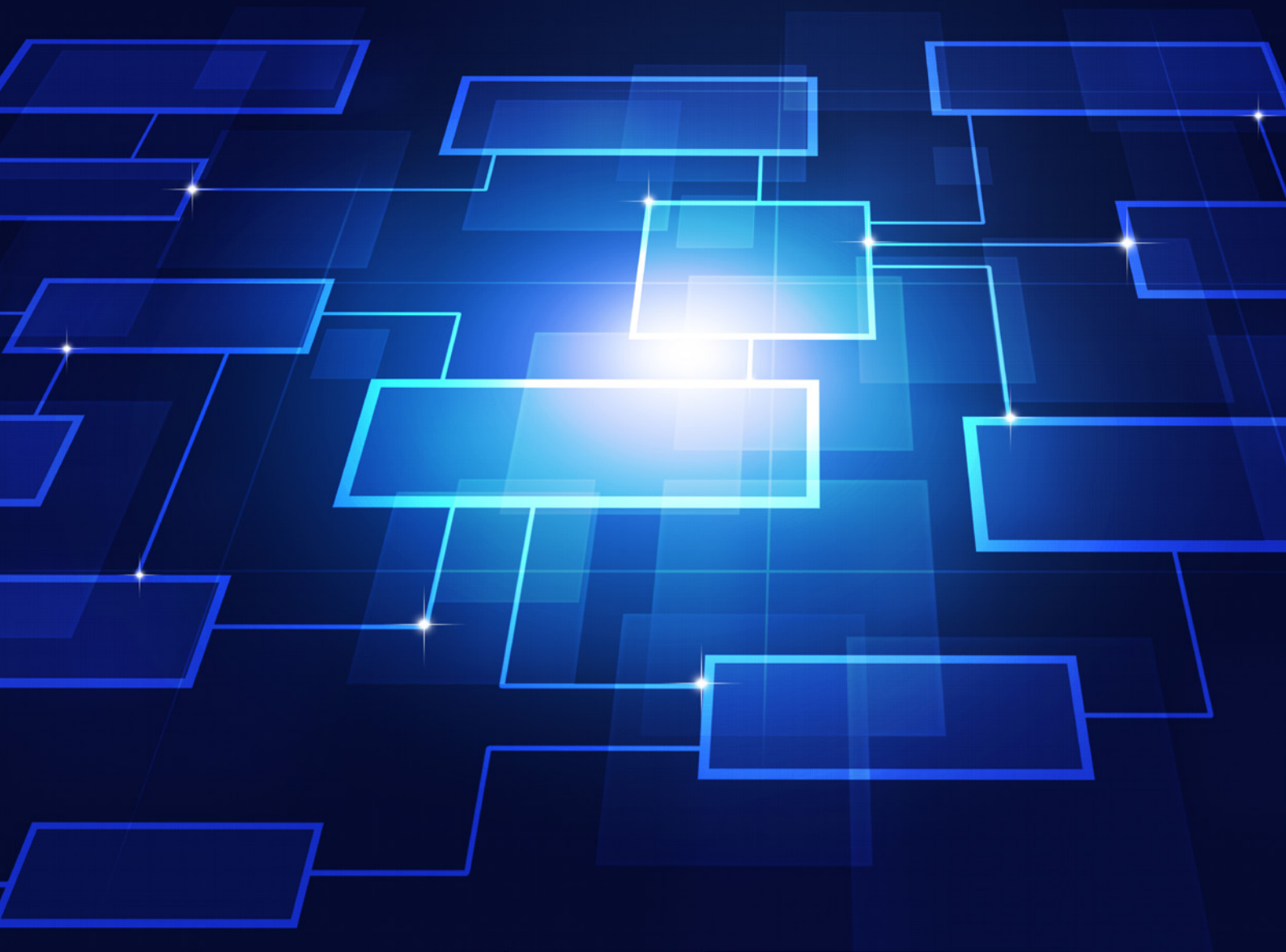


Escrow Solution for Banks



CASHFAC

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 organizations improve the productivity, visibility, automation and regulatory compliance of their cash management operations.

Our Escrow Account Solution supports all variations of escrow accounts including IOLA, IOLTA as well as 1031 Exchange accounts. Bank clients in Legal, Trust, Property and Healthcare industries will be able to improve their cash processes with this self-service solution.

The solution enables a bank's client to:

- Open and manage their escrow accounts directly
- Segregate escrow funds through general ledger accounting records
- Automatically allocate receipts
- Initiate payments directly from the escrow account

This helps banks attract new clients' deposits and reduce the burden on their banking systems. The bank's clients benefit from an improved customer experience with enhanced controls, self-service and automation. These benefits are covered in detail on page 5 of this brochure.

Cashfac's Escrow Account Solution for Banks

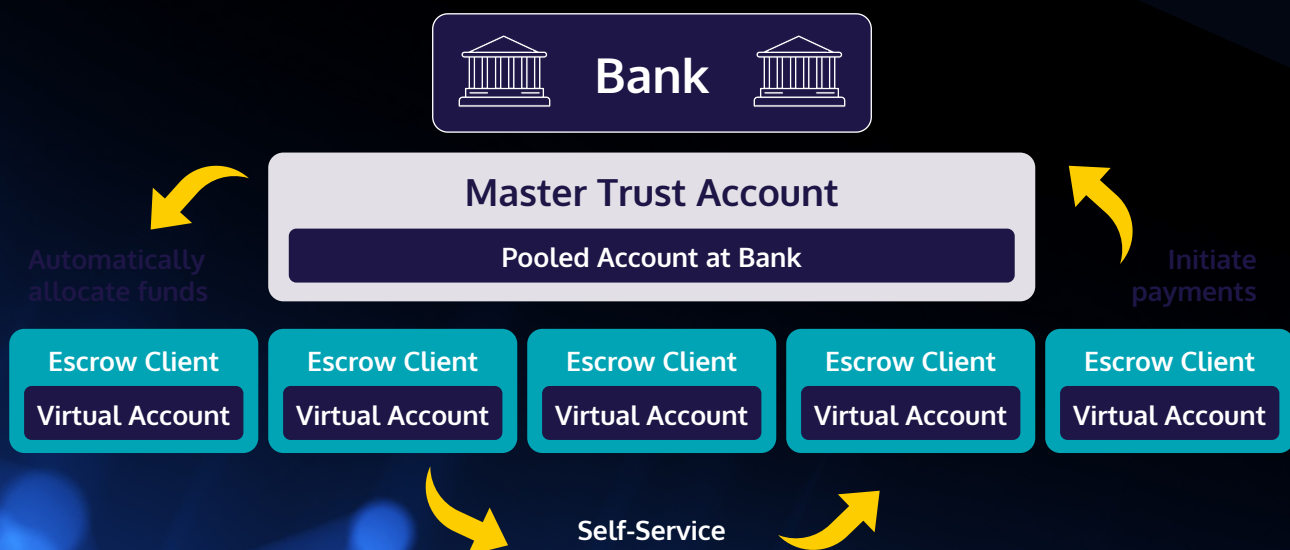
Our escrow account solution allows your bank to offer a full self-service solution to your clients who themselves need to offer an escrow account. The solution reduces the number of demand deposit account (DDA) held by the client, often to a single pooled/master account. Your client can set up its end customers' escrow accounts and manage all cash movements associated with these accounts.

This reduces your bank's costs and risk exposure while allowing you to deliver an improved service offering to your clients. Your client - rather than your bank - can easily and cost-effectively set up virtual escrow accounts on this ledger for each of its customers, agents, or counterparties. **Your bank's client can set up new escrow accounts in seconds.** Transactions can immediately be posted to these accounts. It is also possible for your client to integrate to the Escrow solution to automate the creation of these accounts.

To ensure compliance and control, these accounts are automatically reconciled to the pooled account at the bank.

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 your client's staff to focus on any exceptions. Where relevant, clients can import open invoices or remittance advices; these enable the solution to highlight any discrepancies in payments as well as non payments.

Payments from the account can be authorized 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. The solution supplies the full suite of client reporting and can also provide escrow statements.



Advanced Escrow Capabilities

More complicated escrow challenges, such as those facing property managers, can be controlled and automated in our solution. For property managers, the cash typically needs to be managed across multiple related entities. In these cases, there would be a mix of escrow and operational accounts across landlords, properties and tenants.

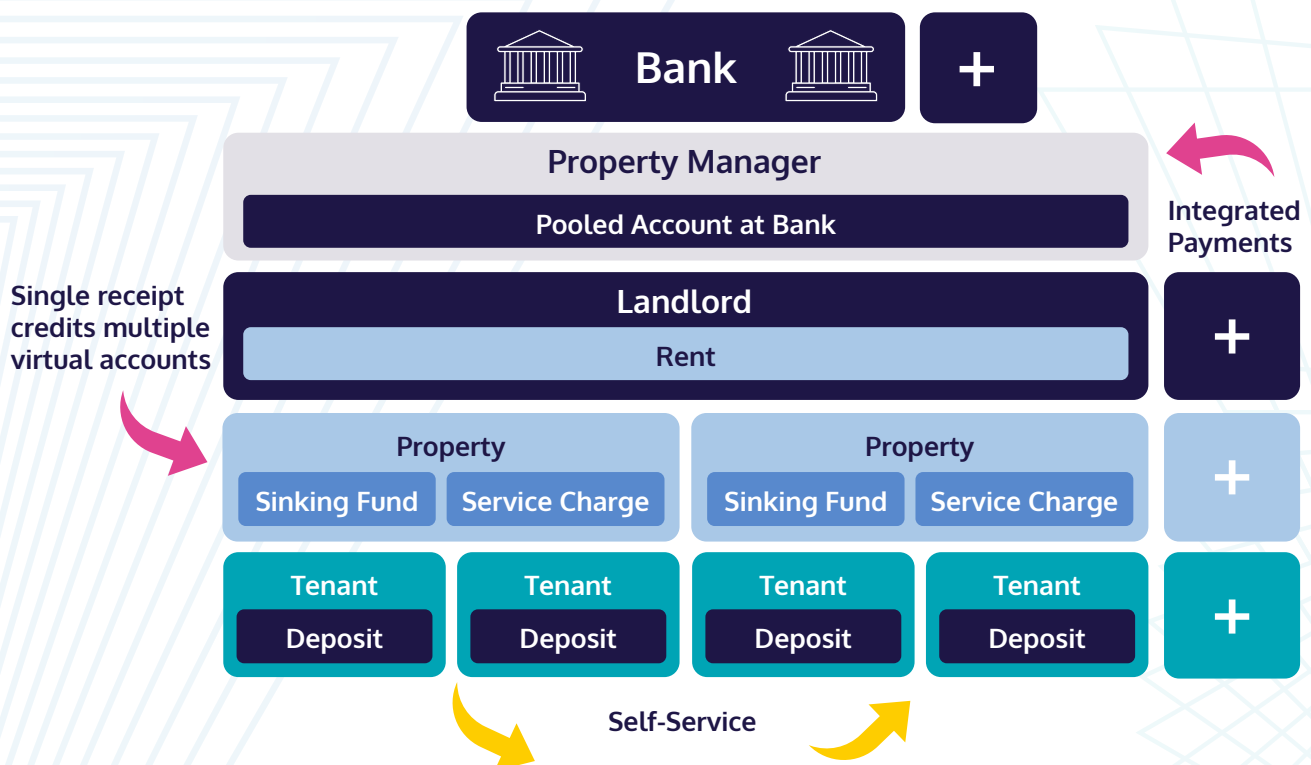
As well as holding the tenant deposits, the property manager has ongoing challenges with managing the monthly and quarterly receipts. Payments arriving will typically include multiple line items, including rent, service charges and potentially sinking fund payments.

The solution enables these receipts to be automatically broken out across the multiple accounts with rent payments accruing at the

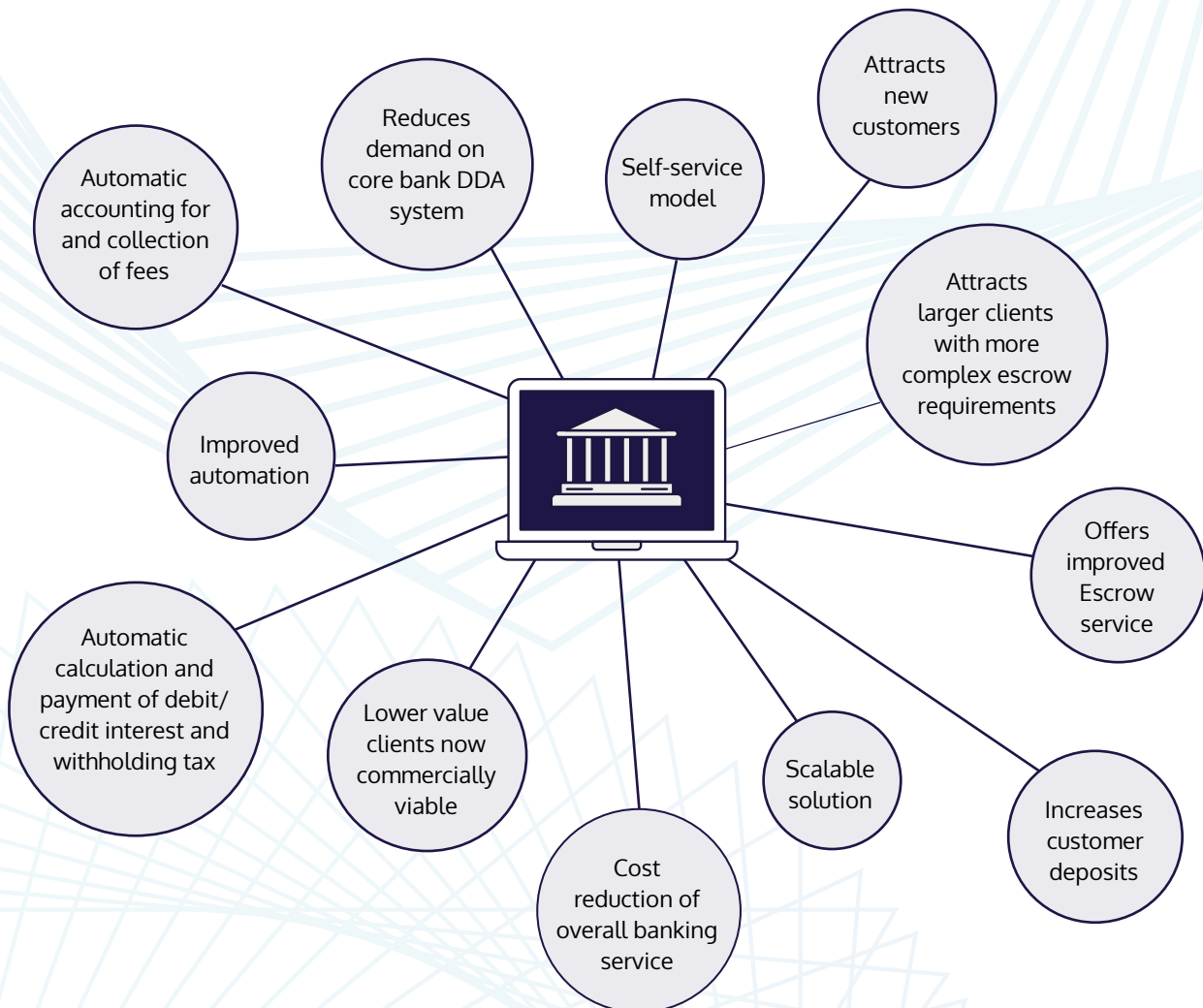
landlord level and service charges accruing against each of the properties. This level of control and automation enables the property manager to improve the client SLA as well as streamline payments such as service charges.

The solution also bridges the gap between the bank account and the property management system and with the two-way flow of information, all transactions and balances can be fed back into the property management system.

With additional bank integration, these virtual bank accounts can be given their own virtual account number to make them externally addressable. This allows the customer, agent, and counterparty to lodge/settle funds directly to their own escrow virtual bank account through the bank clearing network.



Benefits to the Bank

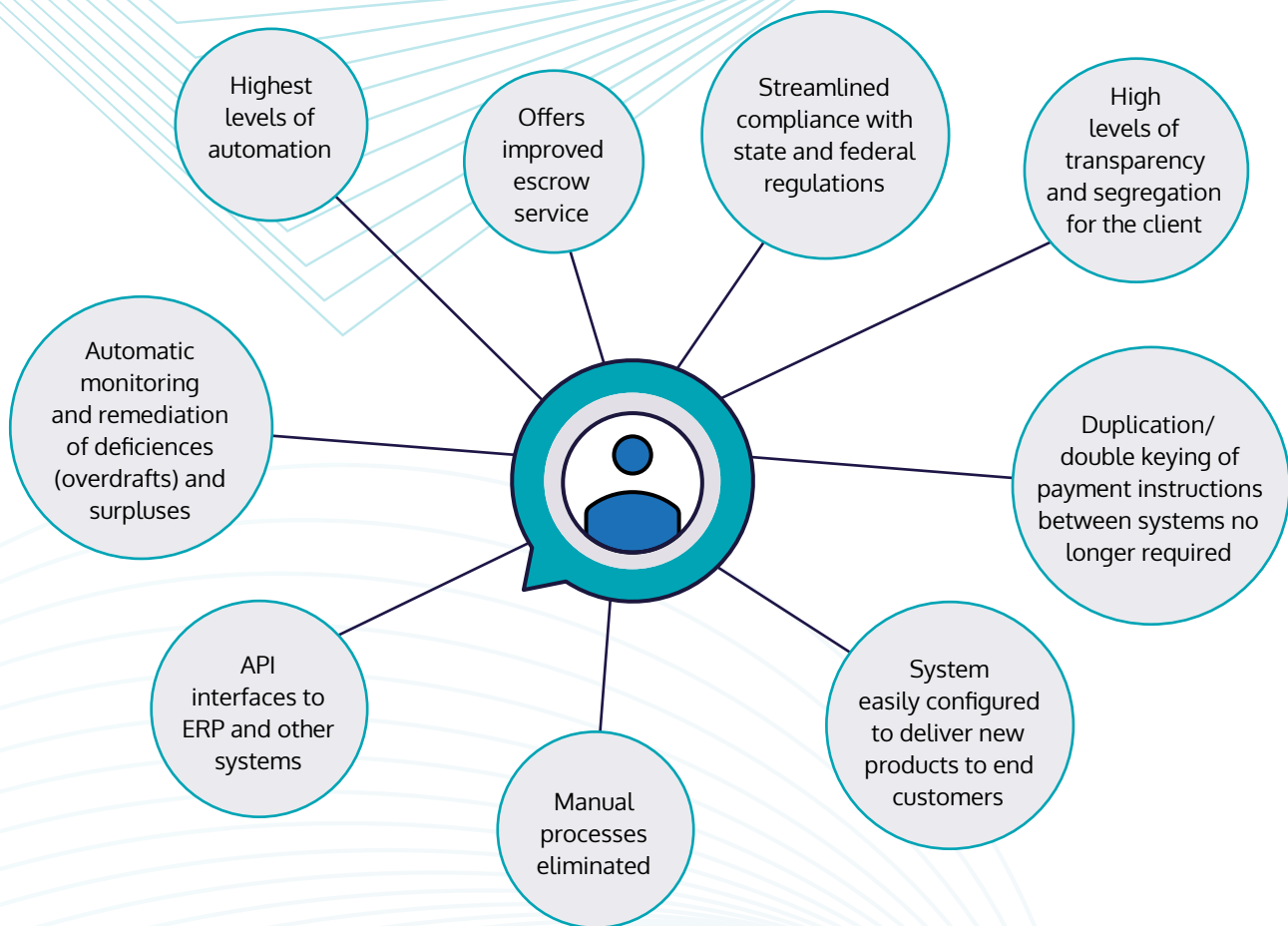


The digital and self-service benefits have been very well received and are already providing great value to our clients and to the bank

Mike LaCava

Senior Managing Director Enterprise Product Management
Sterling National Bank

Benefits to your Bank's Client



Escrow account services are required by multiple industries. Our solution can be configured for specific individual sectors. Variations of escrow account services are provided via the same platform, with multiple verticals tailored to the customer's specific sector.

Tim Martin
Head of Product Management at Cashfac

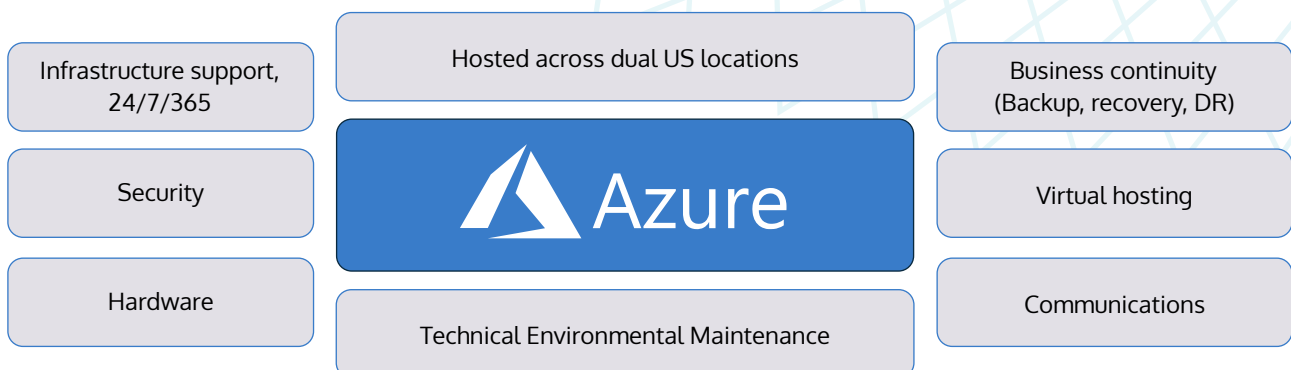
Managed Services

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 minimizing 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 your business grows. The service is hosted through **Microsoft Azure**. **We manage the entire release and upgrade, 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 solution for banks. We have grouped these questions into 6 categories:

**1****CASHFAC ESCROW
ACCOUNT TASKS****3****DASHBOARDS
AND REPORTING****5****COMPLIANCE
AND SECURITY****2****TRANSACTION
ALLOCATION AND
SETTLEMENTS****4****INTEGRATION****6****GENERAL LEDGER
ACCOUNTING**



1

CASHFAC ESCROW ACCOUNT TASKS

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

A: The solution 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 (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 user 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.



2

TRANSACTION ALLOCATIONS AND SETTLEMENT

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

A: The Escrow Solution 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 accounts?

A: With the import of remittance details, organizations 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 user 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.



3 DASHBOARDS AND REPORTING

Q: What type of information is available on dashboards?

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

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

A: The bank's clients can run a set of reports as required, including bank statements; reconciliation and regulatory reports such as tax certificates and balance and transactions reports

Q: Is statement reporting possible from the platform?

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



4 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: Clients have the option of managing the escrow accounts through a number of channels:

- Through the user interface
- Bulk import through the user interface
- Host to host connectivity
- A suite of webservice API calls



5 COMPLIANCE AND SECURITY

Q: Is the solution compliant with current regulatory requirements?

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

Q: How secure and resilient is the solution?

A: The solution is designed to conform to all bank security standards. The data resides in the United States across with resilience across dual Microsoft Azure locations. The solution supports a multi factor authentication (MFA) at login as well as the option of integrating with a bank's single sign-on (SSO) capabilities.



6 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.

Contact Cashfac

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

CASHFAC



ABOUT CASHFAC

Cashfac is a global fintech, specializing in real time operational cash management. Their platform is the world's most widely deployed virtual accounts solution for banks and wealth managers operating in the UK, Europe, the US, Australia and New Zealand. Used by fund managers, SIPP and pension administrators, trading platforms, trust and escrow services, and property managers, Cashfac helps these firms with client money management, client and market settlement, payments, intra-day credit control, and continuous automatic reconciliation for improved productivity and immediate visibility.

For more information, please visit www.cashfac.com

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