



Understanding Custodial Accounts

Calculating Cash Receipt Variances



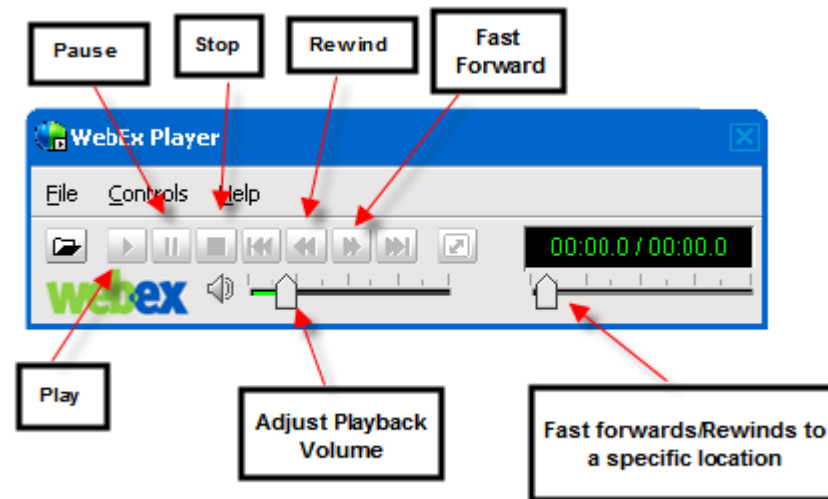
Your Freddie Mac presenter is...

Elizabeth Bowen



Tools and Tips

- ✓ Close all other applications to enhance your workstation's performance.
- ✓ Maximize the window used for viewing this recording.
- ✓ For technical Support, call (866) 229-3239



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Agenda

Topic

Slide Number

- **Principal & Interest (P&I) Reconciliation Process Overview.....5-7**
- **Cash Receipts Variance Overview.....8-9**
- **Calculate the Loan-Level Amount Due.....10-16**
- **Complete the *Cash Receipts to Current Amount Due Worksheet*....17-37**
- **Wrap-Up.....38-41**





Reconcile P&I Custodial Account Process

1. Complete form 59, P&I reconciliation worksheet
- 2. Calculate your cash receipts variance
3. Calculate your cash disbursements variance
4. Verify that your worksheets are correct by using the numbers check formula
5. Identify transactions causing cash receipts variance and record on a current cycle variance log
6. Identify transactions causing cash disbursements variance and record on a current cycle variance log
7. Record all outstanding variances on the cumulative variance log and designate as cash or paper
8. Repeat the above steps for each previous cycle until the total cumulative variance is identified



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Feb

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a) Bank balance as of	<u>15-Feb</u>		741,395.99
1b) Subtract: Outstanding debits		0.00	
1c) Add Deposits in transit		1,860.50	
1) Adjusted bank balance			743,256.49

Section 2 - Total Liability

2) Ending Balance from the	<u>15-Feb</u> <i>Monthly Account Statement</i>		211,275.43
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Subtract cumulative totals for:

3a) Delinquent interest on active mortgages		8,885.13	
3b) Delinquent interest on inactive mortgages		0.00	
3c) Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages		0.00	
3) Subtotal for Delinquents (Lines 3a+3b+3c)			8,885.13

Add cumulative totals for :

4a) Prepaid interest		1,566.62	
4b) Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages		0.00	
4c) Minority principal and interest collected but not reported as of <u>15-Feb</u>		0.00	
4) Subtotal for Prepaids (Lines 4a+4b+4c)			1,566.62
5) Total Liability Lines 2-3+4			203,956.92

Section 3 - Total Variance

6a) Current cycle's total cumulative variance (Line 1 less Line 5)			539,299.57
6b) Previous cycle's total cumulative variance (Line 6a from previous cycle)			3,898.10
6c) Current cycle variance (Line 6a less 6b)			535,401.47





Current Cycle Variance Analysis

Cash Receipts Variance

- Cash Disbursements Variance

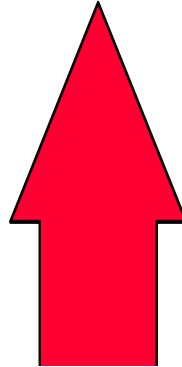
= Total Current Cycle Variance
(Line 6C of Form 59)



Cash Receipts

A cash receipt is any transaction that increases your bank balance.

- ✓ Collections
- ✓ Deposits
- ✓ Bank credits
- ✓ Journal entries





Cash Receipt Variances

Cash receipt variances occur when the amount deposited is not equal to the total amount due Freddie Mac for the cycle.

**Bank Statement
Credits**

≠

**Monthly Account Statement
Loan Level**



Formula for Amount Due

$$\begin{aligned} & \text{Cash Receipts} \\ & + \text{Change in Delinquent Interest} \\ & - \text{Change in Prepaid Interest} \\ & \hline & = \text{Amount Due} \end{aligned}$$



Cash Receipts and Loan Level Amounts Due

Status as of April 15	Example	March DDLPI	April DDLPI	April Cycle Amount Due Freddie Mac			April Cycle Ending UPB
				Principal	Interest	Total	
Current	A	3/1	4/1	55.86	717.56	773.42	99,779.02
Delinquent	B	3/1	3/1	0.00	717.56	717.56	99,834.91
Prepaid	C	3/1	5/1	112.14	717.56	829.70	99,722.77

Example	Cash Receipts	Delinquent Interest			Prepaid Interest		
		March	April	Change	March	April	Change
A	773.42	0.00	0.00	0.00	0.00	0.00	0.00
B	0.00	0.00	717.56	717.56	0.00	0.00	0.00
C	1,546.86	0.00	0.00	0.00	0.00	717.56	717.56



Formula for Amount Due – Example A

$$\begin{aligned}
 & \mathbf{\$773.42} \text{ (Cash Receipts)} \\
 & + \mathbf{\$0.00} \text{ (Change in Delinquent Interest)} \\
 & - \mathbf{\$0.00} \text{ (Change in Prepaid Interest)} \\
 \hline
 & = \mathbf{\$773.42} \text{ (Amount Due)}
 \end{aligned}$$

Status as of April 15	Example	March DDLPI	April DDLPI	April Cycle Amount Due Freddie Mac			April Cycle Ending UPB
				Principal	Interest	Total	
Current	A	3/1	4/1	55.86	717.56	773.42	99,779.02
Example	Cash Receipts	Delinquent Interest			Prepaid Interest		
		March	April	Change	March	April	Change
A	773.42	0.00	0.00	0.00	0.00	0.00	0.00



Formula for Amount Due – Example B

$$\begin{aligned}
 & \mathbf{\$0.00} \text{ (Cash Receipts)} \\
 & + \mathbf{\$717.56} \text{ (Change in Delinquent Interest)} \\
 & - \mathbf{\$0.00} \text{ (Change in Prepaid Interest)} \\
 \hline
 & = \mathbf{\$717.56} \text{ (Amount Due)}
 \end{aligned}$$

Status as of April 15	Example	March DDLPI	April DDLPI	April Cycle Amount Due Freddie Mac			April Cycle Ending UPB
				Principal	Interest	Total	
Delinquent	B	3/1	3/1	0.00	717.56	717.56	99,834.91
Example	Cash Receipts	Delinquent Interest			Prepaid Interest		
		March	April	Change	March	April	Change
B	0.00	0.00	717.56	717.56	0.00	0.00	0.00



Formula for Amount Due – Example C

$$\begin{aligned}
 & \mathbf{\$1,546.86} \text{ (Cash Receipts)} \\
 & + \mathbf{\$0.00} \text{ (Change in Delinquent Interest)} \\
 & - \mathbf{\$717.16} \text{ (Change in Prepaid Interest)} \\
 \hline
 & = \mathbf{\$829.70} \text{ (Amount Due)}
 \end{aligned}$$

Status as of April 15	Example	March DDLPI	April DDLPI	April Cycle Amount Due Freddie Mac			April Cycle Ending UPB
				Principal	Interest	Total	
Prepaid	C	3/1	5/1	112.14	717.56	829.70	99,722.77
Example	Cash Receipts	Delinquent Interest			Prepaid Interest		
		March	April	Change	March	April	Change
C	1,546.86	0.00	0.00	0.00	0.00	717.16	717.16



Formula for Amount Due

$$\begin{aligned} & \text{Cash Receipts} \\ & + \text{Change in Delinquent Interest} \\ & - \text{Change in Prepaid Interest} \\ & \hline & = \text{Amount Due} \end{aligned}$$



Formula for Cash Receipts

$$\begin{aligned} & \text{Amount Due} \\ & - \text{Change in Delinquent Interest} \\ & + \text{Change in Prepaid Interest} \\ & \hline & = \text{Cash Receipts} \end{aligned}$$



Cash Receipts to Current Amount Due Worksheet

as of February 15

Section 1 - Adjusted Cash Receipts

1a) Cash receipts from Bank Statement _____

1b) Add deposits in transit _____

1c) Less previous cycle's deposits in transit _____

1) Adjusted cash receipts, (Line 1a + 1b - 1c) _____



BANK OF BAGWAN 15-Feb

Posted Date	Withdrawals	Deposits	Transactions	Bank Balance
15-Jan			BEGINNING BALANCE	46,000.00
18-Jan	38,314.75		GPI ACH - FHLMC	7,685.25
25-Jan		637.40	MORTGAGE COLLECTIONS	8,322.65
27-Jan		1,051.01	MORTGAGE COLLECTIONS	9,373.66
31-Jan		869.63	MORTGAGE COLLECTIONS	10,243.29
1-Feb		1,966.73	MORTGAGE COLLECTIONS	12,210.02
2-Feb		5,579.84	MORTGAGE COLLECTIONS	17,789.86
3-Feb		2,752.47	MORTGAGE COLLECTIONS	20,542.33
6-Feb		1,336.99	MORTGAGE COLLECTIONS	21,879.32
7-Feb		3,782.87	MORTGAGE COLLECTIONS	25,662.19
7-Feb	7,114.57		GPI ACH - FHLMC	18,547.62
8-Feb		140,630.61	MORTGAGE COLLECTIONS	159,178.23
9-Feb		2,526.99	MORTGAGE COLLECTIONS	161,705.22
10-Feb		2,590.54	MORTGAGE COLLECTIONS	164,295.76
13-Feb		672.92	JE - ADJUSTMENT- January	164,968.68
13-Feb		5,201.78	MORTGAGE COLLECTIONS	170,170.46
13-Feb	138,986.14		GPI ACH - FHLMC	31,184.32
14-Feb		710,759.35	MORTGAGE COLLECTIONS	741,943.67
15-Feb	4,571.02		JE - ADJUSTMENT- January	737,372.65
15-Feb		4,023.34	MORTGAGE COLLECTIONS	741,395.99
TOTALS	188,986.48	884,382.47	ENDING BALANCE	741,395.99

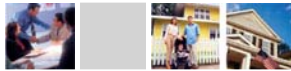


Cash Receipts to Current Amount Due Worksheet

as of February 15

Section 1 - Adjusted Cash Receipts

1a) Cash receipts from Bank Statement	<u>\$ 884,382.47</u>
1b) Add deposits in transit	<u> </u>
1c) Less previous cycle's deposits in transit	<u> </u>
1) Adjusted cash receipts, (Line 1a + 1b - 1c)	<u> </u>



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Feb

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a)	Bank balance as of <u>15-Feb</u>	<u>741,395.99</u>	
1b)	Subtract: Outstanding debits	<u>0.00</u>	
1c)	Add Deposits in transit	<u>1,860.50</u>	
1)	Adjusted bank balance	<u>743,256.49</u>	

Section 2 - Total Liability

2)	Ending Balance from the <u>15-Feb</u> <i>Monthly Account Statement</i>	<u>211,275.43</u>	
Subtract cumulative totals for:			
3a)	Delinquent interest on active mortgages	<u>8,885.13</u>	
3b)	Delinquent interest on inactive mortgages	<u>0.00</u>	
3c)	Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
3)	Subtotal for Delinquents (Lines 3a+3b+3c)	<u>8,885.13</u>	
Add cumulative totals for :			
4a)	Prepaid interest	<u>1,566.62</u>	
4b)	Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
4c)	Minority principal and interest collected but not reported as of <u>15-Feb</u>	<u>0.00</u>	
4)	Subtotal for Prepaids (Lines 4a+4b+4c)	<u>1,566.62</u>	
5)	Total Liability Lines 2-3+4	<u>203,956.92</u>	

Section 3 - Total Variance

6a)	Current cycle's total cumulative variance (Line 1 less Line 5)	<u>539,299.57</u>	
6b)	Previous cycle's total cumulative variance (Line 6a from previous cycle)	<u>3,898.10</u>	
6c)	Current cycle variance (Line 6a less 6b)	<u>535,401.47</u>	



Cash Receipts to Current Amount Due Worksheet

as of February 15

Section 1 - Adjusted Cash Receipts

1a) Cash receipts from Bank Statement	<u>\$ 884,382.47</u>
1b) Add deposits in transit	<u>\$1,860.50</u>
1c) Less previous cycle's deposits in transit	<u> </u>
1) Adjusted cash receipts, (Line 1a + 1b - 1c)	<u> </u>



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Jan

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a)	Bank balance as of <u>15-Jan</u>		46,000.00
1b)	Subtract: Outstanding debits	<u>0.00</u>	
1c)	Add Deposits in transit	<u>0.00</u>	
1)	Adjusted bank balance		<u>46,000.00</u>

Section 2 - Total Liability

2)	Ending Balance from the <u>15-Jan Monthly Account Statement</u>		<u>45,429.32</u>
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Subtract cumulative totals for:

3a)	Delinquent interest on active mortgages	<u>3,327.42</u>	
3b)	Delinquent interest on inactive mortgages	<u>0.00</u>	
3c)	Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
3)	Subtotal for Delinquents (Lines 3a+3b+3c)		<u>3,327.42</u>

Add cumulative totals for :

4a)	Prepaid interest	<u>0.00</u>	
4b)	Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
4c)	Minority principal and interest collected but not reported as of <u>15-Jan</u>	<u>0.00</u>	
4)	Subtotal for Prepays (Lines 4a+4b+4c)		<u>0.00</u>
5)	Total Liability Lines 2-3+4		<u>42,101.90</u>

Section 3 - Total Variance

6a)	Current cycle's total cumulative variance (Line 1 less Line 5)		<u>3,898.10</u>
6b)	Previous cycle's total cumulative variance (Line 6a from previous cycle)		<u> </u>
6c)	Current cycle variance (Line 6a less 6b)		<u> </u>



Cash Receipts to Current Amount Due

Worksheet

as of February 15

Section 1 - Adjusted Cash Receipts

1a) Cash receipts from Bank Statement	<u>\$ 884,382.47</u>
1b) Add deposits in transit	<u>\$1,860.50</u>
1c) Less previous cycle's deposits in transit	<u>\$0.00</u>
1) Adjusted cash receipts, (Line 1a + 1b - 1c)	<u>\$886,242.97</u>



Section 2 - Total Liability

Amount Due from Monthly Account Statement

- | | | |
|---------------------------------------|-------|-------|
| 2a) Total Principal and Interest | _____ | |
| 2b) Adjustments made by Freddie Mac | _____ | |
| 2) Net Current Amount Due Freddie Mac | | _____ |

Change in Delinquencies

- | | | |
|--|-------|-------|
| 3a) Current cycle (Line 3 current cycle P&I Worksheet) | _____ | |
| 3b) Previous cycle (Line 3 previous cycle P&I Worksheet) | _____ | |
| 3) Net change in delinquencies (Line 3a - 3b) | | _____ |

Change in Prepaids

- | | | |
|--|-------|-------|
| 4a) Current cycle (Line 4 current cycle P&I Worksheet) | _____ | |
| 4b) Previous cycle (Line 4 previous cycle P&I Worksheet) | _____ | |
| 4) Net change in prepaids (Line 4a - 4b) | | _____ |

- | | | |
|------------------------------|--|-------|
| 5) Total liability 2 - 3 + 4 | | _____ |
|------------------------------|--|-------|



REPORT: LLR6110R

LOAN LEVEL REPORTING

ACCOUNTANT:

MONTHLY ACCOUNT STATEMENT

SERVICER: 123456

AS OF: 15-Feb

BEGINNING BALANCE

45,429.32

TRANSACTION APPLIED	PRINCIPAL DUE	INTEREST DUE	TOTAL P&I
NON EXCEPTIONS	4,349.39	38,460.38	42,809.77
PREPAID PAYOFF (61)	305,047.27	2,404.53	307,451.80
ADD TOTAL PRINCIPAL & INTEREST	309,396.66	40,864.91	350,261.57
LESS REMITTANCES MADE			184,415.46
ADD ADJUSTMENTS MADE BY FREDDIE MAC			0.00
ENDING BALANCE			211,275.43



Section 2 - Total Liability

Amount Due from Monthly Account Statement

2a) Total Principal and Interest	<u>\$350,261.57</u>	
2b) Adjustments made by Freddie Mac	<u>\$0.00</u>	
2) Net Current Amount Due Freddie Mac		<u>\$350,261.57</u>

Change in Delinquencies

3a) Current cycle (Line 3 current cycle P&I Worksheet)	_____
3b) Previous cycle (Line 3 previous cycle P&I Worksheet)	_____
3) Net change in delinquencies (Line 3a - 3b)	_____

Change in Prepays

4a) Current cycle (Line 4 current cycle P&I Worksheet)	_____
4b) Previous cycle (Line 4 previous cycle P&I Worksheet)	_____
4) Net change in prepaids (Line 4a - 4b)	_____
5) Total liability 2 - 3 + 4	_____



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Feb

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a)	Bank balance as of <u>15-Feb</u>	<u>741,395.99</u>	
1b)	Subtract: Outstanding debits	<u>0.00</u>	
1c)	Add Deposits in transit	<u>1,860.50</u>	
1)	Adjusted bank balance	<u>743,256.49</u>	

Section 2 - Total Liability

2)	Ending Balance from the <u>15-Feb</u> <i>Monthly Account Statement</i>	<u>211,275.43</u>	
Subtract cumulative totals for:			
3a)	Delinquent interest on active mortgages	<u>8,885.13</u>	
3b)	Delinquent interest on inactive mortgages	<u>0.00</u>	
3c)	Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
3)	Subtotal for Delinquents (Lines 3a+3b+3c)	<u>8,885.13</u>	
Add cumulative totals for :			
4a)	Prepaid interest	<u>1,566.62</u>	
4b)	Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
4c)	Minority principal and interest collected but not reported as of <u>15-Feb</u>	<u>0.00</u>	
4)	Subtotal for Prepaids (Lines 4a+4b+4c)	<u>1,566.62</u>	
5)	Total Liability Lines 2-3+4	<u>203,956.92</u>	

Section 3 - Total Variance

6a)	Current cycle's total cumulative variance (Line 1 less Line 5)	<u>539,299.57</u>	
6b)	Previous cycle's total cumulative variance (Line 6a from previous cycle)	<u>3,898.10</u>	
6c)	Current cycle variance (Line 6a less 6b)	<u>535,401.47</u>	



Section 2 - Total Liability

Amount Due from Monthly Account Statement

2a) Total Principal and Interest	\$350,261.57	
2b) Adjustments made by Freddie Mac	\$0.00	
2) Net Current Amount Due Freddie Mac		\$350,261.57

Change in Delinquencies

3a) Current cycle (Line 3 current cycle P&I Worksheet)	\$8,885.13	
3b) Previous cycle (Line 3 previous cycle P&I Worksheet)		
3) Net change in delinquencies (Line 3a - 3b)		

Change in Prepaids

4a) Current cycle (Line 4 current cycle P&I Worksheet)		
4b) Previous cycle (Line 4 previous cycle P&I Worksheet)		
4) Net change in prepaids (Line 4a - 4b)		
5) Total liability 2 - 3 + 4		



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Jan

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a)	Bank balance as of <u>15-Jan</u>	<u>46,000.00</u>
1b)	Subtract: Outstanding debits	<u>0.00</u>
1c)	Add Deposits in transit	<u>0.00</u>
1)	Adjusted bank balance	<u>46,000.00</u>

Section 2 - Total Liability

2)	Ending Balance from the <u>15-Jan Monthly Account Statement</u>	<u>45,429.32</u>
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Subtract cumulative totals for:

3a)	Delinquent interest on active mortgages	<u>3,327.42</u>
3b)	Delinquent interest on inactive mortgages	<u>0.00</u>
3c)	Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>
3)	Subtotal for Delinquents (Lines 3a+3b+3c)	<u>3,327.42</u>

Add cumulative totals for :

4a)	Prepaid interest	<u>0.00</u>
4b)	Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>
4c)	Minority principal and interest collected but not reported as of <u>15-Jan</u>	<u>0.00</u>
4)	Subtotal for Prepays (Lines 4a+4b+4c)	<u>0.00</u>
5)	Total Liability Lines 2-3+4	<u>42,101.90</u>

Section 3 - Total Variance

6a)	Current cycle's total cumulative variance (Line 1 less Line 5)	<u>3,898.10</u>
6b)	Previous cycle's total cumulative variance (Line 6a from previous cycle)	<u> </u>
6c)	Current cycle variance (Line 6a less 6b)	<u> </u>



Section 2 - Total Liability

Amount Due from Monthly Account Statement

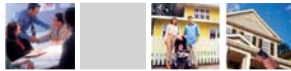
2a) Total Principal and Interest	<u>\$350,261.57</u>	
2b) Adjustments made by Freddie Mac	<u>\$0.00</u>	
2) Net Current Amount Due Freddie Mac		<u>\$350,261.57</u>

Change in Delinquencies

3a) Current cycle (Line 3 current cycle P&I Worksheet)	<u>\$8,885.13</u>	
3b) Previous cycle (Line 3 previous cycle P&I Worksheet)	<u>\$3,327.42</u>	
3) Net change in delinquencies (Line 3a - 3b)		<u>\$5,557.71</u>

Change in Prepaids

4a) Current cycle (Line 4 current cycle P&I Worksheet)	_____	
4b) Previous cycle (Line 4 previous cycle P&I Worksheet)	_____	
4) Net change in prepaids (Line 4a - 4b)		_____
5) Total liability 2 - 3 + 4		_____



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Feb

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a)	Bank balance as of <u>15-Feb</u>	<u>741,395.99</u>	
1b)	Subtract: Outstanding debits	<u>0.00</u>	
1c)	Add Deposits in transit	<u>1,860.50</u>	
1)	Adjusted bank balance	<u>743,256.49</u>	

Section 2 - Total Liability

2)	Ending Balance from the <u>15-Feb</u> <i>Monthly Account Statement</i>	<u>211,275.43</u>	
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Subtract cumulative totals for:

3a)	Delinquent interest on active mortgages	<u>8,885.13</u>	
3b)	Delinquent interest on inactive mortgages	<u>0.00</u>	
3c)	Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
3)	Subtotal for Delinquents (Lines 3a+3b+3c)	<u>8,885.13</u>	

Add cumulative totals for :

4a)	Prepaid interest	<u>1,566.62</u>	
4b)	Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>	
4c)	Minority principal and interest collected but not reported as of <u>15-Feb</u>	<u>0.00</u>	
4)	Subtotal for Prepays (Lines 4a+4b+4c)	<u>1,566.62</u>	
5)	Total Liability Lines 2-3+4	<u>203,956.92</u>	

Section 3 - Total Variance

6a)	Current cycle's total cumulative variance (Line 1 less Line 5)	<u>539,299.57</u>	
6b)	Previous cycle's total cumulative variance (Line 6a from previous cycle)	<u>3,898.10</u>	
6c)	Current cycle variance (Line 6a less 6b)	<u>535,401.47</u>	



Section 2 - Total Liability

Amount Due from Monthly Account Statement

2a) Total Principal and Interest	<u>\$350,261.57</u>	
2b) Adjustments made by Freddie Mac	<u>\$0.00</u>	
2) Net Current Amount Due Freddie Mac		<u>\$350,261.57</u>

Change in Delinquencies

3a) Current cycle (Line 3 current cycle P&I Worksheet)	<u>\$8,885.13</u>	
3b) Previous cycle (Line 3 previous cycle P&I Worksheet)	<u>\$3,327.42</u>	
3) Net change in delinquencies (Line 3a - 3b)		<u>\$5,557.71</u>

Change in Prepays

4a) Current cycle (Line 4 current cycle P&I Worksheet)	<u>\$1,566.62</u>	
4b) Previous cycle (Line 4 previous cycle P&I Worksheet)	<u> </u>	
4) Net change in prepaids (Line 4a - 4b)		<u> </u>
5) Total liability 2 - 3 + 4		<u> </u>



Principal and Interest Custodial Account Reconciliation Worksheet - *Monthly Account Statement*

AS OF: 15-Jan

Seller/Servicer Number: 999999 Seller/Servicer Name: Mongol Mortgage

Section 1 - Adjusted Bank Balance

1a)	Bank balance as of <u>15-Jan</u>	46,000.00
1b)	Subtract: Outstanding debits	<u>0.00</u>
1c)	Add Deposits in transit	<u>0.00</u>
1)	Adjusted bank balance	<u>46,000.00</u>

Section 2 - Total Liability

2)	Ending Balance from the <u>15-Jan</u> <i>Monthly Account Statement</i>	<u>45,429.32</u>
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Subtract cumulative totals for:

3a)	Delinquent interest on active mortgages	<u>3,327.42</u>
3b)	Delinquent interest on inactive mortgages	<u>0.00</u>
3c)	Delinquent principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>
3)	Subtotal for Delinquents (Lines 3a+3b+3c)	<u>3,327.42</u>

Add cumulative totals for :

4a)	Prepaid interest	<u>0.00</u>
4b)	Prepaid principal on Timely Principal & Interest and scheduled/scheduled mortgages	<u>0.00</u>
4c)	Minority principal and interest collected but not reported as of <u>15-Jan</u>	<u>0.00</u>
4)	Subtotal for Prepaids (Lines 4a+4b+4c)	<u>0.00</u>
5)	Total Liability Lines 2-3+4	<u>42,101.90</u>

Section 3 - Total Variance

6a)	Current cycle's total cumulative variance (Line 1 less Line 5)	<u>3,898.10</u>
6b)	Previous cycle's total cumulative variance (Line 6a from previous cycle)	<u> </u>
6c)	Current cycle variance (Line 6a less 6b)	<u> </u>



Section 2 - Total Liability

Amount Due from Monthly Account Statement

2a) Total Principal and Interest	<u>\$350,261.57</u>	
2b) Adjustments made by Freddie Mac	<u>\$0.00</u>	
2) Net Current Amount Due Freddie Mac		<u>\$350,261.57</u>

Change in Delinquencies

3a) Current cycle (Line 3 current cycle P&I Worksheet)	<u>\$8,885.13</u>	
3b) Previous cycle (Line 3 previous cycle P&I Worksheet)	<u>\$3,327.42</u>	
3) Net change in delinquencies (Line 3a - 3b)		<u>\$5,557.71</u>

Change in Prepays

4a) Current cycle (Line 4 current cycle P&I Worksheet)	<u>\$1,566.62</u>	
4b) Previous cycle (Line 4 previous cycle P&I Worksheet)	<u>\$0.00</u>	
4) Net change in prepaids (Line 4a - 4b)		<u>\$1,566.62</u>

5) Total liability 2 - 3 + 4		<u>\$346,270.48</u>
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Cash Receipts to Current Amount Due Worksheet

as of February 15

Section 3 - Total Variance

6) Total cash receipts variance (Line 1 - Line 5)	<u>\$539,972.49</u>
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Cash Receipts Variance

- First, record the total amount of your variance (line 6) on a Current Cycle Variance Log.
- Next, record all transactions causing the variance on the Current Cycle Log.
- Last, determine if the transactions are cash or paper.



Summary

- A cash receipt is any transaction that increases your bank balance
- A cash receipt variance occurs when the amount deposited is not equal to the total amount due Freddie Mac for the cycle.
- There are three steps involved in the process of analyzing cash receipts and the current amount due
 - ✓ Use the Cash Receipts to Current Amount Due Reconciliation Worksheet to calculate your cash receipts variance amount
 - ✓ Identify the transactions causing the variance
 - ✓ Record the outstanding items you identified on a current cycle variance log



Resources

- The Learning Center – Servicing Home Page
 - ✓ <http://www.freddiemac.com/learn/service>
- (800)FREDDIE (373-3343)
- Single-Family Seller/Servicer Guide



Learning Center Updates

The **Learning Center Updates** page provides quick access to new and updated resources to help you with underwriting, mortgage products, selling, servicing, and more.



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