

# MAGNIFIDE® MSP: THIRD PARTY CORPORATE ADVANCE TRACKING AND RECOVERY

Each day, servicers are disbursing funds on the loans they service which are due from someone other than the borrower. These disbursements are generated within MSP as third-party corporate advances. Receivables then remain on the servicer's balance sheet until the amount is collected from the third party.

To ensure the funds are collected, servicers must track who owed advances, prepare and send invoices, collect payments and monitor past due amounts. These activities are currently completed outside MSP, posing a significant financial risk to the servicer.

With MAGNIFIDE MSP: Third Party Corporate Advance Tracking and Recovery (TPCATR), Lender Processing Services (LPS) has automated this tedious process. As always, disbursements are still completed on MSP with new functionality to identify who owes the servicer repayment (Obligors). TPCATR then accepts those disbursements and enables users to create invoices, manage and track status of the invoice, and post payment of the invoice online. TPCATR automates a manual process, saving time, reducing risk and improving the timely collection of these receivables.

## How It Works

The primary advantages of TPCATR are that it helps improve workflow and reduce a servicer's financial risk by automating invoicing and tracking and collecting of receivables. Working from a dashboard that provides a view of all third-party corporate advance work to be completed, employees and supervisors can better manage the workload. Access to work is easily performed from the dashboard.

## Generating Invoices

Historically, the servicing staff had to track who owed payments on all receivables outside MSP because there was no way to systematically identify from whom to collect the receivable. TPCATR enables identification of the obligor within MSP. It then provides employees with the ability to manually or automatically create an invoice to be delivered to the obligor for payment based on several servicer-defined parameters. For example, the servicer can indicate that any amounts over a specified dollar amount are invoiced immediately while any other amounts are invoiced monthly.

## Tracking Invoices

TPCATR identifies when an invoice is due to be paid based on servicer defined criteria. It also provides follow-up notices on the dashboard. Employees can see an online, real-time overview of all activity associated with an obligor and drill down to any level of detail from this overview. Supervisors can assign employees to specific obligors and notes can be added to individual disbursements or invoices, as well as at the obligor level.

Also included in TPCATR is a dispute tracking functionality. Employees have the ability to write off an individual disbursement amount, and TPCATR will automatically create the appropriate transaction into MSP.

## Processing Payments

Invoice payments are processed within TPCATR. Typically, servicers receive one check for an entire invoice which can contain numerous loan-level



disbursements being collected. The servicing staff will use TPCATR to post the check to the invoice. TPCATR then automatically creates each of the individual deposit transactions back into MSP to update the loan-level corporate advance balances.

### Reporting

TPCATR provides daily reconciliation and statistical reporting. From the dashboard, a manager can see all the work and its details. Various detail transaction reports are provided to facilitate daily MSP system and payment clearing balancing. Additional daily reconciliation is performed to ensure that TPCATR and MSP balance.

### Benefits

- Reduces outstanding receivables through improved collection tools
- Provides the ability to identify and track who owes the lender/servicer a third-party corporate advance
- Provides the ability to prepare and generate invoices online
- Assigns and tracks the collection of the third-party corporate advances
- Provides follow-ups on outstanding invoices
- Provides dispute management
- Provides statistical information on obligors
- Provides reconciliation support

TPCATR is available with MAGNIFIDE MSP: Collections/Loss Mitigation, Escrow Analysis Exception Processing or as a stand-alone functionality.

### About MAGNIFIDE MSP

MAGNIFIDE MSP, LPS' new innovative and dynamic servicing solution with user-friendly screens, maintains the stability and reliability for which MSP is known, while providing increased flexibility and rules-driven functionality. LPS is building core components in MAGNIFIDE MSP by moving the data of record from MSP to MAGNIFIDE MSP one functional area at a time. The first core component delivered was MAGNIFIDE MSP: Collections/Loss Mitigation.

In addition to the core functionality, LPS is also delivering incremental value to the current MSP platform via MAGNIFIDE MSP's infrastructure. The incremental components automate manual processes and provide improved functionality beyond what is available in MSP. Third Party Corporate Advance Tracking and Recovery is an example of an incremental component.

**Contact LPS today at 800.991.1274 to learn more about the benefits of implementing MAGNIFIDE MSP: Third Party Corporate Advance Tracking and Recovery.**



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