

# Mortgage+Care

## Payment Application Waterfall

### Payment Application Waterfall

When a payment comes in from a borrower it is applied to different collection buckets in the software (e.g. Interest, Principle, Etc.).

The default payment application waterfall is as follows:

- 1 - Impounds
- 2 - Interest
- 3 - Past Due Interest
- 4 - Principal
- 5 - Borrower Collection Fee
- 6 - Late Fees
- 7 - Prepayment Penalty - (if payoff)
- 8 - Past Due Other
- 9 - Additional Principal or Unapplied

There is also an alternate model in the system that can be enabled in the Utilities → Setup Menu on the Advanced tab by entering a 'Y' into the **Fees First on Posting** field.

The screenshot shows the 'Company Setup' window for 'CONSULTING PLUS INC.' with the 'Advanced' tab selected. The window contains various configuration options with dropdown menus and checkboxes. The 'Fees First on Posting' option is highlighted with a red box, and its value is set to 'Y'. Other options include 'Use Local Help File', 'Word Processor', 'Investor Check Format', 'Z for Zero Payment checks', 'F for No Fees on checks', 'I for Total Invested on checks', '5 for 365 Day Demands', 'ACH Settings', 'Custom Fields', 'Zero % Loans', 'Doc Prep in Mortcare folder', 'Show Tasks at startup', 'Crystal delinquency reports', 'Include Prime Plus Utility', 'Include Inventory Utility', 'Modified Speed Buttons', 'Borrower Lookup by Name', 'Odd pennies to interest', 'Y For YTD Int. On Checks, G=Gross', 'C Use Add-On Custom Check Format', 'Escrow Check Format', 'B for Borrower Collection Fee', 'Single Account Reports', 'History Version', 'Coupon Settings', 'Incremental on Loan Amount', 'Include Canadian Features', 'Include California Features', 'Expanded Webmc Fields', 'Servicing Company', 'Always show adjustment date', 'Compute Serv Fees off Loan Amt', 'Save last backup location', 'Deposit date and hold date auto-fill', and 'Enable Closing Conditions'.

Only change if directed by support.  
Restart program to activate changes

Close

The Alternate payment application waterfall model is as follows:

- 1 - Borrower Collection Fee
- 2 - Late Fees
- 3 - Impounds
- 4 - Interest
- 5 - Past Due Interest
- 6 - Principal
- 7 - Prepayment Penalty if Payoff
- 8 - Past Due Other
- 9 - Additional Principal or Unapplied

**NOTE:** After the payment has been automatically dispersed to the different collection buckets by Mortgage+Care, the user can always manually move funds from one bucket to another.