

## Reference Guide - Remittance Procedures

### Due Dates for Reporting Payments

Lenders are responsible for collecting payments from their borrowers. After receiving a payment, lenders submit a Collection Report to Farmer Mac 2. Reports received by the 10<sup>th</sup> day of a given month will be processed in that month's remittance to Farmer Mac 2. Payments collected after the 10<sup>th</sup> of a given month should be reported in the following month's reporting period. Reports for the next month's reporting cycle may be submitted as early as the 11<sup>th</sup> day of the previous month.

### Typical Remittance Cycle

Collection Report Window	Confirmation Period	Debit Date	Security Payment Date
11 <sup>th</sup> last month – 10 <sup>th</sup> current month	10th - 15th	18th	20th

### How to Fill out the Collection Report

- Single rate loans: 100% of the loan balance must be reported. The interest to/from dates and the payment breakdown should match exactly what was received and credited to the borrower's note by the bank.
- Variable rate loans: Itemize each rate adjustment on a separate line for each adjustment period. The total of all lines should match exactly what was received and credited to the borrower's note by the bank
- Split rate and multi-note loans: Report only the portion of the loan that Farmer Mac 2 owns. The Farmer Mac 2 ownership is reported as 100%

### How to Send the Collection Report to Farmer Mac 2:

- Report the payments collected from borrowers on one of Farmer Mac 2 collection reports.
  - The **Collection Report with Guaranteed Portion Detail** provides detail of the principal and interest due to Farmer Mac 2.
- Email the completed Collection Report to [remittance@FarmerMac2.com](mailto:remittance@FarmerMac2.com) in Excel format. The seller name and seller ID# must be in the subject line of the email. The Collection Report attached to the e-mail **must** also include the seller name and seller ID#.
- Farmer Mac 2 will send an email to the lender confirming receipt of each Collection Report.
- Farmer Mac 2 will then review the report. If no discrepancies are found, Farmer Mac 2 will email a Remittance Report showing payments reported as posted and stating the final amount due to Farmer Mac 2. The net remittance amount on the Collection Report should match the total net remittance on the Remittance Report.
- If discrepancies are found, Farmer Mac 2 will detail the issues in an email to the lender and will work in partnership with the lender to resolve the questions. After all discrepancies have been resolved.
- Farmer Mac 2 will email a Remittance Report showing payments reported as posted and confirming the final amount due to Farmer Mac 2.

## Confirmation and Debit Date

- Each lender that has submitted a Collection Report by the 10<sup>th</sup> of the month will receive an e-mail acknowledging the total amount due on the debit date. This email will be sent from Farmer Mac 2 on or prior to the 15<sup>th</sup> of the month.
- Lenders may remit the total net remittance, per the Collection Report, immediately at the time of reporting OR wait until the debit date, on the 18th of the month.
  - The amount due will be a total of all net remittance amounts on Collection Reports processed for the upcoming security payment date.
- Lenders are encouraged to transfer money by ACH. If ACH transfer is not available, then wire transfer may be used.
  - If remitting by ACH, the ACH needs to be initiated by the lender on the 17<sup>th</sup>, so that funds are available in the Farmer Mac 2 collection account on the 18th.
- Farmer Mac 2 also has the capabilities to initialize the withdrawal of funds from a lender's bank account. Please contact [remittance@FarmerMac2.com](mailto:remittance@FarmerMac2.com) for more information.

## Overdue Payments

- A lender should immediately complete a Collection Report for any delinquent payments collected. Send the completed Collection Report to Farmer Mac 2 by email at [remittance@FarmerMac2.com](mailto:remittance@FarmerMac2.com). Farmer Mac 2 will review the Collection Report and will send a confirmation email detailing the remittance amount to be sent to Farmer Mac 2.

## Unscheduled Payments and Payoffs

- If an unscheduled payment or payoff is received, a lender should immediately complete and submit a Collection Report. Farmer Mac 2 will review the Collection Report and will send a confirmation email detailing the remittance amount to be sent to Farmer Mac 2.

## First Payment After Sale

- The first payment reported after the sale of the loan should reflect interest from the settlement date to the interest-paid-to date.