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CASHFAC

# Escrow Accounts

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CASHFAC SOLUTION LITERATURE

[www.cashfac.com](http://www.cashfac.com)



## Why Cashfac

Cashfac is a leading global supplier of banking, escrow and trust account solutions. Delivered through our bank partners and direct-to-customer, our Virtual Bank Technology (VBT) platform helps hundreds of organisations improve the productivity, visibility, automation and regulatory compliance of their cash management operations.

Our solutions offer not just standard escrow accounts, but the functionality to organise these accounts efficiently, automate their use, make them safely available to the end-client to facilitate self-service, have proper general ledger accounting records, and collect, account for, and distribute escrow fees and disbursements.

This helps banks attract new customers, increase deposits and reduce the burden on their banking systems. The bank's customers benefit from being able to access a full self-service account management platform where they can automatically allocate transactions and initiate payments from escrow accounts. These benefits are covered in detail on page 5 of this brochure.

## Cashfac's Escrow Accounts Solution

Cashfac's escrow account solution allows banks to offer a full self-service solution to their clients who themselves need to offer an escrow account. The solution plugs into a customer's existing real bank account - master account. The bank's customer can set up its clients' escrow/segregated accounts and allow the escrow provider to run a multi-level ledger of virtual escrow bank accounts for each of its customers from that master account.

This reduces the bank's costs and risk exposure while allowing it to deliver an improved service offering to its clients. The bank's customer - rather than the bank- can easily and cost-effectively set up virtual escrow accounts on this ledger for each of its clients, agents, or counterparties.

New escrow accounts can be set up in seconds as a new customer/client is onboarded, by the escrow service provider, either manually or, automatically, when our platform is integrated to the bank's customer's platform. The escrow accounts are automatically reconciled to the master bank account to deliver easy compliance and control for the escrow service provider.

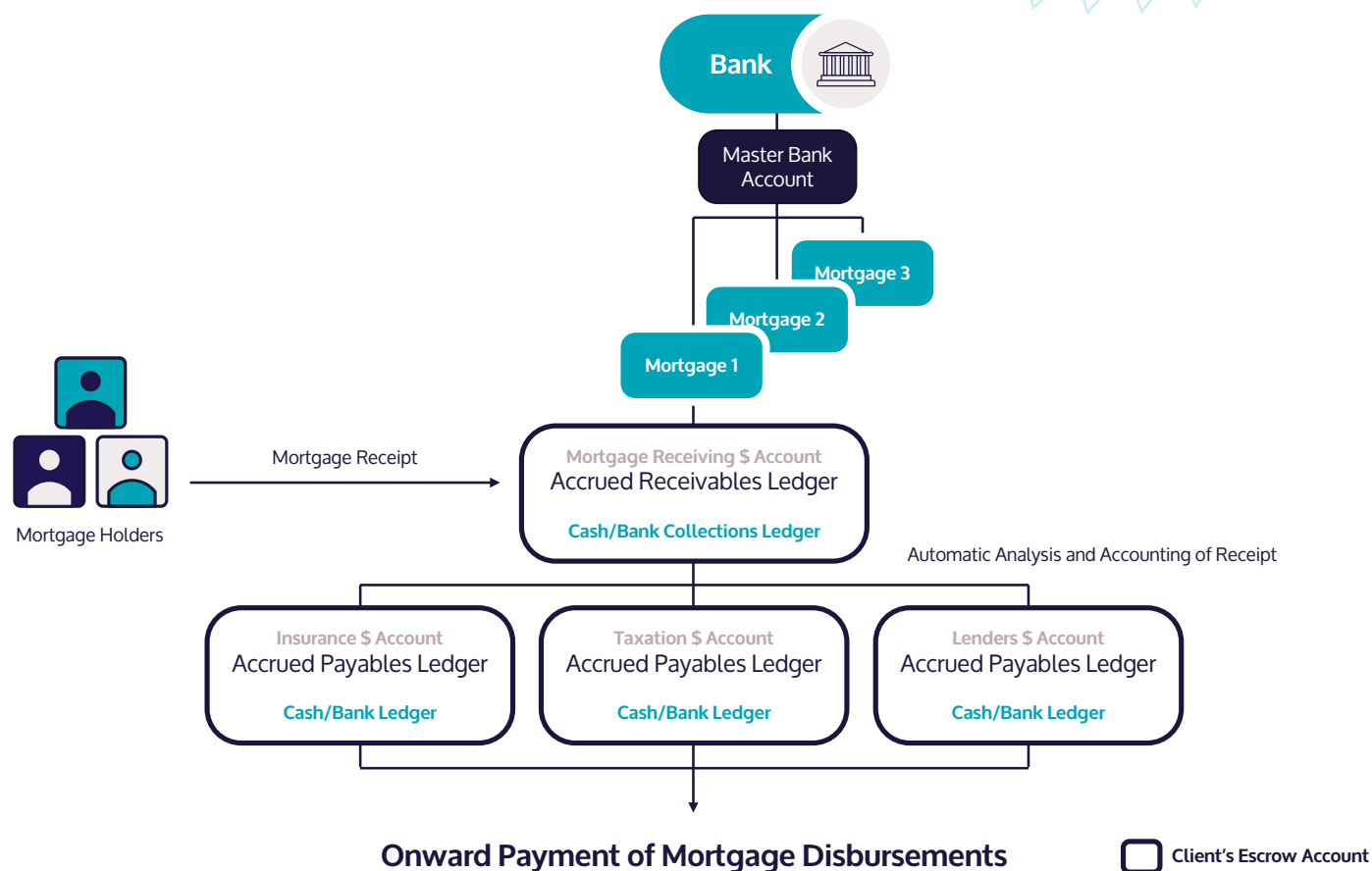
Receivables processing is streamlined in the solution with the ability for transactions to be automatically allocated to the escrow account. This removes the need for manual processing and allows the customer's staff to focus on any exceptions. Where customers choose to import expect receipts, the solution can additionally highlight discrepancies in payments as well as non payments.

Payments from the account can be authorised and initiated by the end-client, subject to the system's automatic credit control. The system can also automatically calculate and pay or allocate interest, if required. Our solution supplies the full suite of client reporting and can also provide escrow statements.



Cashfac Escrow Account Solution

## Advanced Escrow Accounts Capabilities



Complex Escrow Accounting Structure for Mortgage Provider

More complicated escrow challenges, such as those for mortgage processing, can be controlled with the highest levels of automation. The solution's dual accruals/accounting and cash/banking ledger allows expenses and disbursements to be estimated and accrued on a mortgage escrow account, and cash to be credited to that account and reserved against those expenses/disbursements.

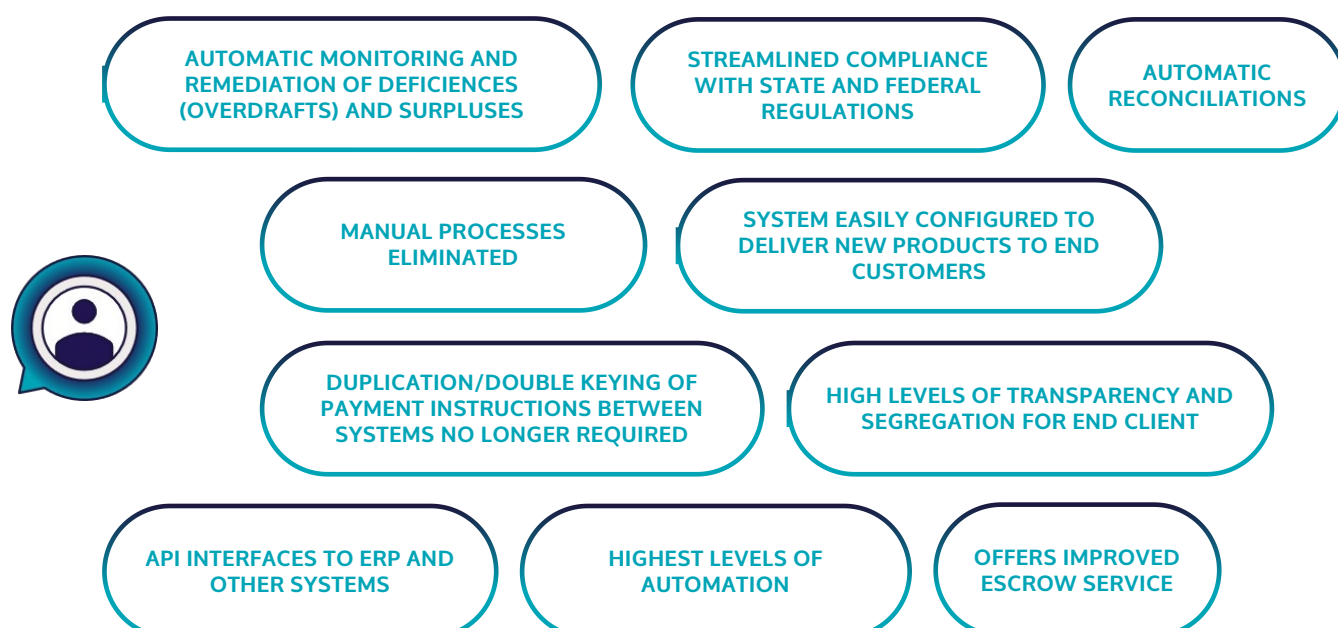
The solution allows for multiple escrow accounts to be set up and linked up for each mortgage. The mortgage receipt can be controlled and accounted for in one of these accounts, being allocated against an accrued receivables position. The solution can then analyse and process/sweep the cash to a second tier of escrow expense/disbursement accounts set up to collect the related taxes, insurances, and other payables. These second-tier accounts can also accrue the expected expense or disbursement, match the swept cash against the accrued expense and allow payments to be initiated to settle these payables on the due dates.

With additional bank integration, 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/settle funds directly to their own escrow virtual bank account through the bank clearing network.

## Benefits to the Banks

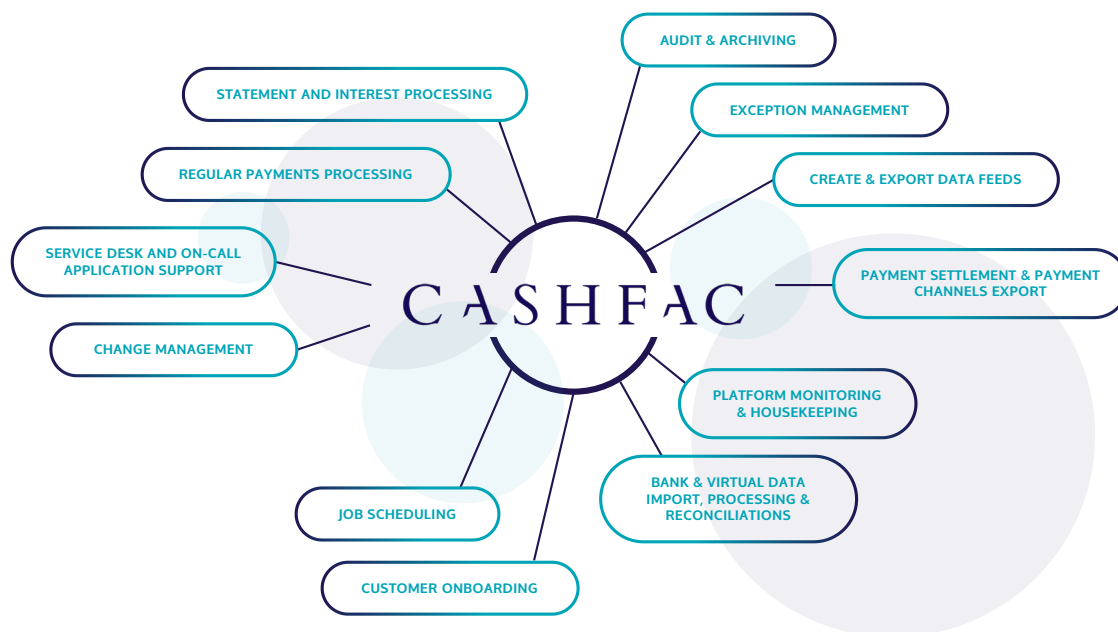


## Benefits to the Banks' Customers



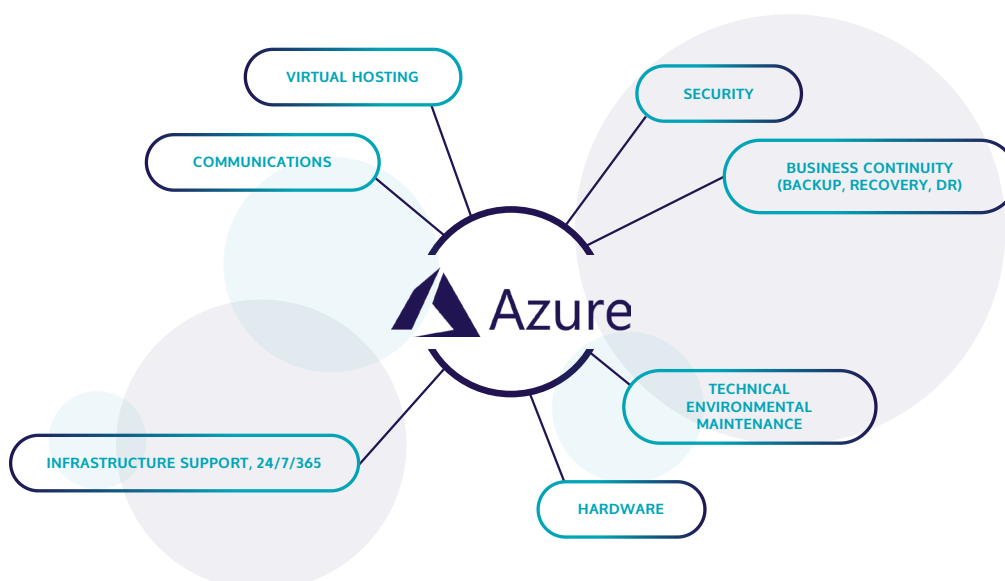
## Managed Services

**Cashfac Managed Service** is accredited as ISO 27001 and offers a single point of contact for all support issues, removing the need for employing dedicated customer staff to operate the virtual banking platform and thereby minimising change management and specialist training.



## Cloud Services

Cashfac's cloud-native solutions are delivered as a hosted service. This provides a scalable approach that can grow as the bank's business grows. The service is hosted through Microsoft Azure. We can manage the entire release and upgrade process, including platform testing before release, and will assist you with your own testing.





## Cashfac Escrow Accounts - FAQs

This section answers many of the common questions asked about Cashfac's escrow accounts solution. We have grouped these questions into 6 categories:

- 1) Cashfac Escrow Account Tasks
- 2) Transaction Allocation and Settlements
- 3) Dashboards and Reporting
- 4) Integration
- 5) Compliance
- 6) General Ledger Accounting

### Cashfac Escrow Account Tasks

**Q: Can banks' customers open new accounts and manage transactions from them effectively?**

A: The VBT platform supports a full self-service set of capabilities for escrow accounts to be created by the bank's customers. Once created, transactions can immediately be allocated to them. Multiple types of accounts can be created, including Interest on Lawyer Account Fund (IOLA), Interest on Lawyers Trust Accounts (IOLTA), and 1031 Exchange.

**Q: Can the solution maintain the regulatory details for W9 returns and Withholding Tax calculations?**

A: As part of the account creation, all necessary details for W8/W9 reporting are captured.

**Q: What account information is attainable on the Cashfac platform?**

A: The solution has a simple user interface to display account details, balance and transaction information and has the ability to highlight any discrepancies and unallocated transactions.

**Q: Is bulk account opening achievable with the platform?**

A: The VBT interface allows bulk operations to be supported so that escrow accounts can be opened and closed through a batch upload.

**Q: Can interest rate and tax calculations be managed through the platform?**

A: Interest calculations and disbursements are fully automated with the option of fully or partially allocating the interest to the escrow account or for the interest to be paid out to a third party. Withholding tax calculations and transactions are also automated with the calculations taking into consideration the tax status of the account holder.



## Transaction Allocations and Settlement

**Q: How are transactions allocated on the master and escrow accounts?**

A: VBT enables transactions to be automatically posted to the relevant Escrow account thus reducing the workload associated with manual allocations. VBT supports allocations via a set of rules as well as through matching to expected receipts.

**Q: Is it possible to automatically allocate a bulk receipt across multiple escrow account**

A: With the import of remittance details organisations can automate the allocation process of a single deposit to multiple escrow accounts. This process also identifies exceptions of non-payment and payment differences.

**Q: Can transactions be bulk imported?**

A: The VBT interface supports bulk import of remittance details to remove manual re-keying of tasks.

**Q: Can you make payments from the platform?**

A: Payment initiations can be made from the escrow account. Withdrawals can be made directly from escrow accounts with the platform performing the necessary credit limit checks and automatically creating payment transactions from the master account, removing the need for any two-step processes of transferring to the master and then paying out from the master account.

## Dashboards and Reporting

**Q: What type of information is available on dashboards?**

A: All key information is displayed to the user's on configurable dashboards so that they can quickly identify unallocated transactions, payments to be authorised, overdrawn accounts and so on.

**Q: What types of reports can be generated from the platform?**

A: The bank's customers can run a set of reports as required, including bank statements, reconciliation reports and regulatory reports such as tax certificates. Deficiency (overdrawn) balances monitoring, alerts, and remediation. Shortage monitoring, alerts, and remediation. Surplus monitoring, alerts, and remediation.

**Q: Is statement reporting possible from the platform?**

A: Standard bank reporting of escrow accounts is available as a self-service option for the bank's customers.



## Integration

**Q: What bank integration does Cashfac's escrow solution offer?**

A: Our solution integrates to the bank through the import of bank statements. Any statement format can be supported, with existing interfaces for Bank Administration Institute (BAI) and MT formats for standard reporting.

**Q: Can the bank's customers integrate with the platform?**

A: End-to-end integration is available from customer systems through to the escrow account system and to the bank. Clients have the option of managing the escrow accounts through the UI or to bulk import accounts and transactions. Host-to-host connectivity options are also available allowing the bank's customers to automatically transfer and import batches into the VBT platform. A suite of Webservice API calls are available so that all these functions can be called directly from the customers applications.

## Compliance

**Q: Is the solution compliant with current regulatory requirements?**

A: The solution is configured to meet the requirements of state and federal regulation.

## General Ledger Accounting

**Q: Can the platform perform operational general ledger accounting tasks?**

A: Both aggregate (or) composite escrow account analysis/accounting including cushion or reserve accounting. 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 accrued transactions and balances on the escrow accounts. Single-item analysis, if required, including cushion or reserve accounting.

For product information, to request a demonstration or to speak to us about your business needs, please contact us at [www.cashfac.com/contact](http://www.cashfac.com/contact)