LendingFront User Guide

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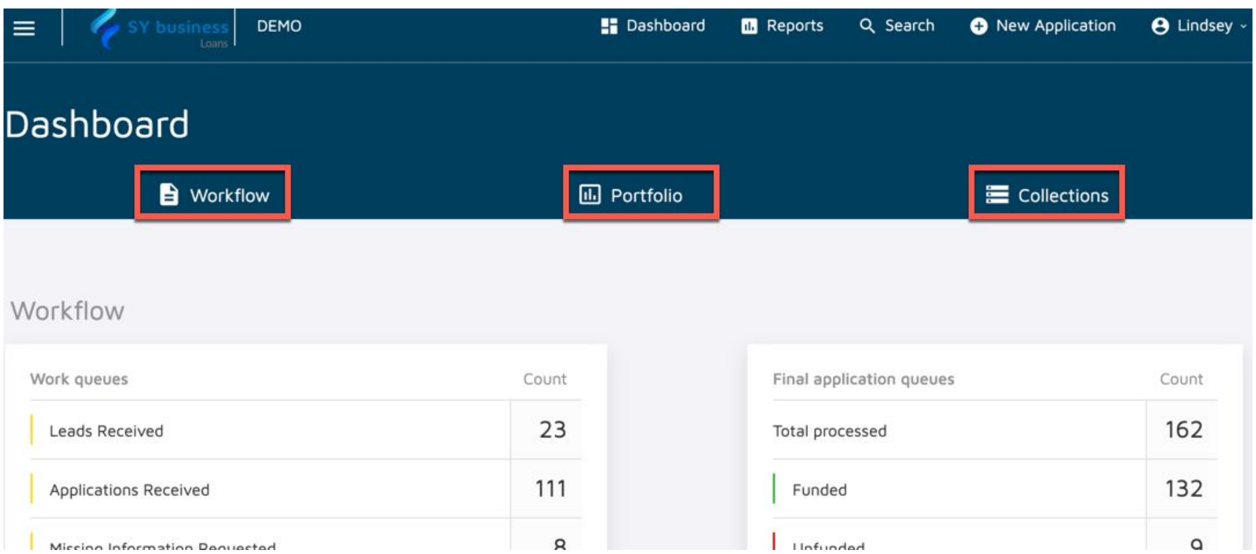
Overview

The Lending Portal is the heart of the LendingFront platform. It supports every step of the application process and contains three different modules.

1. Originations Module
2. Servicing Module
3. Collections Module

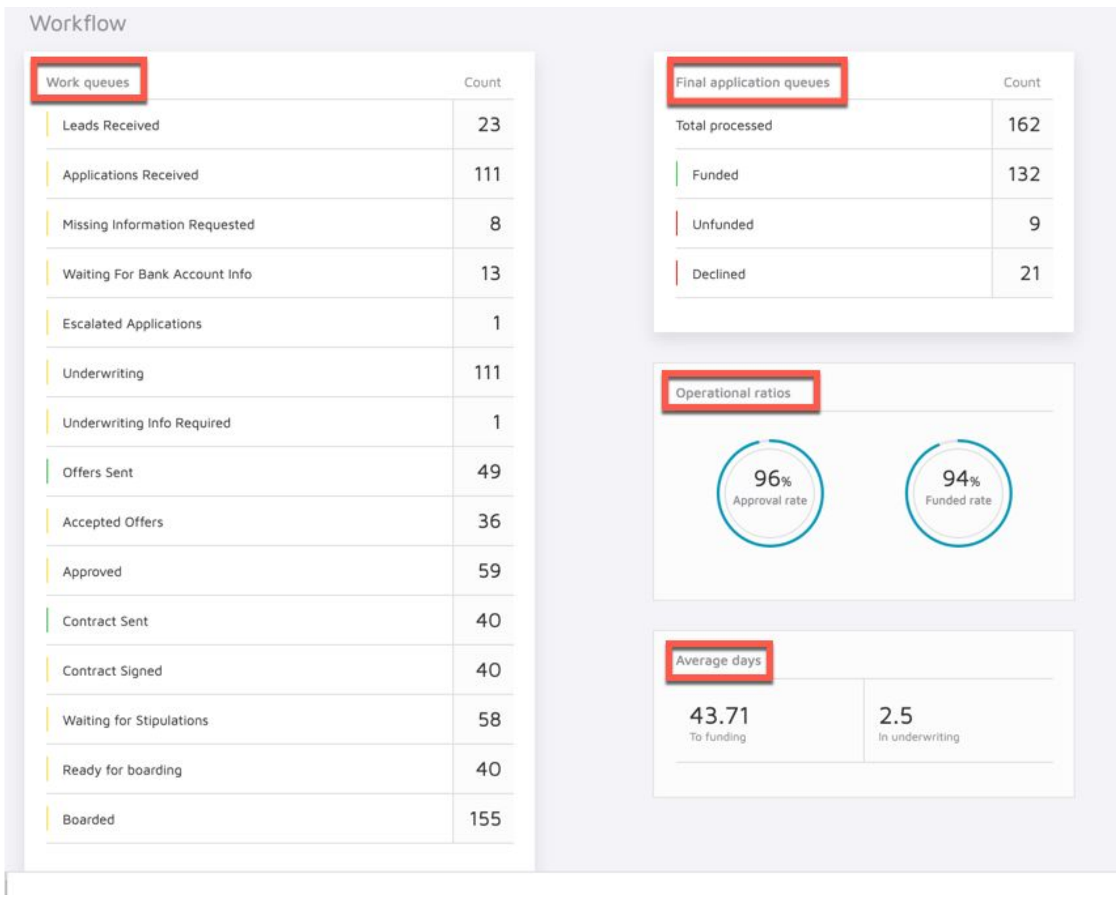
Dashboard

The dashboard serves as the homepage for the Lending Portal. High-level menu options are displayed at the top of the page, and sections for Workflow, Portfolio, and Collections are arranged vertically and can be accessed by scrolling down or clicking on the title.

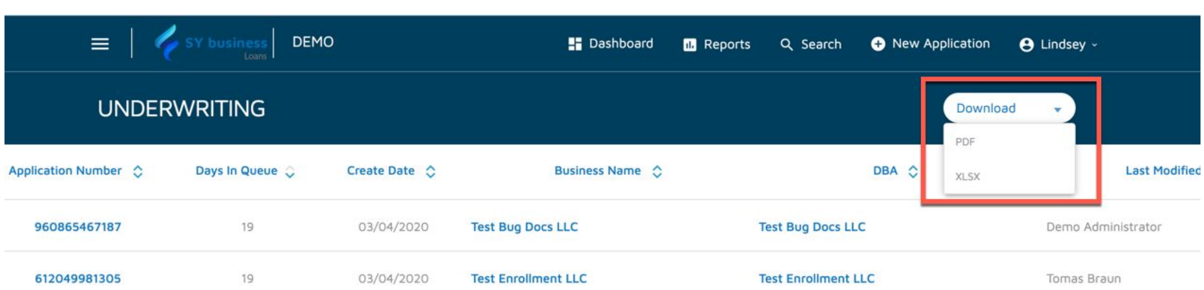


Workflow/Originations Module

The Workflow module in the dashboard shows every step of the application process. It also displays the work queues for active applications, the final applications queue, operational ratios and the average days an application stays in underwriting and also how long it takes to fund.



The count will show the number of applications within each queue. When a queue is selected, it will display all applications within that status. Each queue will contain basic application information and all are downloadable in a PDF or xlsx format.



Portfolio/Servicing Module

The Portfolio module in the dashboard will display all products that are serviced by your institution. A user can easily identify all the products that are being serviced or paid off, any fees that need approval and metrics and ratios pertaining to the portfolio.

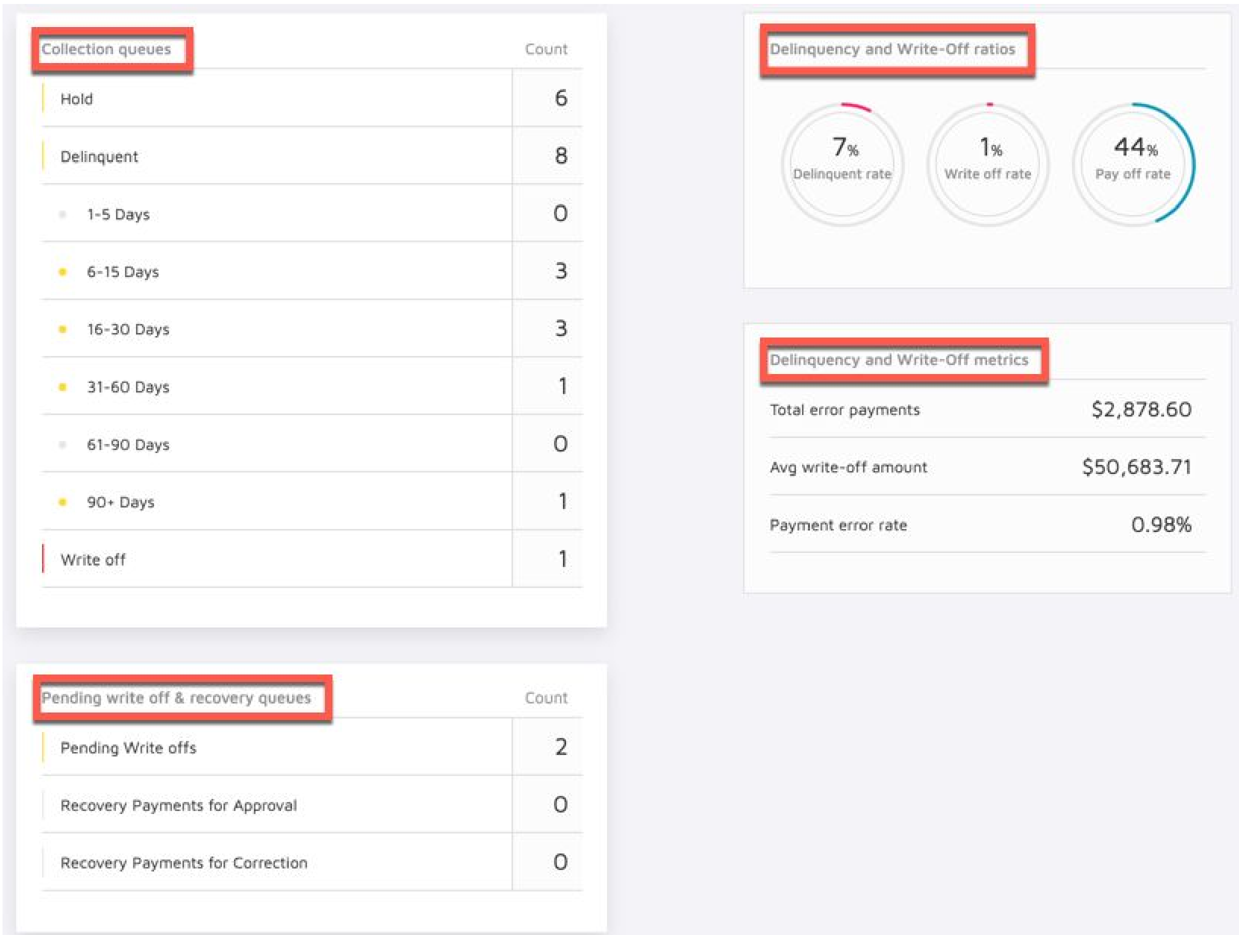
Work queues	Count
Pending to release	108
Released	52
Active	2
Ready For Renewal	0
Rejected	45
Paid off / Closed	48

Portfolio metrics & ratios	
Total dollars funded	$2,509,300.00
Total payments collected	$317,035.08
Total balance outstanding	$308,564.90
Avg loan amount	$77,800.72
Avg loan balance	$76,691.15
Avg loan duration (Days)	169.49

Pending OTP / Fee queues	Count
Payment/Fee Pending Approval	5
Payment/Fee Pending Correction	0
Pending Modification	2

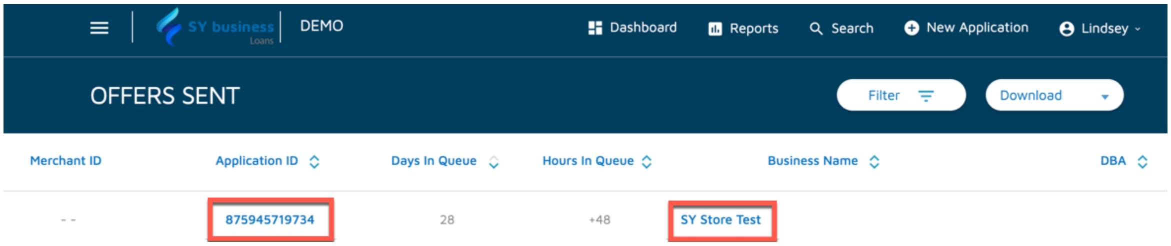
Collections Module

The Collections module will display all products that are delinquent, pending write offs and recovery, delinquency and write off ratios and delinquency and write off metrics.

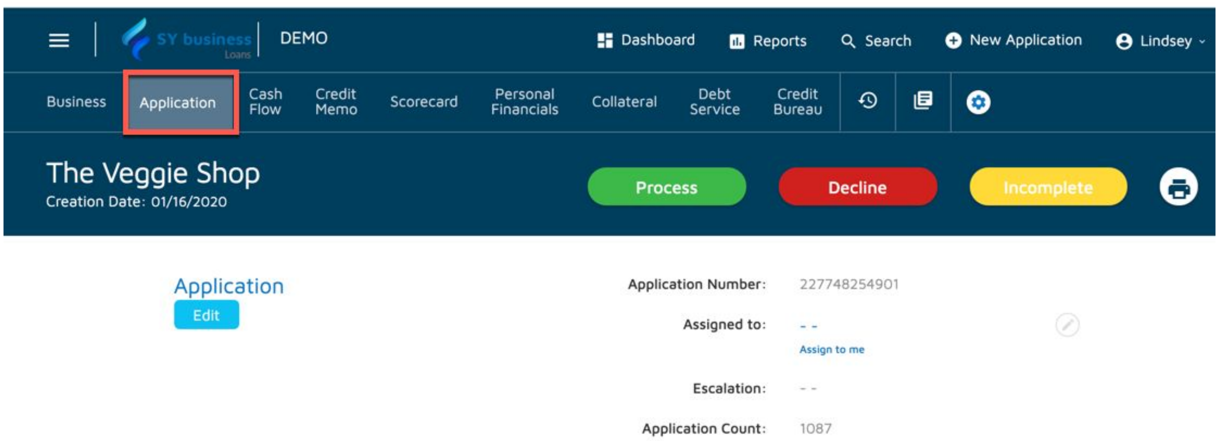


Accessing Applications in the Queue

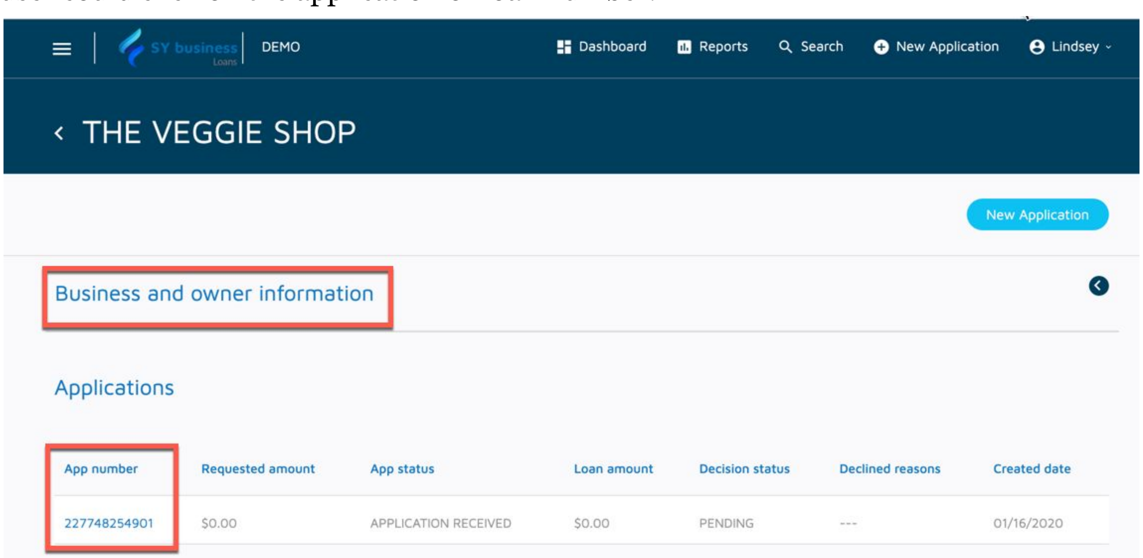
Each item within the queue can be accessed by clicking either on the application number or the business name.



The application number will take the user to the corresponding application page where the application information can be modified. A user can also toggle between all of the application pages to finish processing the application.



The business name will take the user to the corresponding business profile page. A user would be able to see all applications and products. In order to access the application or product, the user could click on the application or loan number.



Searching for Applications or Products

The search functionality is available in the header at all times. A user is able to search by the following:

1. Application
2. Loan
3. Business
4. Lead

Based on the search selected, a user can search by several different options. A user can enter partial search criteria and all results will be displayed containing the value that was entered.

Application Search Criteria:

Field	Format	Value
Application Number	Text Box	Number
Contact Name	Text Box	Text
Business Name	Text Box	Text
DBA	Text Box	Text
Phone Number	Text Box	Number
Status	Dropdown Option	Received, Declined, Converted

Loan Search Criteria:

Field	Format	Value
Search By	Dropdown Option	Product ID, Business Name, DBA, Owner Name, Email, Product Count
Loan Amount	Text Box	Number
Phone Number	Text Box	Number
Status	Dropdown Option	Received, Declined, Converted

Business Search Criteria:

Field	Format	Value
Tax ID	Text Box	Number
Business Name	Text Box	Text
Owner Name	Text Box	Text
SSN	Text Box	Number
DBA	Text Box	Text
Phone Number	Text Box	Number

Lead Search Criteria:

Field	Format	Value
Lead Number	Text Box	Number
Contact Name	Text Box	Text
Business Name	Text Box	Text
DBA	Text Box	Text
Status	Dropdown Option	Received, Declined, Converted

Applications Workflow

Applications can be created several different ways.

1. A non LendingFront source that is integrated to LendingFront (ex. Salesforce)
2. Customer Portal, the online application where customers can apply
3. Partner/Banker Portal, the portal where different ISOs or branches can take applications
4. Lending Portal, the portal typically used by the operations team

For more information regarding option 1, please contact your Customer Success Manager.

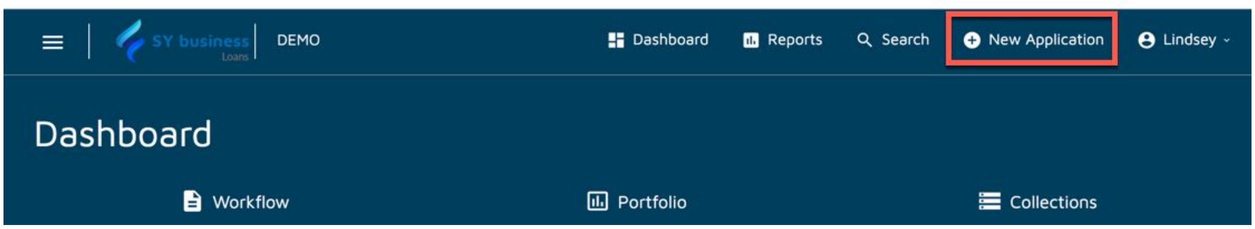
Creating a Lead or Application

A lead or application can be taken directly in the Lending Portal. A lead will be created when an application is started and the required fields are not all completed.All leads will remain in the Leads Received queue until the fields are completed and it is converted into an application. This same model applies to all applications that were started on the Customer Portal or Partner/Banker Portal. LendingFront recommends users to follow up on the leads on a weekly basis to convert them into an application.

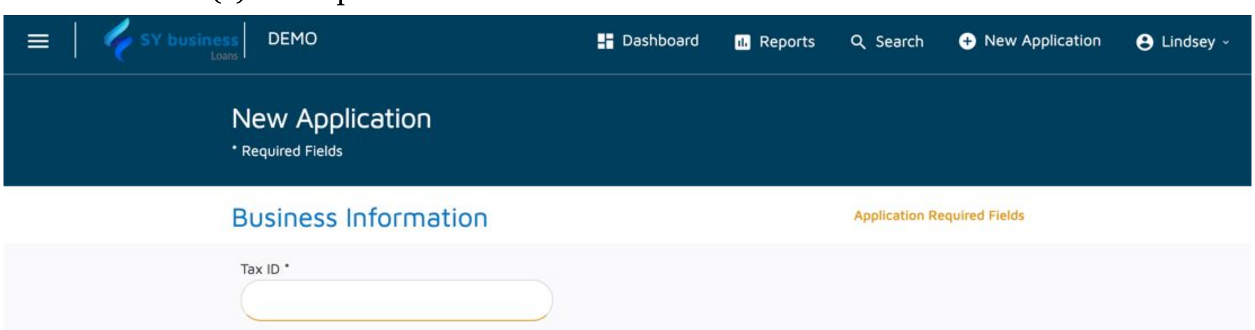
An application will be created when all the required fields are completed. All completed applications will remain in the Applications Received queue until the application is processed. All completed applications from the Customer Portal or Partner/Banker Portal will be in this queue until the application has been processed.

The steps below will need to be completed to start a lead or create an application.

1. Click on "New Application."



2. Enter the Tax ID. Based on each institution's set up, required fields may vary depending. Fields highlighted in orange are required fields for it to be a complete application. Fields with an asterisk (*) are required for it to become a lead.

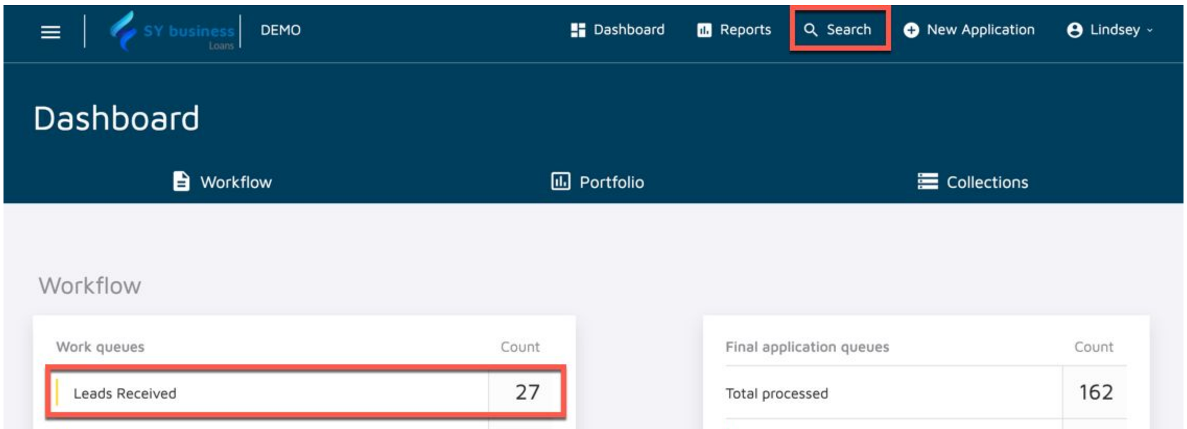


3. Complete the applicable fields on the Business and Owner pages.
4. Hit "Submit."

Converting an Existing Lead into an Application

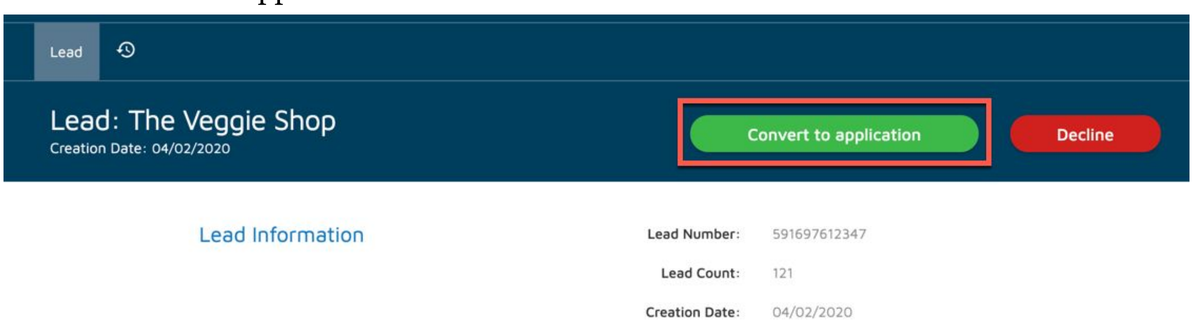
In order to convert an existing lead into an application, a user will need to complete the steps below.

1. Search for the lead or find the lead within the Leads Received queue

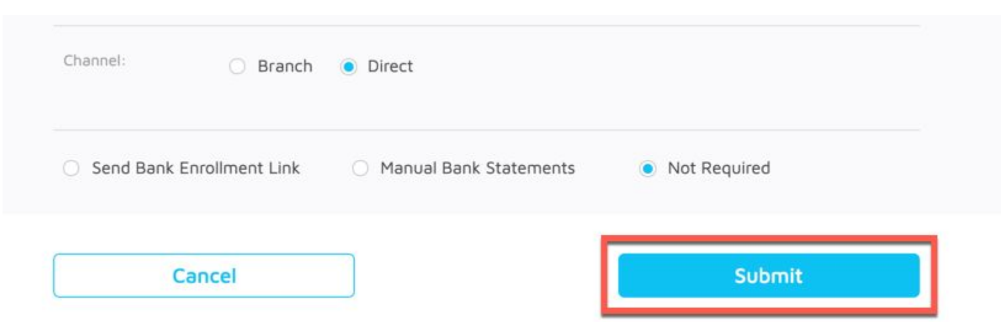


2. Click on the Lead Number

3. Select "Convert to Application"



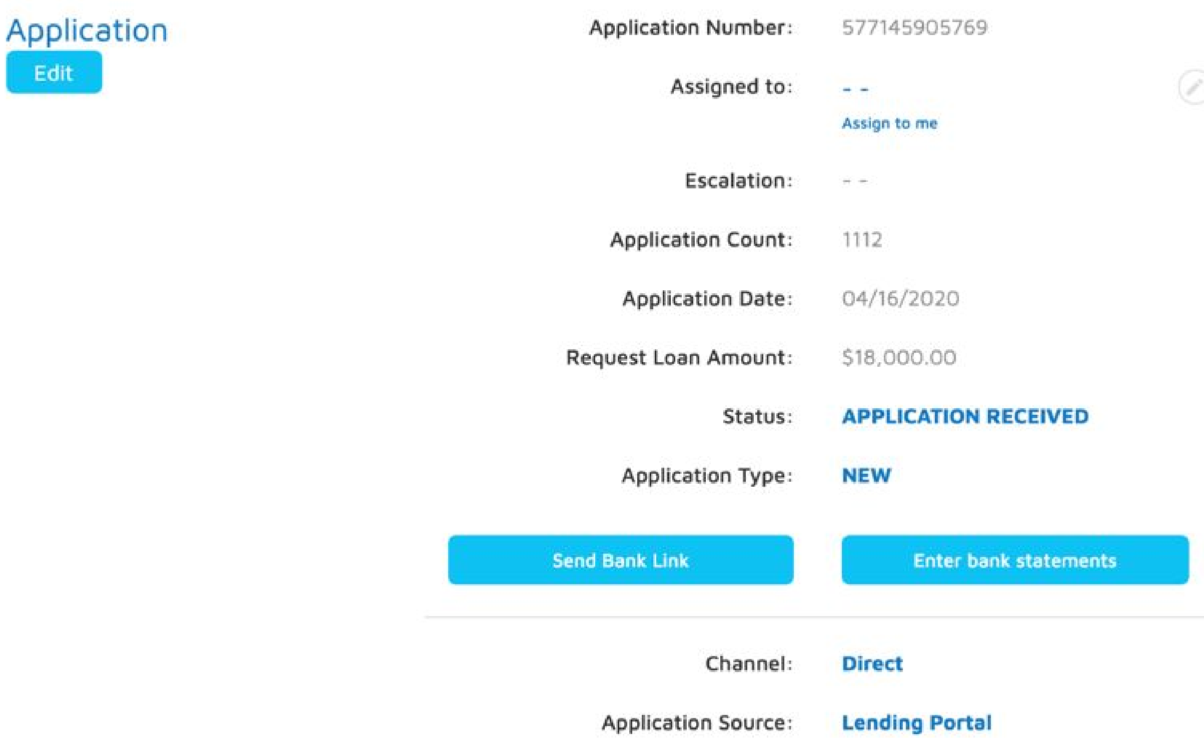
4. Complete the required fields on the Business and Owner Pages
5. Click on Submit



Processing an application

When an application is completed, it will appear in the Application Received work queue. Information that has been collected will display on this screen. The screen is divided into four different sections.

- Application - This section displays basic application data such as the application number, application date, application source and status. A user can also send a bank enrollment link via email by clicking on Send Bank Link or can manually enter the bank statement details by clicking on Enter bank statements.



- Business - This section of the application displays details about the business including the Tax ID, business name and address. Based on the configuration, additional questions may appear and Show Additional Information can be clicked on to display those fields.

Business

Tax ID #: XXXXX4654

Legal Business Name: The Veggie Shop

Doing Business As / DBA: The Veggie Shop

Phone: (843) 555-5555

Address: 1455 Stuart Engals Blvd

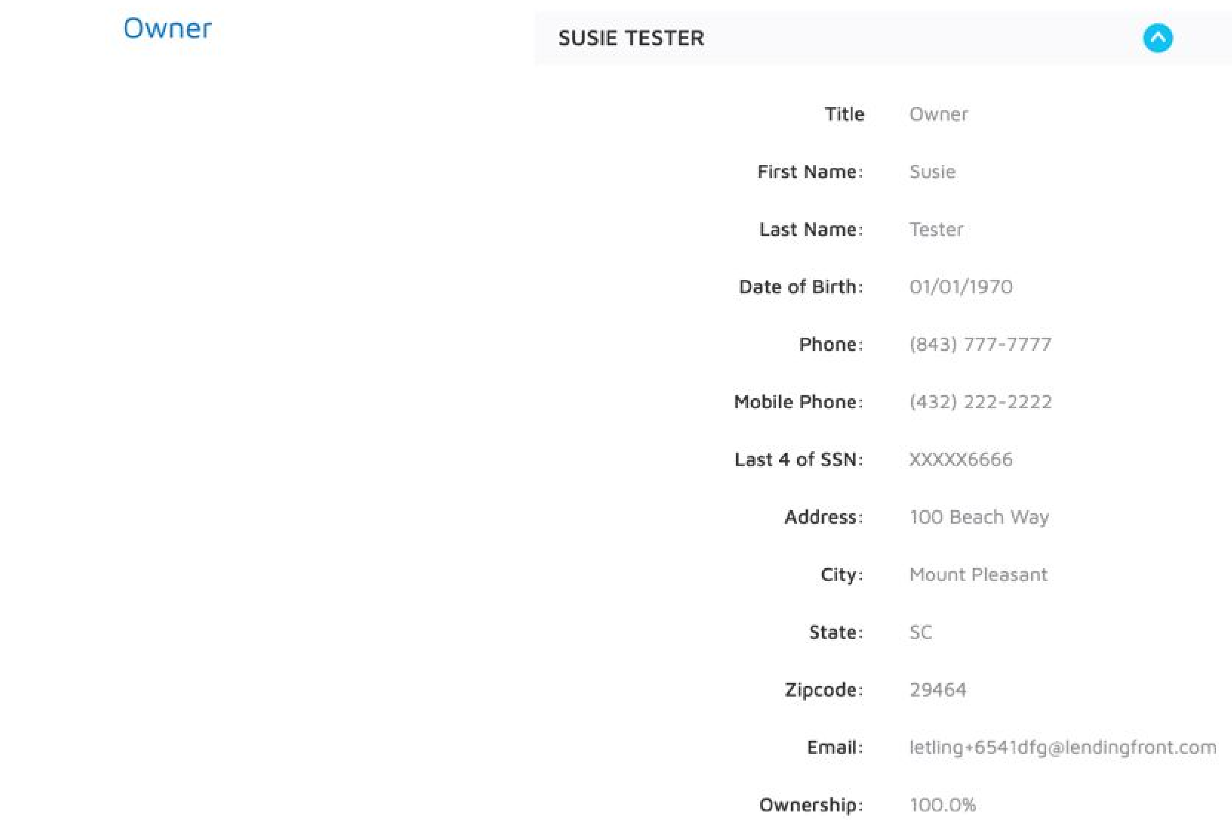
City: Mount Pleasant

State: SC

Zipcode: 29464

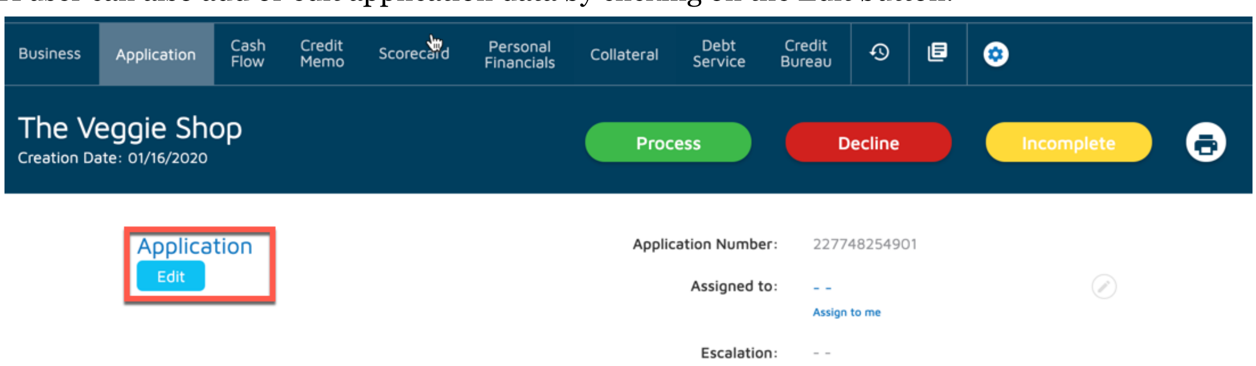
Mailing State: --

- Owner - This section of the application displays details about the owners including the name, address, contact information and ownership percentage. Based on the configuration, additional questions may appear and Show Additional Information can be clicked on to display those fields.



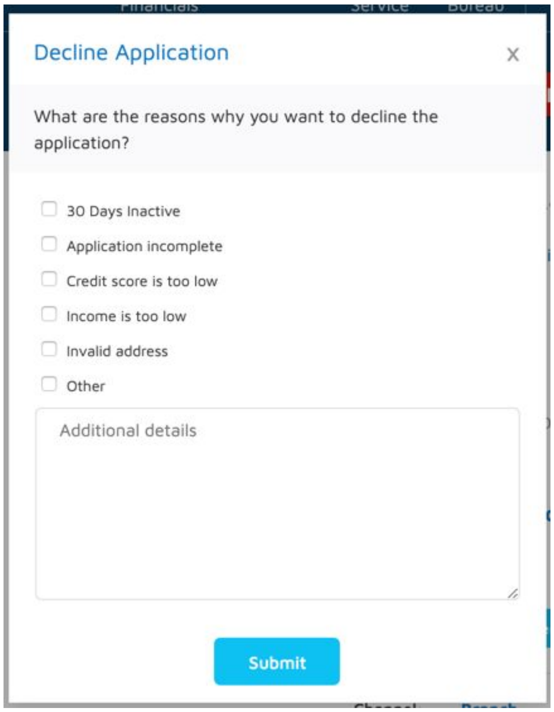
- Notes - A user can add notes to the file.

A user can also add or edit application data by clicking on the Edit button.

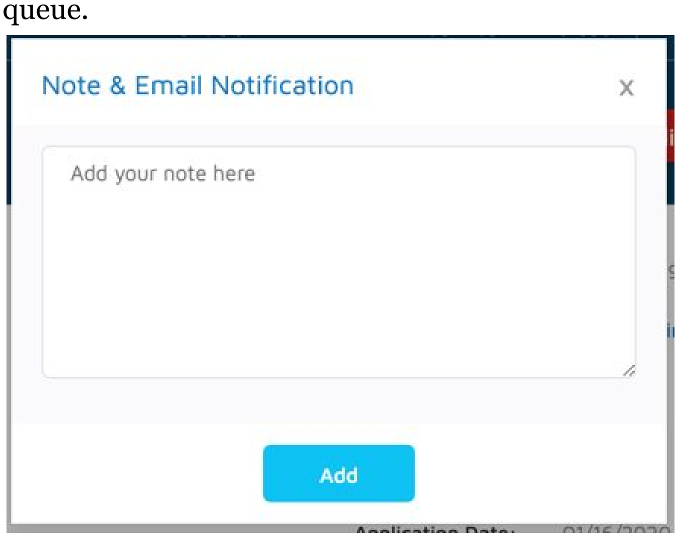


There are three possible scenarios that can happen at this point of the application.

- Decline - If a user selects “Decline,” a menu of declined reasons will appear and the application will move to the Declined queue in the Dashboard. The decline reason that is chosen will be included in an email message to the applicant. The user can also add “additional details” that will be included in the email to the applicant. All of this information will be stored in the file.



- Incomplete - Marking an application as incomplete will prompt the user to enter a note which will be added to the file. Once the required information is gathered the application can be reactivated. This is useful for keeping the work queues clean so that only applications currently being worked on at a given stage are listed in the corresponding queue.



- Process - When a user selects “Process,” all data sources will be pulled and the application will move to Underwriting.

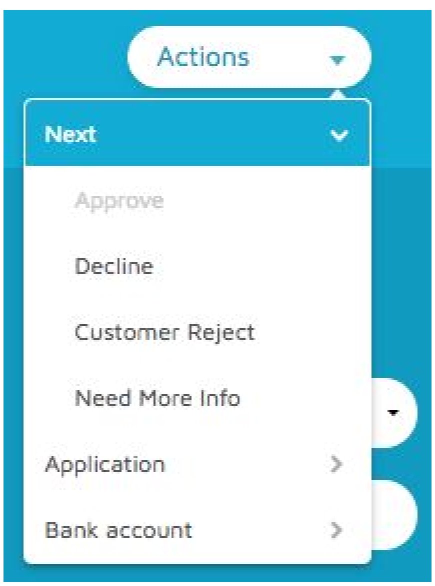
Underwriting

When an application is moved to Underwriting, the credit reports will be pulled in accordance with your configuration and the information in the application file. For example, in a standard configuration, LendingFront will attempt to pull a business credit report in addition to consumer credit reports on any listed owners if the Tax ID numbers and Social Security Numbers are completed. If these fields are incomplete, the information can still be added and the credit reports can be pulled.

The Underwriting screen is divided into two sections, Offers and Decision. In addition, there are several tabs along the top of the screen. These tabs are detailed pages that support the loan underwriting process.

The Actions menu in the upper right presents key actions that can be taken during underwriting. The actions listed will be updated as the application is processed.

Note: The Approve action will be disabled until the required information has been entered.



Stipulations

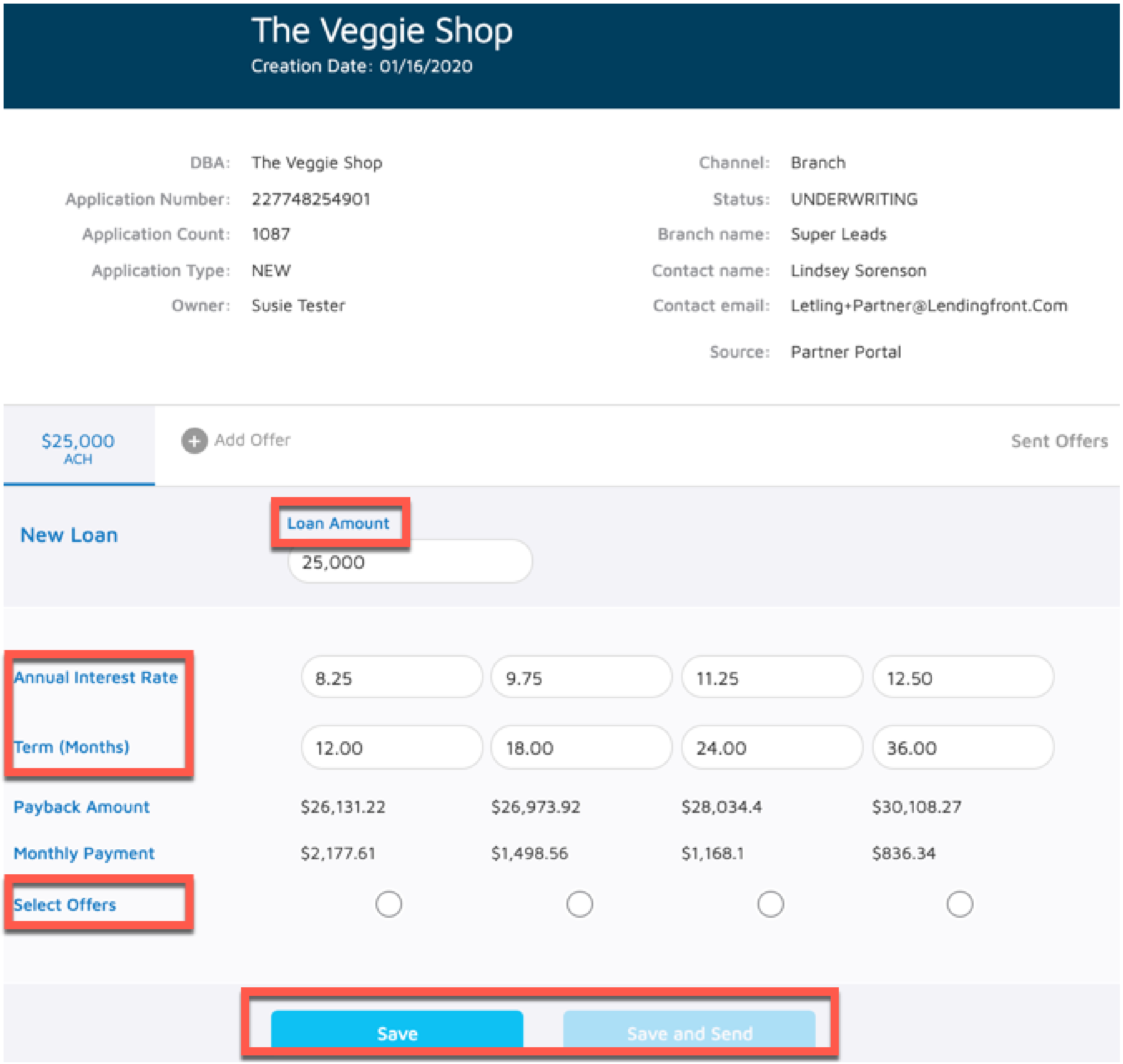
The Stipulations panel is displayed towards the bottom of the Offers page. Stipulations are items that are required before a loan can be closed. Selecting stipulations before a loan offer is made will notify the applicant of these requirements in the offer email.

Additional stipulations can be defined by underwriters. An underwriter will need to confirm that the selected stipulations have been met before the loan can be funded.

A user can view the document uploaded by clicking on the document icon. A user can also upload a document to the stipulation by clicking on the arrow. Manual stipulations can be added

Offers

The offers section allows the user to send an offer or multiple offers to the applicant. The user can input the required information, such as, loan amount, interest rate and term. Once this information is entered, the user can select the offers to send to the applicant by clicking Save and Send and an email notification will be generated to the applicant. A user can also click on Save to save the information without sending it to the applicant.



A message can also be sent in the email notification to the applicant. A user can enter the message under the Add Messages section and click on the check mark prior to clicking on Save and Send. The "x" will delete the message.

A user can add notes to the file in the offers section. This note will remain on the file and can be used to notate important information regarding the application.

Decision

The Decision panel on the right side of the page lists the parameters of a loan. If an applicant accepts an offer, the offer details will flow to the decision panel. A user can override the values entered.

In a standard setup, most fields are editable until an offer has been made and accepted, though some may filled in or changed automatically as other fields are completed or edited.

Credit data

LF can gather credit data from a variety of sources and feed this into the LF underwriting engine. Data sources will depend on your configuration, but a typical setup will support the automated pulling of the following types of credit data:

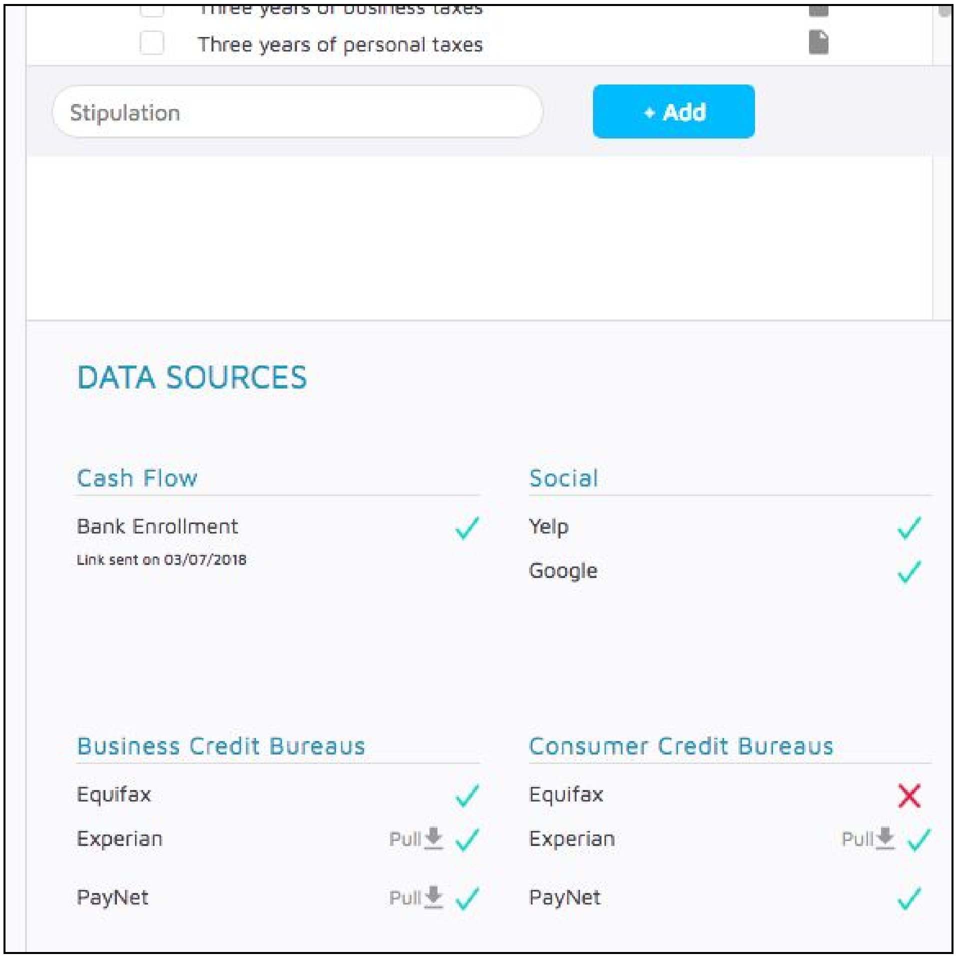
Type	**Associated Tab**	**Example sources or integrations**
Credit reports (for business and owners)	**Credit Bureau**	Experian, PayNet
Bank account transaction history	**Cash Flow**	Plaid, Yodlee
Public data sources, reviews, “street view” images	**Social**	Google Places, Yelp

Some types of credit data can also be entered manually. For example, collateral information is typically entered manually.

Credit bureaus

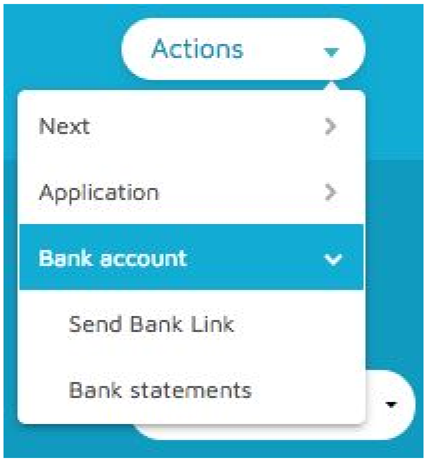
LF can be configured to automatically gather consumer and business credit reports from all of the major bureaus. If the reports are not gathered at the time an application is “Processed,” the pulling of specific credit reports can be triggered manually via the **Data Sources** panel, which appears below the Stipulations panel on the Offers/Decision page.

Data Sources panel



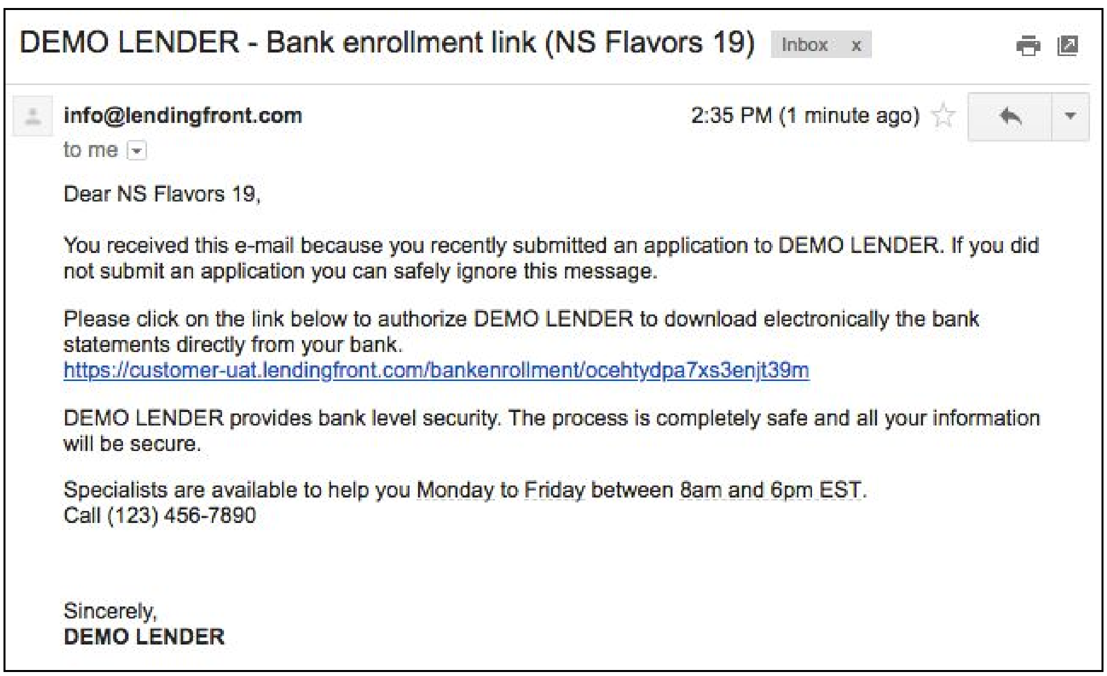
Applicant bank records

LF is also able to automatically pull an applicant's recent operating bank account transaction history. To enable this, the applicant will have had to provide their online bank account login credentials via a configuration with one of the LF's bank enrollment partners (Plaid or Yodlee). LF will attempt this during the "Process" step if the credentials have been provided. An underwriter can also manually trigger an email request to the applicant to provide these credentials (Actions menu: Bank account: Send bank link). Bank account summary information can also be entered manually (Actions menu: Bank account: Bank statements).



Bank enrollment

Sending a bank enrollment request to an applicant will trigger an email to the applicant providing the required links and instructions:



DEMO LENDER - Bank enrollment link (NS Flavors 19) Inbox x

info@lendingfront.com 2:35 PM (1 minute ago)
to me

Dear NS Flavors 19,

You received this e-mail because you recently submitted an application to DEMO LENDER. If you did not submit an application you can safely ignore this message.

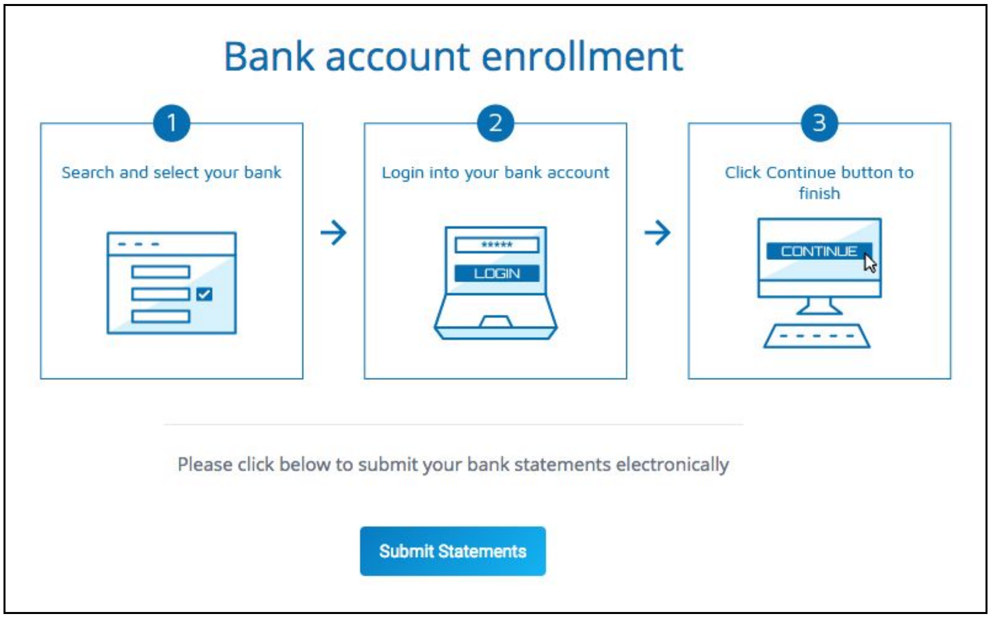
Please click on the link below to authorize DEMO LENDER to download electronically the bank statements directly from your bank.
https://customer-uat.lendingfront.com/bankenrollment/ocehtydpa7xs3enjt39m

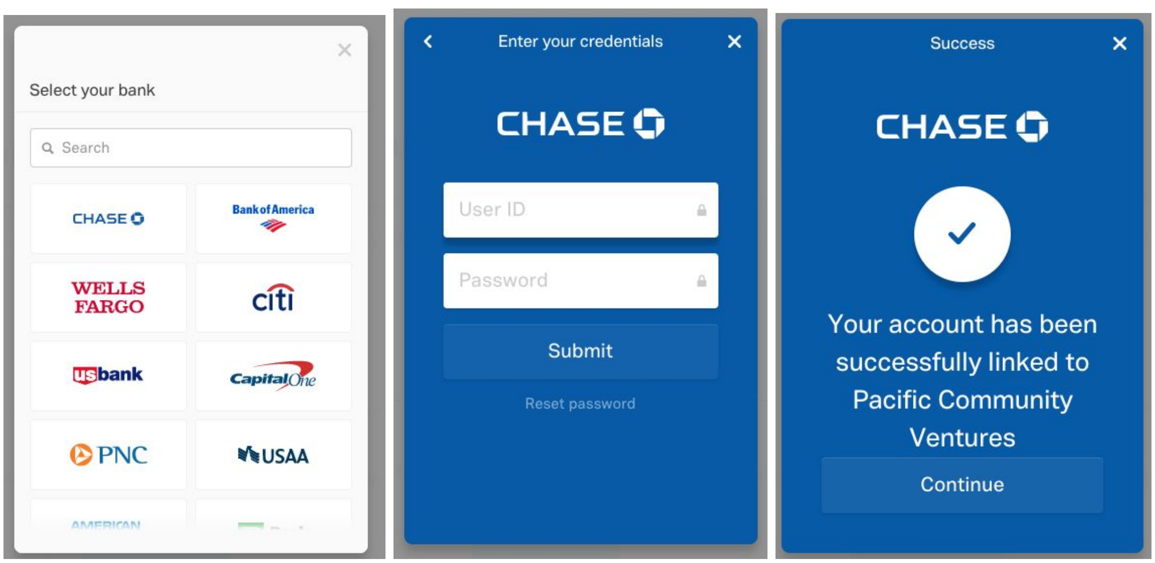
DEMO LENDER provides bank level security. The process is completely safe and all your information will be secure.

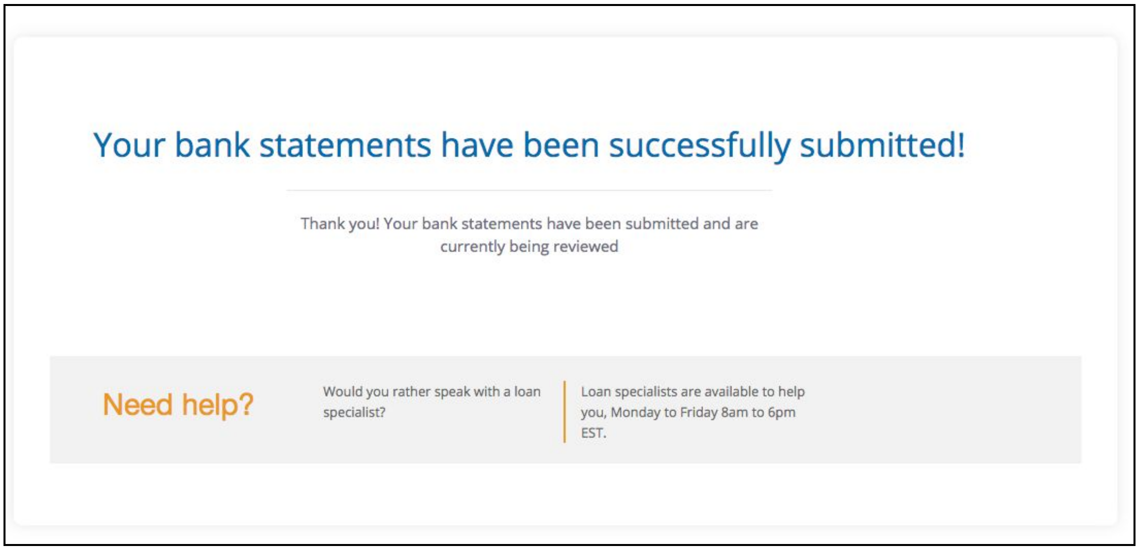
Specialists are available to help you Monday to Friday between 8am and 6pm EST.
Call (123) 456-7890

Sincerely,
DEMO LENDER

The user flow for the applicant will appear as follows:


Bank account enrollment
1
Search and select your bank
2
Login into your bank account
3
Click Continue button to finish
LOGIN
CONTINUE
Please click below to submit your bank statements electronically
Submit Statements


Select your bank
Search
CHASE
Bank of America
WELLS FARGO
citi
usbank
Capital One
PNC
USAA
Enter your credentials
CHASE
User ID
Password
Submit
Reset password
Success
CHASE
Your account has been successfully linked to Pacific Community Ventures
Continue



Entering bank data manually

Bank information can also be provided manually. To do this, navigate to Actions: Bank account: Bank statements. This will open a new page where the user can complete historical bank information that has been gathered by other means (e.g. printed or PDF statements).

Social Data

LF also automatically attempts to gather information from public sources such as Google Places and Yelp during the “Process” step. This may include a map of the business’s location, a street-view image, and reviews of the business. This information is displayed in the Social tab.

Declining an application

Declining an application at any stage will prompt the user to select from a menu of reasons which, in a default configuration, will be included in an email message to the applicant. The user can also add “additional details.” These will not be shared with the applicant but will be stored as a note attached to the file, visible only the internal users.

Saving and approving loan offers

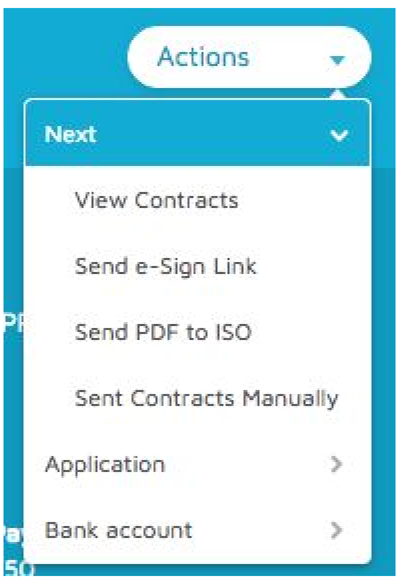
Once the required loan offer information has been completed (and, if necessary, the offer has been presented and accepted by the applicant) the **Approve** button will become active in the Decision/Offers panel. Clicking this will freeze the loan information and (if the loan agreement module is configured) will generate a set of closing documents containing the information entered. To store loan information without locking it in and generating documents, click “Save.” To amend a loan offer once it is in the Approved state, select Actions: Application: Re-underwrite.

Depending on your configuration, LF may or may not send an email notification to the applicant confirming that they have been approved. Although documents may have been generated, they will not automatically be sent to the applicant unless LF is configured to do so. Depending on your lender policies, a personal approval message may be called for at this stage.

Contracts

If LF is configured to do so, once a loan offer has been approved, LF automatically generates loan agreements and other closing documents, and pre-populates them with information on the offer, business, owner(s), and guarantors. These documents can be viewed or sent to the applicant in several different ways. Available options can be viewed under the Actions: Next menu when the application has reached this stage.

Actions menu after a loan offer has been accepted and approved



~~The quickest method for executing agreements is generally to use the "Send e-Sign Link." This will trigger an email like the one below to the applicant:~~

DEMO LENDER - E-sign link (TCS Coffee Shop) Inbox x

info@lendingfront.com 5:08 PM (0 minutes ago)

to me

Dear Noah,

You received this e-mail because you recently submitted an application to DEMO LENDER. If you did not submit an application you can safely ignore this message.

Please click on the link below to sign the documents.
https://customer-uat.lendingfront.com/demo#/application/contract/sign

Attached is a pdf copy of the un-signed contract for you records but please sign digitally with the link provided above.

DEMO LENDER provides bank level security. The process is completely safe and all your information will be secure.

Specialists are available to help you Monday to Friday between 8am and 6pm EST.
Call (123) 456-7890

Please note that this offer is contingent upon the following stipulations. Any documentation listed below that has not already been provided should be sent to None (You do not need to re-submit any document that you have already provided to us.)

Stipulations:

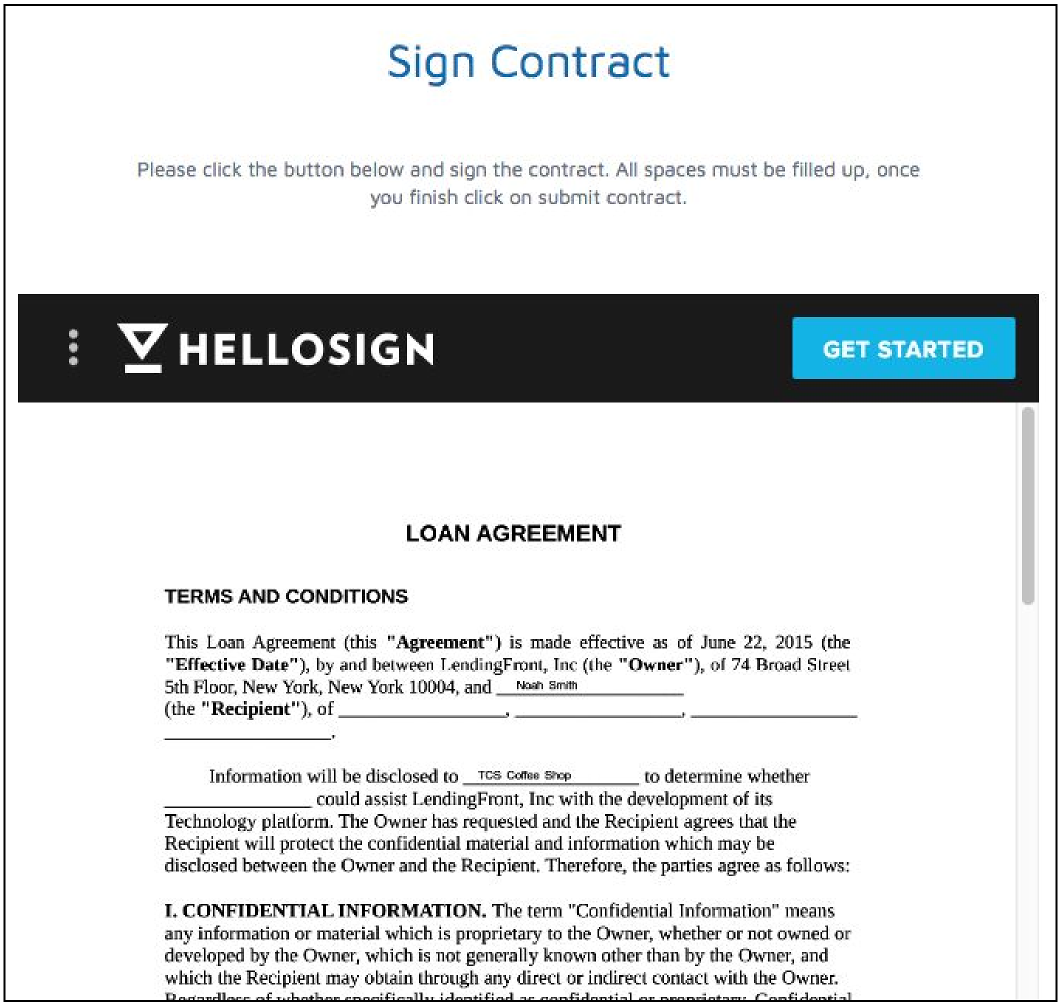
Lender to complete:

- Merchant Interview
- Landlord Interview

Sincerely,
DEMO LENDER

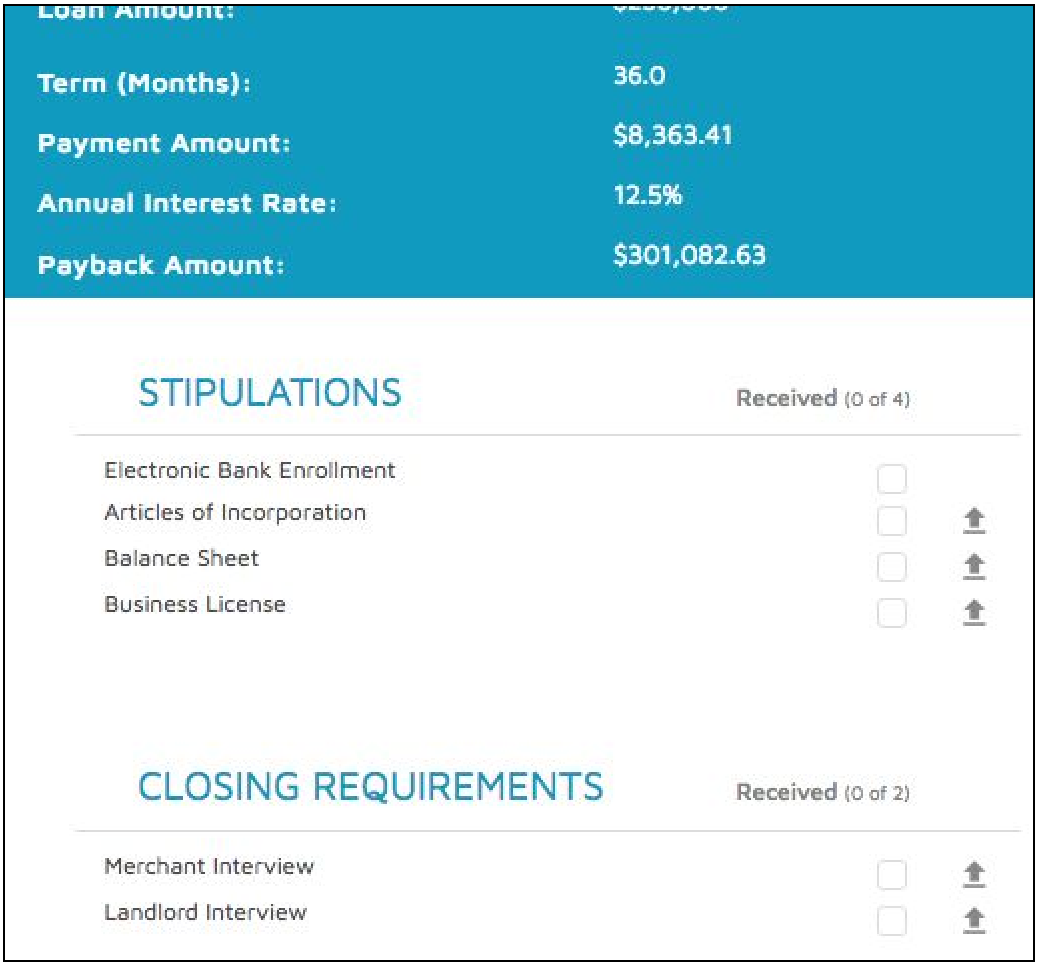
DEMO_LENDER_...

~~Clicking the link in the above email will take the applicant to a webpage where they can view and electronically sign the required agreements.~~



~~Stipulations fulfilment~~

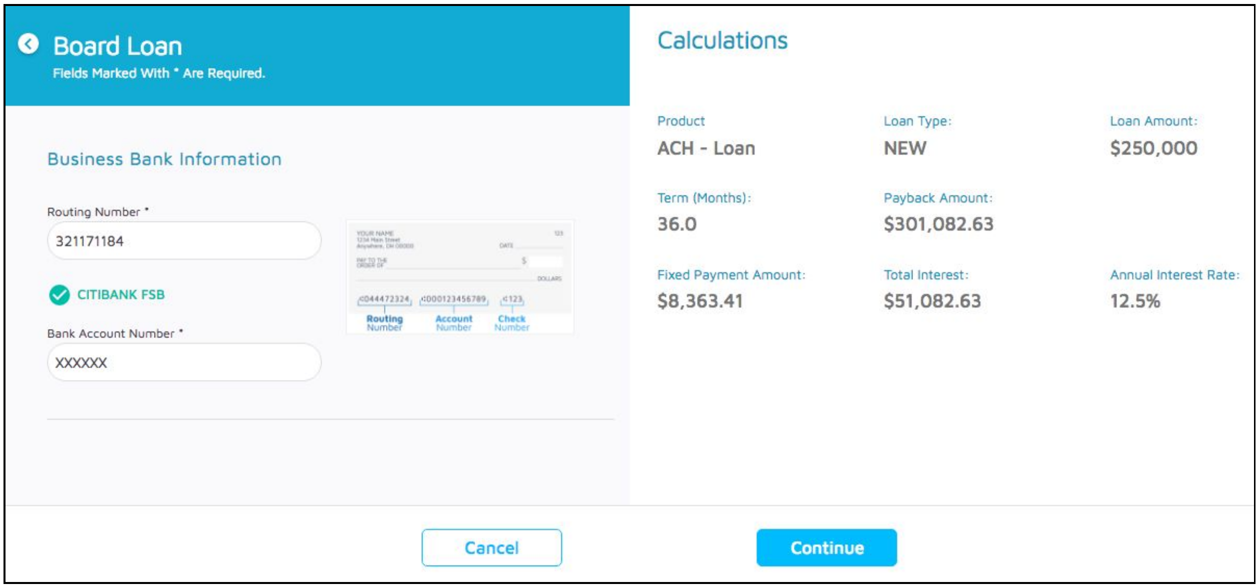
~~Once the contracts have been signed and received, the underwriter is presented with tools to check for the fulfillment of any remaining unfulfilled stipulations. The <Actions: Next> menu will indicate the available next steps, e.g. “Ready for Stipulations” or “Ready for Boarding.” Stipulations or closing requirements that still need to be fulfilled will appear in checklists, with document upload buttons where appropriate, below the Decision panel.~~



Boarding

Once the contracts have been signed and all stipulations have been fulfilled, the loan is ready to board. To board the loan, select “Ready to Board” from the Actions menu and enter (if this information hasn’t been submitted already) the bank account, routing number, and any other required information.

Ready-to-board panel



Once a loan is boarded, it is teed up for funding. Generally, a second user will need to approve the funding. Boarded loans that have not been approved by a second user will appear in the <Applications: Boarded> queue and also in the <Portfolio: Pending> queue.

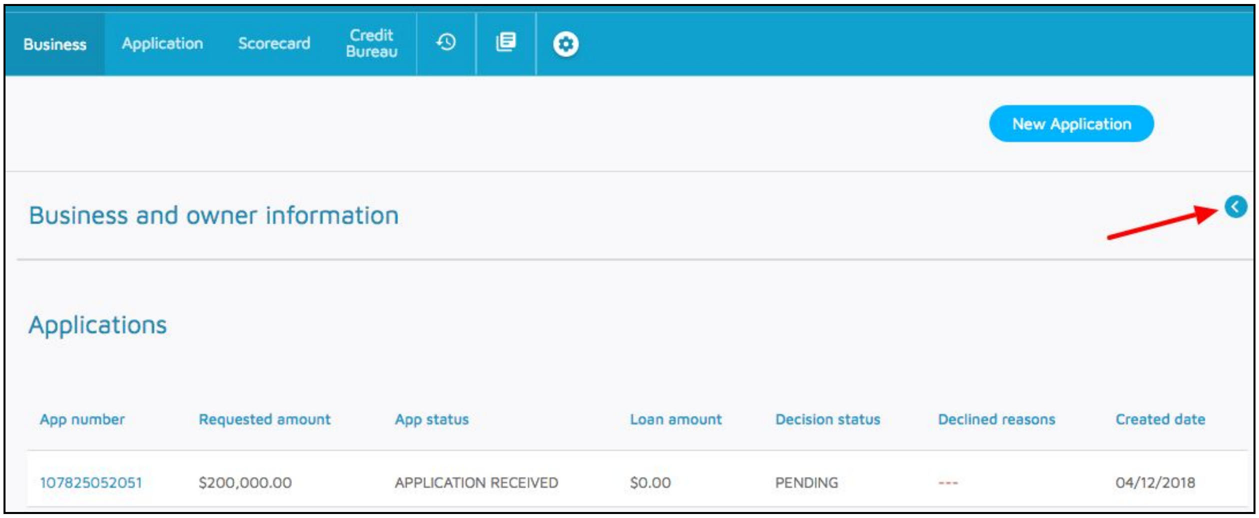
Editing & updating applicant/borrower information

Business Profile Pages: viewing & editing

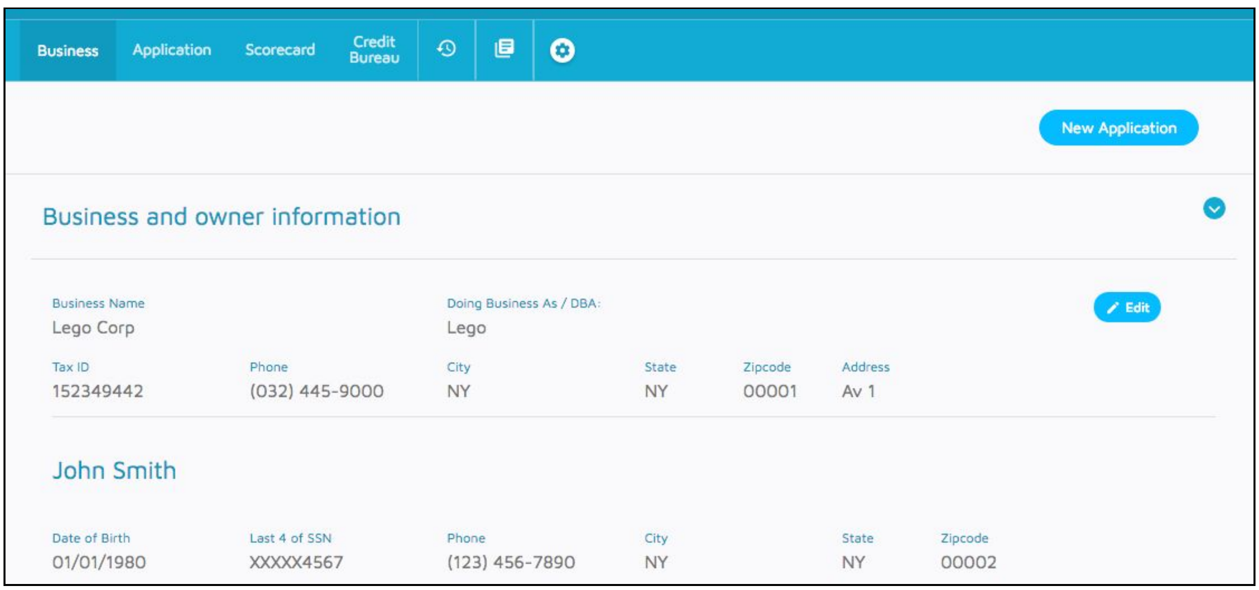
Each business entity in the LFP has a **Business Profile Page** as well as pages containing information on any applications and/or active loans. The Business page is accessible by clicking on the business name in most of the queues and by clicking on the **Business** tab on application and active loan pages.

To view basic business and owner information, click the arrow icon to the right, as shown below. This will display summary information. To view and edit full information click the **Edit** button shown in the expanded view, also shown below.

Business profile page -- collapsed (default)



Business profile page -- expanded to show business and owner information



Notes on Business Profile pages:

- There are generally at least two pages to edit business and owner information which are presented sequentially when a user clicks “Edit.” To store changes on either page, the user must click “Submit” on both the first and second pages. Hitting “Cancel” on the second page will take a user back to the first page, which must also be “Cancelled” to exit the edit mode.
- Guarantor information is attached to specific applications or loans rather than to the business. To add or edit guarantor information, a user must enter the application processing pages. Look for an “Edit” link on the Decision/Offers page. This will take you sequentially through the business and owner/guarantor pages.

Servicing & portfolio management

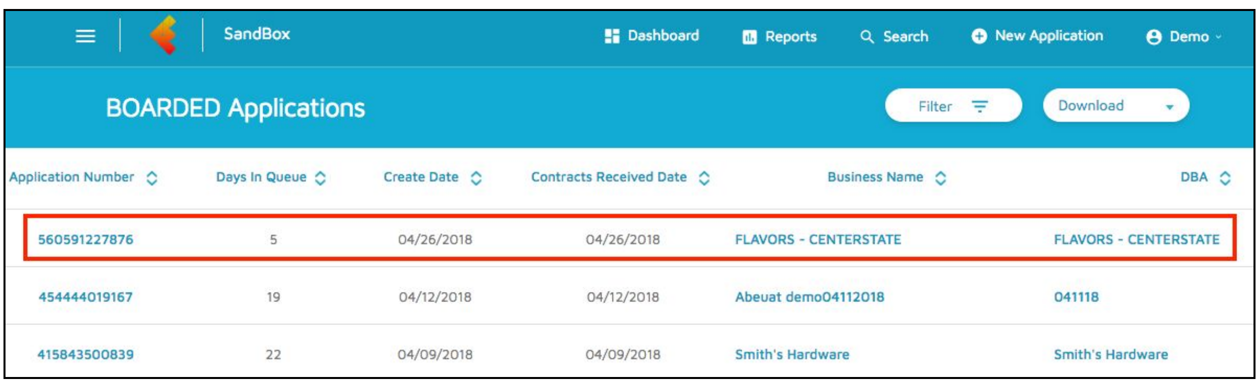
The **Portfolio** module supports all servicing activities including loan repayment, modifications, and reports. Loans that are experiencing repayment issues can be managed via the **Collections** module, which is described in a separate section below.

Releasing boarded loans

An application that has reached <Applications: Boarded> should also appear in the <Portfolio: Pending> queue. Generally, loan funds will need to be released by a second user for risk management reasons. Once released, funding information will be transmitted to the ACH network. (This assumes loans are being funded via ACH. If they are being funded by wire, that needs to happen outside of the LFP.)

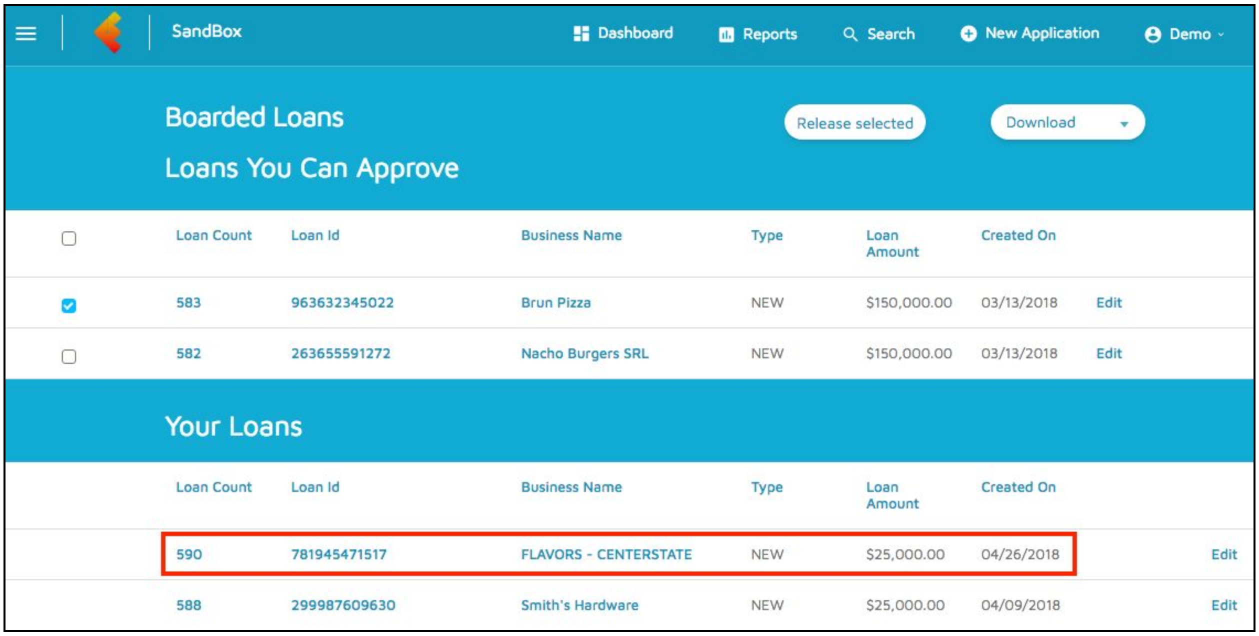
Until confirmation of funding has been received via the ACH network, the loan will appear in the <Portfolio: Released> queue. At this point, it will also appear in the <Portfolio: Active> queue.

Applications: Boarded view



Application Number	Days In Queue	Create Date	Contracts Received Date	Business Name	DBA
560591227876	5	04/26/2018	04/26/2018	FLAVORS - CENTERSTATE	FLAVORS - CENTERSTATE
454444019167	19	04/12/2018	04/12/2018	Abeuat demo04112018	041118
415843500839	22	04/09/2018	04/09/2018	Smith's Hardware	Smith's Hardware

Portfolio: Pending view



Loan management

Routine payments

If configured to do so, the LFP will automatically debit loan repayments via the ACH network. Loan and repayment status can be viewed for individual loans by finding the loan/borrower in the <Portfolio: Active> queue and clicking on the loan ID. This will take the user to the Loan Management Page for that borrower (screenshot below). Payments that are rejected will trigger notifications to designated users (with corresponding error codes and descriptions) and to the borrower. Payments can be retried automatically or with a manual trigger, depending on configuration.

Timing of payments, notifications/invoices, and how interest is calculated

For ACH payments, debit instructions are initiated the business day prior to the payment date, which is the day the payment is due and will be debited from the merchant's bank account.

For loans with monthly repayment schedules, unless otherwise specified, interest is calculated based on a 30/360 day count convention (i.e. assuming 12 equal months of 30 days each), and monthly interest is calculated up to the scheduled payment date. For example, if payments are due on the first of each month, interest will be calculated up to that date.

Depending on configuration, email notifications can be automatically sent to borrowers before a payment is due to be debited from their designated bank account. This is typically done five business days in advance of the scheduled ACH debit. Notifications or invoices typically include:

payment date; payment amount, including a breakdown of principal and interest; and principal balance following the payment. The payment date shown will be the date the merchant's bank account will be debited, so in cases where the due date (say the first of the month) falls on a weekend or holiday, the payment date shown will be the following business day since banks do not process ACH files on weekends or holidays.

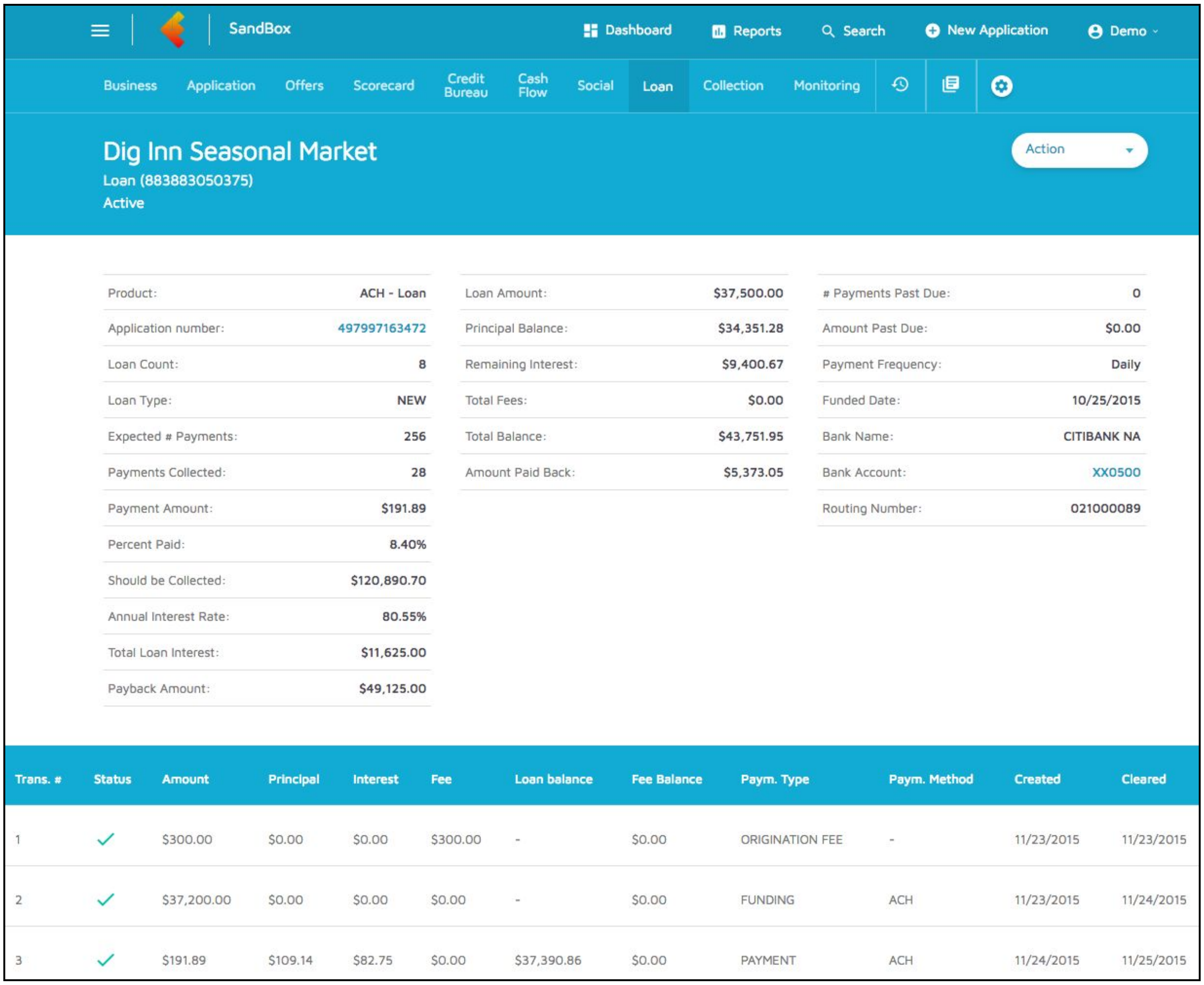
Statements

Generally, LendingFront does NOT automatically generate or send statements to borrowers. However, a user can generate and send statements to borrowers at any time. The statement will include the entire history of the loan and principal and interest payments against the loan.

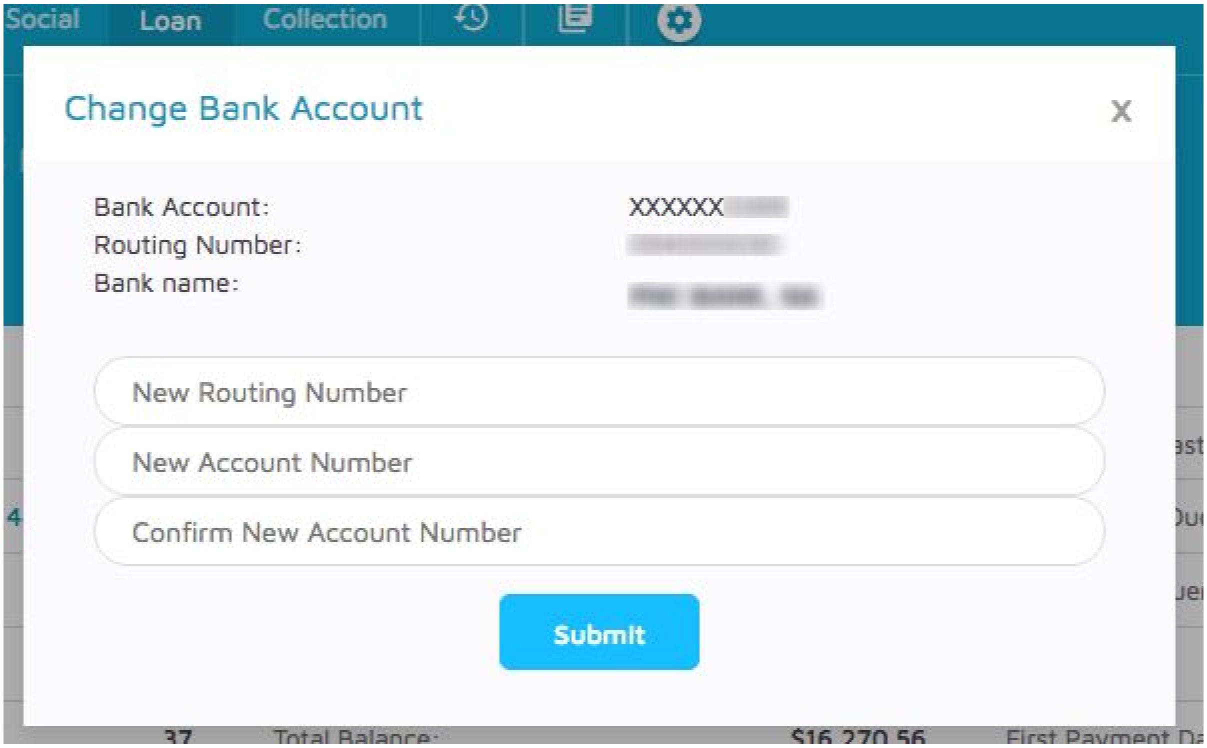
Changing borrower bank account information

On a borrower's loan management page, find the "Bank Account" item in the summary section. The account number (first digits obscured) should be an active link. Click this to bring up an account information editing module (screenshot below). This will allow you to edit the account and routing numbers. The routing number will automatically identify the bank and will auto-fill the bank name. If you have a voided check, the ABA Routing Number is always 9 digits long and generally comes before the account number on the bottom of the check.

Loan Management page for an active loan



Bank account information editing module

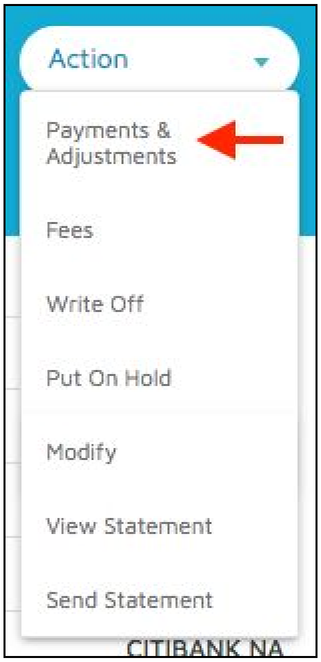


One-time payments (OTPs)

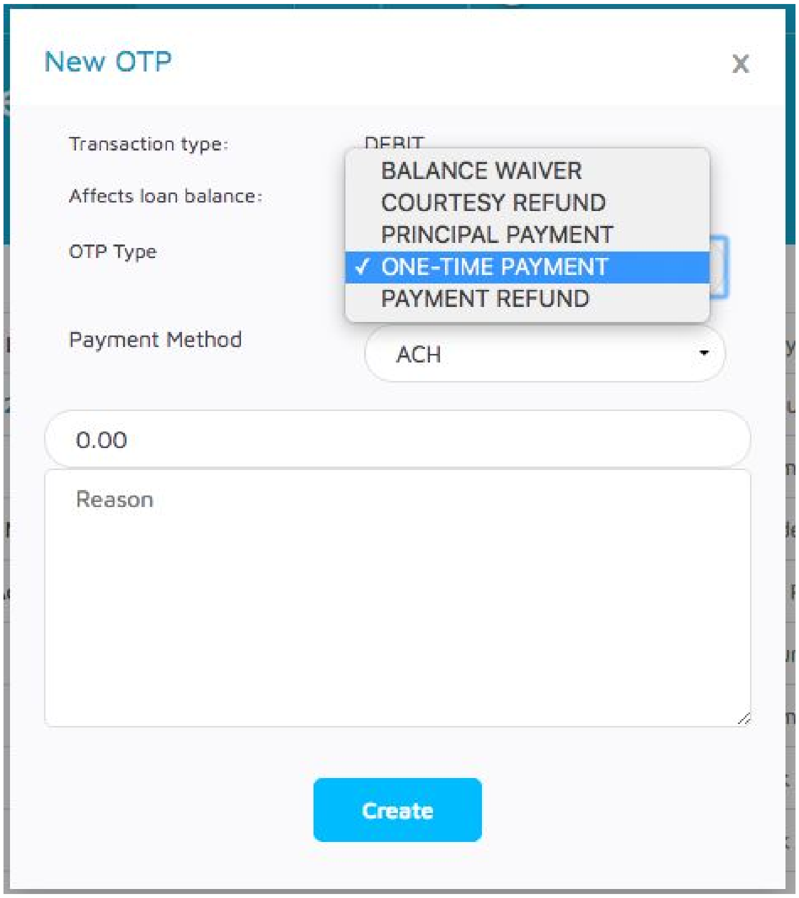
LF enables lender to create a variety of OTP types to handle fees and other payments outside regular amortization schedule payments. Depending on preset configurations, OTP types can debit or credit a borrower's account; can be handled via ACH, check, or wire; and may or may not affect the principal balance.

Creating OTPs

To initiate an OTP, select "Payments & Adjustments" via the Action menu on a Loan Management Page:



This will call up a modal box where the OTP type can be selected, and the required fields can be completed:



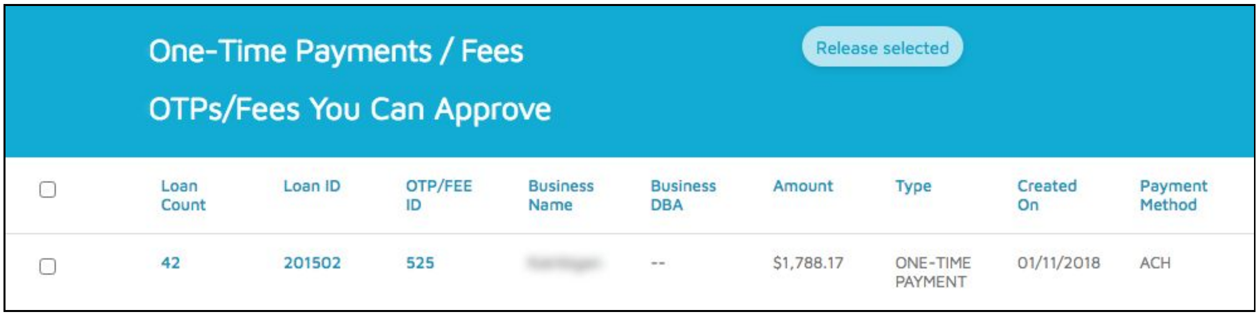
Once an OTP has been initiated, it may (depending on configuration) need to be released by a second user with the right permissions.

By default, an OTP will be applied first to interest then to principal. Subsequent payments will continue in the same frequency and amount as before, with the reduction in principal (and related reduction in interest) resulting in a reduced payments at the end of the loan. In other words, to the extent that prepayments would cover whole amortizing payments, the loan obligation will be repaid in full that much earlier.

Releasing, correcting or rejecting OTPs

OTPs that need to be released will appear in the are in the <Portfolio: Payment/Fee Pending Approval> queue. Typically, these can only be released by a different user, other than the one who initiated the OTP. (In some installations, designated users may be able to create and release OTPs directly.)

The user tasked with releasing certain OTPs can view details by clicking the “OTP/Fee ID” number in the queue:



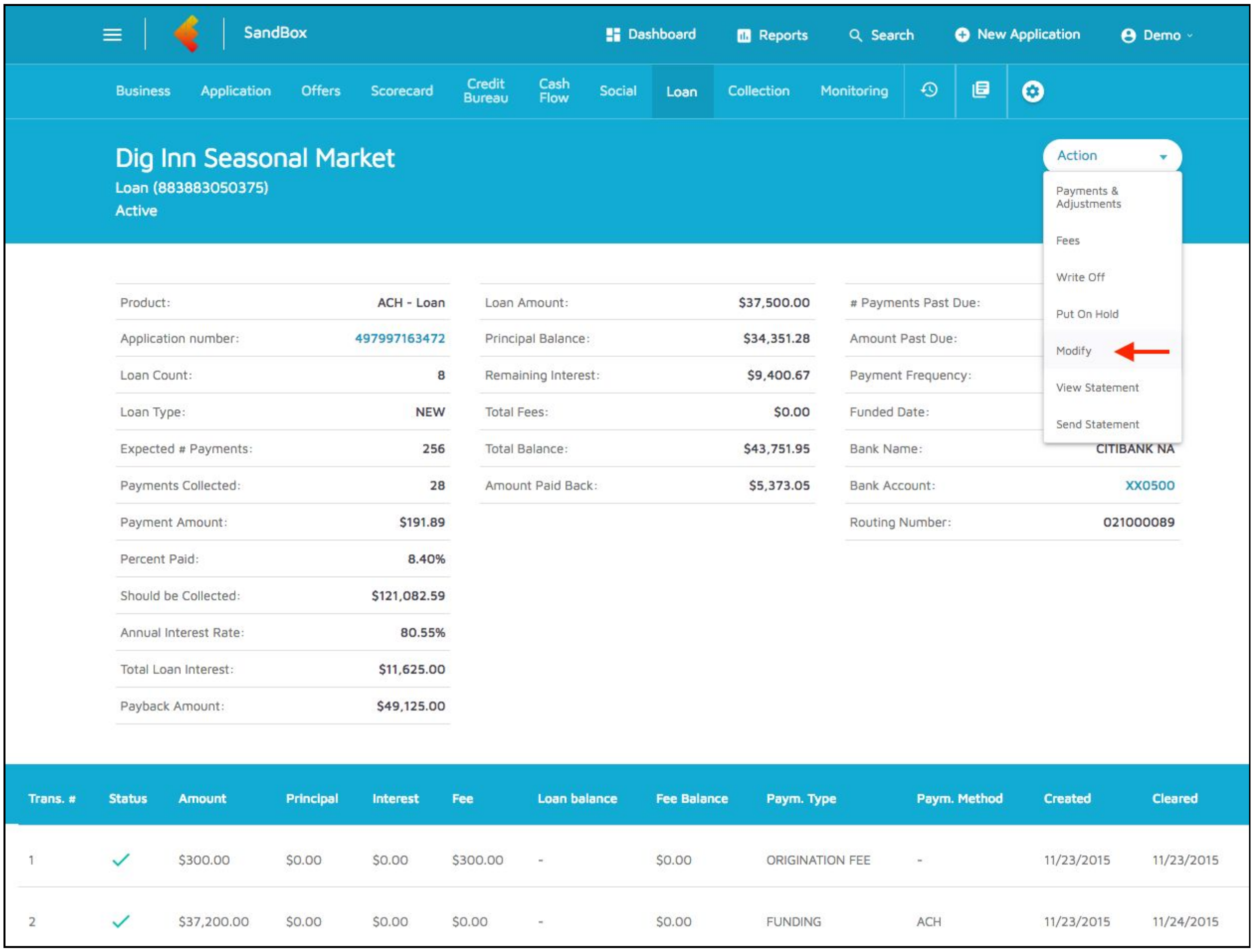
If an error is discovered, users with the required permissions will be able to edit a scheduled (but not released) OTP by clicking an “Edit” button in the corresponding row that will appear to right of the other information in the OTP/Fee queue.

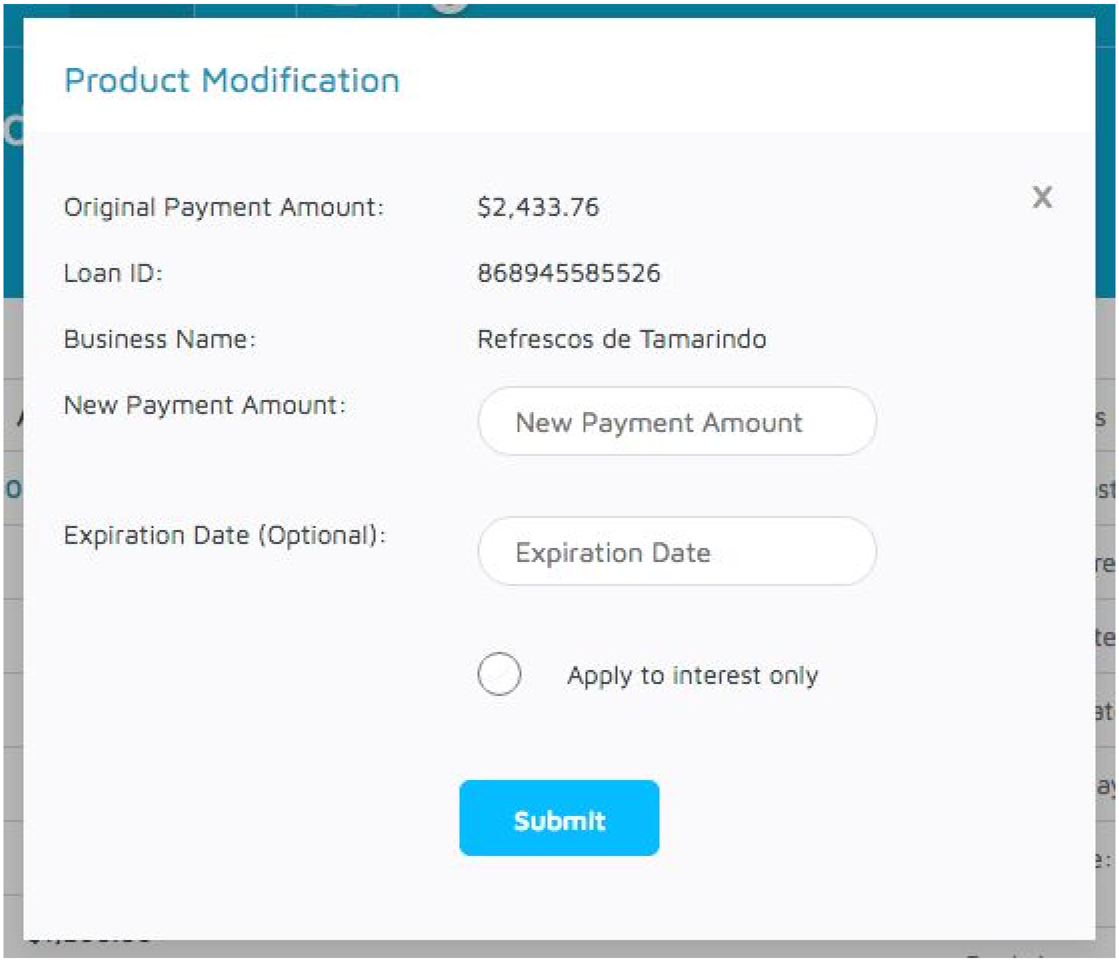
A user with appropriate authority can also reject an OTP. This is done by clicking the corresponding “OTP/FEE ID” number. This will bring up a box that summarizes the OTP information and that also presents a “Reject” button. Once clicked, this will prompt the user for an explanation before confirming the step.

Rejected OTPs will move to the <Pending Correction> queue, where they can be further edited and resubmitted for approval.

Loan modifications

Loans can be modified via the Action menu on the Loan Management Page. Generally, a user other than the one who made the modification will need to release it. The process for handling this is similar to the one for OTPs, as described above.


SandBox
Dashboard
Reports
Search
New Application
Demo
Business
Application
Offers
Scorecard
Credit Bureau
Cash Flow
Social
Loan
Collection
Monitoring
Dig Inn Seasonal Market
Loan (883883050375)
Active
Action
Payments & Adjustments
Fees
Write Off
Put On Hold
Modify
View Statement
Send Statement
Product: ACH - Loan
Application number: 497997163472
Loan Count: 8
Loan Type: NEW
Expected # Payments: 256
Payments Collected: 28
Payment Amount: $191.89
Percent Paid: 8.40%
Should be Collected: $121,082.59
Annual Interest Rate: 80.55%
Total Loan Interest: $11,625.00
Payback Amount: $49,125.00
Loan Amount: $37,500.00
Principal Balance: $34,351.28
Remaining Interest: $9,400.67
Total Fees: $0.00
Total Balance: $43,751.95
Amount Paid Back: $5,373.05
Payments Past Due:
Amount Past Due:
Payment Frequency:
Funded Date:
Bank Name: CITIBANK NA
Bank Account: XX0500
Routing Number: 021000089
Trans. # | Status | Amount | Principal | Interest | Fee | Loan balance | Fee Balance | Paym. Type | Paym. Method | Created | Cleared
1 | $300.00 | $0.00 | $0.00 | $300.00 | - | $0.00 | ORIGINATION FEE | - | 11/23/2015 | 11/23/2015
2 | $37,200.00 | $0.00 | $0.00 | $0.00 | - | $0.00 | FUNDING | ACH | 11/23/2015 | 11/24/2015



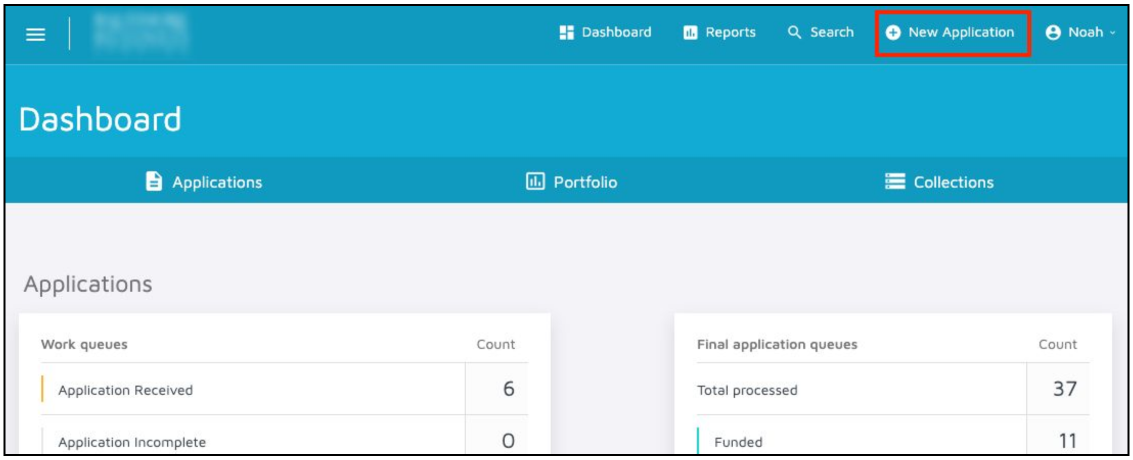
Renewals

Depending on your setup, the loan renewal process described below may only be available to loans that meet certain qualifications, e.g. where the principal has paid down more than half. This is configurable. Please discuss any configuration requirements with LendingFront.

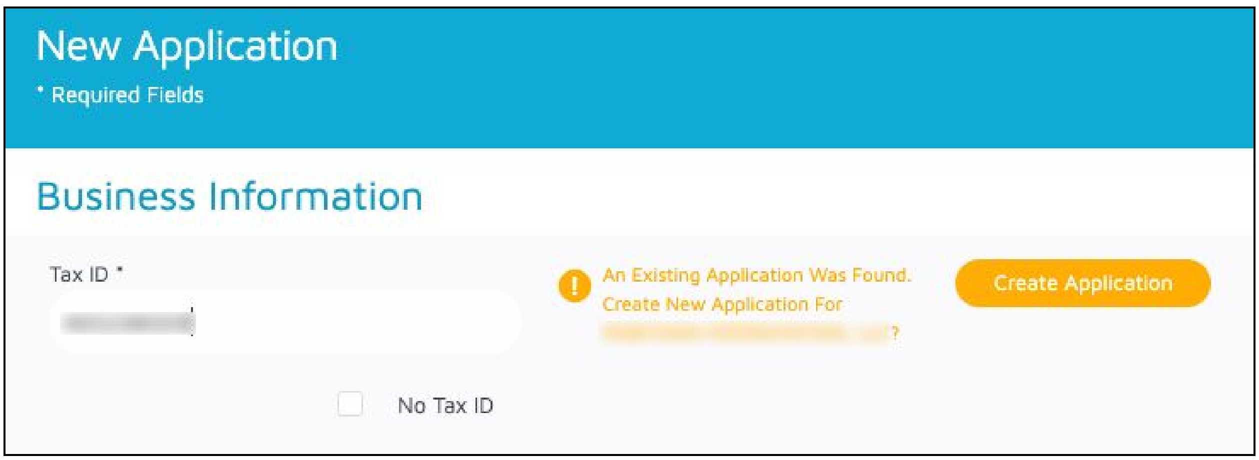
To renew a qualifying loan

1. Gather the business's tax ID or EIN

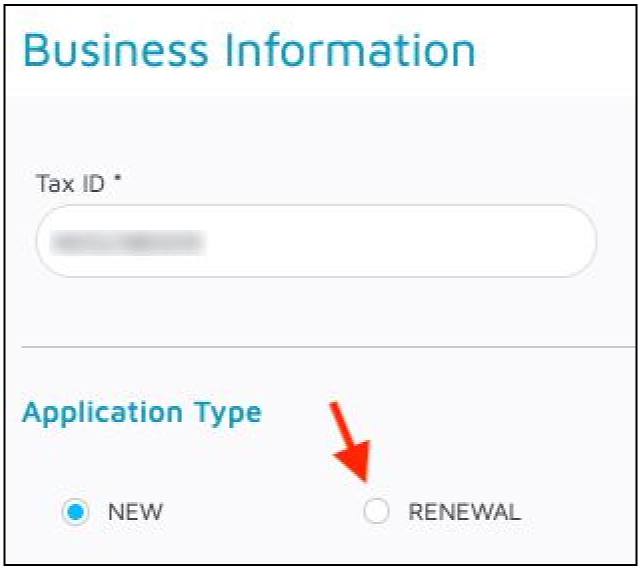
2. From the Dashboard, create a new application



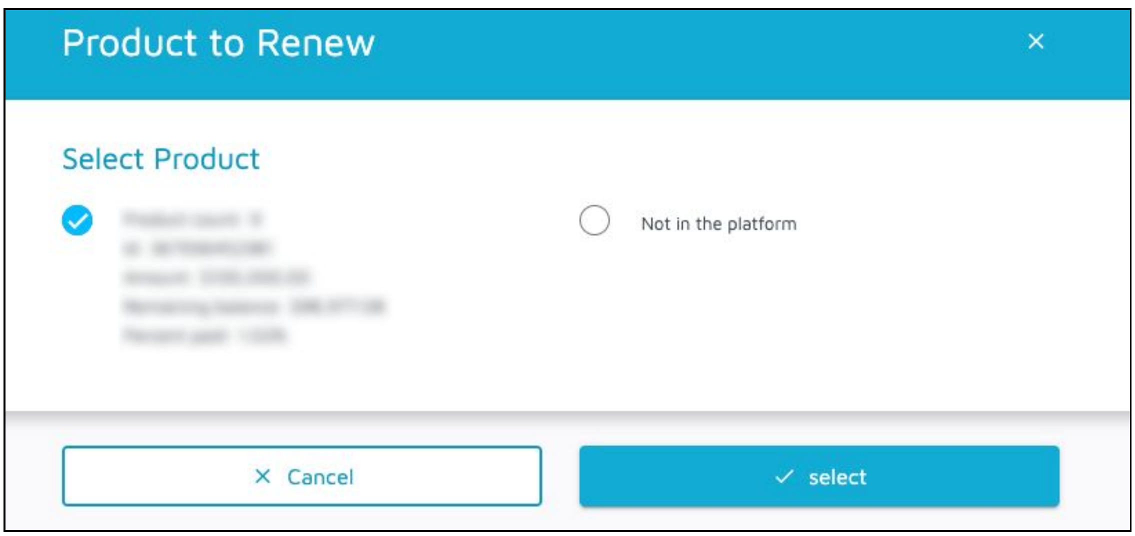
3. Enter the tax ID. If the LFP finds a match it will alert the user and offer the option to "Create Application" for this business. Select that option. (If no match is found, a blank application form will appear and a renewal will not be possible with the entered tax ID.)



4. Select "Renewal"



5. Select the loan you want to renew



6. Create and process the application as you would for a new loan

In choosing the loan amount, note that it must include the outstanding balance of the existing loan. Once the loan is closed and boarded it will replace the pre-existing loan.

Tools for troubled loans

Retry for missed payments (automatic v. manual)

LendingFront enables both automatic and manual missed payments retries. Policies for each will depend on your configuration. Regardless,

Automated: A typical automated retry plan will run daily starting the day after a payment has been missed for three business days. Automatic retries will be disabled, however, for certain error codes, e.g. incorrect account information.

Manual: Users can manually initiate retries by clicking the “Retry” icon that will appear next to missed payments. Users can also initiate “one-time payments,” as described below.

Payment records section of Loan Management Page, showing missed payments and “Retry” button

Trans. #	Status	Amount	Principal	Interest	Fee	Loan balance	Fee Balance	Paym. Type	Paym. Method	Created	Cleared	
1	✓	$1,000.00	$0.00	$0.00	$1,000.00	-	$0.00	ORIGINATION FEE	-	01/24/2018	01/16/2018	
2	✓	$19,000.00	$0.00	$0.00	$0.00	-	$0.00	FUNDING	ACH	01/24/2018	01/16/2018	
3	✓	$91.67	$0.00	$91.67	$0.00	$20,000.00	$0.00	PAYMENT	ACH	01/31/2018	02/07/2018	
4	✕ REASON: *Insufficient funds*	$968.42	$0.00	$0.00	$0.00	$20,000.00	$0.00	PAYMENT	ACH	02/28/2018	03/02/2018	Sent
5	✕ REASON: *Insufficient funds*	$1,936.84	$0.00	$0.00	$0.00	$20,000.00	$0.00	ONE-TIME PAYMENT	ACH	04/06/2018	04/10/2018	Sent
6	✕ REASON: *Requested Stop Payment*	$1,936.84	$0.00	$0.00	$0.00	$20,000.00	$0.00	ONE-TIME PAYMENT	ACH	04/24/2018	04/24/2018	Retry

Note that, by default, the LFP will automatically put on hold (see **On-hold status** section below for more) loans where payments have been returned according to the following criteria:

- After three consecutive returns for “Insufficient Funds” (code R01)
- After a single return for codes:
  - R02: Account Closed
  - R03: No Account/Unable to Locate Account
  - R04: Invalid Account Number

A Complete list of ACH return codes is available at
http://www.vericheck.com/ach-return-codes/

On-hold and forbearance status

Loans can be put on hold manually or automatically under certain conditions (see below). Loans that are put on hold will appear in the Collections/On Hold queue and automated payment attempts will cease.

Automatic on-hold status

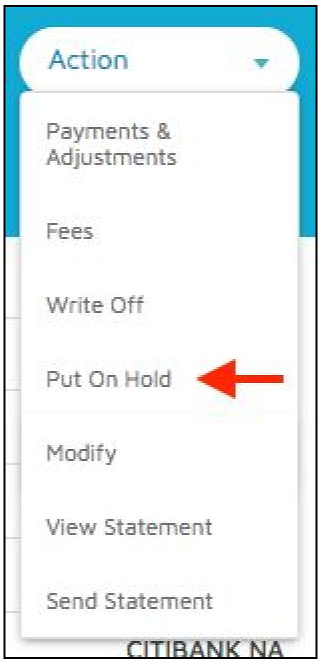
By default, the LF Platform will automatically put on hold loans after three consecutive returned payments with ACH “retry” return codes (e.g. R01: Insufficient Funds) and after one “do not retry” return codes (e.g. R02: Account Closed; R03: No Account/Unable to Locate Account; or

R04: Invalid Account Number). A Complete list of ACH return codes is available at http://www.vericheck.com/ach-return-codes/

Putting loans on hold manually

Authorized users can put loans on hold manually via the **Loan Management Page/Action Menu** (screenshot below).

An

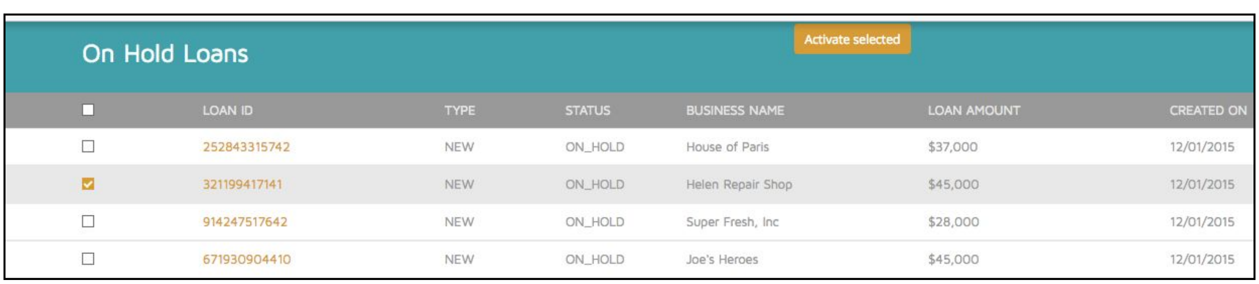


Reactivating on-hold loans

(...make up payments vs no make up payments)

On Hold can be re-activated by accessing the On Hold queue located in the Collections Dashboard.

An



On Hold Loans

Activate selected

☐	LOAN ID	TYPE	STATUS	BUSINESS NAME	LOAN AMOUNT	CREATED ON
☐	252843315742	NEW	ON_HOLD	House of Paris	$37,000	12/01/2015
☑	321199417141	NEW	ON_HOLD	Helen Repair Shop	$45,000	12/01/2015
☐	914247517642	NEW	ON_HOLD	Super Fresh, Inc	$28,000	12/01/2015
☐	671930904410	NEW	ON_HOLD	Joe's Heroes	$45,000	12/01/2015

When activating an On Hold Advance (depending on the platform setup option selected by the lender) two different options are available:

1) Make up Payments: when the Product is re-activated the Platform will create make up payments for all the missed payments that occurred before the the Product was put on hold (payments for accrued fees for NSFs can also be created)
2) NO Make up payments: the product will be re-activated without charging any previously bounced payment nor accrued fee

Collections status and tools

The Collections workflow covers functionality related to recovering delinquent loans.

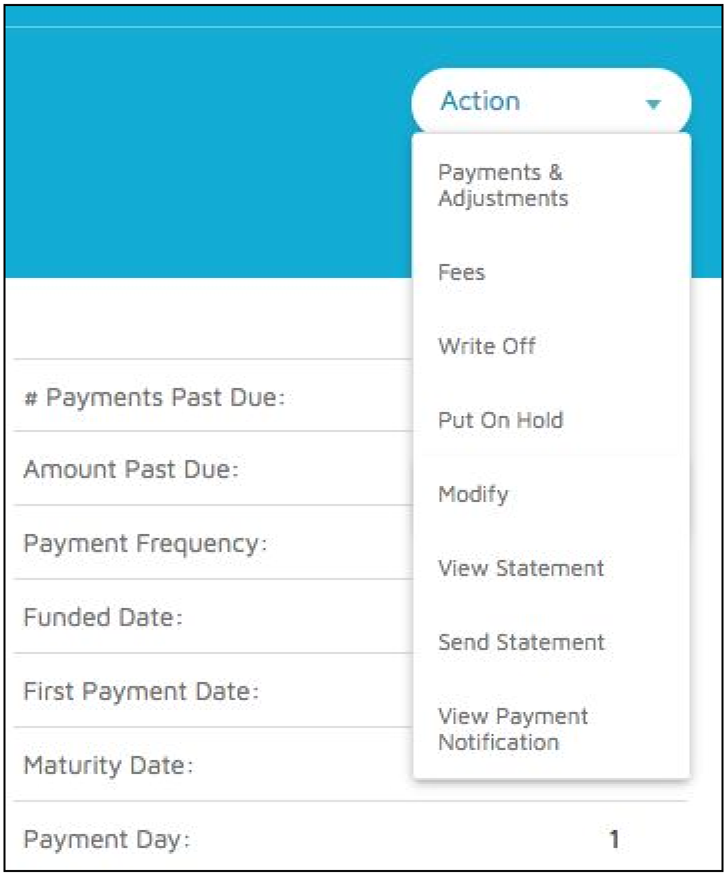
Days-past-due queues

...

Writing off loans

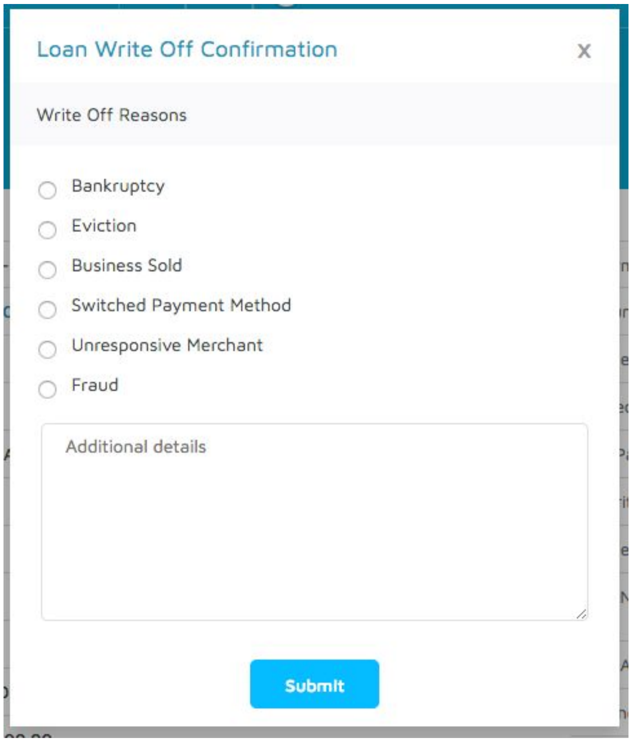
To write off a loan, go to the Loan Management page and select Write Off from the Action Menu (image below). Once this is done, the loan will appear in the Collections/Pending Write Offs queue until released. When released the product moves to the Write-off Queue.

Loan Management Page: select "Write Off" in the "Action" menu



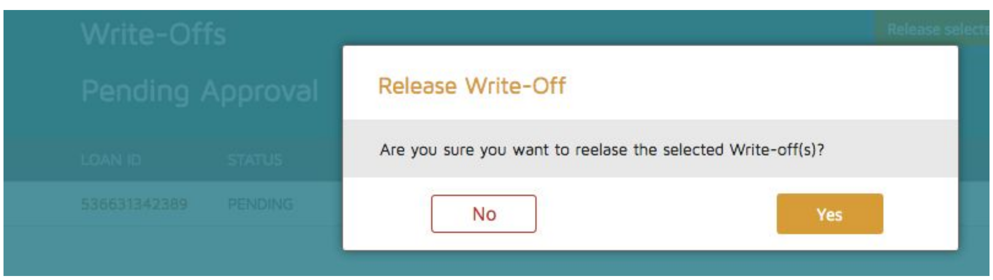
When writing off a loan, the user will be prompted (in the "Loan Write Off Confirmation" modal box) to select a reason and can add additional details explaining the circumstances of the write-off.

Loan Write Off Confirmation modal box



After selecting Write Off the product moves to the Pending Write Off queue, and in order to release the Write Off another authorized user must access the queue, select the loan, and release it.

Releasing a Write-Off

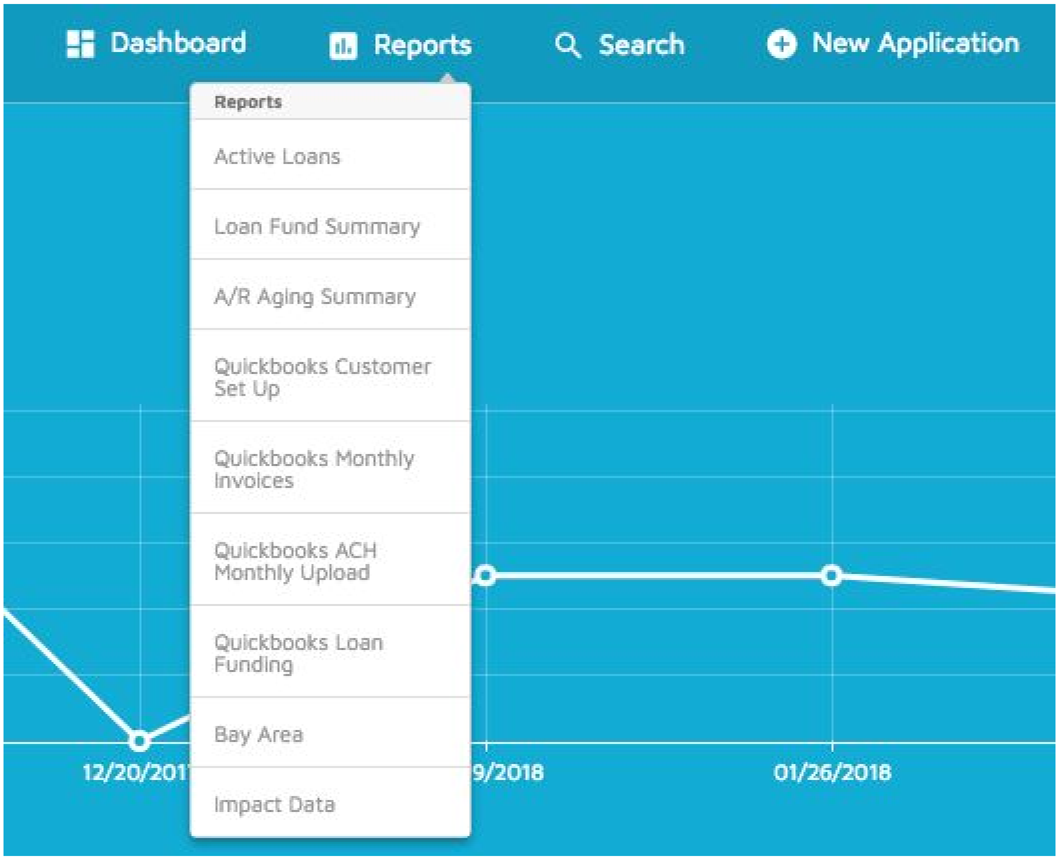


After the Write Off is released the product moves to the Write Off queue, the product detail will show all the remaining principal and fee balances.

Monitoring & reporting

Reports

Dropdown menu for selecting reports



Active Loans

Loan Fund Summary

A/R Aging Summary

Loan history