

Part 3: Servicing Loans and Loan Reports

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Select 'Transactions' then 'Loans' from the Compliance Menu to get to the main loan screen.

3.1. Posting Loan Repayments.

On the main loans screen you will see details of loan repayments due. There are options at the top of the screen on which loans you see and the date range of repayments that you see - you can select to see repayments due in the next 7, 15, 30, 45, 60 or 90 days, either for all loans or one specific loan. Or you can enter a date range to select all loan repayments within this range. Then you can select the payments you want to post. Before posting you can adjust the payment dates - these default to the due date - and add any additional interest, and/or principal payments made if the plan allows it.

Q.S. Tip: Any payment with 'Added Principal' payment must be the only payment being processed for that participant in the current updating and posting. This allows the software to recalculate the remaining repayments.

Once you have made any adjustments to payments, check the payments you want to post, and then click the 'Post Loan Payments' link. This will create two transaction batches, one moving amounts of principal from the loan fund to other investments(s) and one showing interest payments. The batches go to the pending area in the Transaction menu; when you move them to the posted, area the loan payments will be reflected in the financial reports and participant statements.

3.2. Defaulting a Loan (Deemed Distribution).

Click the 'Global Loans Report' link. Select the loan from the 'Active Loans' drop down box and click the 'Select' button. Click the 'Default Loan' link. You'll see a screen where you can adjust the default date, which populates with a date based on the due date of the next loan repayment plus the length of the grace or cure period. If you do change this date click the Update button, then click the 'Post Loan Default' button to create a transaction batch, showing the loan default interest. The batch goes to the pending area in the Transaction menu; when you move it to the Posted area the loan default will be reflected in the financial reports and participant statements.

Q.S. Tip You may 'Perform the Loan Offset' immediately after posting a defaulted loan if the participant has had a distributable event, or hold in the system until an event occurs.

3.3. Offsetting a Defaulted Loan

Click the 'Global Loans Report' link. Select the loan from the 'Defaulted Loans' drop down box and click the 'Select' button. Click the 'Default Loan' link. You'll see a screen where you can adjust the offset date, which populates with the date of the default. If you do change this date click the Update button, then click the 'Post Loan Offset' button to

create a transaction batch, showing the loan offset. The batch go to the pending area in the Transaction menu; when you move it to the Posted area the loan offset will be reflected in the financial reports and participant statements.

Q.S. Tip: All loan transactions for the participant in question must be posted for the loan offset transaction to calculate correctly.

3.4. Deleting a Loan

Click the 'Global Loans Report' link. Select the loan from the 'Defaulted Loans' drop down box and click the 'Delete' button. Note that you will need to un-post and delete any transaction batches associated with the loan from the Transaction menu.

3.5. Loan Reports

Click the 'Global Loans Report' link; you have options here to print a list of all loans as of the date you select, or to print the annual loan report.
