![syncordis logo]

28th of January 2022

T24 – Induction training "AA lending"

Thomas Voigt
Training manager

Email: tvoigt@syncordisconsulting.com

Copyright © 2022 Syncordis S.A.

General remark

PLEASE NOTE:

➢ The screenshots in this manual have been taken from the T24 model bank. This is the initial set up of T24.

➢ If your T24 system is already customized than the screens and menus in T24 may look different.

➢ The basic functionality explained in the manual will be anyway the same as in your T24 system.

01	**Learning objectives**
02	Basics of loans in AA
03	Overdue processing in loans
04	Process 1: Creating a limit for a loan
05	Process 2: Opening a loan
06	Process 3: Checking a loan
07	Process 4: Amending and activities for loans
08	Process 5: Closing a loan

Learning objectives

Objectives

- Understand the basics of AA lending

- Create AA loans

- Check AA loans

- Modify AA loans

- Close AA loans

syncordis

Wordings and important start information

- **AA** = Arrangement architecture

- **Products** = The respective type of loans a customer can have – i.e. "Consumer loan" or "Mortgage (Adjustable Rate)"

- **Product conditions** = Contain the conditions of a loan – i.e. 2% as loan interest, collected monthly at the last day of each month

- **Arrangements** = loans with all their conditions. When creating a loan account, the product conditions defined in the products are defaulted into the loan accounts
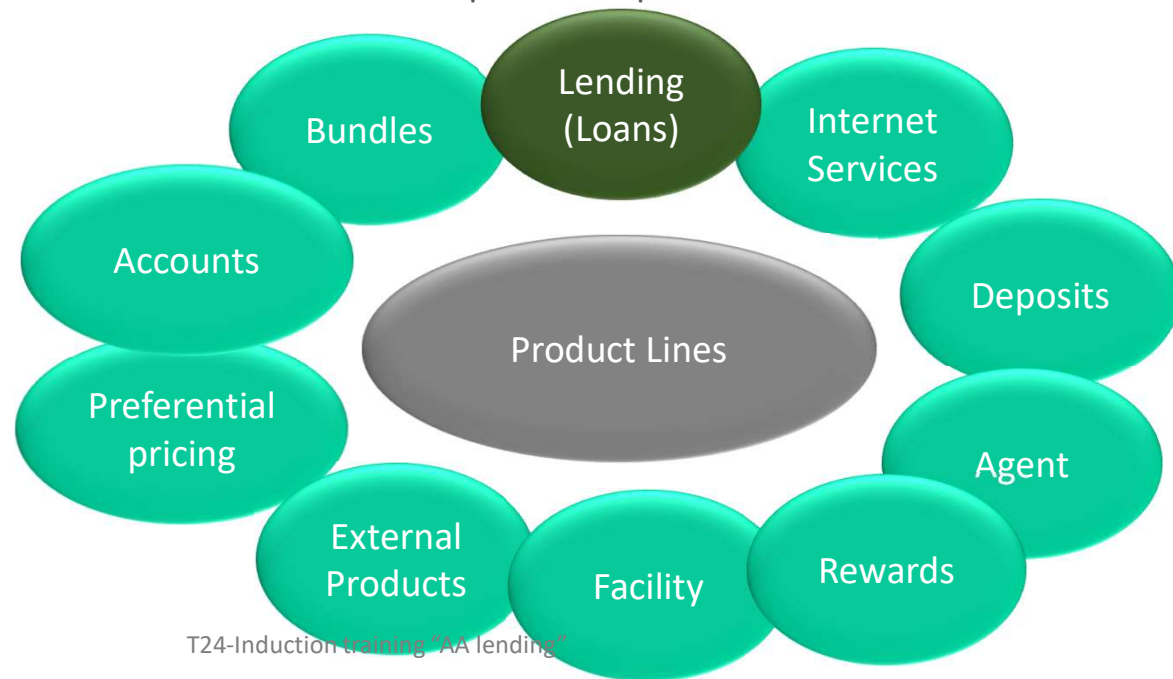
Important:

In a loan arrangement **three** accounts are required:

➤ **loan/arrangement account**: The technical account, on which the loan is held. It has always a negative balance, which will become at maturity "0"

➤ **Payin account**: The account, from which the loan will be repaid and from which the interest and charges will be paid. This is normally a current account

➤ **Payout account**: The account, to which the loan amount will be disbursed. This is normally a current account

◀ syncordis

Product organisation - product line

- Highest Level in the product hierarchy
- Created by Temenos
  - 23 product lines defined – status 19.01.2022
  - Temenos will add more in the future
  - User can only change description
  - Exception: User can create new "External products" product lines

Main product lines are

Bundles · Lending (Loans) · Internet Services · Accounts · Product Lines · Deposits · Preferential pricing · External Products · Facility · Rewards · Agent

syncordis

Product organisation - product group

- Second Level in Product Hierarchy

- Free definable by the bank
  - Subset of product line

- Example of product groups for "loans" product line – will vary from bank to bank
  - Mortgages, Consumer loans, Personal loans

Consumer Loans
Home Equity
Installment Loans
Credit .Line Parent
Mortgages
Personal Loans
Small Business Loans

syncordis

Product organisation - products

- Third level in hierarchy

- Products are free definable by the bank – products are the types of loans the bank offers to their customers
  - Possible to link one product as "parent" to the "children"
    - Parents contain the product conditions, which are shared among the products within the group – i.e. the rules for the accounting entries
    - Children contain the product specific conditions – i.e. the schedule for the payments

- Contain overall product feature offered to customers

Mortgages
- Description
  Mortgage
  Mortgage (Adjustable Rate)
  Mortgage (Fixed Equal Repayment)
  Mortgage (Seasonal Repayments)
  Mortgage (Special Offer)
  Mortgages (CashBack)
  Mortgages (Linked Rate)

syncordis

Parameter tables

- AA.PRODUCT.LINE
    - Tool to define the product lines by Temenos – except "external products", which may be defined by the bank
    - Contains maximum possible "property classes" – "property classes" are general components of a product like "Accounting", "Repayment order" or "Term and loan amount"
        - Some are mandatory, some are optional

- AA.PRODUCT.GROUP
    - Tool to define product groups by the bank
    - Contains all the "properties" for selected property classes, which can be used for the product definition – "properties" are subcomponents of a property class – i.e. for property class "charges" the properties "disbursement charge" and "opening charge"

- AA.PRODUCT.DESIGNER
    - Tool to define products by the bank
    - Contains permissible values for selected properties. Those are defined in "product conditions" – i.e. the disbursement fee is 2% of the disbursed amount

Parameter Tables - AA.PRODUCT.LINE

- Available for Temenos use
  - Available to the user only for amending descriptions – except "external products"
- Contains the valid **Property classes** for a product line – components of a product line, i.e. "ACCOUNTS" or "ACCOUNTING"
- Defined with characteristic of product line – so called "line attributes"
  - "Currency specific" – product conditions like "interest" must be defined currency wise
  - Reverse and replay – allowing back dated changes which trigger recalculation of amounts, i.e. for interest

T24-Induction training "AA lending"

Parameter tables - AA.PRODUCT.GROUP

- Tool available for banks
  - Here the bank can freely define any number of desired product groups
  - They are linked to respective product line
- **Properties** are linked to the property classes
  - I.e. property DISBURSEMENTFEE for property class CHARGE= The charge which needs to be paid on loan disbursements
  - The conditions, how this charge shall be calculated, is defined in the product condition linked to the property DISBURSEMENTFEE in the product definition
  - Multiple properties can be linked to the same property class – required, if i.e. different types of charges can be taken for loans

  Please note: In a product can be used only properties, which have been made available in the related product group

T24-Induction training "AA lending"

12
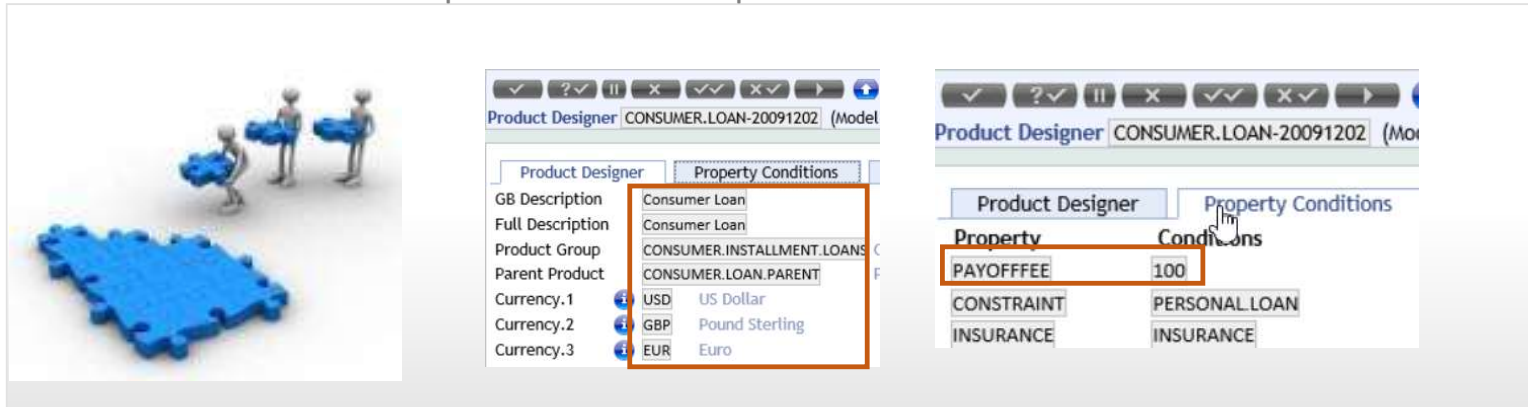
Parameter tables - AA.PRODUCT.DESIGNER

- Tool for the bank to define the required products = type of loans

- Product conditions are linked to properties, which were made available in the product group definitions. Product conditions contain the value for a property – i.e. for property "Payoff fee" the charge shall be the equivalent of 100 USD fixed

  In the screenshot in the right in the marked product condition it is defined, that for this product the charge for each loan payoff will be the equivalent of 100 USD fixed
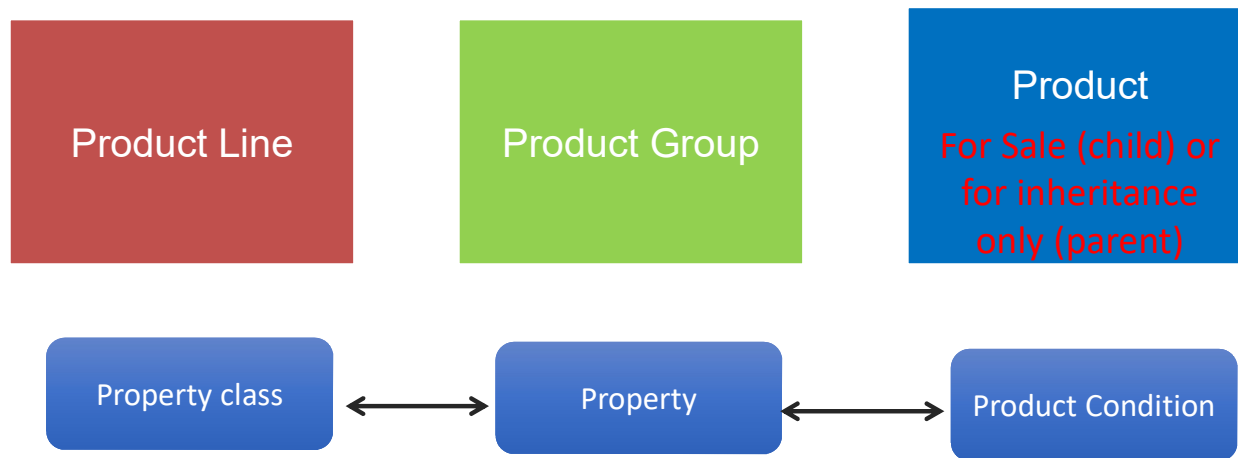
- If it is a parent product (contains common conditions for all products in the group) or a child product (contains) specific product conditions) – if field "Parent product" is filled out, then it is a child product

- Here also the allowed currencies for the product must be specified

Product building architecture
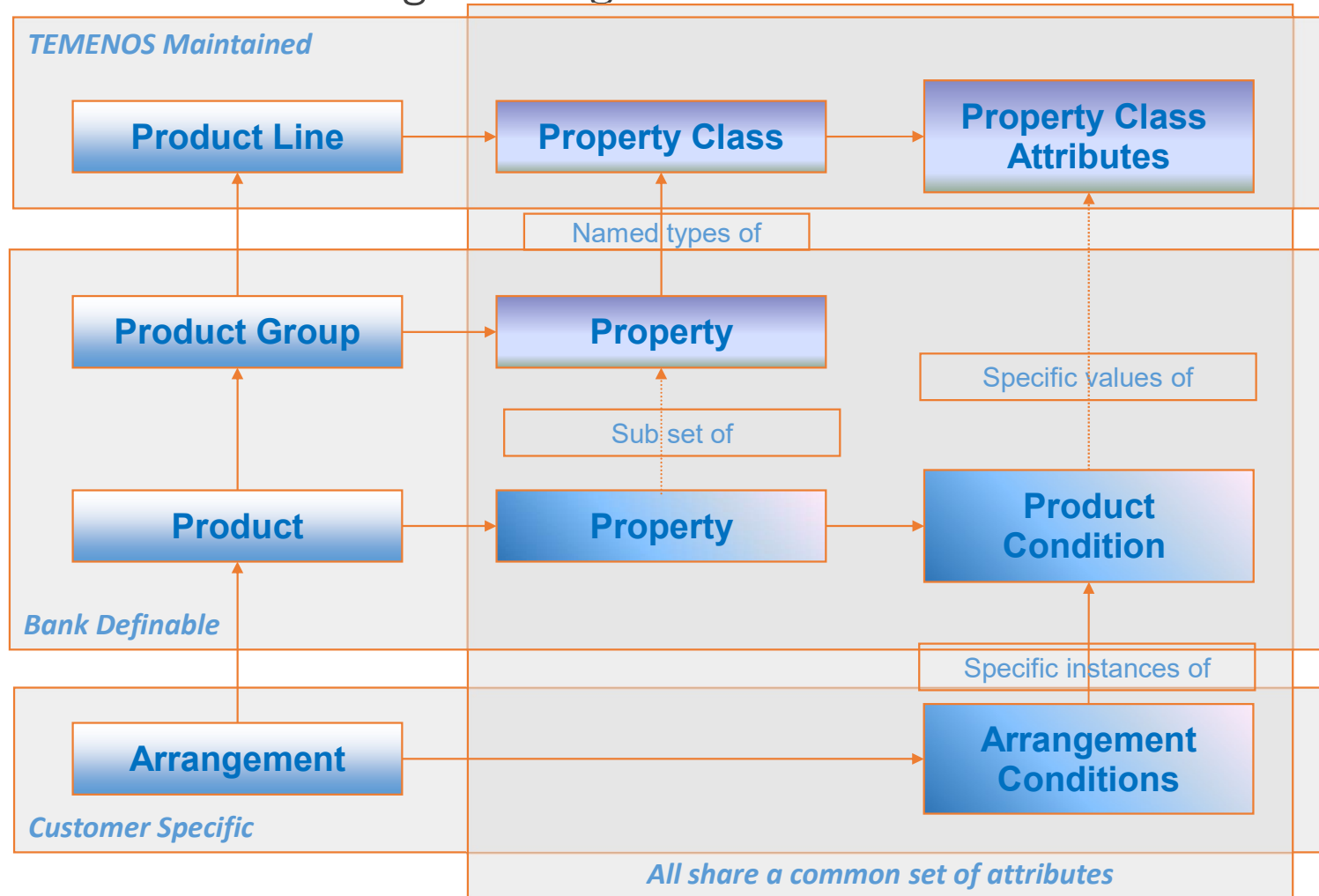
Product Line	Product Group	**Product** For Sale (child) or for inheritance only (parent)

Property class	←→	Property	←→	Product Condition

Putting it all together…

Example for the linkage between an arrangement and it's product definition

In an arrangement in USD for a "Consumer loan" the charge for the payoff shall be 100 USD

T24 does know that, because in the definition of the Consumer loan product it has been attached the charge condition under Id "100"

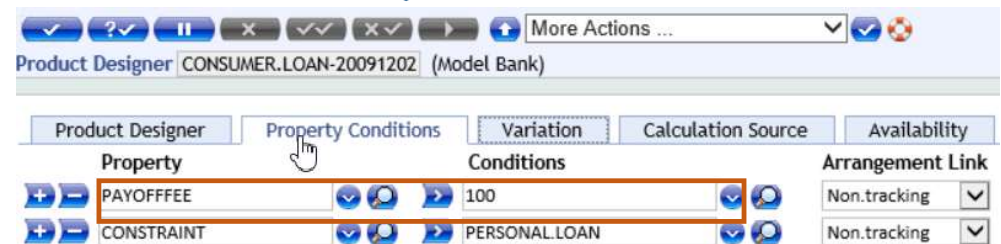…. In the charge condition under Id "100…" is specified, that the payoff charge shall be the equivalent of 100 USD

Summary

loan product conditions
- Negotiable
- Non negotiable
- Tracking
- Customer tracking
- Non tracking
- Eligibility

Limit

Arrangement account

- Eligible products / Default product
- Arrangement conditions
- Arrangement
- Arrangement loan
- Debit balance
- Interest income
- Charge income

- **Negotiable:** Field can be amended at arrangement level
- **Non negotiable:** Field can't be amended at arrangement level
- **Tracking:** If a product condition is updated, this update will be carried through automatically in all old arrangements
- **Customer tracking:** If a product condition is updated, this update will be carried through automatically in all old arrangements, where the respective values have not been changed/negotiated before
- **Non tracking:** If a product condition is updated, all old arrangements will not be updated
- **Eligibility:** Definition, which kind of customers can buy the product

syncordis

Overdue processing

For loans in AA an automatic overdue processing is available, which can be parametrized as per the banks request.

The respective product conditions you don't see in the loan opening and amendment screens

Within this overdue processing can be defined:

✓ Having different stages for overdue payments – like a simple notification, like the rules for taking penalty charges or for stopping the accruals.

It can i.e. defined, the for payments overdue since 10 days a certain penalty charge will be taken

✓ If the customer repays now back the outstanding or a part of it, a repayment order can be defined by the age of the outstanding and the type of outstanding amount.

Example: It can the rule be set, that first the oldest outstandings are repaid first and within those first the new agreement charge, then the disbursement charge, then the loan interest, then the penalty interest and then the principal

This works in conjunction with the "Transaction recycler", where i.e. the number of days can be specified, in which T24 will automatically try to repay the outstandings
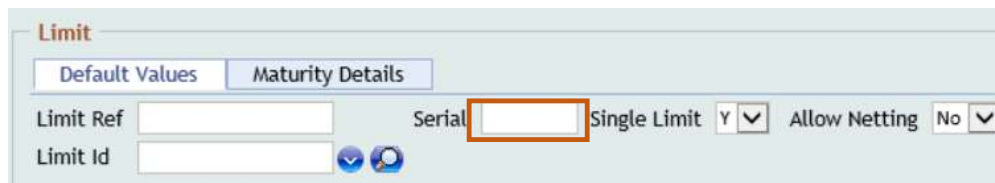
◀ **syncordis**

syncordis

Creation of a limit for a loan – basic information

Limits for loans (and accounts) in AA are either internally created in the AA arrangement itself or they must be created externally in the limit-module.

If an internal or external limit for the loan is required, may be checked in the "Limit" section when creating the loan – see the screenshot below

➢ *Internally created AA limits:* If the field "**Serial**" contains the value "*New*", the limit will be created automatically in AA when committing the loan. In this case only the limit amount must be specified

➢ *External limits for AA:* If the field "**Serial**" *doesn't* contain the value "*New*" or is left *blank*, the limit must be created manually in the limit-module as explained in the next slides, before the loan arrangement is created.

Please note: External limits offer more functionality. I.e. only for them the limits can be secured by collaterals

Creation of a limit outside of AA for a loan – step 1

We will create here just a simple limit, which is not secured by a collateral. This can be done in the menu item **User Menu > Risk Management > Limits > Limit Menu > Create unsecured limit**.

In the top section of the limit the following information must be specified:

- Field "**Customer Number**": The Id of the customer, for whom the limit (and later the loan) shall be created

- Field "**Limit Product**": The type of limit. It must be for loans in the model bank either 8300 or 2400
  - ➢ The 2400 will be used for revolving loans – repayments update the available limit amount
  - ➢ The 8300 will be used for non revolving loans – repayments don't update the available limit amount

- Field "**Serial No**": The serial number tells, if it is the first of this limit type for the customer, the second limit etc.

Creation of a limit outside of AA for a loan – step 2

In the bottom section of the limit the following information must be specified manually:

- Field "**Currency**": Currency for the limit amount.

- **Please note:** If not restricted, this limit can be used for loans in any currency

- Field "**Internal Amount**": The amount the limit committee of the bank has granted to the customer

- Field "**Maximum Total**": In case of unsecured limits the real limit amount, against the loans will be checked

- Field "**Available Marker**": If this field is set to "*Y*", the limit can be used for the loans from the "**Online Limit Date**" until the "**Expiry Date**"

The Id of the limit shown at the top is the one which must be used in the respective loan – here the Id "*LI20108T94VY*"

Please note: The limit needs to be authorized

Workshop 1 "Creating a limit for a personal loan"

Workshop

- **Use User Menu > Risk Management > Limits > Limit Menu > Create Unsecured Limit**

    - **Create a limit for your customer**

    - **The limit type is 8300 and the serial number is 01**

    - **The limit amount (field "Maximum total") shall be 75.000 USD and the limit shall be directly available to use**

    - **Note the Id of the limit – it will be required for workshop 2**

    - **Commit the record and accept the override messages**

- **Log in with your second USER or ask your neighbour: Use User Menu > Risk Management > Limits > Limit Menu > Authorise/Delete/Reject Limit**

    - **Authorize your limit**

Workshop

Workshop

4

Risk Management
  Limits
    ▷ Limit Process
    ◢ Limit Menu
        Create Secured Limit
        Create Unsecured Limit
        Modify Rejected Limit
        Maintain/Reverse Limit
        Change Customer Liability
        Sub Allocate Limit
        Authorise/Delete/Reject Limit

5

Unauthorised Limits

Limit ID	Customer Number	Customer Name	Liability Customer	Liability Cus Name	Limit Product	Ccy	Limit Amount	Available Marker	Inputter		
100224.0008100.07			100224	David Brown Lloyd	8100	USD	100,000.00	Y	OFFICER1	✔✔	✖
LI2007924VPY			190085	General Trading Co	2615	USD	2,000,000.00	Y	OFFICER1	✔✔	✖
LI200793K97W			190085	General Trading Co	5130	USD	1,000,000.00	Y	OFFICER1	✔✔	✖

« ‹ 1 2 3 4 5 › »

Unauthorised Limits

Limit ID	Customer Number	Customer Name	Liability Customer	Liability Cus Name	Limit Product	Ccy	Limit Amount	Available Marker	Inputter		
LI20108476CN	100367	J Johnson Jr			8300	USD	75,000.00	Y	THOMAS VOIGT	✔✔	✖

6

✔ ?✔ ⏸ ✖ ✔✔ ✖✔ ▶ ⬆ Mo

Maintain Joint Limit LI20108476CN (Model Bank)

Customer Number.1 ⓘ	100367		
Limit Product	8300	Serial Number	01
Joint Liability	No		

Limit Details | Collateral Details | Other Details

Currency   USD   US Dollar

syncordis

syncordis

loans - basics

Two types of loans are normally used

➢ **Annuity loans:** The total repayment amount for each installment is *the same*. The principal portion will increase during the time, the interest portion will decrease

➢ **Linear loans:** The total repayment amount for each installment *will decrease*. The principal portion will be the same during the time, the interest portion will decrease

The product setup will differ from bank to bank in dependency of it's product offers

Payment schedule annuity loan

Date		Total Due	Total Cap	Principal	Interest	Charge	Tax	Total Pymt	Outstanding
09 MAR 2020	⊕	500.00	0.00			500.00			-50,000.00
09 MAY 2020		4,280.98	0.00	4,075.50	205.48		0.00		-45,924.50
09 JUN 2020		4,280.98	0.00	4,085.96	195.02		0.00		-41,838.54
09 JUL 2020		4,280.98	0.00	4,109.04	171.94		0.00		-37,729.50
09 AUG 2020		4,280.98	0.00	4,120.76	160.22		0.00		-33,608.74
09 SEP 2020		4,280.98	0.00	4,138.26	142.72		0.00		-29,470.48
09 OCT 2020		4,280.98	0.00	4,159.87	121.11		0.00		-25,310.61
09 NOV 2020		4,280.98	0.00	4,173.50	107.48		0.00		-21,137.11
09 DEC 2020		4,280.98	0.00	4,194.12	86.86		0.00		-16,942.99
09 JAN 2021		4,280.98	0.00	4,209.03	71.95		0.00		-12,733.96
09 FEB 2021		4,280.98	0.00	4,226.90	54.08		0.00		-8,507.06

Payment schedule linear loan

| Date		Total Due	Total Cap	Principal	Interest	Charge	Tax	Total Pymt	Outstanding
19 MAR 2020	⊕	250.00	0.00			250.00			-65,000.00
19 APR 2020		2,841.50	0.00	2,708.33	133.17				-62,291.67
19 MAY 2020		2,831.83	0.00	2,708.33	123.50				-59,583.34
19 JUN 2020		2,830.40	0.00	2,708.33	122.07				-56,875.01
19 JUL 2020		2,821.09	0.00	2,708.33	112.76				-54,166.68
19 AUG 2020		2,819.30	0.00	2,708.33	110.97				-51,458.35
19 SEP 2020		2,813.76	0.00	2,708.33	105.43				-48,750.02
19 OCT 2020		2,804.99	0.00	2,708.33	96.66				-46,041.69
19 NOV 2020		2,802.66	0.00	2,708.33	94.33				-43,333.36
19 DEC 2020		2,794.25	0.00	2,708.33	85.92				-40,625.03
19 JAN 2021		2,791.56	0.00	2,708.33	83.23				-37,916.70

▶ *syncordis*

Opening of a loan – step 1

Choose in the product catalog the product, in which an arrangement (loan) shall be opened

Here a "*Personal Loan*" shall be opened.

Go for that to the menu item "**User Menu > Product Catalog**"

Please note: The product catalog depends from bank to bank

Then choose your product via clicking on the product line "*Lending*" and then clicking on the product group, which contains the desired product – here product group "*Personal Loans*"
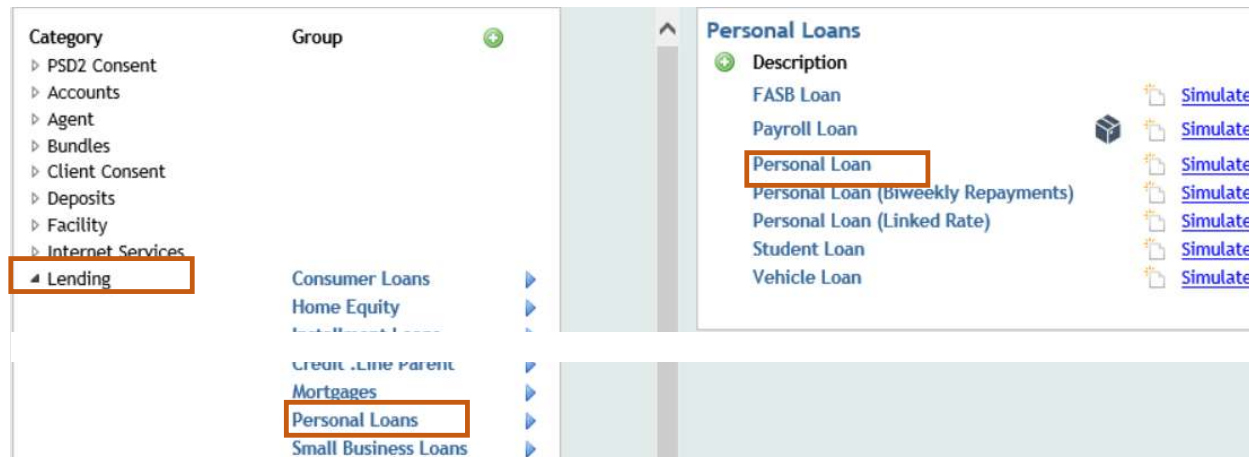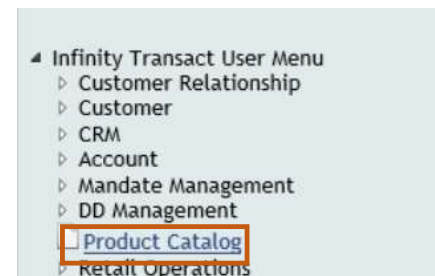
Opening of a loan – step 2

- Select the within the respective product group the required product, in which the loan shall be opened – here "*Personal Loan*"

  - If the loan shall be directly opened, click on the ☐ icon

  - It the opening of a loan shall be just simulated, click on
    Simulate

    Please note: If the customer agrees to buy this loan, the simulation may be converted with one click into a real loan

Personal Loans

⊕ **Description**

FASB Loan		Simulate
Payroll Loan		Simulate
Personal Loan		Simulate
Personal Loan (Biweekly Repayments)		Simulate
Personal Loan (Linked Rate)		Simulate
Student Loan		Simulate
Vehicle Loan		Simulate

▶ *syncordis*

Opening of a loan – step 3

Now the starting screen for opening the loan is displayed

Mandatory fields and eligibility check

- Field "**Customer**": Id of the customer, for whom the loan is opened.

  If multiple customers shall own the loan, multiple customer can be specified. In this case also the role of the customer must be specified in the field "**Customer Role**"

- Field "**Currency**": Currency, in which the loan shall be lead. The allowed currencies are defined in the product

- Field "**Effective Date**": Value date of the loan. It is defaulted to "today", but a loan can be opened also backdated

When the validation is done, the **eligibility check** is performed. It is checked, if the customer is allowed to have a loan of this type.

- ➢ If yes, the loan conditions screen will be opened

- ➢ If no, either an override- or an error message will be displayed. In case of an error message, the loan can't be opened

Opening of a loan – step 4

Screen for the loan conditions – available subcomponents

Now the conditions are displayed, which will be attached to this loan

At the top of the screen you see all types of subcomponents (Properties), to which conditions can be attached

- Some fields in the conditions can be modified (= "negotiable" fields), some fields can't ("non negotiable" fields)

- What for subcomponents are displayed and which values are attached, has been setup, when the product has been defined

- In dependency of the product definition some mandatory fields must be filled out. After doing so, the RM can commit the arrangement. The arrangements (loans) are self authorizing

For the loan in the product "Personal" has been defined i.e. conditions for the loan limit, rules for the loan amount and the term of the loan, for interest, for the payment schedule and disbursement and for the settlement accounts

By clicking on a subcomponent/ property you are led to the respective screens section, where you can check/ modify the rules

Some subcomponents/properties will be explained in the next slides

| Customer | Account Officers | Limit | Account | Commitment | Statement | Principal Interest | Penalty Interest | Ageing Bill Fee | Payoff Fee | Insurance | Arrangement Rules | Schedule |
| Backdating Constraint | Activity Messaging | Balance Maintenance | Payoff Rules | Agent Commission | Rewards points | Settlement Instructions | Alerts | Restructure |

Opening of a loan – step 4 continued

Conditions for the loan limit

As described in the previous chapter, for nearly all loan products the limit **must** be created outside of AA in the limit-module.

- The Id of the limit must be specified in the field "**Limit Id**".

- The other fields shall not be modified

Please note:

➢ A personal loan like the loan in this example is a *non revolving* loan - repayments don't update the available limit amount

➢ Because of this a limit of the limit type **8300 must** be specified – for any other limit type Id you would receive an error. If it would be a revolving loan, the limit type must be 2400.

If a loan is revolving or non revolving may be checked in the field "**Revolving**" in the section "*Commitment*"

Opening of a loan – step 4 continued
Conditions for the invested amount and the term of the loan

In this part needs to be specified:

- Field "**Amount**": The loan amount.
  Please note: If the loan will be automatically disbursed with the total loan amount,
  depends on the underlying product parametrization – this is explained later

- Fields "**Term**" and "**Maturity Date**": The final maturity can be specified it in the field
  "**Maturity Date**" => "Final Maturity" is the day, at which the loan shall be fully repaid and
  closed.
  Or specify the term of the loan in the field "**Term**" – i.e. "1Y", if the loan shall have a term
  of 1 year. In this case the final maturity date will be calculated by the underlying holiday
  calendar.
  If i.e. "today" is the 21.01.2022, the term is 1 year, the final maturity date is been calculated
  as 21.01.2023. But if this is a holiday – i.e. a Saturday, T24 will use as final maturity date in
  our example the **23.01.2023**

Opening of a loan – step 4 continued

Conditions for the loan interest

For most loan product there will be two interest sections – one for the standard interest and one for the penalty interest, taken in case of outstanding repayments.

The interest will be either fixed, floating or periodic.
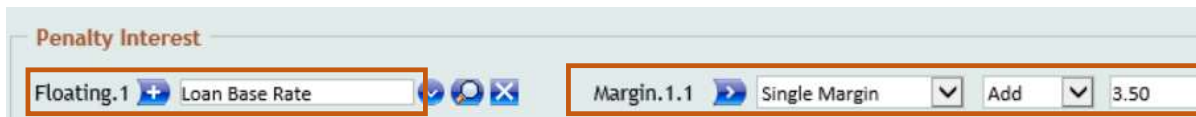
➢ If floating, the interest rate will be fetched from an index. Once the rate of the index changes, the rate in the loan will change, too

➢ If periodic, the interest will be fetched also from an index. But here a frequency can be specified, in which the index shall be examined for interest changes

In the screenshot below it is displayed:

▪ Field "**Floating**": The floating rate index, from which the penalty interest rate for the loan will be fetched – here "Loan Base Rate" (= BASIC.RATE.TEXT index "1")

▪ **Fields on the right**: A margin of 3.50% will be added to the rate fetched from the index

So if i.e. the loan would have been opened at the 13.02.2022 in USD and the "Loan Base Rate" would be for that day 2,32%, the total penalty interest rate for the loan would be 5,82%.

If this rate changes at the 01.03.2022 to 2,37%, the total penalty interest rate would changed in the loan with effect from the 01.03.2022 to 5,87%

Opening of a loan – step 4 continued

Conditions for the payment of principal, interest and charges (Payment schedule)

For principal, each type of interest and each charge type a specific payment frequency can be defined. The payment schedule works in conjunction with the settlement product condition.

The payment method and frequency can be defined for each subcomponent/property separately

The resulting amounts from the properties will be either:

➢ **Fetched from** a settlement account (Method "*Due*"): Examples: Repayment of principal, interest and charges for the loan

➢ **Paid to** a settlement account (Method: "*Pay*"): Example: Loan disbursements

Here also the rules for the initial disbursement of the loan are defined

Via the screenshots at the next slide two typical schedules for the different loan types will be explained

syncordis

Opening of a loan – step 4 continued

Conditions for the payment of principal, interest and charges (Payment schedule)

Example for annuity loans – without charges section:

- ✓ 1st line with payment type "**DISBURSEMENT**", property "**ACCOUNT**", "**Percentage**" = "100.00" and "Start date" as ""R_START" and payment method "*Pay*"

  This means: The total loan amount (100.00%) will be disbursed automatically at the value date of the loan (R_START"). The amount will be paid to the "Payout" account specified in the settlement section

- ✓ 2nd line with payment type "**CONSTANT**" and the two properties "**ACCOUNT**" and "**PRINCIPALINT**" with payment method "*Due*" and a payment frequency specified.

  This means: The payment type "CONSTANT" denotes that this is an *annuity loan*, where the total repayment amount will be the same for each installment => In this case always two sub lines for the principal and interest are required.

  The principal component is held in the property "ACCOUNT", the interest component is held at the property "PRINCIPALINT"

  The repayments will happen from the payin-account(s) monthly on the anniversary date of the loan – i.e., if the value date of the loan was the 15.05, the repayments would happen on the 15th of each month (without taking other settings in consideration)

Sample screenshot for the principal and interest handling for an annuity loan

Opening of a loan – step 4 continued

Conditions for the payment of principal, interest and charges (Payment schedule)

Example for linear loans – without charges section:

- ✓ 1st line with payment type "**DISBURSEMENT**", property "**ACCOUNT**", "**Percentage**" = " " and "Start date" as
  ""R_START" and payment method "*Pay*"

  This means: The loan won't be disbursed automatically at the value date of the loan (R_START"), because no percentage is specified => The disbursement needs to be done manually as explained in the next chapter

- ✓ 2nd and 3rd line with payment type "**INTEREST**" for property "**PRINCIPALINT**" and with payment type "**LINEAR**" for property "**ACCOUNT**". Both have the payment method "*Due*"

  This means:
  - ✓ In the *second line* is stated, that the interest needs to be paid monthly from the payin-account specified in the settlement section.
  - ✓ In the *third line* is stated, that the principal needs to be repaid monthly from the payin-account. Because of the payment type "LINEAR" the principal amount is calculated independently from the interest amount and will be for all installments the same

  The repayments will happen monthly on the anniversary date of the loan – i.e., if the value date of the loan was the 15.05, the repayments would happen on the 15th of each month (without taking other settings in consideration)

Sample screenshot for the principal and interest handling for an annuity loan

Type		Method		PayFreq		Prog%	Property		Prop%	Start		End		Num	Calc	Amount	
	DISBURSEMENT	Pay					ACCOUNT			R_START							
	INTEREST	Due		e0Y e1M e0W			PRINCIPAL										
	LINEAR	Due		e0Y e1M e0W			ACCOUNT										

Opening of a loan – step 4 continued

Conditions for the settlement of loan amounts

You see here two sections for the settlement of loan amounts.

➢ The section for "**Repayment**": Here the account can be specified, from which the money for the respective repayments will be fetched (payin-account).

➢ The section for "**Disbursement and Other Payouts**": Here the account can be specified, to which the money for the respective payments will be transferred (payout-account)

Both accounts should be current accounts of the customer.

The field "**Active Y/N**" determines, if disbursals and repayments shall be done automatically.

➢ "**No**" = Disbursals and/ or repayments must be done manually as explained in the next chapter. No settlement account needs to be specified.

➢ "**Yes**" = Disbursals and/ or repayments will be done automatically. The settlement account must be specified.

Please note: If there is really an automatic disbursal or repayment, is also decided by the payment schedule – see the previous slides.

No automatic disbursal or repayment

Automatic disbursal or repayment from account 91596
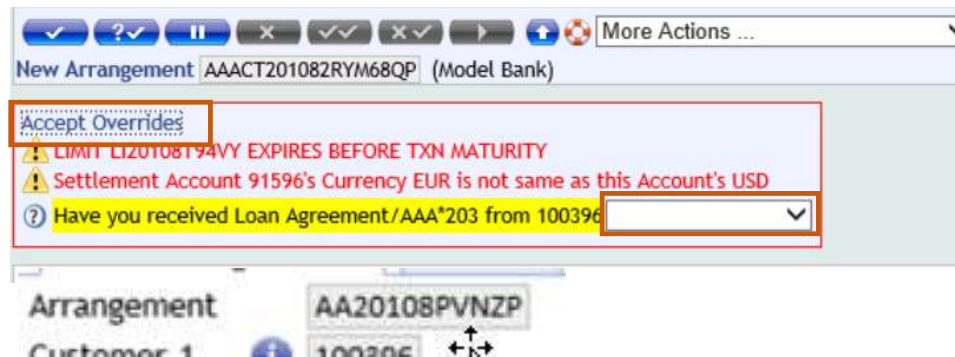
▶ syncordis

Opening of an loan – step 5

Committing the loan arrangement

When all data have been input and the loan arrangement gets validated, the respective override messages will be displayed.

In addition you see, that a document "Loan agreement" is required. This request is parametrized in the Document management-module.

If said, that the documents have been received, the loan arrangement can get's committed. After this the loan is directly authorized.

Please note: In the field "**Arrangement**" the *arrangement Id* of the loan is displayed. The arrangement Id may be used like the internal loan account Id for searches

Workshop

- **Use *User Menu > Product Catalog***

  - **Choose to open your loan in the product "Personal Loan"**

  - **The Loan currency shall be USD and the opening date shall be "today"**

  - **While opening the loan arrangement check the product conditions attached**

  - **Use as limit the one you have created in workshop 1**

  - **Specify as loan amount 50.000 USD and as term "5 years"**

  - **Specify as settlement account (Payin and Payout) the account you've created during the AA accounts training. If not done so, choose any customer account**

  - **Note the arrangement Id of your loan arrangement**

  - **Commit the record. Accept the override messages and specify, that the loan opening document from your customer has been received**

Workshop

1

▲ Infinity Transact User Menu
   ▷ Customer Relationship
   ▷ Customer
   ▷ CRM
   ▷ Account
   ▷ Mandate Management
   ▷ DD Management
   | Product Catalog
   ▲ Retail Operations

2

Category	Group		Personal Loans	
▷ PSD2 Consent			Description	
▷ Accounts			FASB Loan	Simulate
▷ Agent			Payroll Loan	Simulate
▷ Bundles			Personal Loan	Simulate
▷ Client Consent			Personal Loan (Biweekly Repayments)	Simulate
▷ Deposits			Personal Loan (Linked Rate)	Simulate
▷ Facility			Student Loan	Simulate
▷ Internet Services			Vehicle Loan	Simulate
▲ Lending	Consumer Loans	▷		
	Home Equity	▷		
	Installment Loans	▷		
	Credit Line Parent	▷		
	Mortgages	▷		
	Personal Loans	▷		
	Small Business Loans	▷		

◀ syncordis

Workshop

Workshop 2 - solution

Workshop

4 Commitment
Amount: 50T
Term: 5Y

5 Limit
Default Values | Maturity Details
Limit Ref
Limit Id: LI20108T94VY

6 Settlement Instructions
Basic | Advanced - Pay In | Advanced - P
Repayment
Active Y/N: Yes | Settlement A/c: 91596
Disbursements and Other Payouts
Active Y/N: Yes | Settlement A/c: 91596

7 More Actions ...
New Arrangement AAACT201082RYM68QP (Model Bank)
Accept Override
⚠ LIMIT LI20108T94VY EXPIRES BEFORE TXN MATURITY
⚠ Settlement Account 91596's Currency EUR is not same as this Account's USD
⑦ Have you received Loan Agreement/AAA*203 from 100396
Arrangement AA20108PVNZP
Customer 1 100396

syncordis

Checking of loans – loan overview

General points

You can check in the loan overview screen for a loan not only the attached conditions like interest, charges etc., but you can do additionally the following amendments – most of them directly from the loan overview screen:

✓ Checking the details of the loan

✓ Checking the accrued and posted interest and charges

✓ Check the payment schedule

✓ Checking the originally committed and currently disbursed principal as well as the overdue amounts at the loan

✓ Checking all activities, which have been performed for the loan

✓ Checking all the messages, which have been generated for the loan

✓ Pre close the loan via the item "**Request Payoff**"

✓ Skip loan payments via the item "**Request Payment Holidays**"

✓ Amending the loan arrangement and perform manually disbursements and repayments – explained in the next chapter

✓ Perform the online closure of the loan – explained in the last chapter

Please note: In case of standard loans the closure will be performed automatically in the respective "Close of business" run (COB) performed at the closure date of the loan

Checking of loans – loan overview

Access to the loan overview

The loan overview is accessible via the menu item "**User Menu > Retail Operations > Find Loan**". There can be searched for:

- Tab "**Authorised**" = Authorized loans
- Tab "**Unauthorised**" = Unauthorized loans (INAU)
- Tab "**On Hold (IHLD)**" = loans in Hold-status (IHLD)
- Tab "**New Offers (SIM)**" = Recent simulations, which have not been converted yet in real loans
- Tab "**Matured/ Closed**" = Closed loans
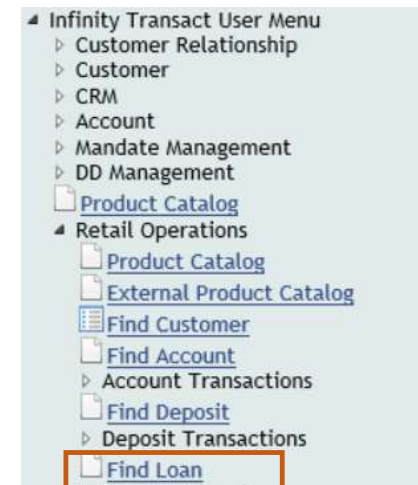
As search criteria can be specified

- Field "**Owner**": Customer, who owns the respective loan(s) or who is a co-owner

- Field "**Arrangement ID**": Arrangement Id of the respective loan arrangement.

  Also the T24 internal Id of the loan account can be used

- Product group/ product, to which the respective loan(s)belong(s) to

- Field "**Currency**": Currency of the loan(s)

Checking of loans – loan overview

Loan overview screen

This is the overview screen for a loan, on which some activities had been performed. What is displayed and what can be done from here is explained in detail in the next slides

Checking of loans – loan overview

Loan overview - Check the details of the loan arrangement

If clicked at the **binocular icon** next to the item "**Additional**", the same type of information as during the opening of the loan will be displayed. The conditions can't be changed from here

Checking of loans – loan overview

Loan overview - Check the accrued and posted interests

If clicked at the item "**Interest**", the following information will be displayed for all types of the loan interests

> ➢ The first part contains the information for the *current* interest capitalization period (different start dates for principal and interest are possible)

✓ The second part contains the information for the posted interest of the *last* capitalization period

✓ The last part contains the information for the posted interest from the *01.01 of the current year until the end of the last* capitalization period

◄ syncordis

Checking of loans – loan overview

Loan overview – Checking the payment schedule

If clicked at the item "**Schedule**", the payment schedule for the loan will be displayed

Payment Schedule

Date		Total Due	Total Cap	Principal	Interest	Charge	Tax	Total Pymt	Outstanding	
17 APR 2020		0.00	0.00	10,000.00				10,000.00	-10,000.00	🔍
17 MAY 2020		178.96	0.00	155.67	23.29				-9,844.33	🔍
17 JUN 2020		178.96	0.00	155.27	23.69				-9,689.06	🔍
17 JUL 2020		178.96	0.00	156.40	22.56				-9,532.66	🔍
17 AUG 2020		178.96	0.00	156.02	22.94				-9,376.64	🔍
17 SEP 2020		178.96	0.00	156.39	22.57				-9,220.25	🔍
17 OCT 2020		178.96	0.00	157.49	21.47				-9,062.76	🔍
17 NOV 2020		178.96	0.00	157.15	21.81				-8,905.61	🔍
17 DEC 2020		178.96	0.00	158.22	20.74				-8,747.39	🔍
17 JAN 2021		178.96	0.00	157.91	21.05				-8,589.48	🔍
17 FEB 2021		178.96	0.00	158.29	20.67				-8,431.19	🔍

≪ ‹ 1 2 3 4 5 › ≫

➢ For each installment until the final maturity date detailed information are displayed – like the value date, payment date and the amount for the respective component.

Please note: If the loan doesn't have a final maturity date yet, only information for the next installment is displayed

➢ If clicked on the 🔍 icon for an installment, the details of the installment will be displayed

Payment Detail

Date	17 AUG 2020			
Payment Type	Total Amount	Method	Property	Prop Amount
Constant Repayment	178.96	Due	Account	156.02
		Due	Principal Interest	22.94

syncordis

T24-Induction training "AA lending"

Checking of loans – loan overview

Loan overview - Check the balances for the loan

In the section "**Account Details**" in the top middle of the overview screen following information will be displayed for balance of the loan.

On top the *overdue status* is displayed (here: "*Delinquent*"), if there are payments overdue for the loan. The status and their conditions can be freely parametrized.

The "**Commitment Balances**" section shows the original loan amount and the portion, which is still available for disbursement ("*Available Commitment*")

In the "**Loan Balances**" section the following information is displayed:

- The field "**Total Principal**" contains current disbursed amount

- The field "**Total Amount Due"** shows the total outstanding amount of the loan, which has not been repaid yet

- Field "**Total <Overdue status> Balance**": The total overdue amount

- Field "**Principal Interest (Accrued)**": The for the current period accrued loan interest amount

- Field "**Penalty Interest (Accrued)**": The for the current period accrued penalty interest amount on the outstanding payments

Financial Summary

Overdue Status: Delinquent.

Commitment Balances

Commitment (Total)	125,000.00
Available Commitment	49,812.50

Loan Balances

Total Principal	75,187.50
Total Amount Due	2,466.47
Total Delinquent Balance	2,255.63
Principal Interest (Accrued)	247.16
Penalty Interest (Accrued)	10.84

◄ syncordis

Checking of loans – loan overview

Loan overview - Check the current interest rates for the loan

Penalty Interest			
Single Rate	Variable	5% (Loan Base Rate + 3.50%)	
Principal Interest			
Single Rate	Variable	2% (Loan Base Rate + 0.5%)	

The section "**Loan Interest**" contains the current loan- and penalty interest rate and the information how it has derived.

In case of an underlying floating- or periodic-interest index the name and the current rate of the index are displayed, from where the rate is been fetched

If margins are added or subtracted, those are displayed too

Checking of loans – loan overview

Loan overview – Checking all activities performed for the loan

If clicked at the item "**Activity**" in the "*Additional Details*" section, all performed activities for the loan are displayed – like the creation of the loan, change of the interest rates or change of the overdue status

- ➢ For each activity the performing date, the type of activity and the activity amount are displayed – if any

- ➢ **Please note:** AA is totally based on activities. Any activity performed may be checked in the table AA.ARRANGEMENT.ACTIVITY

- ➢ To view an activity, use the 🔍 icon

- ➢ To reverse an activity, use the icon => not all activities can be reversed

◀ syncordis

Checking of loans – loan overview

loan overview – Checking of messages generated for the loan (1)

If clicked at the item "**Correspondence**" in the "*Additional Details*" section, all messages for the loan may be checked even in detail

- For each message the generation date and the type of underlying activity are displayed

- To check the details of a message generated, use the 🔍 icon

  The contents of the bill for the amounts in status "Delinquent" selected here in this screen is displayed at the next slide

  Please note: The details of any type of message can be checked – i.e. also for SWIFT or XML message

syncordis

Checking of loans – loan overview

loan overview – Checking of messages generated for the loan (2)

The message for the bill for the delinquent amount selected at the previous slide looks as follows – only a part of the advice is displayed in this screenshot

```
--------------------------------------------------------------------
Paramount Staffing
SAN FRANCISCO
USA

--------------------------------------------------------------------

                           CUSTOMER DETAILS
                   ----------------------------------

Primary Owner:Paramount Staffing
Owner        :

                            ACCOUNT DETAILS
                   ----------------------------------

Ref Number  : AA20079W4FXC         Account Number: 81493
Currency    : US Dollar            Title         :
Alt Id Type : LEGACY               Alternate Id  :
              T24.IBAN
              PREV.IBAN
              HOLDER.REF
              CONN.REF
              CBU
              RIB

Product     : LOC with 3% PrincipaEffective Date: 19 MAR 2020

Amount      : 125000.00            Term          : 5Y
Start Date  : 19 MAR 2020          End Date      : 19 MAR 2025
Revolving   : PAYMENT

                        PAST PENDING BILL DETAILS
                   ----------------------------------

  Due Date     Original Amount     Outstanding Amount  Status

19 MAR 2020    100.00              100.00              DUE
31 MAR 2020    2255.63             2255.63             AGING
31 MAR 2020    100.00              100.00              DUE
```

T24-Induction training "AA lending"

syncordis

syncordis

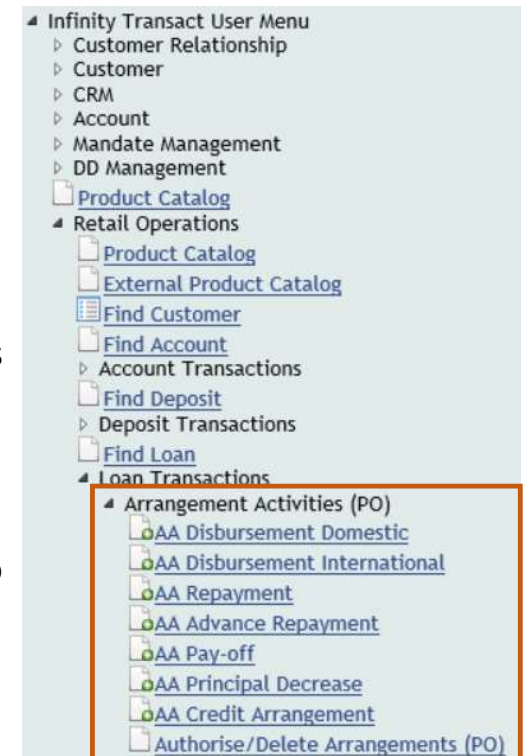# Amendments and activities for loans – basic information

1. Any subcomponent/property of a loan can be amended – as long as the respective fields are negotiable.

2. Amendments must be manually authorized (4 eye principle)

3. A new amendment can be only done, when the old amendments are already authorized/ deleted

4. Even if for a loan / arrangement unauthorized amendments exist, the general status of the loan / arrangement is still authorized

5. The amendments are mainly done from the loan overview screen

6. Certain transactions on the loan must be performed manually – i.e. the disbursement of a loan, which was not totally disbursed at the opening of the loan.

   Also repayments – which have not been scheduled – can be performed

   Those manual payments are performed in the menu "**User Menu > Retail Operations > Loan Transactions > Arrangement Activities (PO)**" as transactions in the TPH payments module.

   If such disbursements or repayments are performed, the payment schedule gets automatically recalculated

   Please note: Theoretically the disbursements and repayments can be done also via the "Teller" module. But this is done normally only in old T24 installations

syncordis

Amendments and activities for loans – starting screen

1. Most type of amendments of a loan will be started via clicking on the item "**New Activity**", which is displayed in the top right section of the loan overview screen

2. Then the screen below is displayed, on which the type of activity can be chosen for the arrangement, which shall be performed

New Activities

Arrangement   AA20079W4FXC (81493)
Paramount Staffing

Arrangement			
Amend Alternate Id			Simulate
Change Branch			Simulate
Change Channel			Simulate
Change Line Of Business			Simulate
Change Arrangement Product			Simulate
Chargeoff Arrangement			Simulate
Close Arrangement			Simulate
Evaluate grid Arrangement			Simulate
Inherit Arrangement			Simulate

Amendments can be done as follows:

- With the effect of "Today". Then click on the item

- Back dated or forward dated. Then click on the item

  For example interest rates can be changed back dated – i.e. a rate change for the 01.03.2020, although "today" is the 17.04.2020.

  In this case T24 recalculates and reposts the interest amounts from this day onwards

- The amendment can also be first simulated. Then click on the item Simulate

  It will become active only once the customer has agreed and when the simulation is turned into a real amendment

Amendments and activities for loans – sample 1

Add an additional customer for the loan with effect of "today"

- For this the activity "*Change Customer*" must be performed

- In the following screen the customer 100396 has been added as "Joint owner"

For adding the customer not only the customer Id must be added, but also his role in the loan

Workshop

- **Use *User Menu > Retail Operations > Find Loan***

  - **Call the loan overview for your loan created in workshop 2**

  - **Start the activity "*Change Customer*"**

  - **Click at the "+" icon and add the customer 100396**

  - **Specify as role "Joint owner"**

  - **Commit the record**

  - **Login with a different user or ask your neighbour: Authorize the amendment**

syncordis

Workshop

1

- ◢ Infinity Transact User Menu
  - ▷ Customer Relationship
  - ▷ Customer
  - ▷ CRM
  - ▷ Account
  - ▷ Mandate Management
  - ▷ DD Management
  - 📄 Product Catalog
  - ◢ Retail Operations
    - 📄 Product Catalog
    - 📄 External Product Catalog
    - 📋 Find Customer
    - 📄 Find Account
    - ▷ Account Transactions
    - 📄 Find Deposit
    - ▷ Deposit Transactions
    - 📄 Find Loan

2

Find Lending Arrangements		More Options Clear Selection	Find
Arrangement	equals	AA20079W4FXC ✕	
Owner	equals		

3

Arrangement	Account	Description	⊕	Customer Name	Status	🔍
AA20079W4FXC	81493	LOC with 3% Principal Repayment		Paramount Staffing	Current	

4

New Activity

syncordis

Workshop

Workshop

syncordis

Amendments and activities for loans – sample 2

Inclusion of settlement accounts

If until now no settlement accounts have been included or the settlement accounts shall be changed, this can be done => Then the respective payments will be done automatically instead of manually

- For this the activity "*Update Settlement Instructions*" must be performed

- In the following screen specify in the fields "**Settlement A/c**" the settlement account(s)

   The fields "**Active Y/N**" must be changed to "**Yes**"

Workshop 4 "Change the settlement accounts for your loan"

Workshop

- **Use *User Menu > Retail Operations > Find Loan***

  - **Call the loan overview for your loan created in workshop 2**

  - **Start the activity "*Update Settlement instructions*"**

  - **Change the settlement accounts and insure that the fields "Active Y/n" contain the value "Yes"**

  - **Commit the record**

  - **Login with a different user or ask your neighbour: Authorize the amendment**

syncordis

Workshop 4 - solution

1
◢ Infinity Transact User Menu
  ▷ Customer Relationship
  ▷ Customer
  ▷ CRM
  ▷ Account
  ▷ Mandate Management
  ▷ DD Management
  Product Catalog
  ◢ Retail Operations
    Product Catalog
    External Product Catalog
    Find Customer
    Find Account
    ▷ Account Transactions
    Find Deposit
    ▷ Deposit Transactions
    Find Loan

2
Find Lending Arrangements   More Options
                                   Clear Selection   Find
Arrangement   equals   AA20079W4FXC   ×
Owner   equals

3

Arrangement	Account	Description	Customer Name	Status
AA20079W4FXC	81493	LOC with 3% Principal Repayment	Paramount Staffing	Current
			Airbourne Freight	

4   New Activity

Workshop

5

New Activities

Arrangement   AA20079W4FXC (81493)

Closure Rules	Update Closure Condition	Simulate
Customer	Change Customer	Simulate
	Update Activity for Customer	Simulate
Dormancy	Change Dormancy Definition	Simulate
	Change Dormancy Condition	Simulate
	Reset Dormancy (Manual)	Simulate
	Set Dormancy (Manual)	Simulate
Interest Calculation	Change Penalty Interest	Simulate
	Change Principal Interest	Simulate
Account Limit	Update Activity for Limit	Simulate
Officers	Update Activity for Officers	Simulate
Overdue Processing	Reset Overdue to Automatic Ageing	Simulate
	Manually Set Overdue Status	Simulate
	Update Overdue Condition	Simulate
Payment Rules	Repay Payoff All Outstanding Amounts	Simulate
	Repay Principal Decrease	Simulate
	Repay Repayment Allocation	Simulate
	Update Payment Rules (Payoff)	Simulate
	Update Payment Rules (Principal Decrease)	Simulate
	Update Payment Rules (Repayment)	Simulate
Payment Schedule	Change Activity for Schedule	Simulate
	Increase Installment.	Simulate
	Restructure and Reschedule-Interest Capitalisation	Simulate
	Restructure and Reschedule-Interest at Maturity	Simulate
	Activity for Coupon Books Reprint	Simulate
Payoff Rules	Update Payoff Condition	Simulate
Settlement Instructions	Update Settlement Instructions	Simulate

6

Back to: New User Activities >

Arrangement Activity   AAACT20108SNB6CSYJ   (Model Ba

Arrangement Activity	Audit

Arrangement   AA20079W4FXC
Product   LOC with 3% Principal Repayment
Pricing Selection
Activity   Update Settlement Instructions
GB Narrative

Settlement Instructions

Settlement Instructions

| Basic | Advanced - Pay In | Advanced - Pay (|

Repayment
Active Y/N   Settlement A/c
No   Parai

_____

Disbursements and Other Payouts
Active Y/N   Settlement A/c
No

7

Back to: New User Activities >

Arrangement Activity   AAACT20108SNB6CSYJ   (Model Ba

Arrangement Activity	Audit

Arrangement   AA20079W4FXC
Product   LOC with 3% Principal Repayment
Pricing Selection
Activity   Update Settlement Instructions
GB Narrative

Settlement Instructions

Settlement Instructions

| Basic | Advanced - Pay In | Advanced - Pay (|

Repayment
Active Y/N   Settlement A/c
Yes   79804   Airbo

_____

Disbursements and Other Payouts
Active Y/N   Settlement A/c
Yes   79804

syncordis

Workshop

8

Pending Approval

Date	Activity	Type	Txn Amt	Pending
17 APR 2020	Update Settlement Instructions	User		Input

Approve ✓

9

Arrangement Activity AAACT20108SNB6CSYJ (Model

Arrangement Activity	Audit

Arrangement   AA20079W4FXC
Customer.1   ℹ   120014   Paramoun
Customer.2   ℹ   100396   Airbourne

Product   LOC with 3% Principal Rep
Activity   Update Settlement Instruc

‹

Settlement Instructions

─ Settlement Instructions

Basic	Advanced - Pay In	Advanced - Pay

Repayment
Active Y/N   Settlement A/c
Yes   ℹ   79804   Airbourne Freight

syncordis

Amendments and activities for loans – sample 3

Manual disbursement of a loan (1)

Let's assume a loan has not been fully disbursed at the opening date of the loan.

Then the disbursement can be done afterwards manually.

In the screenshot below you see an example for a loan, which has been only partially disbursed. The not disbursed amount until now is shown in the field "**Available Commitment**"

Manual disbursement of a loan (2)

Then a total or partial disbursement can be done and any time manually

This is done from one of the menu items "**User Menu > Retail Operations > Loan transactions > Arrangement Activities (PO) > AA Disbursement …**"

In the payment order opened after clicking on the menu item the fields must be filled out as follows:

- Field "**Debit Account Number**": The loan account of the arrangement, which shall be debited.
- Fields "**Payment Currency**" and "**Payment Amount**": The currency and the amount to transfer. It should not be higher than the until now not disbursed amount
- Field "**Credit Account**": The Id of the account of the customer, which shall be credited
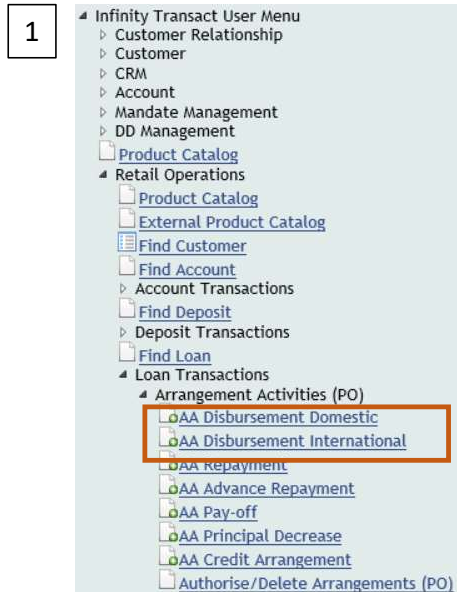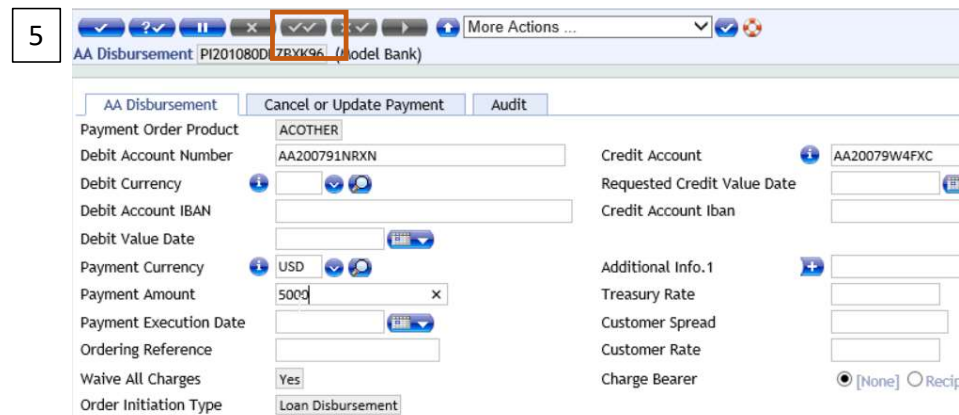

T24-Induction training "AA lending"

Amendments and activities for loans – sample 3 continued

Manual disbursement of a loan (3)

The payment order must than get authorized

This is done from the menu item "**User Menu > Retail Operations > Loan Transactions > Arrangement Activities (PO) > Authorize/Delete Arrangements (PO)**"

Amendments and activities for loans – sample 4

Manual repayment of a loan (1)

Let's assume in a loan no Payin-account is specified or the customer wants to repay the loan outside of the payment schedule.

Then this repayment can be done manually, when the respective funds are available in the settlement account

In the screenshot below you see an example for such a loan. The loan is already completely disbursed with 10.000 USD - see field "**Total principal**"

◀ **syncordis**

Amendments and activities for loans – sample 4 continued

Manual repayment of a loan (2)

Then the funding can be done at any time manually, when the respective funds are available

This is done from the menu items "**User Menu > Retail Operations > Loan Transactions > Arrangement Activities (PO) > AA …. Repayment**"

In the payment order opened after clicking on the menu item the fields must be filled out as follows:

- Field "**Debit Account Number**": The account of the customer, which shall be debited. It should have the requested amount available
- Fields "**Payment Currency**" and "**Payment Amount**": The currency and the amount to transfer. It should not be higher than the outstanding principal amount
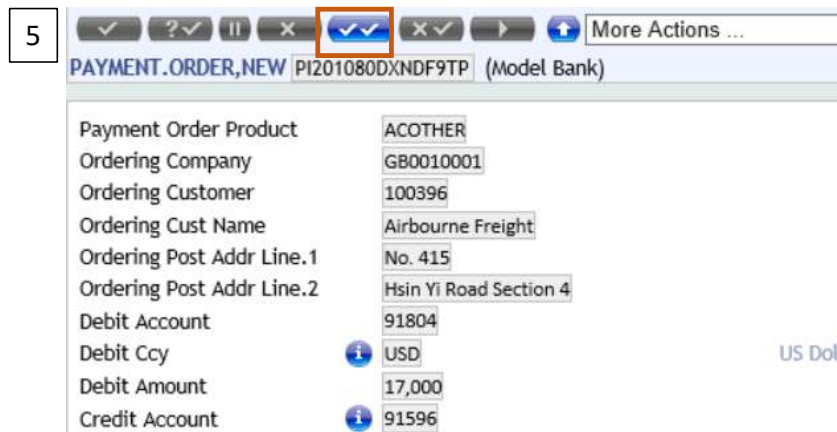- Field "**Credit Account**": The Id of the loan account or the arrangement Id of the loan

T24-Induction training "AA lending"

Amendments and activities for loans – sample 4 continued

Manual repayment of a loan (3)

The payment order must than get authorized

This is done from the menu item "**User Menu > Retail Operations > loan Transactions > Arrangement Activities (PO) > Authorize/Delete Arrangements (PO)**"

syncordis

Closure of loans – basic information (1)

Important:

➢ The loan closure will be carried through *automatically* at the "Close of business run" (COB) at the date, which had been specified as final maturity date in the arrangement => this is the standard case

➢ A pre closure or closure can also be performed online – this is mandatory for arrangements with no final maturity date. In cases of pre closures normally a payoff charge will be taken

The online (pre) closure is performed in three steps:

Step 1: Initiation of the (pre) closure via simulation

The simulation of the loan (pre) closure can be performed for today or a date in the future or in the past.

With the simulation the closing balance will be evaluated

Step 2: Performing the payoff– transaction to transfer the balance from the loan to close to the settlement account

Please note: The performing of the payoff can be done theoretically also for a future date. But because of business reasons it is strongly recommended to do the closure only with value date "*today*".

Step 3: Final closure of the loan

In dependency of the parametrization this step is either done automatically within step 2 or will be performed a few days later automatically in the COB. If required, the final closure can be done also manually

◄ syncordis

Closure of loans – basic information (2)

For the loan (pre) closure the respective closing balance is automatically calculated as follows:

➢ Balance + charges + accrued interest

Online (pre) closure of loans – step 1: simulation (1)

During the simulation T24 calculates the closing balance of the loan to (pre) close.

The total balance as well as the balances for the different subcomponents (principal, interest and charges) will get displayed

The closure is initiated from the loan overview screen via clicking on the item **Request Payoff**

It must be specified the **payoff date**. It is the effective date, for which the closing balance shall be evaluated.

The date specified here is the value date in the payoff transaction between the loan account to (pre) close and the settlement account.

Please note: The performing of the payoff can be done theoretically also for a future date.
But because of business reasons it is strongly recommended to do the (pre) closure only with value date "**today**".

Because of the value "*3*" in the field "**Expiry Days**" the loan get's finally (pre) closed three working days later then "today"

Online (pre) closure of loans – step 1: simulation (2)

Now the simulation is started. It is successfully finished, when the status is "*Executed – Successfully*"

Please note: When all the time the status "*Processing*" is displayed, the respective background service is not started. Then inform IT to start it.

Via clicking on the 🔍 icon the result screen is displayed.

3

Simulation Status
AASIMR22032XZFC5HW

Status	Executed - Successfully 🔍
Arrangement	AA21365ZWZT9
Run Date	01/02/2022
End Date	01/02/2022
Activity	Calculate Payoff

4

Payoff Statement
Arrangement   AA21365ZWZT9

Payoff Date	Interest	Amount	
01/02/2022	107.91	61,363.41	➡️

Itemised by Property - 01/02/2022

Property	Amount
Account	61,255.50
Loan Principal Interest	107.91

Itemised by Type - 01/02/2022

Type	Amount
Current	59,983.09
Due	690.16
Overdue	690.16

Here you see:

➢ *Top section:* Total (pre) closing balance

➢ *Middle section:* The (pre) closing balances for each subcomponent/ property of the loan

➢ *Bottom section:* The (pre) closing balances for each (overdue) status of the loan

Via clicking on the ➡️ icon another screen will be opened, from which the payoff transaction will be performed

◀ *syncordis*

Online (pre) closure of loans – step 2: payoff (1)

In the screen the payoff-transaction can be performed.

All information except the settlement account is automatically defaulted.

Only the field "**Debit Account**" must be filled out: Here the current account of the customer must be specified, which shall be debited to (pre) close the loan.

This account should have the sufficient balance available

Once the payoff-transaction is committed, it get's directly authorized. The balance of the loan to (pre) close is brought to "0". In dependency of the parametrization then the loan / arrangement is either in status "*Pending closure*" ((pre) closure not finalized) or in "*Closed*" ((pre) closure finalized)

If the loan is in "*Pending closure*", already now no more financial activities can be performed for it and after a few days it will be automatically finally closed and set to status "*Closed*".

If required, the final (pre) closure can be done manually

Online (pre) closure of loans – step 2: payoff (2)

➢ In our training environment the loan went now to the status "*Pending Closure*"

➢ The loan will get finally closed automatically in the COB 3 days later.

➢ If you want, you can manually perform the final closure. How to do so, is explained on the next slide

◀ *syncordis*

Online (pre) closure of loans – optional step 3: manual final closure

If for any reason the loan shall be manually finally closed, this can be done from the "**New Activities**" screen as displayed.

For this the activity "*Close Arrangement*" must be performed

Please note: The activity "*Close Arrangement*" can **never** be used to initiate the loan closure.

This activity needs to get separately authorized like any other activity

Workshop

- **Use *User Menu > Retail Operations > Find Loan***

  - **Call the loan overview for your loan created in workshop 2**

  - **Click on the item "Request Payoff" and perform the simulation with effective date "today"**

  - **Check the closing balance and initiate the payoff-transaction**

  - **Observe the defaulted values in the payoff-transaction**

  - **Specify in the payoff-transaction the current account to be debited for the pre closure**

  - **After the final committing, check the status of your loan / arrangement. It should be "*Pending Closure*"**

Workshop 5 - solution

Workshop

Workshop

4 Request Payoff

5 Calculate Payoff   AASIM201084BX87Z1C   (Model Bank)

Calculate Payoff | Audit

Arrangement   AA20108PVNZP   Payoff Date   20200417
Closure Reason _____ GB Closure Notes.1 ___

6 Calculate Payoff   AASIM201084BX87Z1C   (Model Bank)

Calculate Payoff | Audit

Arrangement   AA20108PVNZP   Payoff Date   17 APR 2020   918
Closure Reason _____ GB Closure Notes.1 ___

Payoff Rules

PAYOFF RULES

Expiry Days   3

syncordis

Workshop

7

Simulation Status

AASIMR22032XZFC5HW

Status	Executed - Successfully
Arrangement	AA21365ZWZT9
Run Date	01/02/2022
End Date	01/02/2022
Activity	Calculate Payoff

8

Payoff Statement

Arrangement   AA21365ZWZT9

Payoff Date	Interest	Amount
01/02/2022	107.91	61,363.41

Itemised by Property - 01/02/2022

Property	Amount
Account	61,255.50
Loan Principal Interest	107.91

Itemised by Type - 01/02/2022

Type	Amount
Current	59,983.09
Due	690.16
Overdue	690.16

Workshop

syncordis

Thank you