

# Loan Level Accounting Services



	Conversion	Accounting Services	Financial Reporting	CFO Services
<b>Challenge</b>	<ul style="list-style-type: none"> <li>• Need loan level accounting but staff have their day jobs</li> <li>• What is the cost if the project is delayed</li> <li>• Who will champion the implementation if my staff won't</li> <li>• What if my staff implement it incorrectly</li> <li>• Desperate for loan level profit analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Management flying blind</li> <li>• Need to understand cash</li> <li>• Guessing at product profit and LO profit</li> <li>• Need loan level accounting skills</li> <li>• Need to keep costs low and ideally variable</li> </ul>	<ul style="list-style-type: none"> <li>• Don't have Loan level profit by product, branch, LO and Investor</li> <li>• No separation of GAAP profit versus cash profit</li> <li>• Accurate reporting to lenders and regulators</li> <li>• Don't know what I don't know</li> </ul>	<ul style="list-style-type: none"> <li>• Proforma strategic initiatives</li> <li>• Impact of GAAP, Cash and Tax to consider</li> <li>• Should I retain MSR and why</li> <li>• Should I hedge</li> <li>• Am I paying above market to warehouse lenders</li> <li>• Don't know what I don't know</li> </ul>
<b>How come?</b>	<ul style="list-style-type: none"> <li>• It's a one time only project without experienced staff</li> <li>• Need to stop guessing what products and LOs are making profit</li> <li>• Need to answer questions to warehouse lenders and regulators as you grow</li> </ul>	<ul style="list-style-type: none"> <li>• No daily cash reconciliation</li> <li>• Limited loan level accounting knowledge or no experience</li> <li>• Manual time consuming processes</li> <li>• Cost of accounting dept typically start at \$300,000 per year</li> </ul>	<ul style="list-style-type: none"> <li>• Lost profit and leakage</li> <li>• Could inhibit growth</li> <li>• Need for business partners such as lenders, investors and regulators to have confidence in the company</li> </ul>	<ul style="list-style-type: none"> <li>• Want to ensure profitable initiatives</li> <li>• Cash impact vs GAAP impact</li> <li>• Impact on financial covenants</li> <li>• How much cash is tied up in LHFS</li> <li>• How are my dwell times compared to the industry; am I maximizing my utilization</li> <li>• How is my ultimate gain on sale and profit compared to the industry</li> </ul>
<b>Solution :</b> Loan Level Accounting	<ul style="list-style-type: none"> <li>• Loan Level Accounting have the staff who are experienced to get you live quicker</li> <li>• Properly setup on Loan Vision to take advantage of the power of the system</li> </ul>	<ul style="list-style-type: none"> <li>• Reconcile cash to warehouse and purchase advice</li> <li>• Reconcile discrepancies and price adjustments</li> <li>• Analyze <b>leakage</b> and lost profit</li> <li>• Review aging of unsold loans</li> </ul>	<ul style="list-style-type: none"> <li>• Loan level analysis and exception reports</li> <li>• Financial statements Mthly, Qtrly and Annual with financial covenant calculations</li> <li>• Breakeven Volume and Margin</li> </ul>	<ul style="list-style-type: none"> <li>• Proforma GAAP financial statements</li> <li>• Budget for cash flow and GAAP profit</li> <li>• Measure Best ex / Volume / Margin management</li> <li>• Ensure lowest cost and efficiencies</li> <li>• Advice for hospital lines if needed</li> <li>• Advice for scratch and dent loans</li> </ul>