**BK Statement ANALYSIS**

**Overview**: The following is an analysis of the business and functional requirements for the execution of the letter. Including possible new requirements based on what the needs of the business.

**I Project Requirements**

**Scenario I: Modified Periodic Statement (No Exceptions And No Cease and Desist Letter)**

1. **Business/Functional Requirements:**

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| BR 1) Business users will need to send statements on all BKS until opt out requirement is received. |
| BR 2) Trigger based on event LSAMS codes |
| FR 2) The ability to send statements triggered based on BK flags via LSAMS and new opt out flag in LSAMS. Trigger that is activated by bankruptcy flag *(new field/function/programming)*.  FR 2.1) New date received and reason/comment field *(new field/function/programming).*  FR 2.2) New Image code in LSAMS *(new field/function/programming).* |
| BR 3) System will need to “toggle” between modified and performing statements |
| FR 3) Functionality dedicated to allowing users to see both statements, based on message codes and discharged features (new field/function/programming). |

1. **Additional Requirements:**

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| * A dedicated address solely for opt in/out requests. |
| * New LSAMS Codes if they are not available for the workstations. |
| * Verifying that statements are being sent after 14 Days in status change from BK to non-BK. |

**Scenario II: Receipt of Opt In/Opt Out Letter**

1. **Business/Functional Requirements:**

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| BR 4) In the case where an Opt In/Opt Out letter was received. The ability to shut down the address via LSAMS *(new field/function/programming).* |
| FR 4) A code dedicated to suppressing letters being sent. |

1. **Additional Requirements**

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| * Training staff for recognizing the receipt of the letter and what LSAMS codes to place for the suppression of the statements, or to restart statements. |

**Scenario III: Exemptions**

1. **Business/Functional Requirements:**

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| BR 5) Business will need to remove or exclude discharged debtor |
| FR 5) A discharge Debtor Coding will be added to filter fields in workstations *(current functionality available).* |
| BR 6) Business will need suppress statement where a Chapter 11,12, and/or 13 plans are surrendered. |
| FR 6) A surrender flag in the LSAMS workstation should be used *(current functionality available)*. |
| BR 7) Business will need to suppress the statement on a Chapter 11,12, and/or 13 plans where lien is avoided. |
| FR 7) A new lien avoid field/ flag to stop statement will need to be added for statement suppression *(new field/function/programming)*. |
| BR 8) Business will need suppress statement where repayment of arrearage or on going payments. |
| FR 8) Relief granted per plan/confirmation order (stop statement field/flag) *(new field/function/programming)*. |
| BR 9) Business will need to suppress statement where a court order lifting the automatic stay is entered. |
| FR 9) Program completion of MFR Granted Field to Stop Statements *(new field/function/programming)*. |
| BR 10) Business will need to suppress statement where a court order providing for the avoidance of the underlying lien is entered. |
| FR 10) Lien avoidance effective date field to stop statements (new field/function/programming). |
| BR 11) System will need to suppress statement where a court order requiring the servicer to cease sending these monthly billing statements is entered. |
| FR 11) Add field to workstation for a date. “No statement order entered and it will stop statement” (new field/function/programming). |
| BR 12) System will suppress statement where Debtor files of intention and/or has not made any partial or full payments on the mortgage after commencement of case. |
| FR 12) Use surrender flags in todays workstation to stop statements in all chapters of BK |
| BR 13) Exemptions pertaining to Reaffirmations (Reaffs nullifies aforementioned exceptions) |
| FR 13) Reaffirmation date completed in workstation start statements (manage with AACER Queues) |
| \*\*\*Court order date field overrides all requests to send or not send statement until that BK terminates.\*\*\* |

1. **Additional Requirements:**

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| * Trained front end users to verify requirements are met for BK and guidelines are followed. |
| * Servicer Designated Address (Refer to pg.1 Periodic Statement Examination). |

**Scenario IV: Chapter 7**

1. **Business/Functional Requirements:**

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| BR 14) Identify date and Post Petition amount due change. |
| FR 14) Use post due date in workstation and build into amount from charge file in door 7 *(current functionality available).* |
| BR 19) Principal and Interest amounts due must be separated |
| FR 19) Door 7 will identify principal and interest. New functionality required to separate *(new field/function/programming).* |
| BR 20) Limit “Amount Due” monthly post-petition payment amount including breakdown (principal, interest, escrow). The total sum of any post-petition fees or charges from the last statement and post-petition payment amount past due. |
| FR 20) Build Pre-Petition and separate post petition payment application tables on statement *(new field/function/programming).* |
| BR 21) Build Section statement pertaining to total of pre-petition payments, total of all pre-petition payments received, current balance of consumer’s pre-petition arrearage |
| FR 21) Build Section statement pertaining to total of pre-petition payments, total of all pre-petition payments received, current balance of consumer’s pre-petition arrearage *(new field/function/programming).*  . \*\*\*\*Can we list all in total claim amount?\*\*\*\* |
| BR 22) Statement trigger indicating payment should be sent to trustee, if applicable. |
| FR 22) Trigger for payment to Trustee can use Post Petition Paid by B/T field in Workstation *(new field/function/programming).* |
| BR 23) Trigger for statement information disclosed on the periodic statement may not include payments the consumer made to the trustee. |
| FR 23) Build into workstation |
| BR 24) Trigger for statement, if consumer is more than 45 days delinquent |
| FR 24) Standard Language however 45 day needs to trigger delinquency first notice *(current functionality available).* |

**Scenario V: Chapter 12/13**

1. **Business/Functional Requirements:**

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| BR 25) Business to ensure first modified statements include all activity since the last payment due.   * Business can omit account history, loss mitigation, total payments due, and home ownership on the first page. * Amount Due to include the following: * Monthly payment amount (including principal, interest, and escrow) * Total sum of fees or charges since last payment statement * Any payment amount due * Transaction Activity to include the following: * All payments the servicer has received since the last statement, including pre and post * petition payments. * Post Petition fees and charges the servicer imposed since the last statement. * And description of the payments (source of payments is not required).       Pre-Petition Arrearage to include the following:  The total of all pre-petition payments received since the last statement (if applicable).  The total of all pre-petition payments received since the beginning of the consumer’s bankruptcy case.  Current balance of the consumer’s pre-petition arrearage    Pre and position notice should both be included |
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| BR 26) |
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1. **Additional Requirements**

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| * Trained front end users to verify requirements are met for BK and guidelines are |

**PART II Functionality**

Overview: The following will discus how the system should execute in a logical fashion and what the system would encounter engaging in specific scenarios.

Case: Scenario I Periodic Statements

**PART III Analysis Questions**

**GAP Analysis Questions**

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| 1. **Is there some portion of today's performing statement or discharged BK statement process that can be used?** |

**Scenario I:** Modified Periodic Statement (No Exceptions And No Cease and Desist Letter)

* Yes. LSAMS is currently capable of handling some of the requirements. However, some new workstations and coding will be required.

**Scenario II:** Receipt of Opt In/Opt Out Letter

* Yes. LSAMS is currently capable of handling some of the requirements. However, some new workstations and coding will be required.

**Scenario III :** Exemptions

* Yes. LSAMS is currently capable of handling some of the requirements. However, some new workstations and coding will be required.

**Scenario IV:** Chapter 12 and Chapter 13 Cases

* Yes. LSAMS is currently capable of handling some of the requirements. However, some new workstations and coding will be required.

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| 1. **Action required to address shortfall/gap?** |

**Scenario I:** Modified Periodic Statement (No Exceptions And No Cease and Desist Letter)

* Add a step to create opt in/opt out P.O Box Address, there must be a dedicated address solely for this purpose.
* Consider creating a BK statement table for exemptions tracking requests to stop/start.
* Need opt out flag in LSAMS (Date Received -reason/comment field)
* Image Opt in/Opt Out letter

**Scenario II:** Receipt of Opt In/Opt Out Letter

* Add a step to create opt in/opt out P.O Box Address, there must be a dedicated address solely for this purpose.

**Scenario III :** Exemptions

* Add new functions in the existing workstations, in addition add new message codes.

**Scenario IV:** Chapter 12 and Chapter 13 Cases

* Map the backend to send statements and house copies in FileNet.

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| 1. **Who will be responsible for actions on this requirement?** |

**Scenario I:** Modified Periodic Statement (No Exceptions And No Cease and Desist Letter)

* Business Users
* LSAMS Developers

**Scenario II:** Receipt of Opt In/Opt Out Letter Business Users

* LSAMS Developers

**Scenario III :** Exemptions

* Business Users
* LSAMS Developers

**Scenario IV:** Chapter 12 and Chapter 13 Cases

* Business Users
* LSAMS Developers

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| 1. **Estimated time required to address gap?** |

**Scenario I:** Modified Periodic Statement (No Exceptions And No Cease and Desist Letter)

* TBD

**Scenario II:** Receipt of Opt In/Opt Out Letter TBD

**Scenario III :** Exemptions

* TBD

**Scenario IV:** Chapter 12 and Chapter 13 Cases

* TBD

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| 1. **Level of resource needed to address gap?** |

**Scenario I:** Modified Periodic Statement (No Exceptions And No Cease and Desist Letter)

* TBD

**Scenario II:** Receipt of Cease and Desist Letter

* TBD

**Scenario III :** Exemptions

* TBD

**Scenario IV:** Chapter 12 and Chapter 13 Cases

* TBD

**Additonal Questions to Address**

Will need to verify BK Loss Mitigation will take the calls.

Where are we obtaining the LSAMS mailing address?

What does performance have in place?