

A

IBM

General Information Manual

Mortgage Loan Accounting

MORTGAGE LOAN ACCOUNTING

Progressive commercial banks, savings banks, savings and loan associations, mortgage servicing companies and insurance companies long have recognized the advantages of utilizing IBM Data Processing Systems for Mortgage Loan Accounting.

The flexibility of the IBM Method permits the design of procedures to meet individual needs.

For instance:

A number of customers are using the IBM 557 Interpreter with Selective Line Printing to automatically print their Ledger Cards. Other customers use the IBM Balance Cards as their Ledger Records and periodically use them to list an Historical Record of transactions and balances by mortgagor. A copy of this listing, showing principal, interest, escrow payments and escrow disbursements, mailed to the mortgagor at year end, eliminates inquiries for data to support income tax returns. The customer whose procedure is described in this book prepares his Ledger Cards on the IBM 954 Facsimile Posting Machine.

On mortgage billing, the IBM Method is sufficiently flexible to be efficient whether a bill, a passbook, a coupon book or a receipt plan is utilized. The IBM prepared bill, on paper or an IBM card, is an extra dividend achieved through use of the IBM Data Processing Machines.

In addition to the regular accounting functions, the use of IBM machines makes possible the preparation of special analyses for audit and management purposes. These analyses may take the following suggested forms: mortgage property analysis by type of property, by location and type of mortgage, and by type of mortgage and amortization status.

Installations of IBM Data Processing Systems are currently serving customers whose portfolios vary from less than 2000 to over 100,000 mortgages.

PROCEDURE

The following is a brief description of the way in which one customer has met and solved his accounting requirements.

NEW LOANS

1. Name and Address Cards. They are used in the printing of the mortgagor's name and address and the location of the property on the mortgage bills. These cards are filed in account number sequence for each day, period, and kind of mortgage, and are used repetitively in each billing period during the term of mortgage.

C	BAN NUMBER	K	RATE	S	P	DAY	NAME	R	ADDRESS	AGENT		
0	352081	45	1	0	1	1846	011846	MONTCLAIR ROAD				
CARD	BAN NUMBER	K	RATE <td>S <td>P <td>DAY <td>NAME OR ADDRESS</td> <td colspan="3">AGENT</td> </td></td></td>	S <td>P <td>DAY <td>NAME OR ADDRESS</td> <td colspan="3">AGENT</td> </td></td>	P <td>DAY <td>NAME OR ADDRESS</td> <td colspan="3">AGENT</td> </td>	DAY <td>NAME OR ADDRESS</td> <td colspan="3">AGENT</td>	NAME OR ADDRESS	AGENT				
0	000000	0	000000	0	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000		
1	2	3	4	5	6	7	8	9	10	11		
CARD	BAN NUMBER	K <td>RATE <td>S <th>P</th> <th>DAY</th> <th>NAME OR ADDRESS</th> <th colspan="3">AGENT</th> <th>DOB</th> </td></td>	RATE <td>S <th>P</th> <th>DAY</th> <th>NAME OR ADDRESS</th> <th colspan="3">AGENT</th> <th>DOB</th> </td>	S <th>P</th> <th>DAY</th> <th>NAME OR ADDRESS</th> <th colspan="3">AGENT</th> <th>DOB</th>	P	DAY	NAME OR ADDRESS	AGENT			DOB	
2	2	2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9	9	9	9
1	2	3	4	5	6	7	8	9	10	11	12	13

2. Mortgage Transaction Cards. These cards are used for the calculation of interest charges, principal and escrow payments, principal and escrow balances, the preparation of bills, and the establishment of accounting controls.

C	BAN NUMBER	K	RATE	S	P	DAY	MO.	TRANS.	A	INTEREST	ESCROW BALANCE	PRINCIPAL BALANCE	TOTAL PAYMENT	ESCROW PAYMENT	PRINCIPAL PAYMENT	ESCROW BALANCE	PRINCIPAL BALANCE
3	52081	1	0	1	0	5				1505	6212	401404	1553	1342	7765	40062	
CARD	BAN NUMBER	K <th>RATE</th> <th>S</th> <th>P</th> <th>DAY</th> <th>MO.</th> <th>TRANS.</th> <th>A</th> <th>INTEREST</th> <th>ESCROW BALANCE</th> <th>PRINCIPAL BALANCE</th> <th>TOTAL OR CONSTANT PAYMENT</th> <th>ESCROW PAYMENT</th> <th>PRINCIPAL PAYMENT</th> <th>ESCROW BALANCE</th> <th>PRINCIPAL BALANCE</th>	RATE	S	P	DAY	MO.	TRANS.	A	INTEREST	ESCROW BALANCE	PRINCIPAL BALANCE	TOTAL OR CONSTANT PAYMENT	ESCROW PAYMENT	PRINCIPAL PAYMENT	ESCROW BALANCE	PRINCIPAL BALANCE
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

BILLING PROOF JOURNAL

The final step for each day's payment transactions is to prepare the Transaction Cards for the next mortgage payment by crossfooting on a calculating punch to obtain the new escrow and principal balances.

After the preparation of control records, the paid Transaction Cards are used to reproduce the Transaction Cards for the next expected payment. The new cards are placed in ledger files in account number sequence by control group.

Ten or twelve days prior to the next due date, all receivable items unpaid for the prior period are examined and a Transaction Card for the next payment due is prepared. These cards and the new Transaction Cards for currently paid accounts are listed for a Billing Proof Journal. The old principal and escrow balances must agree to mortgage controls. The interest must agree in total to the total interest manually calculated on the control listing.

BILLING PROOF JOURNAL														
MORTGAGE NO.	TYPE	PER	DAY	NO. DUE	RATE	PRINCIPAL			OLD BALANCE	ESCROW PAYMENTS	NEW BALANCE	INTEREST ADJ./ARREARS	REGULAR INTEREST	TOTAL PAYMENT
						OLD BALANCE	PAYMENTS	NEW BALANCE						
35208	1	1	1	5	45	401404	1342		6212	1553		1505	4400	
35221	1	1	1	5	40	5800026	16666					19334	36000	
35224	1	1	1	5	45	490012	3334					1838	5172	
35231	1	1	1	4	45	197549	835						1576	
35231	1	1	1	5	45		835					741	1576	
35237	1	1	1	5	40	4475072						741	1576	
35249	1	1	1	5	45	607519	2500		14110	1500		14917	14917	
35251	1	1	1	5	45	226000	1335					2278	6278	
35255	1	1	1	3	45	332518	835					838	2173	
35255	1	1	1	4	45		835					1247	2082	
35255	1	1	1	4	45		835					1247	2082	
35255	1	1	1	5	45		835					1247	2082	
35262	1	1	1	5	45	240019	2500		12890	1850		900	5250	
35266	1	1	1	5	45	400073						1500	1500	
35270	1	1	1	5	45	8216087	1335		9530	1975		810	4120	
35275	1	1	1	5	45	462515	2500					1735	4235	
						13848794	35687		42742	6878		3235	93443	

BILLING

After balances with controls have been established the Name and Address Cards are merged with the Transaction Cards and the bills are prepared. The totals of interest, principal, escrow, and total payments are accumulated during this operation and balanced against the same totals of the Billing Proof Journal.

<p>LAKEVIEW BANK NEW YORK, NEW YORK</p> <p>PLEASE NOTE: THIS PAYMENT MUST BE MADE ON OR BEFORE DUE DATE.</p> <p>PROPERTY 1846 MONTCLAIR ROAD</p> <p>JOHN STEVENS 1846 MONTCLAIR ROAD CITY STATE</p>		<p>LAKEVIEW BANK NEW YORK, NEW YORK</p> <p>PAYMENT STUB</p> <table border="1"> <tr><td>MORTGAGE NO.</td><td>TYPE</td><td>CODE</td><td>DUE DATE</td></tr> <tr><td>35028</td><td>1</td><td>1</td><td>01</td></tr> </table> <table border="1"> <tr><td>CASH CHECK</td><td></td></tr> <tr><td>PAYMENT</td><td></td></tr> <tr><td>RTD.</td><td></td></tr> </table>		MORTGAGE NO.	TYPE	CODE	DUE DATE	35028	1	1	01	CASH CHECK		PAYMENT		RTD.																							
MORTGAGE NO.	TYPE	CODE	DUE DATE																																				
35028	1	1	01																																				
CASH CHECK																																							
PAYMENT																																							
RTD.																																							
<p>KINDLY NOTIFY THE BANK OF ANY CHANGE OF ADDRESS OR OWNERSHIP. PAYMENTS MAY BE MADE AT THE MORTGAGE CASHIER'S WINDOW AT THE MAIN OFFICE OR BROADWAY OFFICE OR BY MAIL.</p> <table border="1"> <tr><th>MORTGAGE NO.</th><th>MORTGAGE PRINCIPAL BEFORE THIS PAYMENT</th><th>DATE DUE MO. DAY YR.</th><th>AMOUNT OF INTEREST</th><th>APPLIED ON PRINCIPAL</th><th>TAXES & INSURANCE</th><th>TOTAL DUE</th></tr> <tr><td>35208</td><td>401404</td><td>5 15</td><td>1505</td><td>1342</td><td>1553</td><td>4400</td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>4400</td></tr> </table> <p>PLEASE BRING THIS BILL AND STUB WHEN MAKING PAYMENT AT THE BANK. WHEN PAYING BY CHECK SEND STUB ONLY. YOUR CANCELLED CHECK WILL BE YOUR RECEIPT.</p>		MORTGAGE NO.	MORTGAGE PRINCIPAL BEFORE THIS PAYMENT	DATE DUE MO. DAY YR.	AMOUNT OF INTEREST	APPLIED ON PRINCIPAL	TAXES & INSURANCE	TOTAL DUE	35208	401404	5 15	1505	1342	1553	4400							4400	<p>ALWAYS RETURN THIS STUB TO THE BANK DETACH ONLY WHEN PAYING BY MAIL YOUR CANCELLED CHECK WILL BE YOUR RECEIPT</p> <table border="1"> <tr><th>MO.</th><th>AMOUNT OF INTEREST</th><th>APPLIED ON PRINCIPAL</th><th>TAXES & INSURANCE</th><th>TOTAL DUE</th></tr> <tr><td>5</td><td>1505</td><td>1342</td><td>1553</td><td>4400</td></tr> <tr><td></td><td></td><td></td><td></td><td>4400</td></tr> </table>		MO.	AMOUNT OF INTEREST	APPLIED ON PRINCIPAL	TAXES & INSURANCE	TOTAL DUE	5	1505	1342	1553	4400					4400
MORTGAGE NO.	MORTGAGE PRINCIPAL BEFORE THIS PAYMENT	DATE DUE MO. DAY YR.	AMOUNT OF INTEREST	APPLIED ON PRINCIPAL	TAXES & INSURANCE	TOTAL DUE																																	
35208	401404	5 15	1505	1342	1553	4400																																	
						4400																																	
MO.	AMOUNT OF INTEREST	APPLIED ON PRINCIPAL	TAXES & INSURANCE	TOTAL DUE																																			
5	1505	1342	1553	4400																																			
				4400																																			
<p>▲ PAY LAST AMOUNT IN THIS COLUMN (OVER)</p>																																							

DAILY PAYMENT JOURNAL

Each day, the Transaction Cards for paid items are selected. The source document is the Payment Stub returned by the mortgagor with his remittance. This stub contains the amount received and the mortgage number.

The data is crossfooted on a calculating punch to obtain the new escrow and principal balances. The cards then are listed by mortgage number, period, day, and kind, while accumulating totals of old and new balances of principal and escrow, totals of interest, and totals of principal and escrow debits and credits.

The debit and credit totals of this listing must agree with the Mortgage Cashier's totals. These totals then are used to post the General Ledger Accounts. This listing is posted by means of a Facsimile Posting Machine to Mortgage Ledger Cards.

The paid Transaction Cards then are used to reproduce the Transaction Cards for the next payment. These cards then are put through the calculating punch to calculate the new interest and principal payment amounts.

The new cards are filed in ledger files in account number sequence by control group. The old cards are processed for the preparation of historical records.

DAILY MORTGAGE PAYMENT JOURNAL																				
OLD BALANCE				DATE		MORTGAGE		DUE	CODE	PRINCIPAL			INTEREST		ESCROW			NO.	DUE	BY
PRINCIPAL	ESCROW	MO.	DAY	NO.	DAY	P	DAY	BALANCE		RATE	AMOUNT	DEBIT	CREDIT	BALANCE	DEBIT	CREDIT	BALANCE	DATE		
401404	6212	5	1	35208	1			1342	4 ½	1505			400062			1553	7765	5		
3998805		5	1	36115	1			19779	4	13329			3979026			1553		5		
917487		5	1	37950	1			2728	4 ½	3441			914759			1553		5		
2826440		5	1	35675	1			13510	4	9421			2812930			1553		5		
626477	16608	5	1	35986	2			2080	4 ½	2349			624397		2071	18679	5			
559975	12140	5	1	36441	2			2015	4 ½	2100			557960		2185	14325	5			
590379	10929	5	1	37859	2			2529	4 ½	2214			587850		1957	12886	5			
713144	13279	5	1	35320	2			1863	4 ½	2693			716281		2644	15923	5			
489394		5	1	36102	3			3949	4 ½	1835			485445				5			
																	13174	5		
																	14197	5		
																	96949	5		
MORTGAGE LEDGER CARD																				
DATE	MORTGAGE	DUE	PRINCIPAL							INTEREST		ESCROW			NO.	DUE	REMARKS			
NO.	DAY	PR	NUMBER	P	DAY	CODE	DEBIT	CREDIT	BALANCE	RATE	AMOUNT	DEBIT	CREDIT	BALANCE	DATE					
1	2		35208	1				1322	405400	4 ½	1525		1553	1553	1					
2	1		35208	1				1327	404073	4 ½	1520		1553	3106	2					
3	1		35208	1				1332	402741	4 ½	1515		1553	4659	3					
4	1		35208	1				1337	401404	4 ½	1510		1553	6212	4					
5	1		35208	1				1342	400062	4 ½	1505		1553	7765	5					

HISTORICAL RECORDS

This particular customer has instituted an Historical Record Envelope for each mortgage. The history and statistics on each mortgage are contained in this envelope.

After the Daily Mortgage Payment Journal is listed and new Transaction Cards have been reproduced, the paid Transaction Cards are sorted by account number and payments are listed. By means of the Facsimile Posting Machine, this listing is used to post escrow and principal balance on the Record of Payments.

The Historical Record then contains all the necessary information for the ordinary interview with the mortgagor. This record, available in the mortgage servicing department, eliminates reference to correspondence files and ledger cards filed in other departments. Of special significance is the fact that reference to the Historical Record for collection and other information may be made at any time without interference to the accounting records.

NUMERICAL LIST OF PAYMENTS											
MORTGAGE NO.	DUE		DATE PAID			MO. DUE	ESCROW BALANCE	PRINCIPAL BALANCE			TRAN CODE
	PER	DAY	MO.	DAY	YR.						
35208		1	5	15		5	77	65	4000	62	46
35395		9	5	15		5	117	15	2371	97	51
36110		7	5	15		5			7044	18	51
36235		13	5	15		5			6343	28	51
36275		14	5	15		5	132	79	2628	35	51
36315		14	5	15		5			7401	40	51
36341		9	5	15		4	143	25	5579	60	51
36405		12	5	15		5	131	74	4000	62	51
36463		8	5	15		5			7742	26	51
36496		7	5	15		5	186	79	6243	97	51
36512		14	5	15		5			3626	55	51
36532		13	5	15		5			2949	56	51
36583		3	5	15		5	281	29	2812	93	51
36598		2	5	15		5			9147	59	51
							789	37	1237	55	29

RECORD OF PAYMENT											
B & M NUMBER	DUE		DATE PAID			MO. DUE	ESCROW BALANCE	PRINCIPAL BALANCE			REMARKS
	PER	DAY	MO.	DAY	YR.						
35208		1	1	15		1	155	3	4054	00	46
35208		1	2	25		2	310	6	4040	73	46
35208		1	3	15		3	465	9	4027	41	46
35208		1	4	15		4	621	2	4014	04	46
35208		1	5	15		5	776	5	4000	62	46

PRINCIPAL AND ESCROW CONTROL

Ledger controls of escrow and principal balances are maintained on Mortgage Control Cards. These cards are kept current to reflect all entries to each ledger and are used to balance each ledger prior to billing.

Control cards are maintained for each rate, day, period and kind of mortgage, resulting in approximately 600 control cards. Daily, the active Transaction Cards are sorted by control group, merged with the corresponding Control Cards and processed on an Accounting Machine to print the starting balance from the Control Cards, add the debits, subtract the credits from the Transaction Cards, and develop the new control balance.

The totals of old balances plus debits minus credits must agree with the new balance total. The totals of debits and credits must equal the totals from the Daily Mortgage Payment Journal.

Constant information is reproduced from the old Control Cards to the new. The new balances are punched in Control Cards from the affected Mortgage Control Listing. After punching from the control list, the new Control Cards are totaled to prove the punching, then merged with the unaffected Control Cards and listed. The totals of this listing must agree with the General Ledger Accounts.

AFFECTED MORTGAGE CONTROL LISTING													
KIND	PER	DAY	AGENT	RATE	ESCROW				PRINCIPAL				
					OLD BALANCE	DEBITS	CREDITS	NEW BALANCE	OLD BALANCE	DEBITS	CREDITS	NEW BALANCE	
1	1	1		40	206524		12515	219039	17079322			14500	17064822
1	1	1		45	194643		13673	208316	17179195			5000	17174195
1	1	2		45	212610		12618	225228	10286768			19779	10266989
1	1	3		45	417536		21010	438546	301447495			2728	30144767
1	1	4		45	98347		8610	106957	5401295			13510	5387785
1	1	5		40	362261		20347	382608	33506327			1605	33504722
1	1	5		45	341895		19212	361107	35911926			10754	35901172
1	1	6		45	211447	4615	18473	225305	28371403			2330	28369073
1	1	7		45	381642		20147	401789	32712301			4544	32707757
1	1	8		45	421755		30876	452631	372173315			1863	372174152
1	1	9										5533	25627163
1	1	10										151342	23637752
1	1	11										7095	27053126
1	1	12										800000	1847206
1	1	13										33749	11343972
1	1	13										20427	33896394
1	1	13										1000000	371198347
MORTGAGE CONTROL LISTING													
KIND	PER	DAY	AGENT	RATE	BALANCE		INTEREST						
					ESCROW	PRINCIPAL							
1	1	1		40	219039	17064822							
1	1	1		45	208316	17174195							
1	1	1		50	253249	28513426							
1	1	2		40	204877	17582015							
1	1	2		45	225228	10266989							
1	1	3		40	249573	14683924							
1	1	3		45	438546	30144767							
1	1	3		50	209472	11543683							
1	1	4		40	275438	24036675							
1	1	4		45	106957	5387785							
1	1	5		40	382608	33504722							
1	1	5		45	361107	35901172							
1	1	5		50	194674	17342045							
					3329084	263146220							
								2000000					
								8000000					
								3841					
								33749					
								20427					
								1000000					
								298600					

AUDIT AND MANAGEMENT REPORTS

The Mortgage Statistical and Mortgage Principal Cards are available for the preparation of various statistical reports. The reports illustrated here have been prepared for a periodic examination by the State and Federal Examiners.

An Examination Listing of this customer's portfolio may be prepared at the rate of several thousand per hour. The examiners find this report of great value. Due to the immediate availability of the information, the time required by examiners for the examination of this customer's mortgage portfolio has been substantially reduced.

BANK EXAMINATION LISTING														
KIND	LOCATION	CONSTANT PAYMENT	STRAIGHT AMORTIZATION	MORTGAGE NO.	DUE PER DAY	RATE	BALANCE		APPRaisal	MAT. YR.	PROP. CLASS.	ASSESSED VALUE		
							PRINCIPAL	ESCROW						
1	1846 MONTCLAIR ROAD	4400		35208	11	45	4000	62	7765	51	12000	62	1	6200
1	1031 FISCHER AVE	5600		35210	11	45	52418	11	834	51	11500	71	1	1800
1	486 NORTH AVE		6500	35211	31	45	52350	0		51	10000	61	1	6960
1	4316 SEVENTH AVE		9500	35214	31	45	76550	0		51	12000	61	1	6000
1	3215 POPLAR ST	4429		35218	11	45	69274	3		51	10500	71	1	3000
1	140 WEST MINISTER ST		19000	35219	31	45	14810	0		51	50000	61	15	12560
1	2612 MAYFAIR ST		8500	35221	31	45	64150	0		51	10000	61	5	7680
1	1111 WYOMING ST	8200		35223	11	42	77297	75		51	10000	61	1	
1	4618 LEHIGH AVE	5227		35224	11	45	80000	0		51	14500	71	1	
1	1061 COMMONWEALTH ST		3000	35227	31	45	29700	0		51	5000	61	1	2500
1	1595 WARREN AVE		12500	35229	31	45	98750	0		51	15000	61	1	4950
1	971 WILSON DRIVE	2448		35230	11	45	34543	24		51	52500	61	6	52500
1	1975 MICHIGAN AVE		5500	35231	31	45	40450	0		51	10000	61	5	7530
1	1319 MADISON AVE		4000	35334	31	45	29600	0		51	6000	61	1	4060
1	1675 RIVERSIDE AVE	3164		35336	11	45	49481	14		51	12500	07	1	

PROPERTY CLASSIFICATION REPORT										
TYPE OF PROPERTY	CONVENTIONAL		PURCHASE MONEY		F. H. A.		VETERANS' LOANS		TOTAL	
	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.
1 Family	18,444,876.71	4114			27,505,116.86	4879	22,824,404.66	2951	68,774,398.23	11,944

MORTGAGE PORTFOLIO BY LOCATION-KIND-DOLLAR VOLUME											
	CONVENTIONAL		PURCHASE MONEY		F. H. A.		VETERANS' LOANS		TOTAL		
	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	
TOTAL PORTFOLIO:											
\$ 1 - 7,499	22,348,970.87	6,522			19,859,490.70	4,040	18,118,235.66	2,889	60,326,694.23	13,451	
7,500 - 9,999	5,441,455.63	641			7,821,955.63	941	13,906,953.12	1,637	27,220,364.38	3,219	
10,000 - 19,999	5,299,095.66	400			1,495,762.20	134	3,705,289.64	326	10,500,147.50	860	
20,000 - 49,999	4,457,279.94	138	29,206.42	1	182,922.02	4			4,669,408.38	143	
50,000 & Over	10,628,718.65	85	68,051.40	1	14,849,252.17	37			25,546,022.22	123	
TOTAL	48,175,520.75	7,786	97,257.82	2	44,209,382.72	5,156	35,780,478.42	4,852	128,262,639.71	17,796	
CITY OF											
1 - 7,499	15,169,773.22	4,841			1,487,637.73	239	9,701,745.02	1,821	26,359,155.97	6,901	
7,500 - 9,999	2,269,204.03	266			779,458.36	94	6,037,354.13	714	9,086,016.52	1,074	
10,000 - 19,999	3,039,191.82	221			31,479.42	3	1,204,611.88	105	4,275,283.12	329	
20,000 - 49,999	3,105,654.20	96	29,206.42	1					3,134,860.62	97	
50,000 & Over	3,595,866.66	32	68,051.40	1	291,653.79	2			3,955,571.85	35	
TOTAL	27,179,689.93	5,456	97,257.82	2	2,590,229.30	338	16,943,711.03	2,640	46,810,888.08	8,436	
OTHER COUNTY											
1 - 7,499	5,645,809.27	1,339			821,051.60	144	3,977,702.94	682	10,444,563.81	2,165	
7,500 - 9,999	2,386,574.63	282			944,564.43	112	4,786,979.15	556	8,118,118.21	950	
10,000 - 19,999	1,628,108.46	132			160,954.37	15	1,876,307.32	166	3,665,370.15	313	
20,000 - 49,999	498,530.28	16							498,530.28	16	
50,000 & Over	551,225.33	6			1,464,264.87	1			2,015,490.20	7	
TOTAL	10,710,247.97	1,775			3,390,835.27	272	10,640,989.41	1,404	24,742,072.65	3,451	
COUNTY											
1 - 7,999	1,508,176.23	330			313,145.92	54	2,231,179.81	361	4,052,501.96	745	
7,500 - 9,999	752,087.40	89			386,355.72	46	3,123,147.46	366	4,261,590.58	501	
10,000 - 19,999	593,384.64	44			44,629.96	4	571,465.04	51	1,209,479.64	99	
20,000 - 49,999	277,398.55	9			37,301.81				314,700.36	10	
50,000 & Over	494,988.43	3			509,895.85				1,004,884.28	4	
TOTAL	3,626,035.25	475			1,291,329.26	106	5,925,792.31	778	10,843,156.82	1,359	

NEW LOANS SINCE LAST EXAMINATION											
LOCATION _____											
CODE	TYPE OF PROPERTY	CONVENTIONAL		PURCHASE MONEY		F. H. A.		VETERANS' LOANS		TOTAL	
		PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.
1	1 Family	5,138,294.50	781			2,709,623.63	387	5,007,773.86	613	12,855,691.99	1,781
2	2 Family	1,668,830.22	265			191,955.48	24	1,875,261.85	227	3,736,047.55	516
3	Tenement										
4	1 G 2 Fam										
5	Prop. / or										
6	3 or More										
7	Apartment										
8	Hotels										
9	Rooming										
10	Clubs										
11	Office Bldg										
12	Store										
13	Stores G F										
14	Stores G L										
15	Stores G C										
16	Lofts										
17	Factory G										
18	Warehouse										
19	Garage										
20	Service St										
21	Schools										
22	Churches										
23	Hospitals										
24	Theaters										
25	Vacant La										
26	Farms										
27	Parking L										
28	Funeral H										
29	Miscellan										
30	Apartment										
TOTALS											

MORTGAGE PORTFOLIO BY CITY AND TAX DISTRICT											
IBM CODE	TAX DISTRICT	CONVENTIONAL		PURCHASE MONEY		F. H. A.		VETERANS' LOANS		TOTAL	
		PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.
1	1-A	419,264.50	74					93,236.23	23	512,500.84	97
2	1-B	460,480.36	37	68,051.40	1			61,448.33	22	589,980.09	60
3	2-A	798,578.73	273			8,939.09	2	749,461.99	146	1,556,979.81	421
TOTALS											

MORTGAGE PORTFOLIO BY INTEREST RATE											
IBM CODE	INTEREST RATE	CONVENTIONAL		PURCHASE MONEY		F. H. A.		VETERANS' LOANS		TOTAL	
		PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.	PRINCIPAL	NO.
	20	2%	31,400.00	1						31,400.00	1
	30	3%	627,063.42	12						627,063.42	12
	35	3-1/2%	856,171.53	9			693,164.19	2		1,549,335.72	11
	38	3-3/4%	1,279,325.71	8			285,734.85	1		1,565,060.56	9
	40	4%	12,315,084.02	436	68,051.40	1	16,742,884.88	450	35,780,478.42	4,852	64,906,498.72
	42	4-1/4%	340,007.26	8			4,057,657.72	585		4,398,264.98	593
	45	4-1/2%	32,090,364.42	7,167	29,206.42	1	22,342,166.32	4085		54,461,737.16	11,253
	50	5%	627,649.39	140			87,774.76	33		715,424.15	173
	60	6%	7,855.00	5						7,855.00	5
TOTALS			\$48,175,520.75	7,786	97,257.82	2	44,209,382.72	5156	35,780,478.42	4,852	128,262,639.71

AUDIT CONTROL

Audit Control may be maintained in many ways. This particular customer supplies the auditing staff with copies of the Mortgage Control Listing, Billing Proof Journal and the Daily Payment Journal.

The Billing Proof Journal is in effect a trial balance and totals of billed items are given the Auditing Department so that a simple calculation proves that all items listed are billed. On occasion, the mortgage bills are routed through the Auditing Department so that each mortgage may be checked as having been billed. Delinquent items are billed each month and the mortgage bill contains the principal balance. This is direct verification of the balance. Direct verification is made on serviced mortgages periodically. Letters are addressed, listings are prepared and cards are reproduced on the Accounting Machine. This enables the field auditor to do a fast, complete audit at the agent's office. The letters are mailed to the mortgagors with a return envelope enclosed.

Paid transaction cards are analyzed monthly and the results of this analysis are used to maintain a Cash Income control.

PAYING TAXES FROM ESCROW ACCOUNTS

A Tax Payment Record Card is maintained in the Mortgage Tax and Escrow Department for each escrow account. This card is a facsimile posted visual ledger record of the tax payments.

B & M NUMBER	K	P	DAY	LOCATION	PROPERTY ADDRESS	ASSESSED VALUATION	
						YEAR	AMOUNT
TAX DESCRIPTION							
B & M NUMBER	TAX	DATE	CITY	COUNTY	VILLAGE	SCHOOL	OTHER

TAX PAYMENT RECORD
ESCROW ACCOUNTS

A Tax Debit Card is maintained in the Accounting Machine Department for each account. This card serves as the transaction card only when large groups of taxes are being paid. It is filed in the order required by the city or town tax authorities, usually tax district or ward and property numbers.

B & M NUMBER	K	P	DAY	LOCATION	TRANS	PROPERTY ADDRESS	SPEC	SPECIAL	CALCULATED TAX	ASSESSED VALUE	ESCROW BALANCE	TAX DEBIT	ESCROW BALANCE												
000000	000000	000000	000000	000000	000000	000000	000000	000000	000000	000000	000000	000000	000000												
123456	789010	111213	141516	171819	202122	232425	262728	293031	323334	353637	383940	414243	444546	474849	505152	535455	565758	596061	626364	656667	686970	717273	747576	777879	80
B & M NUMBER	INT. RATE	DUE P. DAY	LOCATION	TRANS	PROPERTY ADDRESS	WARD	PRO. NUMBER	CALCULATED TAX	ASSESSED VALUE	ESCROW BALANCE	TAX DEBIT	ESCROW BALANCE													
222222	222222	222222	222222	222222	222222	222222	222222	222222	222222	222222	222222	222222													
333333	333333	333333	333333	333333	333333	333333	333333	333333	333333	333333	333333	333333													
444444	444444	444444	444444	444444	444444	444444	444444	444444	444444	444444	444444	444444													
555555	555555	555555	555555	555555	555555	555555	555555	555555	555555	555555	555555	555555													
666666	666666	666666	666666	666666	666666	666666	666666	666666	666666	666666	666666	666666													
777777	777777	777777	777777	777777	777777	777777	777777	777777	777777	777777	777777	777777													
888888	888888	888888	888888	888888	888888	888888	888888	888888	888888	888888	888888	888888													
999999	999999	999999	999999	999999	999999	999999	999999	999999	999999	999999	999999	999999													
123456	789010	111213	141516	171819	202122	232425	262728	293031	323334	353637	383940	414243	444546	474849	505152	535455	565758	596061	626364	656667	686970	717273	747576	777879	80

Upon request of the Mortgage Tax and Escrow Department, the Accounting Machine Department lists all the Tax Debit Cards filed under requested tax districts or sections. Listed is the mortgage number, kind, period and day due, property address and information pertaining to the tax district or ward and property number.

The list is sent to the Mortgage Tax and Escrow Department and in turn to the tax authorities of that district. They pull the tax bills from the listing and return the listing with the tax bills. The Mortgage Tax and Escrow Department examines the bills for accuracy and runs the tax amount on an adding machine for a document control tape. The bills and a total are forwarded to the Accounting Machine Department.

The Accounting Machine Department punches the amount of the tax into the Tax Debit Card. The cards are total printed for proof to the adding machine total. After proof the cards are consecutively numbered on the 602A. They are then sorted into the same order as the Mortgage Principal Cards which contain the escrow balance. The Principal Card is matched with the Tax Debit Card and then the escrow balance is reproduced into the Tax Debit Card. The Tax Debit Card is crossfooted for the new escrow balance and listed for facsimile posting to the Mortgage Ledger Card which contains the mortgage payments. While this crossfooting and listing is in process the Principal Cards are used to pull the Mortgage Transaction Card. Both the Principal and Transaction Cards are reproduced and the new escrow balance from the Tax Debit Card is reproduced into this new Principal and Transaction Card.

The Tax Debit Cards are sorted into mortgage number order and listed for facsimile posting to the Historical Record Card. Then the cards are sorted to the consecutively punched number bringing them back into the original order. At this time they are listed for facsimile posting to the Tax Payment Record Cards and reproduced for the next tax payment.

The tax bills and a total of the taxes paid are returned to the Mortgage Tax and Escrow Department and one check is drawn to pay all taxes. Totals of the tax debit by kind of mortgage are consolidated with the regular day's work for entry on the General Ledger Accounts.

ADVANTAGES

The use of IBM Data Processing equipment for Mortgage Loan Accounting brings these advantages:

1. Cards are punched only when mortgage is originated; thereafter they are reproduced automatically.
2. Interest is calculated and proved automatically.
3. Trial balances are available instantly.
4. Regular and delinquent billing is available as a by-product.
5. Increased business can be handled with little or no increase in equipment or personnel.
6. Portfolios may be analyzed as extensively and as frequently as desired.
7. Records of transactions, accounts, and statements are available without interfering with ledger files.
8. Banks and associations with a high volume of window payments find that by relieving tellers of bookkeeping functions they can handle transactions more rapidly, thereby reducing window congestion.
9. Mail payments can be encouraged because they are handled in a highly mechanized manner.
10. Automatic analysis of escrow accounts can be made at any time.
11. The IBM Data Processing System is sufficiently flexible to allow tailoring to meet and solve any bank's or association's accounting requirements.

