

System Change Request (SCR) Documentation

(Client Support, Production Support and Minor Enhancements Projects of 1-300 Hours)

1.0 Why is this project being requested?

- 1.1. SomeCompany no longer sends pressure-sealed 1099A and 1099C forms to its borrowers because these pressure-sealed notification forms are now unavailable from the vendor and unsupported by SomeVendor.
- 1.2. SomeCompany must insert legal verbiage into these 1099A and 1099C notification forms. This legal text pertains to borrowers affected by Hurricane Katrina. **See also** Section 2.1.5.
- 1.3. Compliance requirements stipulate that controls be established that reduce the probability of two statements going into one envelope and that serve as a mechanism for validating the statements' mailing. **See also** Section 2.1.4.
- 1.4. Compliance requirements make this project deadline driven: Forms 1099A and 1099C must be postmarked *on or before* January 31, 2007. Fines, fees, or other penalties are the consequence of project failure.

2.0 What are the business requirements for this project?

2.1. Project Inclusions

The following items describe the 1099 project's in-scope requirements for the envelope and for *both* 1099 notification forms: 1099A and 1099C:

- 2.1.1. Print the 1099 notifications on 8.5" x 11" white-stock paper.
- 2.1.2. On the 1099 notification forms, change all references to the year *from* 2005 to 2006.
- 2.1.3. Print the mortgagee's address and SomeCompany's return address on the 1099 notifications' reverse side.
 - 2.1.3.1. Position the mortgagee's address so that it is completely visible in the envelope's window after the third-party vendor folds and inserts the notification form into the envelope.
 - 2.1.3.2. Remove the SomeCompany name from the envelope's return address.
- 2.1.4. Provide a unique sequence number that has the following characteristics:
 - 2.1.4.1. The sequence numbers utilize five-digit patterns that use leading zeros as placeholders.
Examples: 00001, 00002,..., 00050, 00051, ..., 00100, 00101, ..., 01000, 01001, ..., 50000.
 - 2.1.4.2. The sequence numbers get reset for each reprint program run.
 - 2.1.4.3. The sequence number printouts are compatible with and readable by the third-party vendor's camera system, which reads OCR fonts.
 - 2.1.4.4. The sequence numbers appear above the borrower's name, and the sequence numbers are visible through the envelope's window.

2.1.5. Modify the 1099 notification forms' template by inserting the following quotation:

Table 1: Quotation criteria for *both* 1099A and 1099C

Quotation:

IRS regulations require SomeCompany to issue a 1099, but those individuals affected by Hurricane Katrina may not have taxable income under the Katrina Emergency Tax Relief Act of 2005. Please consult your tax advisor to determine if this applies to your situation.

Quotation Instructions

- Use *italicized* text.
- Do *not* enclose this phrase in quotation marks.
- Locate this quotation directly above the INSTRUCTIONS heading.
- Ensure that this quotation remains precisely as indicated: Attorney FirstName J. LastName approved this quotation, which must remain unchanged.

2.1.6. Change the Date to Use for the State of Iowa (IA) *from* the Redemption Expiration Date (RE) to the Sale Date (SA) so that the following occurs:

2.1.6.1. Iowa uses **only** the Sale Date (SA) and **not** the Redemption Expiration Date (RE).

2.1.6.2. Iowa uses **only** the Sale Date (SA) for all four 1099 transaction types: Deed in Lieu, Short Sale, Foreclosure and Abandoned.

For more information, see also:

Figure 1: 1099 Notification Envelope on page 4

Figure 2: 1099-A Form Excerpt—Legal Verbiage's Position on page 9

Figure 3: 1099-C Form Excerpt—Legal Verbiage's Position on page 10

[Overview of the 1099 Process](#) (Author: FirstName Last Name)

2.2. Project Exclusions

The following items describe the 1099 project's out-of-scope requirements:

2.2.1. The process supporting the pressure-sealed notifications is defunct; therefore, a new process that supports the proposed solution must be in effect.

Owner: The client is responsible for creating, implementing, and supporting this new business process.

2.2.2. Transaction volumes must remain unchanged from the notifications' previous transaction levels.

2.2.3. This requirement involves folding, stuffing, metering, and mailing approximately 50,000 1099 notifications **on or before** January 31, 2007.

Owner: The third-party vendor is responsible for both the process and delivery of this objective.

2.2.3.1. The scheduled print date is **on or before** January 24, 2007.

2.2.3.2. Assumption—The #10 envelope contains a see-through window, and the following four words appear on the window's right-hand side (you're facing the envelope):

IMPORTANT TAX DOCUMENT ENCLOSED.

2.2.3.3. Assumption—Pre-printed postage does *not* get printed. Putting the metered postage permit on the envelope is the third-party vendor’s responsibility.

2.2.4. Person_A and Person_B—in conjunction with Person_C and her business unit—will conduct all user acceptance testing (UAT) and verification. **See also** Section 4.3.

2.2.5. The programs and processes that pertain to filing 1099 data electronically to the IRS remain unchanged.

2.2.6. Additional out-of-scope requirements that were discussed and considered:

2.2.6.1. Sending duplications of all 1099 notices mailed to Some_Kind_of_Bank.

2.2.6.2. Examining the 1099 process in order to determine why seemingly random loans are not getting picked up. **See also** SCR_x.

Project Estimates and Schedule

Because compliance constraints drive the 1099 project, January 12, 2007 is the milestone date for user acceptance testing (UAT), which is well in advance of client’s deadline.

Table 2 illustrates the range of estimated effort to deliver the stipulated project requirements. **See also** Project Inclusions 2.1.

The 1099 project plan reflects the baseline hours, which target an improved UAT milestone delivery date. The approved 1099 budget estimate takes the conservative upper boundary, a worse case scenario.

Compressing the project schedule even further is this project team’s ongoing objective, which targets the estimate’s lower boundary.

For more information, see also:

[1099 End of Month Steps and Schedule](#)

[BEN 99999 Project Plan – XXXX FBRM 1099 Print on White Stock](#) (Includes all scope changes)

[Initial Estimate Worksheet](#) (Without scope changes)

Scope Change Approvals

[Adding sequence number capability](#)

[Changing the Sale Date \(SA\) and Redemption Expiration Date \(RE\) for the State of Iowa](#)

Table 2: 1099 Estimated Efforts

Boundary	Hours
High (+15%)	276.0
Baseline	240.0
Low (– 5%)	228.0

Project Risks

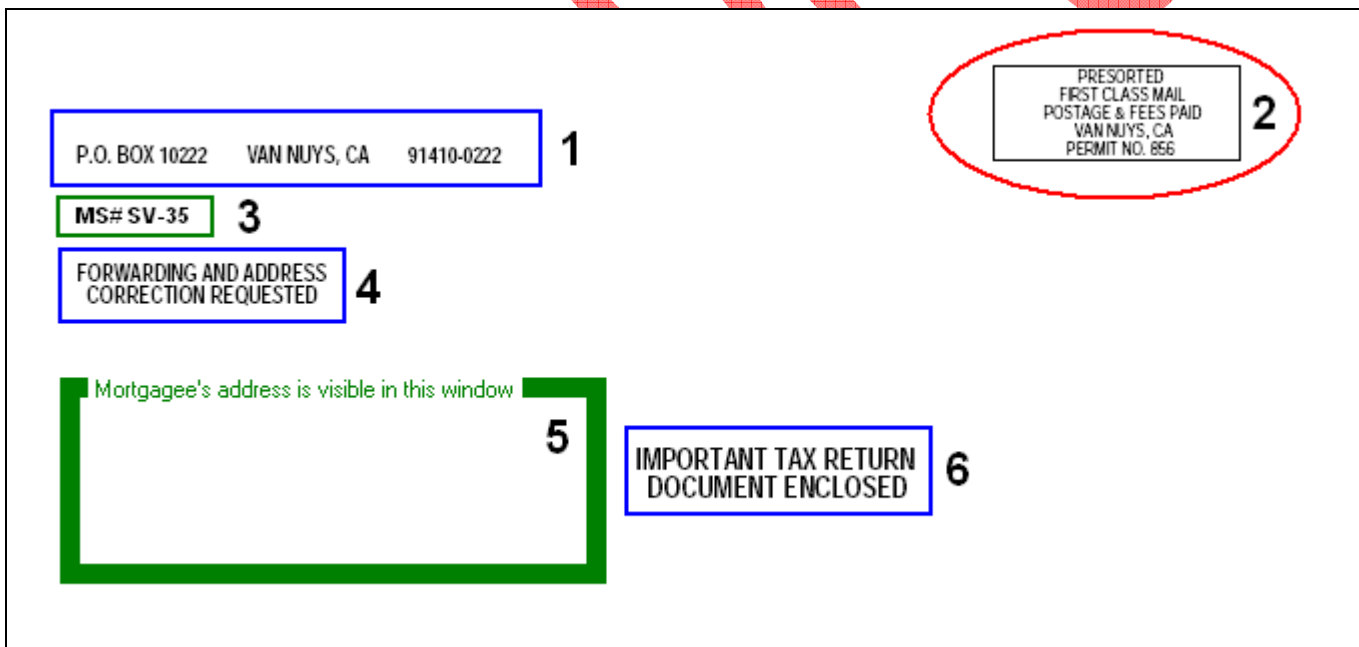
Ultimately, project success means that the 1099 project team delivers the in-scope requirements, so that the vendor has enough time to fulfill its obligation.

1. Vendor-performance estimations must be accurate in the sense that these projections are not underestimated.
2. Transaction volumes must remain at their current level. Changes in volume levels could affect point number one.
3. The current 1099 production process must remain stable and perform as expected.
4. The unique sequence numbers' OCR-A barcode font must perform as expected. **See also** Section 2.1.4

3.0 How will we meet the business requirements for this project?

- 3.1. Figure 1 illustrates the elements that will be modified either within the 1099 program or the printer's image program. The succeeding subsections correspond to the Figure 1 numbers; that is, the remark in 3.1.1 corresponds to Figure 1, Element 1; the remark in 3.1.2 corresponds to Figure 2, Element 2, and so forth.

Figure 1: 1099 Notification Envelope



- 3.1.1. **SomeCompany's Return Address**—The developer *modifies the code* from the image printer's program.
- 3.1.2. **Metered Postage Label**—The developer *removes the code* from the image printer's program.
- 3.1.3. **Mail Stop**—The developer *modifies the code* for both the batch program and the on-demand program.
- 3.1.4. **Forwarding and Address Correction Requested**—The developer *removes the code* from the image printer's program.

- 3.1.5. **Mortgagee’s address and Unique Sequence Number**—For both the batch program and the on-demand program, the developer *modifies the code* so that the position of the Unique Sequence Number appears above the Mortgagee’s address. The whole block—the sequence number and the mortgagee’s address—must be visible in the envelope’s window.
- 3.1.6. **Document Enclosed Statement**—The developer *removes the code* from the image printer’s program.

4.0 Validations

- 4.1. Unit testing involves the developer printing samples on a local print and checking for the conformance to the given requirements.
- 4.2. Integration testing—The developers and analysts will collaborate with operations to set up the AS400 production printers. They will actually print and verify forms’ output against the new specifications.
 - 4.2.1. Sequence Number positioning gets done during the printing tests, and the sequence number barcode readings get validated by the third-party vendor.
 - 4.2.2. Test loans for the State of Iowa will be run through the 1099 process, verifying the use of the Sale Date (SA) for all four 1099 transactions. **See also** Section 2.1.6Additionally, XXXX examines three scenarios for the Iowa test loans, where these loans:
 1. Always use a Sales Date (SA)
 2. Have *only* the Sale Date (SA)
 3. Have *only* the Redemption Expiration Date (RE) and *not* the Sale Date (SA). Here, the program generates an EXCEPTION and the loan does not get reported.
- 4.3. User Acceptance Testing and Support.

For more information, see also:

[1099 QA and UAT Plan](#)

5.0 Approvals

Name	Title	Approved Date	Approval Documentation
Name belongs here	AVP Foreclosure Systems Development		
Name belongs here	First VP Application Development		

6.0 Quality Checkpoints

The following quality checkpoints, broken out by the phases of our methodology, are provided for review and consideration. Not all checkpoints will apply to all projects. However, review these checkpoints carefully, and take the specified action for the items that apply to this work effort.

#	Quality Checkpoint	Deliverable/Activity	Result (1) Required for Project or (2) N/A	Justification if N/A
Originate				
1	Architectural Affinity Score	If applicable, please attach the AAS worksheet to a Dimensions ticket to arrange for a review of the worksheet with the Software Architect covering your business area. Issue Type: Client Support Project Team: PACE Application: P&S Testing Here is the link to the AAS worksheet: http://ctsolutions/docushare/dsweb/Get/Document-40244	N/A	
2	Architectural/ Integration Approach	If applicable, please attach the AAS worksheet along with the approach document to an email and send to the Lotus Notes group "S3-Integration" to arrange for an integration review with the Software Architect covering your business area. Here is the link to the AAS worksheet: http://ctsolutions/docushare/dsweb/Get/Document-40244	N/A	
3	PACE Stoplight Analysis	If applicable, please submit a Dimension ticket as follows: Issue Type: Client Support Project Team: PACE Application: P&S Stoplight Analysis	N/A	
4	Requirements approved by Compliance	If applicable, send an email to Legal Compliance via Lotus Notes group "Legal Compliance Review." Please include this document with a request for sign-off.	N/A	
Initiate				
1	Architectural/ Integration Specifications	If applicable, please attach the specification document to an email and send to the Lotus Notes group "S3-Integration" Specification document: http://ctsolutions/docushare/dsweb/Get/Document-212045	N/A	
2	FASTER-SE Information Security Requirement – website	If applicable, register at this web site to schedule a security review http://infosec <i>[on the right side of the page, select "how to register for a security review"]</i>	N/A	
3	SOW – Offshore	If work will be performed offshore use the template below http://ctsolutions/docushare/dscgi/ds.py/Get/File-136381	N/A	No offshore work
4	Vendor Disclosure	If applicable, complete the following document and attach it to an email to Person_Z from Corporate Contracts http://ctsolutions/docushare/dscgi/ds.py/Get/File-338354	N/A	Continuation of an existing relationship.

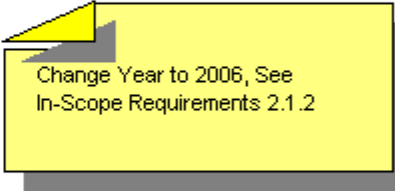

#	Quality Checkpoint	Deliverable/Activity	Result (1) Required for Project or (2) N/A	Justification if N/A
Plan				
1	Design Review	If applicable, please open a Dimensions ticket (project team is YYYY Architecture) to arrange for the production of this document, which is produced by the YYYY Project, S3 Architecture, and S3 Integration teams	N/A	
2	IT Business Continuity Registration	If applicable, register your project with Troux: <ul style="list-style-type: none"> • Send email to APM' (Application Profile Management team) indicating that an application is to be registered in Troux • APM will return a spreadsheet to be completed and returned to APM • APM will establish the application in Troux. 	N/A	
3	Meta Data Repository - MDR	If applicable, complete MDR related forms at http://ctsolutions/docushare/dsweb/View/Collection-11929	N/A	
4	Request for Information - RFI	If applicable, complete the following document and attach it to an email to Person_Z from Corporate Contracts http://ctsolutions/docushare/dscgi/ds.py/Get/File-338354	N/A	
5	Request for Proposal - RFP	If applicable, complete the following document and attach it to an email to Person_Z from Corporate Contracts http://ctsolutions/docushare/dscgi/ds.py/Get/File-338354	N/A	
6	Performance & Scalability Test Plan	If applicable, submit a Dimensions ticket as follows: Issue Type: Work Order Team: PACE App: PACE Questionnaire Attach the completed work sheet to the ticket: http://ctsolutions/docushare/dscgi/ds.py/Get/File-285506	N/A	The batch process already exists in production.
Execute				
1	Master Calendar Registration	If applicable, register your project in the IT Master Calendar: <ul style="list-style-type: none"> • Type 'ITMC' in your web browser • Log in using your network ID and password • Select 'Submit New Entry' from the gray menu bar near the top of the page • Enter the Event Environment, Event Type and Request Type and Create ITMC Entry • Review your event in the Calendar and select 'Submit Request for Approval' to begin the approval process. Not completing this step results in your request only being tentatively scheduled. 	N/A	
2	Performance & Scalability Test Results	If applicable, ensure P&S Test Results are received from and reviewed with the PACE team.	N/A	
Close-Review				

#	Quality Checkpoint	Deliverable/Activity	Result (1) Required for Project or (2) N/A	Justification if N/A
1	Post Implementation Architectural/ Integration Review	If applicable, open a Dimensions ticket (project team is Architecture) to arrange for the production of this document, which is produced by the Project, S3 Architecture, and S3 Integration teams.	N/A	
2	User Satisfaction Follow-up	If applicable, please complete the document http://ctsolutions/docushare/dscgi/ds.py/Get/File-170586	N/A	
3	R&D Tax Credit Questionnaire	If applicable, complete R&D Tax Credit Project Activity Questionnaire and store it in DocuShare : http://ctsolutions/docushare/dscgi/ds.py/Get/File-150717	N/A	

SAMPLE

7.0 Notes

Figure 2: 1099-A Form Excerpt—Legal Verbiage's Position

2006 SUBSTITUTE 1099-A 8080 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED (if checked) OMB No. 1545 - 0877		Acquisition or Abandonment of Secured Property	
LENDER'S name, street address, city, state, ZIP code, and telephone no.		BORROWER'S Name, street address (including apt. no.), city, state and ZIP code	
LENDER'S Federal identification number		BORROWER'S identification number	
Account number (optional) _____		 	
1 date of lender's acquisition or knowledge of abandonment _____			
2 balance of principal outstanding _____ \$			
3 not used			
4 Fair market value of property _____ \$			
5 was borrower personally liable for repayment of the debt? <input type="checkbox"/> yes <input type="checkbox"/> no			
6 description of property _____			
<i>IRS regulations require [redacted] to issue a 1099, but those individuals affected by Hurricane Katrina may not have taxable income under the Katrina Emergency Tax Relief Act of 2005. Please consult your tax advisor to determine if this applies to your situation.</i>			

INSTRUCTIONS FOR BORROWER

Certain lenders who acquire an interest in property that was security for a loan or who have reason to know that such property has been abandoned must provide you with this statement. You

Box 1. For a lender's acquisition of property that was security for a loan, the date shown is generally the earlier of the date title was transferred to the

SM

Figure 3: 1099-C Form Excerpt—Legal Verbiage’s Position

2006 SUBSTITUTE 1099-C 8585 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED (if checked) OMB No. 1545 - 1424		CANCELLATION OF DEBT	
CREDITOR'S name, street address, city, state, and ZIP code		DEBTOR'S Name, street address (including apt. no.), city, state and ZIP code	
CREDITOR'S Federal identification number		DEBTOR'S identification number	
Account number (optional) _____			
1 date canceled _____			
2 amount of debt canceled _____		\$	
3 interest if included in box 2 _____		\$	
4 Not Used			
5 debt description _____			
6 bankruptcy (if checked) _____		<input type="checkbox"/>	
7 fair market value of property _____		\$	

Change Year to 2006, See In-Scope Requirements 2.1.2

See In-Scope Requirements 2.1.5

IRS regulations require [redacted] to issue a 1099, but those individuals affected by Hurricane Katrina may not have taxable income under the Katrina Emergency Tax Relief Act of 2005. Please consult your tax advisor to determine if this applies to your situation.

INSTRUCTIONS FOR DEBTOR

If a Federal Government agency, certain agency connected with the Federal Government, financial institution, credit union, or an

Box 1. - Shows the date the debt was canceled.

