
CASHFAC

Escrow Accounts

CASHFAC SOLUTION LITERATURE

www.cashfac.com



What is Escrow?

Escrow is a contractual arrangement in which a third party receives and disburses money or property for the primary transacting parties. The disbursement of the cash or property is dependent on conditions agreed to by the transacting parties.

Who Needs Escrow Accounts?

Escrow accounts are used in many different forms of commerce but are most often found in the real estate, mortgage collection, online trading, and legal sectors.

Escrow accounting by Cashfac differs from other forms of escrow accounting by:

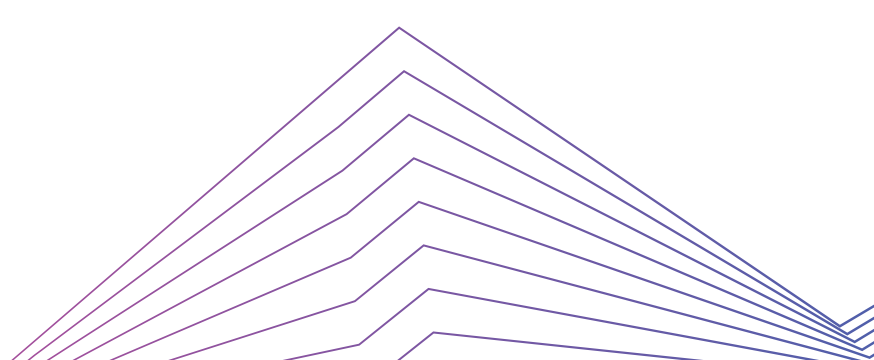
- Being fully and continuously integrated with banking
- Being continuously reconciled to the bank
- Ensuring that the bank account and Cashfac's escrow ledger are simultaneously debited
- Being fully integrated with Cashfac's "order-to-cash" processing. This locks in future cash demands to alert the manager and helps ensure that escrow accounts do not go overdrawn
- Providing continuous transparency and realtime accountability

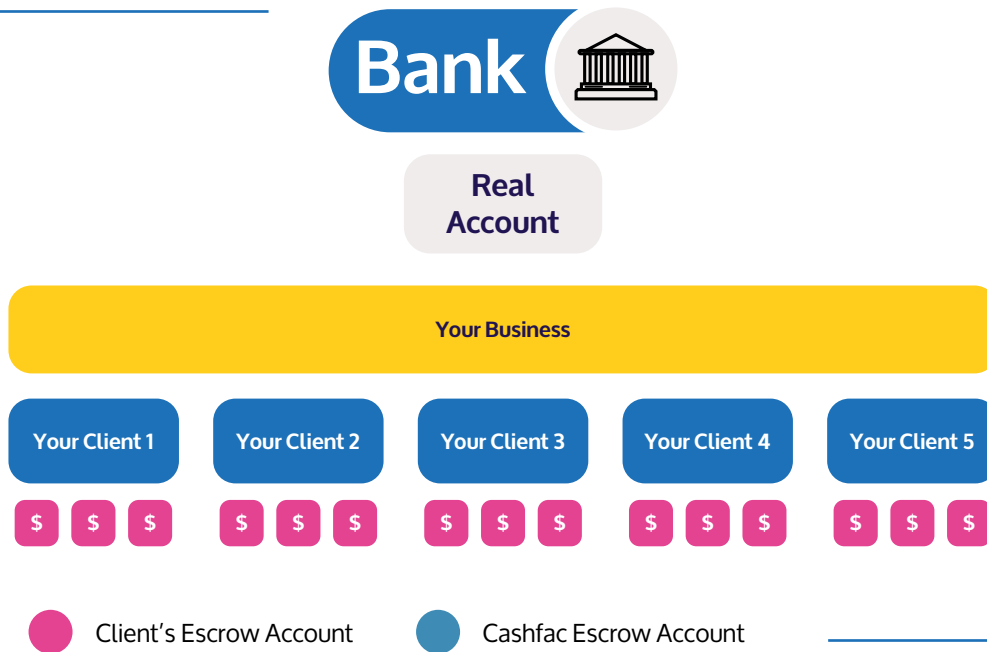
Cashfac's Escrow Account Solution

Cashfac's escrow account solution allows banks to offer a full self-service escrow product to their clients who themselves need to offer an escrow account. Cashfac's solution plugs into the client's existing real bank account, set up for its clients' escrow/segregated funds, and allows it to run a multi-level ledger of virtual escrow bank accounts for each of its customers from that one real bank account.

This reduces the banks costs and risk exposure while allowing it to deliver an improved service offering to its clients. The escrow-providing client, not the bank, can easily and cheaply setup a virtual escrow bank account on this ledger for each of its clients, agents, or counterparties.

Using our platform, which is fully integrated into the banking network, these virtual bank accounts can be given their own virtual account number to make them externally addressable. This allows customer, agent, and counterparty to lodge funds directly to their own escrow virtual bank account through the bank clearing network.



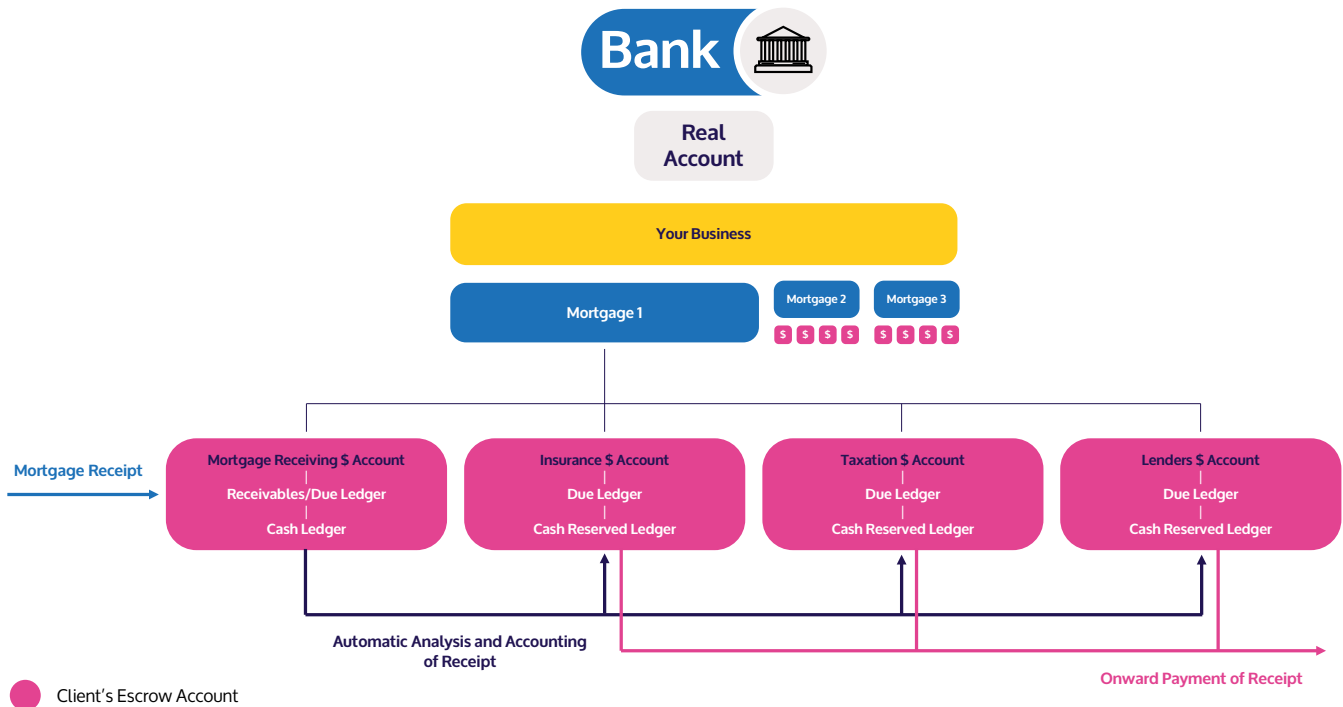


Simple Escrow Account Setup

New accounts can be set up in seconds as a new customer/client is onboarded, by the bank's client, either manually or, automatically, when our platform is integrated to the escrow provider's onboarding system.

The escrow accounts are automatically reconciled to the pooled real bank account to deliver easy compliance and control for the bank's client.

More complicated escrow challenges, such as those for mortgage processing, can be controlled with the highest levels of automation, using our solution's integrated accounting layer, which accounts for future or expected positions, to control and process the cash as it arises, and also, accounts for taxes, insurances and other payables on an accruals basis.



Complex Escrow Accounting Structure for Mortgage Provider

Our platform offers a complete escrow account solution. It allows the bank’s client to:

- deliver the highest levels of compliance with state and federal regulations
- create an efficient and automated solution
- create a self-service approach which reduces any dependencies with the bank

Our solution enables the banks to offer an escrow service that:

- builds upon existing bank capabilities
- reduces most of the direct and indirect costs of the bank delivering the service

	Requirement	Notes
✓	Fully automatic segregation and protection of individual escrow accounts.	
✓	Fully audited double entry accounting records to account for and report on all cash transactions and balances on the escrow accounts.	
✓	Fully audited double entry accounting records to account for and report on future dated target/trial transactions and balances on the escrow accounts.	
✓	Full integration with service provider's bank account to automate the posting of payments and receipts to escrow accounts promptly and accurately.	
✓	Configurable credit control to prevent accounts going overdrawn.	
✓	Aggregate (or) composite Escrow account analysis/accounting including cushion or reserve accounting.	Calculation and accounting for future-dated target balances and transactions for funding and expected disbursements.
✓	Single-item analysis, if required , including cushion or reserve accounting.	
✓	Deficiency(overdrawn) balances monitoring, alerts, and remediation.	The monitoring of future expected and cash positions to spot shortage, deficiency, or surplus positions. "True up" correction functionality to calculate, account for and correct the position.
✓	Shortage monitoring, alerts, and remediation.	
✓	Surplus monitoring, alerts, and remediation.	
✓	Initial escrow account statement creation and submission/delivery.	
✓	Annual escrow account statement creation and submission/delivery.	
✓	Client Statement and other reporting available online, email and post.	
✓	Automatic reconciliation of all escrow account balances.	
✓	Automatic credit interest calculation and payment , if required.	

Cashfac will work with you to configure our cloud-based solution to meet the exact requirements of the escrow service you wish to provide to your clients and customers.

For product information, to request a demonstration or to speak to us about your business needs, please contact us at www.cashfac.com/contact

