

TEA 10 COVID-19 Utility Webinar Q & A (March 31, 2020)

1. We included a percentage of access to capital that will be added to the existing loan with a deferral of Principal and/or Interest for both the existing loan and the new access to capital amount. How does this new TEA feature work with our proposal?
A: There is the ability to capitalize Interest on to the principal but not for the capital.
2. If we suspend payments but someone calls and wants to make a payment, we can do that manually?
A: Yes you can. You can make modifications to individual loans and receive payments etc.
3. Also, should we run the Global Interest Updater as of today, before we do this?
A: No, the utility will automatically add the interest accrual as of the date you choose to suspend interest.
4. Can you add the primary borrower's name to this list? In case they own more than one business and we want defer them all?
A: Not at the moment but maybe I can add it for you and rebuild....we will see what is required after this webinar. Thanks!
5. Do amortization schedules require updates when holding payments?
A: technically, they would need to be updated in advance of the maturity date. However, we are trying to see if we can do something for that as well. Thanks!
6. Can we globally reduce the interest rate?
A: No, at current that is not an option, but we are looking to see what people and need and we may potentially modify the utility. We will advise. We can also potentially create a custom solution for you. We can discuss.
7. In the event you have a loan on hold payments and the client submits a payment during the period payments are being held. How would these incoming payments be processed?
A: You can still post payments to the loan and it would post as normal. If you have interest suspended and there is no interest outstanding, then it would apply the payment entirely to principal.
8. If a client wants to make a payment, will we still be able to enter a payment manually in Loan Processing to come into EFT Manager to be uploaded to the bank?
A: Yes.
9. If we choose April 1 as suspend date, will there be 1 day of interest? I already ran Global Interest Update dated March 31
A: Yes, there would be 1 day of interest charged on April 1. However, if you chose to suspend it as of March 31 instead then no additional interest will be charged.

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10. I had already posted the Interest Accrual as of March 31st. How will that work now for suspending the interest?
A: Interest will be accrued up to the date you decided to suspend interest. If you do not want any interest charged after the March 31 accrual then choose to suspend interest as of March 31. If you decide to suspend interest as of April 1, then 1 additional day of interest will be charged.
11. If I wanted to stop the interest accrual on April 1st, would I use April 1st or March 31st date.
A: You would use April 1. However, if you already did a Global Interest Update on March 31 then 1 additional day of interest would be charge on April 1. If you do not want this, then simply choose March 31 as the start date.
12. What if you have an account in a consumer proposal status and you already have dollars suspended because of the proposal - can you put this into the 2nd suspended area?
A: No. Because it is already suspended it will not be updated.
13. If I ran my interest global update routine as of March 31, the date that I choose to suspend the interest would have to be April 1st, right? Not March 31, correct?
A: If you chose April 1, then 1 additional day of interest will be calculated. If you do not want any more interest calculated after the March 31 global interest update, then choose March 31 as your start date.
14. Where does the held payments or suspended interest go regarding delinquency/amortization schedule/transactions when you re-enable the held payment or suspended interest
A: Held Payments go to a suspended Interest Bucket in Loan Options. then you can forgive or Apply or Capitalize. It will not affect arrears etc. All that is factored into the options.
15. Will insurance still be charged monthly as per the schedule?
A: Yes, any insurance or other fees in the amortization schedule will continue to be charged. If you do not want these to be charged, then please contact us and we can assist you in "holding" the insurance and other fees as well.
16. We charge a 1% admin fee. Do you have tips on how to stop the fee without redoing new amortization schedules or deleting the fee transactions?
A: Please contact John Meredith directly and we will assist you. We have a database script that will do this for you, but it needs to be done by CGS.
17. Selecting March 31 as suspend date will not impact the posting of interest I have already completed, correct?
A: Correct. It will not impact what has already been posted.

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18. Is there an easy way to report how much of the suspended interest we forgave or do we need to capture one by one?

A: There is a report in TEA. This information can easily be added to a View or quickly added to any report.

19. If we only select certain loans is there a way to know which ones, they were so we can 'revert' the process later? A report or an export?

A: In the Utility, you can see a list of what loans have been held or suspended and these can easily be selected and reverted.

20. Our portfolio is not large, and borrowers pay on a quarterly basis. We are looking to defer quarterly interest payments through December 31. All June 30 and September 30 interest payments will be due on December 31. Is this doable?

A: Yes, that is possible assuming you have interest only payments in the amortization schedule. so yes it is definitely do-able. thanks!

21. So, if we told our clients they have no payments for April, May and June, the date that I would go in and revert the hold payment option would be July 1st, correct?

A: That is correct. Thanks!

22. Will any loans that already have held payments show up in the utility? If part of our portfolio has been held, would we need to go back and uncheck the boxes to see it in the utility?

A: The Utility will ignore accounts that already have these features applied. We assumed that if they were in that state as of arrears and collection policy, they would be ignored.

23. Can I still advance the Session Date after I enable hold payments?

A: Yes, you will continue to advance the session date as you always would. Just make sure that before you start advancing the session date that you have held payment and/or suspended interest for those loans you want to do this for.

24. So, we already did a Global Interest Update for Mar 31st. Do I put the hold interest date as Apr 1st? or Mar 31st?

A: If you use April 1, then 1 additional day of interest will be charged. If this is not what you want, choose March 31.

25. Can you show us where this report is?

A: The Maturity Report is located in the Report Manager under the list of Loan Reports - select Loan Maturity

26. What if a loan already has interest suspended?

A: It will remain suspended. If you want to un-suspended, then you will have to go into the loan and do it manually.

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27. If all our loans are interest-only payments, should we use both the Hold Payments and Suspend Interest options?

A: Yes, I would do both.

28. Can we separate the current suspended interest with the additional three months suspension?

A: Not really - it will just go into the Suspended Interest bucket. But, knowing what it is now would help if there are not too many accounts and you could easily calculate it. Thanks!

29. If an account is already in delinquency when stopping payments, will those still report as delinquent or does it stop all delinquencies completely?

A: Existing Delinquencies will continue to report delinquent. The utility has no effect on existing delinquency - only future....Thanks!

30. What will happen if there is an amount in suspended interest before March 31? Will that amount be discarded as well? How do I track the amount that was there before March 31?

A: No, any loans suspended already will still be suspended and the interest suspended already will not be lost.

31. Our Board wants to accrue interest as of March 31, then stop accrual. We normally run the Global Interest Updater at year end. Will this utility negate the need for us to do the global accrual, or should we proceed as usual and then suspend the interest and payments that we've decided to do? Thanks.

A: If you suspend interest as of March 31 then an interest accrual will be added as of March 31 the same as doing a global interest update as of March 31. So you don't need to run the Global Interest Updater.

32. We are granting two "skip" payments at this time and I have done the interest adjustment, held the payment until June and did the suspended interest but I did not suppress the invoice creation. Does this need to be done because of the steps already mentioned above?

A: In the case where you've manually held the payments instead of using the Utility: If you generate invoices for your loan portfolio, yes, you should select the 'Suspend Invoices' checkbox.

33. We are planning on creating a new "Emergency" loan product to provide quick money for new and existing clients. I am concerned about having more than one loan for one client - can an existing loan be refinanced into a new loan and then add the additional funds using the new product, so ultimately the client has one loan and one payment? And can there be two separate products in the loan?

A: Yes, you can refinance an existing loan into a new loan and then add additional funds. No, the loan can only have one product. If you want to have two products, then it will need to be two separate loans.

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34. If I have manually set some loans to Hold payments already, and I use the tool now, can I go in later and manually update the loans that were manually Held then use the tool to revert the remaining loans that were Held via the Utility?

A: Yes, you can.

35. If our loan modification agreement is to change the loans to interest only, this utility would not work?

A: Correct.