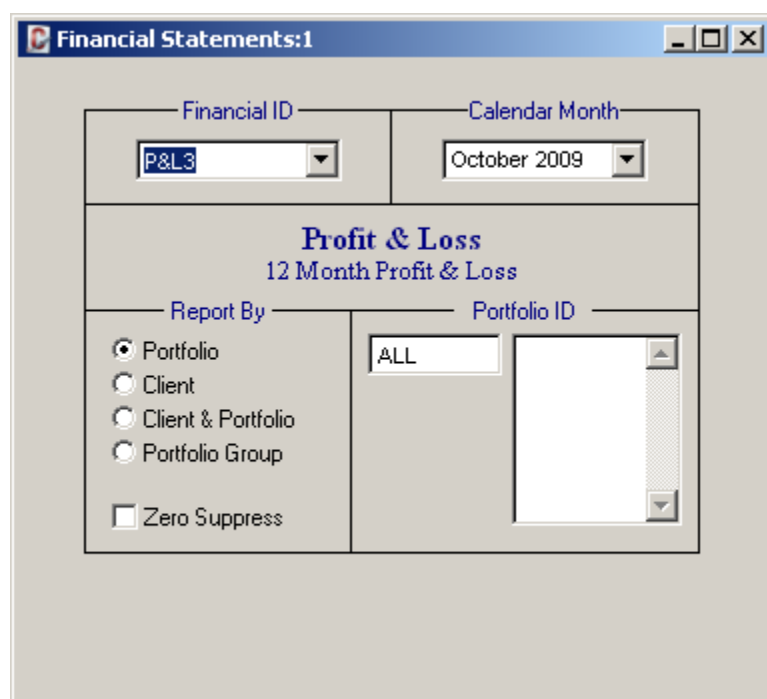
Profit & Loss Statements, Balance Sheets, and Trial Balance Reports can all be generated from the Financial Statements window. Both the Profit & Loss Statements and the Balance Sheets can be printed with or without a comparison of actual figures to budgeted figures and/ or a comparison to last year's figures. You can easily design your own variations of each of these financial statements or modify one of the existing statements by using the Financial Statement Setup Window.

{#1} Open the Financial Statements from the G/L Menu and the Financial Statements Submenu.

{#2} The Financial ID field contains a list of all the available financial statements. From this drop-down list, select the "P&L3" financial statement. Note that the description for this financial statement is "12 Month Profit & Loss".

{#3} The Calendar Month field will default to the current month and year, accept this default. Press the Preview button on the Main Toolbar to preview this financial statement. Using the scroll buttons on the Print Preview Toolbar scroll through the various pages of this report. Note that because each portfolio has their own individual set of accounts, this Profit & Loss Statement will print once for each Portfolio ID.

{#4} There are a number of other Profit & Loss formats (some with budget figures) and several Balance Sheet layouts included with the demo data of the software. Experiment by changing the Financial ID to some of these other financial statement options and previewing the report. There are quite a range of options available that allow you to compare the current month's activity with activity from prior months, prior years and also the budgeted activity.

{#5} Close the Financial Statements window once you are finished experimenting with the various options and types of reports that can be generated.

Next Demonstration Chapter Topic: User Window

User Window - Demonstration Chapter:

The User Window is where you can create and edit User IDs and Passwords for access in logging into the software. You can also set up each user's Preferences, Menu Security and other options with this window.

{#1} Open the User Window from the Setup Submenu of the System Menu.

{#2} Start a new user entry by pressing the New button on the Main Toolbar.

{#3} Enter your first name as the User ID (up to 8 characters). Enter your full name (first and last) in the Name field.

{#4} On the Details tab, enter a password in the Password field (up to 8 characters). This is the password this user id will use when logging into the software.

{#5} Save the new entry with the Save button on the Main Toolbar.

Next Demonstration Chapter Topic: Delinquent Payment Notice

As described in detail in Chapter 14, the Menu Security tab you see in this window enables you to assign any level of system access on a user-by-user basis.

Management Company Window - Demonstration Chapter:

The Management Company Window contains the name, address, tax id and contact information for the primary management company. This window also contains all of the setup options used throughout the system, including the Payment Entry defaults and General Ledger Information settings and defaults.

{#1} Open the Management Company Window from the Setup Submenu of the System Menu.

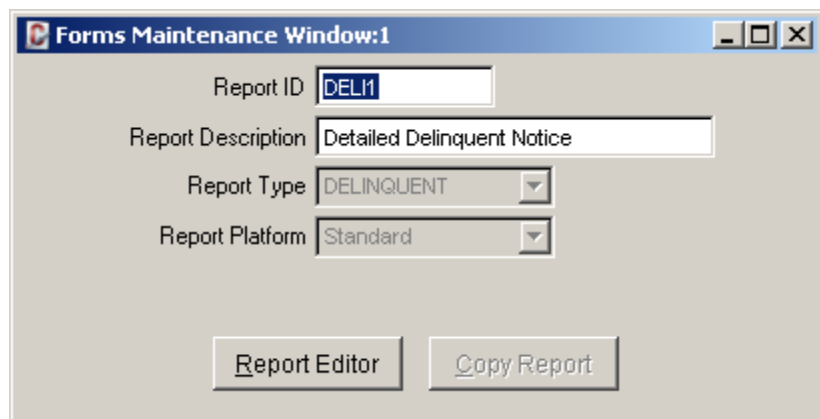Notice that there are a number of options available on the Details Tab including:
- **Notices Option:** "Use Management Company Address" or "Use Portfolio Address". This option determines which name and address appears as the "from" address on letters and notices.
- **Payment Entry Order:** This option defines the default payment order and establishes the general business rule of how a payment is applied to principal & interest, escrow and fees. This default can be overridden on an individual basis in the Payment Entry Window when applying the payment.
- **Payment Entry Application:** "Future Payments" or "Principal Reduction". This option determines the default payment application type and establishes the general business rule of how to apply any money in excess of the regular payment amount. This default can also be overridden on an individual basis in the Payment Entry Window.
- **Close Payment Batch:** This option determines whether or not a unique batch id is assigned to each user who is entering payments, or if all users enter payments to the same batch.
- **Income Level:** This option is used to define whether the ending income level is a "4" or a "5".

There are also several more options on the Detail Tab, as well as other options available on the Other Setup Tab, Credit Bureau Tab and Interfaces Tab. For more information on these various options (including the ones listed above), please see the section on the Management Company Window in the System Menu chapter of this manual.

{#2} Close the Management Company Window once you have reviewed the various options available in this window.

Next Demonstration Chapter Topic: Forms Maintenance Window

Forms Maintenance Window - Demonstration Chapter:

The Forms Maintenance Window provides a means of editing the standard forms, letters, and notices included with Contract Collector. It can be used to create new letters and notices, by copying any of the existing notices, or it can be used to slightly modify the wording of any notice.

{#1} To demonstrate another great use for the Drill-Down feature, open the Delinquent Payment Notice again. (Located in the Report Menu or in the Contract - Notices Submenu.) In the lower right corner, select the Report ID of "Deli1". Then using the mouse, double-click on the "Deli1" in the Report ID field. This will automatically open the Forms Maintenance Window to the "Deli1" record.

{#2} Press the [Report Editor] button in the lower left corner. This will open the "Deli1" notice in the Report Designer. (You may need to expand or maximize this window to view more of the contents of this screen.) This Report Designer can be used to make minor modifications or major revisions to this particular notice, or any other notice or letter in the software. It can be used to add your company logo to the notice to create a custom letterhead or to tweak the terminology used in the letter to fit your organizational needs. There are many powerful options and capabilities of this Report Designer, all of which are way beyond the scope of this introduction, please see the Report Designer Basics section of the Advanced Operating Features chapter.

{#3} Once you are finished with the Report Designer, press the "X" in the upper right corner to close the Report Designer screen, or select "Close" from the Control Box Menu.

{#4} Close the Forms Maintenance Window.

Final Demonstration Chapter Topic: Conclusion

Conclusion - Demonstration Chapter:

Exit Contract Collector:
If you have time, please feel free explore any other windows or reports within Contract Collector. Or if you are done for now, you can close Contract Collector by selecting Exit from the File Menu. You can always log back into Contract Collector at any time to continue looking over the many other windows, reports and processes in Contract Collector.

Once you have a general feel for the software, you can start to enter your own data. Even if you have not purchased the software, feel free to start entering your own data into the Trialware Edition of the software. Any data you enter will carry over when you purchase the software and receive your Authorization Key Code(s) to activate Contract Collector. Before entering your own loans/ contracts and other data into Contract Collector, be sure to review the Initial Setup Sequence as outlined in the **Procedures Chapter**. This recommended sequence will guide you through the process of clearing the demo data (that is included with the software) and the other necessary steps involved in getting started.

Thank you for taking the time to review the Demonstration Chapter.