--- START SEGMENT ---
TAGS: [ProductOverview, CoreFunctionality, LOS_Integration, MultiLender, MultiProduct, ConceptExplanation]
CONTENT:
Basics of LendFoundry's Loan Management System(LMS)
1. Overview
Lendfoundry LMS is designed to work with any Loan Origination System (LOS). The delineation between LOS and LMS is at funding. Once an application has been funded or ready to fund it becomes a loan and becomes available in the LMS. The decision to fund a loan or a draw is a part of the LOS, where the underwriter resides as a User. Similarly, all rules, integrations, and workflows related to verification, and escalation are also part of the LOS.
The LMS is designed to be a record system for all loans, by creating repayment schedules, tracking scheduled and ad-hoc payments and allocating repayments, keeping a check, and tracking delinquencies and closures. The LMS is designed to work for multiple lenders and is a multi-product platform. It also supports various types of amortization methods with different flexibilities.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Architecture, SystemScalability, Configuration, ConceptExplanation]
CONTENT:
2. Micro-services Architecture
LMS is built on a micro-services architecture where there are different dedicated services designed for each task. This makes the system highly configurable and troubleshoot-friendly. At present, the initial configuration set-up is done by the Lendfoundry team.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, MultiProduct, ConceptExplanation]
CONTENT:
3. Supported Asset Classes
LendFoundry LMS is a multi-product servicing platform. LendFoundry supports unsecured/secured term loans with different schedule types, Cash Advances, LOCs, etc. All products that a lender offers can be made available on the same LMS portal.
A borrower may have multiple loans and such a consolidated borrower view is also available to manage borrower-level risk exposure. The products presently available on our system are
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, MCA, FactorBasedLoan, RepaymentAllocation, ConceptExplanation]
CONTENT:
1. Merchant Cash Advances (MCA)-Factor Based
Cash Advances are those loans, which have a fixed repayment amount, irrespective of being early or late. These are factor-based, meaning if an advance has been made for 10,000 for a year, at a factor rate of 1.14, repayable on a monthly basis, then the repayment amount is 1,14000, repayable in 12 monthly installments. These installments are then allocated by the

system into Principal and Finance Charge using the same factor rate. Hence the split of Principal and Finance Charge remains the same. MCAs can also be amortized in a different way which we call as a Reducing Balance MCA. Details are in the section.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, TermLoan, InterestAccrual, RepaymentAllocation, ConceptExplanation]
CONTENT:
2. Term Loans
Term Loans are those that carry a fixed tenure, rate, and principal amount, where interest is payable at regular intervals, with or without Principal repayments. Interest is accrued daily on the unpaid principal balance. The interest rate can be fixed or variable. Each payment is allocated to the Principal and interest based on the accrued interest for the period. Alternate allocation is possible through various Payment Hierarchies that are configured as per the Tenant.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, LOC, DrawManagement, InterestAccrual, ConceptExplanation]
CONTENT:
3. Line of Credit (LOC)
A LOC is an interest-bearing loan that allows the borrower to draw funds multiple times during the life of the loan. Based on a line limit an underwriter may choose to approve funding of additional draws. The schedule type of these loans is typically interest only and one balloon repayment on the maturity date, but a few can also have equated repayments(Principal+Interest). Interest is accrued daily on the unpaid principal. More details about this are explained here.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, SCF, InvoiceFinancing, ConceptExplanation]
CONTENT:
4. Supply Chain Financing (SCF)
An SCF loan is a non-revolving term loan that can have multiple invoices associated with a single borrower, repayable at different rates, and tenures. Each invoice is onboarded as a separate loan. More details about this are explained here.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, InterestAccrual, LoanTypeImmutability, ConceptExplanation]
CONTENT:
In an accrual type of loan (such as Term Loans, LoC, SCF) each additional day that the principal remains unpaid, interest will continue to accrue. In the case of MCA loans, there is no additional interest. The repayable amount remains the same, irrespective of any changes in time taken to repay – other than any fees which may be levied for delays. Once a loan has been onboarded with a certain type, it cannot be changed.
--- END SEGMENT ---

--- START SEGMENT ---
TAGS: [CustomerServiceFeature, SelfService, Communication, APIFunctionality, ConceptExplanation]
CONTENT:
4. Customer Service
‘Customers First’, therefore it is important to be able to handle all customer queries at the touch of a button. Be it - account statements, requests for pre-payment, pay-off letter, re-scheduling, early closures, changes in borrower information, or requesting a new draw (with or without underwriting intervention), it can all be handled here. Lendfoundry believes in complete transparency, as a result, information is available to the borrower at all times and the need to reach out to a lender is only on an exceptional basis. Staying true to this belief, Lendfoundry has a fully functional self-serve borrower portal, where most of the communication and information is made available to the borrower. If there are regular communications needed outside the portal via emails, or phone messages, these can be accomplished using 3rd party APIs. A list of these APIs is available upon request.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, SystemBehavior, ConceptExplanation]
CONTENT:
5. Tenant Set-up
Prior to onboarding of loans, LF will help onboard a Lender as a Tenant, by setting up all necessary configurations on a one-time basis. However, if there are changes at a later date, the tenant will have to come to Lendfoundry for the changes so that Lendfoundry can do a round of testing with the modified configurations. For the Tenant set-up, the following needs to be completed by the LF team:
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, EnvironmentSetup, CloudHosting, ConceptExplanation]
CONTENT:
6. Environment Set-up
Based on an LF Tenant agreement and subsequent discovery, an environment is set up. This is typically hosted on the cloud or as per preference.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, EOD_BOD_Processing, BatchProcessing, TaskManagement, ConceptExplanation]
CONTENT:
1. Tasks Set-up
There are a series of tasks that the system runs during the EOD/BOD, these are set up for completing the processes associated with the management of loans. These tasks can be configured to run at a specific time of the day(usually during off-peak hours) as per the tenant’s requirements. However, the sequence of tasks matters and hence should be kept in mind while setting up the tasks.
--- END SEGMENT ---

--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, ProductParameters, Billing, AccrualManagement, SystemBehavior, ConceptExplanation]
CONTENT:
2. Product Parameters Set-up
Each financial product has a standard set of product parameters configured as per Tenant requirements as agreed upon during Discovery. Product parameters are configurations that determine schedule creation, billing dates, payment handling, automated handling of accrual pause/resume, and other such details for all the loans belonging to that product type.
Details of all other parameters are available upon request and are discussed at length during the discovery phase.
We also can pass certain parameters while onboarding the loan, based on these values schedule creation will happen.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, FeeSetup, FeeApplication, ConceptExplanation]
CONTENT:
3. Fee Set-Up
Similar to product set-up, we have fee parameters for each of the products. These fees can be configured as per the tenant's requirements and can be applied upon the occurrence of any event, such as delayed payment, on a periodic basis(such as Monitoring Fee), or can be applied manually against any loan via the LMS portal.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, PaymentHierarchy, PaymentHierarchySetup, RepaymentAllocation, ConceptExplanation]
CONTENT:
4. Payment Hierarchies/Allocation Method
Payment hierarchy allows tenants to set an order of buckets in which to allocate repayments when received from the borrower. Multiple hierarchies can be set up and defined as per Tenant needs.
Types of Hierarchies
We have two types of hierarchies that can be set up:
1. By Bucket
2. By Due Date
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [PaymentHierarchy, PaymentHierarchySetup, RepaymentAllocation, ConceptExplanation]
CONTENT:
“By Bucket” would mean that the payment amount will be split across different buckets (such as Principal, Interest, Late Fee, etc.) in the order with which it is defined in the Hierarchy irrespective of the schedule dates. This order of buckets and the type of hierarchy is determined during the discovery phase. Some of the standard LMS payment hierarchies are as below:

* System: This hierarchy is typically used for recording/initiating an ad-hoc payment(outside of the schedule). This generally has all the buckets. For example, for an interest bearing loan, this contains all the buckets such Schedule Interest, Additional Interest, Schedule Principal, Additional Principal.
* Schedule: This hierarchy is typically used to schedule an ACH manually. Also, the ACH task that creates automated ACH files and processes the payment also uses this hierarchy. As the name suggests, this hierarchy typically contains the Schedule Interest and the Schedule Principal amount.
* Principal Only: Apply all the amount to the Principal.
* Payoff: To pay off the loan by clearing all the outstanding balance.
* Clear Dues: Use this option to get a past due loan back to good standing by clearing up all the arrears/overdue amounts.
* Custom: Use this option to allocate payment in a way that is not captured in any of the options above. Here the user gives the split of the payment amount into different buckets.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [PaymentHierarchy, PaymentHierarchySetup, RepaymentAllocation, ConceptExplanation]
CONTENT:
“By Due Date” would mean payment amount will be allocated as per the due date. The Interest and Principal split will go in the order of schedule, meaning I1->P1, I2->P2, I3->P3 so on and so forth where I1-P1 is the unpaid interest and principal for the first unpaid schedule. If there is any fee, it will go by the Fee Applied date as reflected in the Transactions. The Fee Applied dates need to be merged with the Payment Schedule dates to get to a final list of due dates. Payment Amount will be allocated as per these merged due dates in the ascending order of dates and for the same date, it will be based on the order defined in the hierarchy.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, CalendarConfiguration, HolidayConfiguration, SystemBehavior, ConceptExplanation]
CONTENT:
5. Calendar Configuration
Calendar configurations are used in automatic payment pulls, defining holidays and therefore desired payment behaviors during such times. Each tenant shares their calendars during the initial set-up. A Calendar can be changed at a later date if there is a change in a holiday.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, TenantSetup, RulesEngine, DelinquencyManagement, LoanClosure, SystemBehavior, ConceptExplanation]
CONTENT:
6. Rules in LMS
Currently, if a client wants to auto-charge off a loan or auto-close a loan based on certain rules, we can achieve that by configuring some rules in LMS. These rules can be based on DPD, or

the number of missed payments, and can also vary for different payment frequencies. This is set up as agreed upon during Discovery.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, TwoFactorAuthentication, UserAuthentication, ConceptExplanation]
CONTENT:
7. Two-Factor Authentication(2FA)
Two-factor authentication (2FA) is an additional layer of security for your accounts with the Lendfoundry Loan Servicing portal. Requiring two forms of identification significantly reduces the chances of unauthorized access, even if your password is compromised, and protects against cyber threats and security attacks. This section will guide you through the setup process for 2FA using your email address or phone number.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, TwoFactorAuthentication, UserAuthentication, Configuration, HowTo]
CONTENT:
Setting-up 2FA
Lendfoundry provides 2FA Verification via the registered users' Email addresses or Phone numbers. The client can choose either an Email address or Phone number for 2FA and upon confirmation, Lendfoundry will enable 2FA for the respective portal.
The following things are required and are to be confirmed by Implementation Leads before enabling 2FA-
1. Every registered user has been set up with an individual mail address. If any changes are required, the client shall complete them beforehand.
2. To enable 2FA using a Phone number, the client will require Twilio Credentials.
3. To enable 2FA using a phone number, all the existing user profiles shall be updated through the script for the phone number details.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, TwoFactorAuthentication, UserAuthentication, LoginProcess, HowTo, UIElementDescription]
CONTENT:
Steps for the Portal User
Once the 2FA is enabled for the portal, the following steps should be followed:
* The Portal User will be asked to provide a UserName and Password on the Login Page.
* After providing the details, once the user clicks on the “Sign In” Automated mail or SMS will be sent to the user. (Based on the configuration). The client can define the template.
* Users can enter the received OTP on the Login page and once the OTP is validated, the user shall be logged in to the Portal.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, SingleSignOn, UserAuthentication, ConceptExplanation, Definition]
CONTENT:
8. Single Sign-On(SSO)

Single Sign-On (SSO) is an identification method that enables users to securely log in to multiple applications and services using one set of credentials. (With SSO, a user only has to enter their login credentials (username, password, etc.) one time on a single page to access all of their SaaS applications)

Lendfoundry provides Single Sign-On (SSO) support for various applications used by users such as Loan Origination, Loan Servicing, and Syndication. Lendfoundry provides two default options for setup -
1. SSO using Lendfoundry Setup
2. SSO using Active Directory Service
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, SingleSignOn, UserAuthentication, UserManagement, ConceptExplanation]
CONTENT:
SSO using Lendfoundry Setup
When the tenant has subscribed to Lendfoundry products  Loan Servicing, Syndication, and Loan Origination, the tenant can opt for SSO using Lendfoundry Setup. This feature will allow a single user account to access all the Lendfoundry products.
User Management would be maintained on the Loan Servicing system and an administrator can create new users or assign/remove roles for the users through User Management.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, SingleSignOn, Navigation, SystemBehavior, ConceptExplanation]
CONTENT:
Navigation to various systems
Users who have roles assigned in all the products can navigate to various systems through unique identifiers such as Loan Application Number, Loan Number, Investor Account Number, etc. This can be modified as per the requirements.
The navigation feature is Access controlled and the system will show necessary validations for the allowed actions. For example, if a user does not have access to Syndication portal and he/she tries to open a Syndication loan the system will trigger a message “Sorry, you are not a user of Syndication portal hence this action is not allowed”.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [SecurityFeature, SingleSignOn, UserAuthentication, UserManagement, ActiveDirectory, ConceptExplanation]
CONTENT:
SSO using Active Directory Service

Lendfoundry supports user management using Active Directory (AD) Service that runs on Microsoft Windows Server. The main function of Active Directory is to enable administrators to manage permissions and control access to network resources.

Key Points:
* Tenants can opt for SSO using Active Directory Service. In this case, the User Management would be maintained through Active Directory and the same will not be available in the Lendfoundry system.
* Active Directory Administrator would be able to create, edit access, and deactivate users through user management in Active Directory.
* The user will be able to view and perform actions as configured for her role in the Servicing/Syndication/ Origination System.
* Lendfoundry updates any changes in the user roles, when the user logs in again to the system.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [OnboardingProcess, LoanOnboarding, DataMigration, APIFunctionality, LOS_Integration, ConceptExplanation]
CONTENT:
7. Onboarding loans into LMS
Once an application has been approved/funded, it is onboarded into the LMS. Every application is associated with a loan and a borrower. A borrower can have multiple loans and applications. The LMS is now responsible for tracking the loan to its logical end, which can be until it is completely paid off. When a loan is onboarded, a back-office user or a customer would like to know how the loan is doing, its outstanding balances, details of past or present transactions, and other such details. Therefore, LF provides for a back-office view of a loan in the LMS portal. The LMS portal is described in complete detail here.
Onboarding is done for two broad categories of the portfolio - an existing portfolio of loans and new loans. Existing portfolios of loans are those loans that have a schedule that is already in process for the tenant on some legacy system, accruals have been made, and/or payments have been made. Onboarding(generally called Migration in this case) of such loans is done based on a separate custom service engagement with a Tenant since it is an iterative and time-consuming process for both Lendfoundry and the Tenant. At present, data for such existing loans are shared with LF by the Tenant in Excel files, which are then processed by an ETL script to call the relevant APIs in a sequence.  This then migrates the existing loans of the Tenant into the LF-LMS system.
Migration activity is performed in phases depending upon the lender’s financial products portfolio and also the volume of loans in different buckets(perfect-pay, delinquent, closed) for each of these products in the portfolio.
New loans are those loans, where approval/funding is recently made but no accruals or payments have been made.  A new loan in LMS can be onboarded in LMS in the following ways:
1. If the Tenant is using both Lendfoundry’s LOS and LMS, a loan will be created in LMS once the borrower application is approved/funded in the LOS.
2. If the Tenant has opted for Lendfoundry’s LMS and using any other LOS, a loan can be created in LMS via onboarding APIs.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [OnboardingProcess, LoanOnboarding, APIFunctionality, SystemBehavior, PaymentSchedule, InterestAccrual, ConceptExplanation]
CONTENT:
Onboarding of new loans is done via an API, depending upon the unique set-up of a tenant. Once onboarded, each loan is assigned a loan ID. Loan ID is a unique loan identifier. Upon onboarding each borrower (Business or Personal) is assigned a borrower ID. This borrower ID can be used to onboard all future loans for that borrower.
Once a loan has been onboarded, the system automatically creates a repayment schedule. The system automatically tracks accruals and updates outstanding balances for each loan.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [OnboardingProcess, LoanOnboarding, BulkOnboarding, FileUpload, CSVFormat, HowTo, UIElementDescription]
CONTENT:
1. Bulk onboarding of loans
Provides the ability to bulk upload new loan applications. The backoffice user can upload a .CSV file in a prespecified format. Once the document is uploaded, it will add desired loan applications with the given values.

* In the left action menu, we scroll to the “Loan Onboarding” option.
* The left option menu expands to show two options, “Bulk Loan Upload” and “Add a New Loan”.
* On selecting “Bulk Loan Upload”, the page is redirected to “Bulk Loan Upload”, which prompts for a file upload to be validated. Supported file format for this feature is CSV.
* Once the file has been validated successfully, a new table labeled “Bulk Loan Upload Report” will appear as shown below with two columns “File Name” and “Status”, and the status column will have “true” as value. Also, there will be an option to "Onboard Loans". There will also be the ability to download and view the validated file.
Note: A sample file will be shared with users off the platform
* After hitting the “Onboard Loans”, the loans will be onboarded to the system successfully. The loan numbers and other related information will be generated by the back-end based on the tenant’s number generator configuration.
* However if the validation fails, the value in the status column will be false. The processed file can be downloaded and reviewed, with an error message at the last column titled “Validation Issues”.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [OnboardingProcess, LoanOnboarding, UIOnboarding, TemplateManagement, DataEntry, HowTo, UIElementDescription]
CONTENT:
2. Onboarding Loans via UI

1. It is possible to onboard a loan to LMS by using a template or adding all the data of the loan. Templates can be created by the users with pre-set data so that the loans can be onboarded quickly with minimal data entry.
2. On clicking “Add a new loan”, the page is redirected to a screen where user can enter loan details like basic information and business details.
* Once details are filled out, at the bottom, 2 options are available, “Save Template” and “Submit”. If the “Submit” button is clicked, then a loan is onboarded and a success message will appear as shown below.
* If all the mandatory fields are not filled out, the application will not be submitted and an error message will appear, showing which mandatory fields are not filled out, highlighted in red.
* However, if complete information is not available or the progress is required to be saved, hitting the  “Save Template” button will do the job. Once the “save template” button is hit, it will present a prompt, asking for template name.
* Once the template is saved, an success message will be prompted
* This template can be used later as a shortcut to fill applications for loans which have similar parameters. The saved template will appear in the dropdown list of the “Template list” field.
--- END SEGSEMNT ---
--- START SEGMENT ---
TAGS: [UserManagement, LoginProcess, ForgotPassword, OktaIntegration, ConceptExplanation]
CONTENT:
8. One-time user set-up
Once LF has set up the environment and the products, LF will create a user for the Tenant and share the credentials. Thereafter, the Tenant can create users with different roles based on its org structure using the User Management feature. The first screen in the LMS portal is the Login page screen as shown below. With the user credentials, the user can log into the LMS. The Forgot Password feature helps the user to reset his password.
Alternatively, the Tenant may have integrated via the OKTA SSO System, wherein the user creation and login will happen via OKTA.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Navigation, LandingPage, ActionCenter, SearchFunctionality, UIElementDescription]
CONTENT:
9. LMS Navigation
   1. Landing Page
Typically, for a Business User, upon login, the default landing page is the Action Center with actionable shortcuts to filters that are clickable and a search panel to the right. To the left is the filter pane which can be configured per Tenant needs, and remains constant for all products. Below is a  screenshot description of the landing page for reference:
On the header at the top, there are 3 sub-sections - Hamburger menu, Search Loan, Profile Section-
* The hamburger menu expands to the left pane menu which shows a list of menu options for User Management, Loan/Application Search, and easy filtering of loans.

* The search loan provides an option to do a quick search by entering the loan number/application number.
* The profile icon with initials, allows the user to access their profile settings.
Below the header, there is a tile-based view that provides easy and quick access to the different categories of loans. These tiles can be configured as per your need.
Below this view, there is a loan search screen which contains various search fields configured by the tenant. After providing the input(s) in search fields, the user can click on the “Search” button below to get the list of loans meeting the search criteria.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Navigation, SearchFunctionality, FilterPane, ConceptExplanation]
CONTENT:
Once a loan has been onboarded, there are many ways to get a specific loan. A user can search for a loan, or search for a borrower using the left shortcut, known as “Filter” in LF. The “Search” filter allows the user to search for an application/loan/borrower by entering the search criteria. These search fields are configured as per the Tenant’s needs.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Navigation, FilterPane, UIElementDescription]
CONTENT:
2. Filter Pane
Loans can be accessed through a list view which is known as a filter. A loan can appear in multiple filters. Upon login, the left pane has a list of clickable filters, below is a list of all available groups of filters, which are typically used. Some or all of the filters may be available for a tenant:

A table is shown with columns for Filter Group, Description, and Sub-filters.
- User Management: Used to set-up new users in LF system. Sub-filters: All Users, Create New User.
- Calendar: Used to view/make changes in the calendar configuration. Sub-filters: None.
- Search: Used to search for applications/loans/borrowers. Sub-filters: Action Center, Loan, Application, Borrower.
- Apps: Used to view approved for funding or already funded applications. Sub-filters: Approve/Funded.
- Current: Used to view loans based on Loan Performance. Sub-filters: Good Standing, DPD Under 30.
- Delinquent: Sub-filters: 30+ DPD, 60+ DPD, 90+ DPD.
- Modifications: Used to view loans based on actions on a loan. Typically, subject to review and approval OR maker checker mechanism. Sub-filters: Pending Modification Review, Modified Loans, Restructured Loans, Pending Closure, Pending Charge-Off Review, Paid-Off, Charged-Off, Bankruptcy, Deceased, Forbearance, Unwind.
- Closed Loan: Sub-filters: Closed.
- Payments: Based on payments on a loan. Sub-filters: Payments In Process, Failed Payments, Payments In NOA, Auto-pay Paused, Accrual Paused, Excess Amount.

- All Flags: Based on flags configured. Sub-filters: Flags.
- Batch Job: Used to view results of System tasks configured to run. Sub-filters: Job Status.
- Reports: Used to access Operational reports. Sub-filters: Report.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Navigation, LoanView, LoanStatus, LoanClosure, DelinquencyManagement, ConceptExplanation]
CONTENT:
3. Loan View
Every loan in the system has a unique identifier associated with it known as the Loan Id and a status associated. Loan status is indicated on the top right in the loan view as shown below. Possible loan statuses are used to indicate whether it is In service or Active, or Closed. There are also intermittent statuses which are yet to be closed, such as Paid-off, Charged-off, Sold Off, Bankruptcy, Deceased, Forbearance. These statuses are typically subject to a maker checker mechanism, meaning someone needs to initiate the process and approve it. In LF there is only 1 terminal status of a loan, i.e. Closed. Once a loan has been closed it cannot be revived, hence the ability to close has been kept as an explicit action and can be restricted to a few roles. Each loan also has an associated Borrower ID which is used to tie up all the loans of that borrower.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, DataManagement]
CONTENT:
Working with a Loan View
4. Main Tabs
1. Borrower Details: Relevant for both Business and Personal loans. Has two sections
  1. Business/Personal Details :  Information of primary borrower in case of business lending and details of the individual in the personal lending case, information is editable from within the frame.
  2.  Additional Owners: If there is more than 1 borrower on a loan, then information about them is available in this tab. The  information is editable from within the frame.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, BankDetails, FunderInformation, CustomFields]
CONTENT:
2. Loan Information: This tab has 3 sections within this tab.
  1. Loan Details: Information such as rate, tenure, repayment frequency, funded date, funded amount
  2. Bank Details: Default bank associated with loan account, used for Auto-pay instruction generation (via ACH/EFT)
    1. Funder Information: Relevant for a multi funder set-up, where loan is funded by an entity other than the Tenant. Funder details such as Funder Name, Funder’s Taxid, Funder A/c information both for disbursement and re-payment.

3. Custom Fields: Any fields passed onto LMS from LOS for storage and display purposes. They might have an impact on the loan behavior as per the client's needs.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, PaymentPerformance, LoanSummary, OutstandingBalance, DelinquencyManagement]
CONTENT:
3. Economics: This tab contains the most relevant financial and non-financial metrics of a loan. These are designed to convey the most updated loan performance details, needed in case of service requests for account status, balances, past due amounts.

1. Payment Performance: This section contains negative payment performance indicators. Total # of Missed Payments, Total # of NSF, Total # of Failed Payments, Successive Missed Payments, Successive NSF, Successive Failed Payments, # of Times Auto-Pay Paused, # of Times a loan went 30 days past due, # of Times a loan went 60 days past due, # of Times a loan went 90 days past due
2. Summary: This section contains a summary of loan payments. Principal Paid, Interest Paid, Total Paid, Expected Cumulative Principal, Cumulative Interest Accrued, Fees Paid, Excess Amount, Last Payment Amount, Last Payment Date, Eligible for Renewal, Current Rate.
3. Total Outstanding Balance: This section has the most recent balances on the loan. These balances indicate the total amount needed to pay off a loan completely. Principal Outstanding, Interest Outstanding, As of Date, Fee Outstanding, Additional Outstanding Interest, Total Outstanding Balance, Minimum amount Due (if configured),
4. Current Outstanding Balance: This section has the most recent balances on the loan. These balances indicate the total amount needed to bring a loan back to "good standing" or "current" or non-delinquent in terms of repayments. Principal Outstanding, Interest Outstanding, As of Date, Outstanding From, DPD Days, Current Outstanding Balance
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, RelatedLoans, RenewedLoans, PortfolioManagement]
CONTENT:
4. Related Loans:

1. Borrower Loans: If a borrower has more than 1 loan, then all such loans, along with their loan id's and balances are available in this tab. At the top we can see the metrics like Total funded, principal and outstanding amount of all the loans of the borrower.
2. Renewed Loans: If a Tenant has configured the ability to renew his loans, then all such renewed loans are viewable from this tab. Here, the users can see the Loan ID, App ID, Status, Sequence Number, Renewed data and Renewed Amount of the renewed loans.

--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, ModificationManagement, PaymentSchedule]
CONTENT:

5. Recovery: If a loan is in the process of being modified or restructured or on a Temporary Payment Plan, then details about such a modification are viewable from this tab. This is not a commonly used tab.  A dropdown will enable the user to check the older version of the Schedule.
The following details can be viewed in this tab:
Reason,Status, Remainder Principal, Remainder Interest, Remainder Fees, Remainder Total, Modified on, Modification Mode, Interest to Recover, Recover Interest On, Effective Date, First Payment Date and Notes.
Below these details there is a collapsible “View Payment Schedule List”, upon clicking it gives a tabular view of “Schedule Date”, “Payment Amount”, “Principal Amount” and “Finance Charge”.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, VerificationDetails, ModificationManagement]
CONTENT:
6. Verification Details: This tab contains details regarding verifications that may have been initiated during a loan modification/ Bankruptcy or other such processes.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, PaymentManagement, PaymentSchedule, PaymentHistory, PaymentsInProcess, ACHProcessing, DebitCardProcessing]
CONTENT:
7. Payments - This section contains 3 subsections related to payments
   1. Payment Schedule: This tab has the most recent repayment schedule for a loan. As soon as a loan is onboarded in the LMS with funding, a repayment schedule gets created automatically for that loan, based on the product parameters configured and details provided at onboarding. At present all repayments are allocated between Principal and Finance Charge or Interest - as per the applicable schedule. Each repayment has a schedule date and a status to indicate whether it was paid, partially paid or unpaid. The schedule is also exportable in Excel and CSV. In case the loan has been modified/recast or restructured, then a new version of the schedule will get created. A dropdown will enable the user to check the older version of the Schedule. For each payment users can see the [confirm information displayed] by hovering over the “information” icon. The list of holidays (when accrual doesn’t happen) can be viewed by clicking on the “Calendar icon” near the export buttons.
   2. Payment History: This tab lists all repayments and their allocations between various categories of payable amounts. It is a subset of the Transactions tab, which focuses purely on repayments. By clicking “Details” on this tab, more information about the payment instrument, number of attempts, and reattempts are also available from this view.
   3. Payments in Process: Typically, there is a time lag between when a payment has been initiated and when it is marked as a success. All payments that have not yet been confirmed can be viewed from this tab. They can have different statuses such as “Initiated” or ”Submitted” or ”Success” or ”Failed”. These statuses are useful when the system is initiating ACH/Debit Card payment pulls. Typically, an LF Tenant can configure a wait time, which defines how long to wait before marking a payment as successful. The typical configuration is to mark it as successful on

the day a payment is due and only mark it as failure upon confirmation of failure directly or via a file upload. Depending on the payment instrument used, if a payment is in “Initiated” status, it can be deleted/stopped, by clicking “Delete” from this tab.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, DataManagement, TransactionReversal, DataExport, SystemBehavior]
CONTENT:
8. Transactions: This tab contains the most up-to-date list of transactions recorded for a loan. LMS may be linked to an accounting system or ledger, as per the Tenant. Each transaction that results in a change of outstanding balances is recorded in this tab. These transactions are also exportable in Excel and PDFCSV. From within this tab, a user can reverse a given transaction by clicking on the “Reverse”. This is useful in case a correction needs to be done to a repayment transaction or a fee is to be removed from the loan history. Only the most recent transaction can be reversed. Reversal of transaction implies that a correction is needed and a correct transaction will be posted by the user, manually, after reversing. Reversing does not create refund transactions. Cash Payments cannot be reversed. This option is only available where a transaction belongs to the current schedule version.  In other words, if a payment is made such that it has resulted in a recast, then the “reverse” option is not available in such cases.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, LoanTabs, UIElementDescription, DocumentManagement, StatementOfAccount]
CONTENT:
9. Documents: Documents that have been added during the life of a loan such as any related to borrower submitted documents for loan modification or restructuring of loan, or any other documents uploaded into the system. This also contains the statement of account for the borrower.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, ActionMenu, UIElementDescription, SystemBehavior, ValidationRule]
CONTENT:
5. Action Menu on the Loan
Each loan has a floating Action Bar on the right. These actions let the user perform specific operations on the loan. To control any inconsistencies and discrepancies in the system behavior, we show appropriate message/warnings on the UI. At a few places, we have also put some UI validations which are described as UI Validations section against each of the action menu.
Disclaimer: Please note that you may not see all these actions in the LMS portal since we would have disabled a few as per the discussions during discovery.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, ActionMenu, UIElementDescription, Communication, AuditTrail, Tagging]

CONTENT:
Action Menus
On the loan view, on the right side, we see , which on click, expands into a list of actions that the user can perform on loan. All actions are not viewable for all users. These are configured at a role level during the initial set-up for each tenant. Details of the Action Menus are given below.
Send Email
On the Action Bar, we see “Mail” icon , on click, allows the user to send an email to the borrower
Add Call Notes
On the action bar, we see a “Phone icon”, on click it allows the user to add the details of any calls to the client and also setup a follow up
Add Notes
On the action bar, we see a “Note icon”, on click it allows users to add categorized notes on the loan for future reference
Inbox
The topmost icon in the action bar is for “Inbox”. This highlights the important events happening on this loan and shows as flags. These flags can be acknowledged/dismissed. These flags which appear here are configurable by the tenant. The user can add flags manually as well.
Activities
The “list/menu icon” in the action bar is for “Activities”. This captures the complete audit trail of the loan since inception till the end of the loan lifecycle. This shows the summary of the event with a timestamp and also the user who performed the action. If an event is triggered by the system, then it will show “System” in the UserName.
Notes -This shows all the “Notes” that were added to this loan using the Add Note action explained above. The user can search notes using “Category”.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, ActionMenu, UIElementDescription, Tagging, HowTo]
CONTENT:
Inbox:
You can see a dropdown menu for “Action” to filter based on the required action, upon clicking it the following options are available: All, None, Acknowledge, Dismiss, Active.
Next to the dropdown there is a “plus” icon that is used to add a flag. Clicking on it opens a pop-up menu with input for colour, description and pre-configured list of flags that can be selected by tick. At the bottom, there is a “Submit” button to add the flag. Once the user hit submit the flag appears in the inbox.
Then there’s a search bar where users can search for flags by typing in the pre-configured tags that are applied for each flag. These tags will be automatically assigned to each flag by the system. At last there is a “refresh” icon, used to clear the search results.
Next to each flag there is a checkbox, upon checking a flag users can either “Acknowledge”, “Active” or “Dismiss” a flag that assigns the corresponding sign to that flag.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, ActionMenu, UIElementDescription, AuditTrail, SearchFunctionality]

CONTENT:
Activity List

You see a search bar where users can type in any keyword to search any activities that contain it.
Next to the search bar there is a dropdown icon, on clicking it there are more search filters like property name and date for a refined search.
The “refresh” button at the top is used to reset the search.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanView, ActionMenu, UIElementDescription, SearchFunctionality]
CONTENT:
Notes

There is a search bar where users search for note typing any keyword next to search input.
There's a dropdown icon on clicking it there are more search filters like property name and date for a refined search.

Below the search bar, there’s a dropdown menu for “Search category” to filter notes based on various categories.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, UpdatePaymentInstrument, BankDetails, HowTo, UIElementDescription, SystemBehavior]
CONTENT:
1. Update Payment Instrument/Bank Details
Provides an ability to add a new auto-pay instrument or update the existing one. Once submitted, this will be available in the “Loan Information” -> “Bank Details” tab.

* If the user wants to add a new instrument for payments, he can select “Add New Instrument” in the “Select Account” field, and he will be prompted to select the “Payment Instrument” field from the configured instruments and fill in related fields pertaining to that instrument. He may choose to make this as an “active” one so that this is used for auto-payments.
* If the user wants to update the values of any of the existing payment instruments, he can select that instrument from the dropdown in the “Select Account” field and update the required value(s). Debit cards cannot be added or edited using this action, there is a separate action “Add Card Details” for the same.

Note:
The instrument details, if verified from the LOS, will not be allowed for editing in LMS. The “isVerified” flag in the onboarding API will let LMS know of this.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [LoanManagementAction, UpdatePaymentInstrument, BankDetails, UIElementDescription]
CONTENT:
Fields available in Update Bank Details:

* Select Account
* Routing Number
* Bank Name
* Account Number
* Bank Holder Name
* Account Type
* Payment Instrument
* Is Primary

If it is added as a primary account, it will have a check mark in the Loan Details tab. This action can also be used to switch to a different primary account, where there are more than 2 accounts listed. An account that is marked as primary will be used for creation of payment instructions by the system.
From the floating Action Bar, when the user selects the Update Payment Instrument/Bank Details Action Menu, a window will appear on the right side of the screen. The window has several fields for the user to input the data. The order of field and their options are
Select Account – Dropdown to choose from existing accounts (e.g., savings, checking, or previously saved accounts) if the user wants to update or the option to Add a new instrument is given.
Routing No – To enter the Routing Number of the Bank.
Bank Name - Once the Routing number is entered, the Bank Name gets autopopulated.
Account Number / Bank Holder Name - Standard bank details to be entered by the user
Account Type – Dropdown to specify whether it's a savings or checking.
Payment Instrument – Dropdown gives options like ACH, Draft, Money Order etc.
Is Primary – Checkbox to mark this as the main/default payment method.
Submit Button – Finalize and save the entered information.

The fields may change depending on some selections like if an existing payment instrument needs to be edited, then the details of that instrument will be displayed with the option to edit with pencil icon.
Fields may also vary depending on the payment instrument selected.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, AddCardDetails, DebitCardProcessing, HowTo, UIElementDescription, ValidationRule]
CONTENT:
2. Add Card Details
Provides an ability to add a new debit card instrument. Once authorized, the last 4 digits of this card will be listed in the "Loan Details" tab as a primary instrument, event will get logged in

activity, whether successful or not. However, if authorization fails, then there will be no max attempts and we will show a message from the chosen payment processing 3rd party, subject to any limits from such a provider. In order to authorize the following fields are required from the action screen:
* Card Holder Name: Mandatory, Type = String; min length = 1
* Debit Card Number: Type = String; minLength = 13; maxLength = 25
* Expiration: Type = String; minLength = 4; maxLength = 4
* CVV/CVV2:Type = String; minLength = N/A; maxLength = 4
* Type of Debit: String; minLength = 2, ; maxLength = 2
A table shows the description in the UI and the value sent in the API for debit card types: Mastercard (MC), Visa (VI), American Express (AX), Discover (DI).
* Zip Code: Type = String; minLength = N/A; maxLength = 20, operationally max length=10
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, MakePayment, PaymentProcessing, ACHProcessing, DebitCardProcessing, HowTo, ConceptExplanation]
CONTENT:
1. Make Payment
Provides an ability to record a past payment AND/OR initiate an ACH/Debit Card in the future towards a loan.

Purpose: This action allows a back-office user to initiate a payment recording manually. Typically, when ACH/Debit card transactions are to be initiated on a regular basis, manual intervention is not needed. The system knows the payment dates and will initiate the payments as per current active repayment schedule.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, MakePayment, PaymentProcessing, PaymentHierarchy, Recasting, UIElementDescription]
CONTENT:
Fields available in Make Payment action if the payment instrument is Cash.
* Select Payment Instrument - this will be a dropdown of configured instruments
* Select Payment Type - this will be a dropdown of configured payment hierarchies. You may choose how to allocate the money from this payment. Each of these options would have been configured at the time of tenant set-up, details are available in the LMS discovery document.
* Payment Date - Date of recording the payment
* Effective Date - Date for which the payment needs to be recorded(used in backdating payments)
* Payment Amount
* Principal
* Interest
* Additional Interest
* Excess Payment
* Fees Incl. Tax as applicable

* User Remarks
* User Reference Number
* Recasting Options - explained in the below section
  * Reduce the Payment
  * Keep the Payment same

Additional Fields pertaining to a specific instrument(Check/ACH/Debit Card) are available in Make Payment action upon selection of that instrument. The following are some of the additional fields that you may see:
* Bank Account Number (dropdown, not editable)
* Bank Account Type (dropdown, not editable)
* Routing Number (dropdown, not editable)
* Borrower's Name (dropdown, not editable)
* Check Number
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, MakePayment, PaymentProcessing, PaymentHierarchy, Recasting, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Make Payment Action, a window opens up with the following fields.

Select Payment Instrument: Dropdown to choose the mode (Check/Money Order/ Draft / Refund Payment Return etc.).
Select Payment Type:Dropdown to choose type of payment. Options are Scheduled / Payoff / Interest Waiver etc.
Payment Date: Calendar type field to record the date of payment
Effective Date: Calendar type field to record the effective date of payment  (used for backdating or future scheduling).
Payment Amount: Currency field to enter the Total amount being paid.
Principal / Interest / Additional Interest/ Excess Payment / Fee etc : Currency type field for Breakdown of how the payment is allocated. This is autopopulated based on the Payment Amount and the pre-defined hierarchy.
User Remarks: Free text field to add any remarks as per user discretion
User Reference Number :This is also a free text field where the tenant can enter a unique identifier for this payment. This field also gets stored in the back-end.
Recasting Options : Radio button to select the option to Reduce the Payment or Keep the Payment same
Submit Button – Finalize and save the entered information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, MakePayment, Recasting, ReAmortization, PaymentSchedule, SystemBehavior, ConceptExplanation]
CONTENT:

1. Re-casting (in fixed payment type loans)
In LMS, any payment amount is apportioned according to the hierarchy chosen while making the payment. This hierarchy is one of the configured hierarchies for the tenant. Each hierarchy has different buckets defined in a specific order. In some of the hierarchies, one of the buckets is that of the “Additional Principal”. This is the principal which is over and above the due schedule principal.  The amount goes into this bucket if all the previous buckets in that hierarchy are fulfilled. This results in re-amortization of the payment schedule, because the additional principal payment changes the principal outstanding on the loan and also the split of P and I in the future schedules. In LMS, this is known as re-casting where a new payment schedule is created with a different version. If there is any accrued and unpaid interest(prior interest) before the payment was made, it is added in the interest component of the first schedule in the recasted schedule.

Note:
In cases where this prior interest is very high, higher than the payment amount, then the system automatically creates interest-only schedules(capped at the payment amount) to recover this prior interest first and then moves on to creating P + I schedules.

The user can choose one of the below two recasting options shown on the Make Payment action screen and also available in the Make Payment API.
* Reduce the Payment: Choose this option when you want the system to re-calculate the payment amount based on the reduced principal balance. This doesn’t have any impact on the maturity date of the loan.
* Keep the Payment same: Choose this option when you want the system to generate the new schedule on the same installment amount and let the system re adjust the term accordingly. This may change the maturity date of the loan depending on the payment amount value.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, MakePayment, ValidationRule, SystemBehavior]
CONTENT:
UI Validations
A table shows UI validations for the Make Payment action.
- Payment Date: Should be >= Funded Date. For DebitCards, it has a more complex rule involving Funded Date, Today, and processing days. Configurable per product.
- Effective Date: Should be >= Funded Date and <= Payment Date. Not applicable for DebitCards. Configurable per product. Can be hidden based on configuration.
- Pay-off Discount: Visible when Payment Purpose is Payoff and editable when Total outstanding is greater than Payment Amount. Configurable per tenant.
- Principal, Interest, etc.: Editable when Payment Purpose is Custom.
- Recasting Options: Visible for Installment type loans only. Can be hidden based on configuration for certain payment types.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [LoanManagementAction, MakeBorrowerPayment, PortfolioManagement, FIFO, HowTo, UIElementDescription]
CONTENT:
2. Make Borrower Payment
“Make Borrower Payment” action provides users the ability to make ACH/Non-ACH payments across all loans of the borrower in a given portfolio in FIFO order.

Fields available in Make Borrower Payment action:
* Select Payment Instrument
* Select Payment Type
* Select Portfolio
* Payment Amount
* Payment Date
* User Remarks
* User Reference Number
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, MakeBorrowerPayment, PortfolioManagement, FIFO, PaymentHierarchy, HowTo]
CONTENT:
Steps:
1. Choose from 3 payment methods – Cash, Check or ACH, more methods can be setup based on tenant
2. Choose how to allocate the money from this payment - This is identical to the setup in “Make Payment” Action as described above
* System: Based on the default payment hierarchy set up for the product. For example: for an Accrual loan, it can be Interest first, any surplus then gets applied to the Principal. You can also choose to bring fees in to the hierarchy
* Schedule: Use this option to schedule an ACH in the future manually, typically out of schedule repayment requests can be accommodated. Or this option can also be used to apply a check payment after it has been received and treat it as if it’s a payment per schedule. Typically, if you receive a check a day before or a day later, or if its’ an MCA loan, you can choose this option
* Principal Only: Apply all funds to Principal only: Apply all funds to Total outstanding
* Payoff: To pay all outstanding balances. If outstanding balances need to be reduced, then use charge-off action or reverse fees from Transactions tab first, and then use this option.
* Custom: Use this option to allocate payment in a way that is not captured in any of the options above.
3. Select a portfolio. Once the portfolio is selected, the borrower payment will be under the selected portfolio.
4. Enter the payment amount
5. Choose a payment date (past or future, can be configured to restrict the allowable time frame).
6. Enter user remarks and User reference number.
--- END SEGMENT ---

--- START SEGMENT ---
TAGS: [LoanManagementAction, MakeBorrowerPayment, PortfolioManagement, FIFO, PaymentHierarchy, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Make Borrower Payment option, a window will appear with the following options for the backoffice user to enter the data on behalf of the borrower. The following fields are displayed

Select Payment Instrument : Dropdown field with options like Cash, Check & ACH to select the mode of payment .
Select Payment Type: Dropdown field with options System, Schedule, Principal Only, Payoff, and Custom to allow the user to select how they want to allocate the funds.
Select Portfolio: Checkbox area with options like SCF, MCA, MCALOC, Installment, Line of Credit to select the loan portfolio category
Payment Amount: Currency field to enter Total funds being applied.
Payment Date: Calendar field to enter the date when the payment is considered made (can be in the past or future).
User Remarks: For internal notes.
User Reference Number: Optional tracking or audit trail input.
Submit Button – Finalize and save the entered information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, PauseResumePayment, ACHProcessing, HowTo, UIElementDescription, ValidationRule]
CONTENT:
3. Pause/Resume Payment
Provides an ability to manually pause automatic ACH creation for loan repayments. Once a pause has been put in place, future ACH creation will be disabled for that loan, until the pause has been resumed.
It can also be used to resume payments, in cases there is an existing Pause on Payments on a Loan.

Option:  User needs to enter the date on which he wants to Pause or Resume  payments. ACH which are already created and submitted cannot be changed using this action.

Validations: For Payment Pause the date selected will be equal to or later than  (As-of-date + (payment Processing Days) + 2).
As of date is the date when the last accrual was run, typically current date minus 1, and is always a past date. If accrual has been paused, as of date will be a much older date. Payment Processing Days, the exact value for this is available in the LMS discovery file shared with you, sheet name “Product Parameters”, field name “PAYMENT_ PROCESS_DAYS”. If it is difficult to obtain, please ask your LF representative to share the most recent processing days configuration.
--- END SEGMENT ---

--- START SEGMENT ---
TAGS: [LoanManagementAction, PauseResumePayment, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Pause/Resume Payments,  a window will appear with the following options for the backoffice user to enter the data. The following fields are displayed

Pause Date: Calendar field to enter the date from which automatic payments should stop.
Resume Date: Calendar field to enter the date on which automatic payments should start again.
Reason for Auto-Pay Pause: Dropdown field with a pre-configured set of reasons for Auto Pay Pause some options are -Harships, Insufficient funds, Modification, Invalid Account Number etc.
Submit Button – Finalize and save the entered information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, PauseResumeAccrual, InterestAccrual, AccrualManagement, HowTo, UIElementDescription]
CONTENT:
4. Pause/Resume Accrual
This allows the user to pause Accrual on a loan. This stops additional interest accruing on the loan. The accrual will restart automatically if a payment is made.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, PauseResumeAccrual, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Pause/Resume Accrual,  a window will appear with the following options for the backoffice user to enter the data. The following fields are displayed

Pause Date: Calendar field to enter the date from which accruals should stop.
Reason for Accrual Pause: Dropdown field with a pre-configured set of reasons for Accrual pause like deferment due to various reasons, opted by borrower etc.
Submit Button – Finalize and save the entered information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ApplyFeeCharge, FeeApplication, HowTo, UIElementDescription]
CONTENT:
5. Apply Fee/Charge
Provides an ability to manually assess fees / penalty / Charge.

Fields available in Apply Fee/Charge action:
* Fee Type
* Fee Name
* Fee Amount

* Apply Date
* Description
Steps:
1. Select Fee Type. Available options are
   1. Scheduled - choosing this will mean that the system needs to create an ACH for this fee along with the scheduled payments
   2. Per Occurrence
   3. Pre Applied
2. Select Fee Name
3. Enter Fee Amount
4. Select Apply Date
5. Enter Description
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ApplyFeeCharge, ValidationRule]
CONTENT:
UI Validations
A table shows UI validations for the Apply Fee/Charge action.
- Start Date/End Date: Min Check (if Fee Type = Scheduled) is As of Date + 2 + Payment Processing Day. Configurable per product.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ApplyFeeCharge, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Apply Fee/Charge,  a window will appear with the following options for the backoffice user to enter the data. The following fields are displayed

Fee Type : Dropdown field that allows that user to select the type of fee being applied, options are scheduled, Per Occurrence or Pre Applied
Fee Name :Dropdown field that allows that user to select fee name like Late Fee, Closing Fee, Maintenance Fee etc. The available list is dependent on the selected Fee Type.
Fee Amount  : Currency field to Input the dollar amount to be charged to the borrower.
Apply Date: Calendar field to select the date when the fee should be applied.
Description: Optional free-text field to capture any comments by the user
Submit Button – Finalize and save the entered information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EstimatePayoff, PayoffCalculation, HowTo, UIElementDescription, ValidationRule]
CONTENT:
6. Estimate Pay-Off
Provides an ability to calculate the estimated pay-off amount on a specific future date.

Fields available in Estimate Pay-off action:
* Pay off date
* Assume Schedule payments will be paid (check box)
  * If the system needs to consider all intermittent payments between the two dates (“As of date” and “Payoff date”) as successfully received.

UI Validations
A table shows UI validations for the Estimate Pay-off action.
- Pay Off Date: Min Check is As of Date + 1. Max Check is "AsOfDate" + # of days defined in "EstimatePayoffDays" config. Configurable per product/tenant.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EstimatePayoff, PayoffCalculation, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Estimate Pay Off Action Menu, a window will appear with the following options for the backoffice user to enter the data. The following fields are displayed

Pay Off Date: Calendar field to select the date for which the pay off amount is to be calculated.
Checkbox : Assume all scheduled payments will be paid
Calculate Button – To Calculate the Pay Off Amount based on the date entered
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, AddCollectionDetails, DelinquencyManagement, HowTo, UIElementDescription]
CONTENT:
7. Add Collection Details
“Collection Details” option provides the ability for the user to update the borrower's personal and collection details.

Steps:
1. User can update email details of the borrower or an alternate contact
   1. Contact Person
   2. Relation (can be selected one option from available options)
   3. Email Type (can be selected one option from available options)
   4. Email
   5. Is Active (if selected, the email address is considered as active)
2. User can update phone details of the borrower or an alternate contact
   1. Contact Person
   2. Relation (can be selected one option from available options)
   3. Phone Type (can be selected one option from available options)
   4. Phone
   5. Is Active (if selected, the phone is considered as active)
3. User can update Address details of the borrower or an alternate contact

   1. Contact Person
   2. Relation (can be selected one option from available options)
   3. Address Type (can be selected one option from available options)
   4. Address 1, Address 2, City, State and ZIP can be entered
   5. Is Active (if selected, the address is considered as active)
4. User can update collection details
   1. Evaluation – Evaluation reason can be selected one option from available options
   2. Facts – can be selected one option from available options
   3. Reason for Non-Payment – One Non-Payment reason can be selected from a dropdown list of options.
   4. Situation – can be selected one option from available options
5. Once submitted, the collection details for the borrower will be updated and visible in Recovery > Modifications/Collections tab
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, AddCollectionDetails, DelinquencyManagement, UIElementDescription]
CONTENT:
From the floating Action Bar, when the user selects the Add Collection Action Menu,  a window will appear with the following options for the backoffice user to enter the data. The screen is divided into 4 sections.  Below are the details regarding the fields:

EMAIL DETAILS - Enter the contact details of the borrower or an alternate contact person for the borrower
Contact Person: Name of the person to contact for collections.
Relation: Dropdown field to select Relationship of the contact to the borrower (e.g., self, spouse, parent).
Email Type: Dropdown field to select the Type of email (e.g., personal, work).
Email: Email address of the contact.
Is Active: Checkbox to indicate if this email is currently in use.
Multiple email records can be added using the "+" (Add) button.

PHONE DETAILS - update phone details of the borrower or an alternate contactperson for the borrower
Contact Person: Name of the person to call.
Relation: Dropdown field to select Relationship of the contact to the borrower (e.g., self, spouse, parent).
Phone No: The contact number.
Phone Type: Dropdown field to select Type of number (e.g., mobile, home, work).
Is Active : Checkbox to indicate if this email is currently in use.
Availability Notes: Notes on when the contact is available for calls.
Multiple phone records can be added using the "+" (Add) button.

ADDRESS DETAILS - update Address details of the borrower  or an alternate contact

Contact Person: Name of the person at the address.
Relation: Dropdown field to select Relationship of the contact to the borrower (e.g., self, spouse, parent).
Address Type: Dropdown field to select Type of  address e.g., Home, Mailing, Work.
Address Line 1/2, City, State, Zip: Full address details. City and State are autopopulated when the Zipcode is entered
Is Active: Checkbox to mark the address as currently valid.
Multiple address records can be added using the "+" (Add) button.

COLLECTION DETAILS - User can update collection details
Evaluation – Dropdown field to select the evaluation reason- Collector's assessment of the borrower's situation.
Facts – Dropdown field to select the key facts
Reason for Non-Payment – Dropdown field to select one reason for missed payments.
Situation – Dropdown field to select the borrower’s current situation.
Submit Button – Finalize and save the entered information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, UploadDocs, DocumentManagement, FileUpload, HowTo, UIElementDescription]
CONTENT:
8. Upload Docs
Provides an ability to upload documents. Documents uploaded are available in the Documents tab of Loan View. This action is also contextually available, when any sub-process such as Bankruptcy or SCRA proceedings are being initiated and are made subject to verification of documents in the “Verification Details” tab of the Loan View.

Users can upload additional documents like Photo ID / Bank Statement / Passport etc by clicking on the “Select File” text or the Cloud Upload icon.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, RestructurePayments, DelinquencyManagement, ScheduleModification, HowTo, UIElementDescription]
CONTENT:
9. Re-structure Payments
During delinquency or any other reason, if the lender wishes to tweak the payment amount, tenure, or payment frequency as per the agreement with the borrower, it can do so with this action.

The outstanding details are shown in the “Outstanding” section at the top of the pop-up.
Principal to recover: This is principal o/s from the last copied* schedule(check Notes below, point 5). The UI does not allow this field to be edited, and that’s why this field is greyed out and not interactive.

Payment Frequency: The lender can change the frequency of payments using this dropdown field, and select an option like “Monthly”, “Weekly” amongst others, if configured for the tenant.
Restructuring Mode: This is a drop-down field with values as “By Tenure” or “By Payment Amount”. If the user selects “By Tenure”, then “No. of EMI Payments” will have to be entered and “New Payment Amount” will be auto-calculated. If the user selects “By Payment Amount”, then he will have to enter the “New Payment Amount” field and “No of EMI Payments” will be auto-calculated. P+ I Installment type loans have both of these variants but MCA type has only one variant “By Tenure”.
Effective Date: By selecting the date from the “Effective Date” calendar field, the user can provide the date from when the new restructured schedule will be effective.
First Payment Date: By selecting the date from the “First Payment Date” calendar field, the user can provide the first due date of the restructured schedule
Interest to Recover: Unpaid accrued interest from current “As of Date” to the “Effective Date”. The UI does not allow this field to be edited, and that’s why this field is greyed out and not interactive.
Recover Interest On: This “Recover Interest On” drop-down option provides a list of values configured for the tenant which would help them select how the Amount of Interest to Recover would be adjusted in the new schedule.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, RestructurePayments, SystemBehavior, PaymentSchedule, ScheduleModification, PauseResumePayment, DPDCalculation]
CONTENT:
Notes:
1. The restructured schedule is automatically activated on Effective Date
2. A new schedule version is created and accessible from the “Payment Schedule” subtab of the “Payments” tab on the Loan View.
3. The “Modification / Collections” top tab on the loan view page is also updated.
4. Payments are paused / resume as per below
   1. For MCA product
      1. Paused On: Date of restructuring
      2. Resumed On: Effective date + payment processing days.
   2. For Term loans, if Effective Date - (minus) Last Carried Forward Schedule Date > (greater than) Payment Processing Days parameter, then auto-pay pause/resume will work as below. If this condition is not met, then auto-pay will remain ON.
      1. Paused On: from (Effective date -payment processing day parameter) to schedule activation date
      2. Resumed On: Effective date + processing day parameter(only business days to be considered)
5. *Older unpaid/partially paid schedules are carried forward to the new schedule
6. DPD and current outstanding information is also carried forward so that when the payments are made, the DPD can be adjusted properly against the copied schedules.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [LoanManagementAction, RestructurePayments, ValidationRule, SystemBehavior]
CONTENT:
UI Validations
A table shows UI validations for the Re-structure Payments action.
- Second Payment Date: Visible and mandatory when Payment Frequency is Semi-Monthly. Min/Max checks apply. Configurable per product.
- New Payment Amount: Visible when "Restructuring Mode" is "By Payment Amount". Configurable per product.
- No of Payments: Visible when "Restructuring Mode" is "By Tenure". Configurable per product.
- Effective Date: Min/Max checks apply, differing for P+I loans and based on frequency. Configurable per product.
- First Payment Date: Min/Max checks apply, differing for P+I loans and based on frequency and processing days. Configurable per product.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ModifyLoan, ModificationManagement, ScheduleModification, PrincipalWaiver, InterestWaiver, HowTo, UIElementDescription]
CONTENT:
10. Modify Loan
“Modify Loan” action available on the Action Menu, which can be accessed by clicking on the “Gear” icon on the right menu provides the user the ability to modify the loan and generate a new loan schedule. The lender can edit almost every field here as per the agreed terms with the borrower.

The outstanding details are shown in the “Outstanding” section at the top.
Total Principal to recover: This is total principal outstanding at the time of performing modification. The UI does not allow this field to be edited, and that’s why this field is greyed out and not interactive.
Principal to recover: This is the Principal that the lender wishes to recover. This can be less than or equal to the “Total Principal to Recover" field and must be manually specified by entering a value in the field. If it’s less, the remaining amount is waived off and a waive-off transaction entry is passed which can be observed on the “Transactions” tab of the Loan View.
Payment Frequency: The lender can change the frequency of payments using the “Payment Frequency” drop-down field.
Modification Mode: This is a drop-down field with 2 fixed values as “By Tenure” or “By Payment Amount”. This allows the user to change either the payment amount of the loan or the tenure of the loan. If the user selects “By Tenure”, then “No of EMI Payments” field will have to be entered and “New Payment Amount” will be auto-calculated and thus this field remains greyed out. If the user selects “By Payment Amount”, then “New Payment Amount” will have to be entered and “No of EMI Payments” will be auto-calculated.
Effective Date: This is a calendar date field, by providing a date here, the user makes sure that the new modified schedule will be effective from this date and Interest Accrual would start at the updated rate and on the Principal to recover. The user can back-date loan modification as well by passing an Effective Date as a past date.

First Payment Date: A calendar date field, where the LMS user can provide the first due date of the modified schedule.
Apply Interest At: This is a free text field which only accepts floating point value, and the lender can enter any rate on which it wants the new schedule to be built. This can be different from the rate that the loan was originally onboarded with.
Accrued Interest: Unpaid interest till As of Date, and this field is greyed out.
Future Interest: Interest accrued from As of date till Effective Date. In case of backdated loan mod, there will be no Future Interest.
Interest to Recover: Unpaid accrued interest from the current “As of Date” to the “Effective Date”. This is also the total of “Accrued Interest” and “Future Interest”. The user can edit this field and lower the amount as well. If it is reduced, then the remaining amount is waived off and a waive-off transaction entry is passed, which is also visible on the “Transactions” tab on the Loan View page.
Recover Interest On: This option provides a dropdown of values configured for you which would tell you how the Interest to Recover would be adjusted in the new schedule.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ModifyLoan, SystemBehavior, PaymentSchedule, ScheduleModification, PauseResumePayment, Backdating, DPDCalculation]
CONTENT:
Notes:
1. The modified schedule is automatically activated on the Effective Date.
2. In case of a backdated loan mod, the modified schedule is immediately activated on approving the schedule. Also, From Effective Date till As of Date accrual will be re-run and Interest billing and Reverse Interest billing entry for the same will be posted in Transactions after modification.
3. A new schedule version is created on the Payment Schedule tab.
4. Modification/Collections top tab on the loan view page is also updated.
5. Payments are paused/resumed as per the below
   1. Paused On: Date of modification
   2. Resumed On: Effective date + processing days(only business days)
6. Older unpaid/partially paid schedules are NOT carried forward to the new/modified schedule
7. DPD and current outstanding information/overdue is reset to 0 since the outstanding amount is already considered for recovery.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ModifyLoan, ValidationRule, SystemBehavior]
CONTENT:
UI Validations
A table shows UI validations for the Modify Loan action.
- The action is not visible if a loan modification is already in "Created" status. Configurable per product.
- Second Payment Date: Visible and mandatory when Payment Frequency is Semi-Monthly. Min/Max checks apply. Configurable per product.

- New Payment Amount: Editable when "Modification Mode" is "By Payment Amount". Configurable per product.
- No of Payments: Editable when "Modification Mode" is "By Tenure". Configurable per product.
- Effective Date: Min/Max checks apply, differing for EMI loans and based on frequency. Configurable per product.
- First Payment Date: Min/Max checks apply, differing for EMI loans and based on frequency, processing days, and other configurations. Configurable per product.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ChargeOffLoan, LoanClosure, HowTo, UIElementDescription]
CONTENT:
11. Charge Off Loan
Charge-off is subject to reviewer / approver mechanism by default unless configured differently for a tenant. Once approved by the manager using the sub-process mechanism, a new action in the form of an accordion called “Charge Off Loan” is available in the action menu.
The Charge Off Loan option gives users the ability to charge off a loan completely.

Steps:
1. The “Total Outstanding Balance” column on the “Charge Off Loan” pop-up shows the outstanding balance for each of the buckets. The “Charge-off Amount” column will be the same as the first column, “Total Outstanding Balance” since the system will allow to completely charge off the balances. Therefore, the amounts in the last column, i.e. “Total Outstanding Balance (After Charge-off)” will always be 0.
2. Click on the “Charge-Off” button at the bottom right of the pop-up and the system will completely charge off the loan amount.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, RecoverPostChargeOff, LoanSettlement, PaymentHierarchy, HowTo, UIElementDescription, SystemBehavior]
CONTENT:
12. Recover Post Charge Off
This action provides the user the ability to record any payments made after the loan is charged-off. This feature is available on the action menu.

When the “Is this the last payment for settlement?” checkbox is checked, the loan status changes to “Settled” and the same reflects on the Loan View even if there is an amount yet to be recovered. The user should select this if he believes that there are no more payments expected from the borrower. Optionally, users can provide their remarks and reference number in the respective inputs.
In the other case, when the borrower has completely paid all the recoverable amount, i.e. if the value provided in the “Payment Amount” field of the action is same as the “Total Amount to Recover”, the status changes to “Paid Charged Off” and all the required values are updated.
Recovery Hierarchy:

In case, the lender wishes to apply the payment in a certain order, we can define that order in the Recovery Hierarchy at the time of set-up.
Once the payment is received, the “Charge off and Recovery” section in the “Economics” tab of the Loan View and “Transactions(Additional A/C)" sub-tab of the “Transactions” tab is updated to show a set of fields including “Charge Off date”, “Total Charge off Amount”, “Total Recovered Amount”, “Total Pending Recovery Amount”, along with the details from different buckets in form of field & values for individual components like “Principal”, “Interest” and “Fees”.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, RecoverPostChargeOff, SystemBehavior, UIElementDescription]
CONTENT:
Note: If there is no Recovery hierarchy, then the “Charge off and Recovery” section in the “Economics” tab of the Loan View and “Transactions(Additional A/C)" sub-tab of the “Transactions” tab would only include “Charge Off date”, “Total Charge off Amount”, “Total Recovered Amount”, “Total Pending Recovery Amount”, along with details of amount from different buckets like “Principal Charged Off”, “Interest Charged Off” and “Interest Charged Off”, but no details of “Pending Principal” and other Pending recovery bucket amounts.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, RecoverPostChargeOff, ValidationRule]
CONTENT:
UI Validations
A table shows UI validations for the Recover Post Charge Off action.
- Payment Date: Min Check is Current Date. Configurable per product.
- Checkbox: is this the last payment for settlement?: Visible when Payment instrument is non-ACH/EFT.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, UnwindLoan, LoanCancellation, HowTo, UIElementDescription, SystemBehavior, ValidationRule]
CONTENT:
13. Unwind Loan
The “Unwind Loan” action accessible from the “Human Gear” icon of the right floating menu provides the ability to unwind (undo) a loan. A loan can be unwound only if there are no payments made to that loan. In case, any successful payment has been reversed, then unwind can be allowed based on what the configuration of AllowUnwindIfAllPaymentReversed is set during the discovery phase.

Steps:
1. If the user selects the “Unwind Fee at Origination” option by clicking on the checkbox available on the action and then clicks on the “Submit” button at the bottom right, along with the loan, the fees will also be canceled. Unwinding does not result in any new funds transfer

transaction. Since funding may be to an account, where LF does not have a debit permission, these need to be handled manually outside the system.
2. If a user does not select the “Unwind Fee at Origination” option and submits, only the loan will be canceled and the fees will not be canceled in the Transactions tab in LMS.

UI Validations
This action is not visible if 1. any substatus flow is not complete 2. Any payment has been applied. Configurable per product.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, TemporaryPaymentPlan, AdHocPayment, PaymentScheduling, HowTo, UIElementDescription]
CONTENT:
14. Temporary Payment Plan (TPP)

This action accessible from the “Human Gear” icon of the right floating menu gives the ability to schedule a different payment plan than what was agreed upon originally with value equal, less or more than the scheduled payment amount and at a same/different loan frequency. Payment collected through TPP ultimately gets settled against the schedule. There are multiple use cases this functionality can be used when lenders want to collect the recurring payments according to the terms negotiated with the borrower.
Setting up Temporary Payment Plan:

Users can select the “Temporary Payment Plan” option accordion on the action menu to set up a plan for the first time. The “Set up Payment Plan” window will open to fill in the details.
“Payment Amount” is a floating point text field, where the User enters the amount agreed by the borrower.
“Select Payment Frequency” - The user can select any frequency from the drop-down list corresponding to this field, a value out of “Daily” / “Weekly” / “Monthly” or any other frequency pre-configured for the product. The frequency of TPP can be different from the original set-up frequency for scheduled payments.
“First Payment Date” - This is a calendar date field, where the user provides the date on which they want to schedule the first payment of the plan.
“Effective End Date” - The date on which the user wants to end the plan.
“Effective Start Date” - This is a calendar date field, where the user provides the date on which they want the plan to get activated & payment can be pulled as per ACH instruction for the first payment date. This field can be auto populated based on the processing days configured for ACH processing.
Once the user clicks on the “Submit” button with the required details, Temporary Payment Plan gets created.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, TemporaryPaymentPlan, HowTo, UIElementDescription]
CONTENT:

Once a TPP is accounted for on the Loan, the “Temporary Payment Plan” action has 2 options: “Modify Payment Plan” and “Terminate Payment Plan” with a plus (+) icon next to them to allow for extension of the fields associated with the option.

Modify Payment Plan:
Once the TPP is active on a loan, users can make some modifications to the plan. Users can change the “Payment Amount” and “Effective End Date” by modifying the values of the corresponding fields from the existing TPP. The User can then click on the “Modify Payment Plan” button to submit and modify the TPP Plan. However, the user can terminate the plan completely & set up a new plan if other parameters are to be changed.

Terminate Payment Plan:
The user can choose to “Terminate Payment Plan” by clicking on the plus icon next to the corresponding option on the “Temporary Payment Plan” action, any time during the period it is active. Once the plan is terminated payments will be processed as per the original amortization schedule.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, TemporaryPaymentPlan, LoanView, LoanTabs, UIElementDescription]
CONTENT:
Overview of TPP status on the loan:
Users can view the details of the active plan, activities like Modifications & Termination can also be tracked from this overview dashboard under the “Temporary Payment Plan” subtab of the “Recovery” tab on the Loan View.[a]
The “Temporary Payment Plan” section on this sub-tab shows different fields in a tabular format with different columns like “Date Modified”, “Effective Start Date”, “First Payment Date”, etc corresponding to different TPPs activated on the loan over time.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, TemporaryPaymentPlan, ValidationRule, SystemBehavior]
CONTENT:
UI Validations
A table shows UI validations for the Temporary Payment Plan action.
- First Payment Date: Only future dates allowed, depends on ACH processing days. Configurable per tenant.
- Effective Start Date: Auto-populates based on ACH processing days. Configurable per tenant.
- Select Payment Frequency: Only frequencies configured for the product are allowed. Configurable per tenant.
- Modify Payment Plan: All fields can be modified before activation. After activation, only Payment Amount & Effective End Date can be modified. Configurable per product.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [Configuration, HolidayConfiguration, PaymentSchedule, SystemBehavior, ConceptExplanation]
CONTENT:
10. Additional System Functionalities
   1. Holiday Configuration

Once a loan is onboarded into the Loan Servicing System, an amortization schedule is automatically generated to outline the expected payment dates for the loan under a perfect payment scenario. This schedule is ideal for instantaneous payments. However, for payment methods such as ACH or EFT, payments can only be received from the borrower's bank account on business days.

If a payment due date falls on a holiday, the system allows for flexibility in handling such scenarios. Specifically, payments can be scheduled to be pulled either on a business day immediately before or after the Original Schedule Date. LendFoundry provides tenants with the option to configure this setting according to their preference as part of the product set-up.

On the user interface, the loan repayment schedule displays two important date fields: "Orig. Schedule Date" and "Adj. Schedule Date." The "Orig. Schedule Date" represents the original due date for the payment. In contrast, the "Adj. Schedule Date" indicates the Date to which the Schedule Date was adjusted to account for the Holiday, in case the original due date coincides with a holiday. This adjustment ensures that payments are processed smoothly while accommodating non-business days.

--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, HolidayConfiguration, TermLoan, AmortizationMethods, DPDCalculation, SystemBehavior, ConceptExplanation]
CONTENT:
Previous Holiday Configuration for Interest-bearing loans

Adjusting the Schedule Date to Before the Original Due Date in case of a Holiday: If a tenant chooses to adjust the Schedule Date to the business Day prior to the Original Schedule Date, they can utilize the "Previous" holiday configuration. Under this configuration, if the original due date falls on a holiday, then the split of the payment Amount for that particular schedule is as per the interest accrued till the Adjusted Schedule Date.

Impact on Amortization

Since the Schedule Date is adjusted to the previous business day, the split between principal and interest gets adjusted based on what is due on the Adjusted Schedule Date. This means that the interest portion will be reduced because the accrual is run for less number of day(s) and thus, the principal portion will be increased, reflecting the revised amortized schedule corresponding to that day and future schedule(s) as well.

Impact on DPD Days

In the "Previous" holiday configuration, the DPD (Days Past Due) counter starts from the Original Schedule Date. This gives a buffer to the borrower to make their payment between the adjusted and original dates if their payment failed.

DPD Start Date Reference - "Original Schedule Date"
--- END SEGMENT ---

--- START SEGMENT ---
TAGS: [Configuration, HolidayConfiguration, TermLoan, AmortizationMethods, DPDCalculation, SystemBehavior, ConceptExplanation]
CONTENT:
Next Holiday Configuration for Interest-bearing loans
Adjusting the Schedule Date to the next Business Day of the Original Due Date in case of a Holiday: If a tenant chooses to adjust the Schedule Date to the next Business Day after the Original Schedule Date, they can utilize the “Next” holiday configuration. Under this configuration, even if the original due date falls on a holiday, the split of the payment Amount for that particular schedule is as per the interest due on the Original Schedule Date only.
Impact on Amortization
In the Next Holiday configuration, the Schedule Date is adjusted to the next business day in case the Original Schedule Date falls on a holiday. However, the split remains as per the Original Schedule Date only.
Impact on DPD Days
In the “Next” Holiday Configuration, the DPD (Days Past Due) counter starts from the Adjusted Schedule Date, and not the Original Schedule Date.

DPD Start Date Reference - “Adjusted Schedule Date”
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, HolidayConfiguration, MCA, AmortizationMethods, SystemBehavior, ConceptExplanation]
CONTENT:
Impact on Amortization for MCA
Since the Schedule Date is adjusted to the previous business day or next business day due to holiday on the original schedule date(Previous holiday/next holiday configuration respectively), the adjusted schedule date will be on the previous business day/next business day. However as it is MCA loans so no changes in the amortization calculation (split in Principal and Finance Charge remains the same), instead it shifts the original payment schedule date to previous business day/next business day according to the holiday configuration. If any ad-hoc holiday is added post onboarding, the Maturity date will change.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, CalendarConfiguration, HolidayConfiguration, HowTo, UIElementDescription, SystemBehavior]
CONTENT:
2. Calendar Update

Using the below option on the left pane, the back-office user can see the list of holidays. He can also add a new holiday or remove any existing one. Any change to the holiday calendar will update the repayment schedules of existing loans at the end of the day. Also, any loans that are onboarded after this change, will have schedules considering this change.

On clicking the "Calendar" option from the left pane, a new screen will appear, with a date input box towards the left and 2 buttons towards the right named "Search" and "Add New Holiday".

Search for Holidays
Select the month and year to search for the holidays (the date by default is considered as 1st of the month), and the system will populate the list of holidays with Date, Day, and Updated On. For the holidays already configured will show the date as N/A.

Add a new Holiday
Users can use the “Add New Holiday” button to add new holidays.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, CalendarConfiguration, HolidayConfiguration, ValidationRule]
CONTENT:
Some of the validation while adding holidays are:

* A holiday cannot be added retrospectively. Only a future date can be added as a holiday.
* A holiday cannot be added on days falling on the weekend.
* Any existing holiday cannot be added again.

Once the holiday is successfully added the system gives a success message: “Holiday Added Successfully”. These new holidays will be listed in particular Month and Year with an updated date.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, CalendarConfiguration, HolidayConfiguration, HowTo, UIElementDescription, ValidationRule]
CONTENT:
Remove a Holiday
Once the user wants to remove the added/configured holiday from the list, they can tick the checkbox of the holiday that needs to be removed and click on the “Delete” button. It will get deleted by giving a success message “Holiday Removed Successfully”.

The removed holiday will be greyed out as shown below.

Only an existing holiday for a future date can be removed.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, HolidayConfiguration, SystemBehavior, ConceptExplanation]
CONTENT:
Holiday Change in “Next” holiday config
If a new holiday is added manually and it coincides with a Payment Due Date (i.e. the Original Schedule Date), the Schedule Date is shifted (adjusted) to the next business day in the “Next” Holiday configuration.

Example:-
- Original Schedule Date: Monday, 30th September 2024
Now, if a new holiday is added for Monday, 30th September 2024, the Schedule Date is shifted to the next business Day, i.e. Tuesday, 1st October 2024. Since there is no change in splits, the loan in this case doesn't get amortized.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, HolidayConfiguration, SystemBehavior, ConceptExplanation]
CONTENT:
Holiday Change in "Previous" holiday config
If a new holiday is added manually and it coincides with a Payment Due Date (i.e. the Original Schedule Date), the Schedule Date is shifted (adjusted) to the next business day in the "Next" Holiday configuration.
Example:-
- Original Schedule Date: Monday, 30th September 2024
Now, if a new holiday is added for Monday, 30th September 2024, the Schedule Date is shifted to the next business Day, i.e. Tuesday, 1st October 2024. Since there is no change in splits, the loan in this case doesn't get amortized.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, BankDetails, OnboardingProcess, LoanManagementAction, UpdatePaymentInstrument, ConceptExplanation]
CONTENT:
3. Different Accounts for Repayments and Disbursement
At Borrower level
The borrower can choose to have different accounts for repayments and disbursement. In such a case, the lender can pass different accounts during onboarding of the loan to LMS. There is a field "Account Category" at the instrument level in the onboarding API which can be set to "Repayments" or "Disbursement" as required. Once the loan is onboarded, these details are visible on the loan view page in the Loan Information -> Disbursement/Repayment Details sub-tab as shown in the below image. Here, the instruments are grouped by the Account Category. And if under the same category, we have multiple instruments, those are separated by thin lines as shown below. At any time in the life of the loan, the repayment instrument can be updated using the "Update Payment Instrument/Bank Details" action menu.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [Configuration, BankDetails, TenantSetup, ConceptExplanation]
CONTENT:
At Lender level
The lender can also choose to have multiple accounts for disbursing the funds and for collecting repayments. In such a case, different accounts can be set up in the LMS configuration during the tenant set-up.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [MoneyMovement, ACHProcessing, DebitCardProcessing, FileUpload, ConceptExplanation]
CONTENT:
4. Money Movement
The LF system can create the disbursement(loans where auto-funded is ON) or repayment file(loan where auto-pay is ON) in the following ways:
Generate ACH file in prescribed ACH format
LF has the ability to automatically handle the creation of ACH instruction, using standard ACH format; other formats can also be created upon request as a custom service. However, these need to be transmitted using a partner bank, typically the lender's banker. Instructions can be created for a credit or debit transaction, meaning can be used to send money or receive money for a loan. When an instruction is created it is put on the bank's SFTP location, which the bank then reads and initiates payments.

Generate Debit card file in prescribed format
LF has the ability to automatically handle the creation of future debit card payments, which need to be transmitted using a payment service provider, typically selected by the lender. For each loan, where we have a registered debit card as a primary instrument, we are able to create batch files in the prescribed format. When a tenant has an LF LOS and LF LMS, the intake of a tokenized debit card is handled exclusively in the LOS at this time. If a debit card provider is not configured then this option needs to be disabled in the UI.

Flat file
When there is no direct integration with the lender's bank, LF can create a file which lists all loans for which money is to be sent or collected (funding or repayments). There is a separate file generated for disbursement and a separate file created for re-payments. The repayment file will help the tenant keep a track of how many loans were expecting a payment on a given day and how many loans get funded in terms of volume and value.  This file is an excel file and can be made available to the tenant on the shared SFTP location.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [PaymentProcessing, BulkPayment, FileUpload, CSVFormat, HowTo, UIElementDescription, SystemBehavior]
CONTENT:
5. Bulk Payment
This feature allows tenants to upload the bulk payment file for the following use cases:
* Initiate Payments (Pull and process payments and send them to the payment provider for processing)
* Record Payments (Record the payments that have already happened outside of the system)

Users can choose the above through the Payments Filter(shown below). Users can also access the sample file using the "DOWNLOAD SAMPLE CSV" button. Once the file is uploaded, it has to be validated using the "VALIDATE AND PROCEED" button.

If the upload file has incorrect data, the system shows the validation message and generates an Error file which mentions all the errors related to the uploaded file. It also shows all the history for the uploaded files.
Payments can be added retrospectively, with a “Cash” Payment Instrument or any instrument that’s configured for you and using the following payment hierarchies - Schedule, Default, and Custom.
In all other hierarchies, only the payment amount is required and the split of the amount happens automatically according to the hierarchy but in Custom the user needs to provide the split also which when added should be equal to the payment amount.
The file can include record(s) to initiate a payment as well. The system supports auto-pay instruments such as ACH, debit cards, EFT etc(as per the tenant configured instrument) for initiating payments. Payment should be initiated after the “Cut Off Date” for creating payment files. Please see the screenshot below. Once the file starts processing, the status of the payment is shown as below for each of the record(s).
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [PaymentProcessing, PaymentFailureHandling, TransactionReversal, SystemBehavior, ConceptExplanation]
CONTENT:
6. Payment Failures
Each Payment is associated with Loan ID, InternalReferenceNumber and InternalReferenceID. The latter two are system generated and are a unique combination to identify a payment in LF. If there is a payment failure for any loan, LF expects these to be available in a file on an SFTP. Files can be placed by the tenant or by a payment service provider. Files can be in standard ACH format or in relevant agreed upon format from the service provider. All Files must contain a unique payment identifier, reject reason code and description. This file for failed payment needs to be uploaded to a configured SFTP location. The file will be picked up for parsing at a configured time of the day. The LF system will read the failure file and publish a failure event on such loans that have a failed payment. The payments will be reversed in LMS and such loans can now also be seen in the “Failed Payments” filter.
If there have been subsequent payments, which are marked as successful, then the system will locate the payment, reverse any subsequent payments and fail the relevant payment with exact failure codes and reasons. Once done the subsequent successful payments will be reapplied on the same loan. As a result, often loans (where APR is >0%) will have an additional interest due, which needs to be paid by the borrower. Automatic reversal of failed payments is presently unavailable on loans where the failed payment belongs to a schedule from a prior version, where the current version is after a modification or restructuring.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [PaymentProcessing, PaymentFailureHandling, LoanManagementAction, MakePayment, SelfService, HowTo]
CONTENT:
1. Manual Payments Needed

In such cases a customer service rep will need to follow up on such loans. If there is repayment on such a loan, before the next payment due date, then Business User will need to manually go to the loan and use the “Make Payment” action, using the appropriate payment hierarchy. The same can also be achieved using the Make Payment API. The API details can be shared on request.
Alternatively, if the Payment via LF Borrower Portal is enabled the Borrower can initiate a payment for the overdue amount.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [PaymentProcessing, PaymentFailureHandling, DelinquencyManagement, DPDCalculation, SystemBehavior, FeeApplication, ReattemptReport]
CONTENT:
2. Missed Payment/Failed Payment Handling
When a payment is failed, the user is alerted by the respective event in the Inbox. On such a loan, the DPD count will start as soon as the payment fails.  Such loan(s) will be housed in the respective DPD filter. Also, the Current Outstanding section in the Economics tab for that loan will be updated. If this is a “Standard” failure which allows us to resubmit the payments to the same account such as a NSF(Insufficient Funds) failure on the payment, then the system will automatically retry the failed payment as per the product parameter set. However, for all other failure codes, the back office user will be given an option to manually submit that payment again by clicking the “Resubmit” button against that payment in the Payment History tab.
If it is an MCA loan, then the repayment schedule will get updated depending upon the configuration set while setting up the MCA product.  The configuration will define if the missed payment amount should be added to the next payment schedule or the entire schedule should be shifted by the number of missed payments, or the missed payment amount should be recovered at the end. For Interest-bearing loans with equal installment payments, Additional Interest will be calculated from the date of failure and Interest outstanding will also be updated. For interest-only payment loans, there is no impact in terms of additional interest, unless it is the last balloon payment that failed. Late fees, if configured for the Tenant, will be automatically applied as per the rule set by the Tenant. If needed, the user can also assess fees manually on such loans upon failure of a payment. These fees will get added to the outstanding balance and need to be cleared to be able to pay off the loan completely.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, Tagging, RiskManagement, FirstPaymentDefault, HowTo, UIElementDescription, AuditTrail]
CONTENT:
7. Tagging a loan
The system allows the lenders to tag loans based on specific criteria. These tags can be applied either manually or automatically, depending on rules like Days Past Due (DPD) or First Payment Default, which will be configurable by the tenant.

To support this, we have an action menu,”Apply/Remove Tag” to enable back-office users to apply tags manually. Additionally, the system is also capable of automatically applying or removing tags based on specific events.

Currently, the following tags are configured in the system:
* Performing
* Non-Performing
* Non-Accrual
* Anticipated Loss
* Realized Loss
* First Payment Default
In the future, we may add new tags as needed based on requirements.

Screenshot of the action menu:
The configured tags appear like below and the user can choose to apply the tag from this list. In order to remove the tags, the applied tags are shown below with an option to remove them using a cross (x) icon.
Based on tags application and removal, the corresponding activity is logged in the Activity List. When a tag is applied, the head is "Tagging Applied" and the text reads "Tags applied {{Tag text}} by {{UserName}}". Likewise, when tag is removed, the heading reads "Tagging Removed" and the text reads "Tags removed {{Tag Text}} by {{UserName}}"
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, CollateralManagement, SecuredLoan, HowTo, UIElementDescription]
CONTENT:
8. Adding Collateral
Secured loans are generally backed up by Collateral. Collateral can be of any type. In Lendfoundry we support adding a collateral to a loan via API/UI. Adding  a collateral via UI is described below using the screenshots.
To add them, navigate to the "Collateral" or “Asset Information” tab, where you will find the "Add Summary" and “Add Collateral" buttons to add the collateral summary and the collateral details respectively.

Add Summary: When the user clicks the "ADD SUMMARY" button, the pop window open up, allowing users to add fields such as Collateral Type, Collateral Description, First Name, Last Name, Address details etc.  After updating the required details and submitting, the “Summary” will be added to the Collateral Details.

Edit Summary: Summary can be edited using the edit icon. After making the necessary changes, the user can either submit or close the pop-up. Upon submission, the edited details will be updated in the Collateral Summary Details.
Add Collateral: The user can add collateral details using the "ADD COLLATERAL" button that allows the user to select a category of collateral and add details pertaining to that.

In this "Select Category" section, choose a category to add. Once selected, all fields related to that category will be displayed. Once the required fields are updated and submitted, the added Collateral category will be displayed in the same tab. We can also add collateral of multiple categories to a loan.
Edit Collateral Category:
Each Collateral Category has an edit icon to modify the details. When the user clicks the edit icon, a page as shown below is opened up for editing. After making the necessary changes, the user can either submit or close the pop-up. Upon submission, the edited details will be updated.
Note: The collateral categories and details for each category of collateral are configured and would be discussed with the product team during discovery.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [FeatureType, InterestRateManagement, IndexManagement, TermLoan, CRERoan, ConstructionLoan, HowTo, UIElementDescription, SystemBehavior, Backdating]
CONTENT:
9. Variable Interest Rate
The long-term, big-ticket sized loans such as home loans, or construction loans, where the interest rate is usually variable meaning it is based on indexes such as LIBOR/Prime Rate, etc. in the US market. Interest Rate is calculated using spread and index. The index changes are tracked on a given periodicity and hence, the interest rate is also changed. The loan now starts accruing at a different interest rate. The payment amount also changes depending on the remaining tenure and the new interest rate.
The list of all indexes as per the tenant’s geography and the respective refresh frequency at which the index value is expected to be updated would be set at the tenant level.
Within a tenant specific setups will be done for the following values. These act as product defaults and can be overridden at the loan level
Product level configurations:
1. Index Source - This is typically the 3rd party from where the index is taken For example, WSJ Prime, LIBOR etc.
2. Index Value - The value of the index(in %)
3. Index Spread - This is the rate that the lender wishes to add to the Index Value for calculating the interest rate charged to the borrower(in %)
4. Default floor and cap(min/max value) for borrower rate
The above can be overridden at a loan level as well. The loan initial schedule is created based on the parameters passed during onboarding.
Post that, the back office user can update the index using a an action “Index Management” in the left pane and Update index option.Once we click on the “list plus” icon filter, “Add Index” window pops up. Users can select the Index Type , update the value and add effective from details.
5. Effective From, by default, is the same as the current date. Effective Date is optional and should be entered in case of backdating of index update. This usually happens when the index update is known at a later date.
6. The current value of the index is visible in the “Value” field based on the index source selected by the user.

3. Once the index value is updated, it has an impact till the end of the loan tenure or until a new update to the index has been made(whichever is earlier).
4. History of index changes is maintained and displayed as shown in the above UI
5. The actual rate update on the loans happens during either of the following events:
   1. On the schedule date which is on or after the Index Update Date
   2. Tier change(in case of Flexi schedules) which falls on or after the Index Update Date
6. The  fields added at the loan level include Index Type, Index values in DB, Onboarded Index value, Spread Value, Index Rate Change Frequency, Next Index Rate Change Date, Last Index Rate Change Date, Reprice At, Floor, Ceiling.
7. If the loan is onboarded with a different index value than what is set up at the tenant level index rate, the loan onboarded value will be considered, and only on the next reprice event, the tenant-level index value will take effect.
8. Each time the rate changes, the daily rate of interest accrual changes on the next schedule date or next tier date(as per the configuration in 5a or 5b) after the effective date, and the system automatically starts accruing at that new rate on the Principal o/s as of that date.
9. Backdating Index Update:
   1. We allow backdating of an index by passing an Effective Date which can be of a past date. But this should be within x days of the current date - x is configurable as per the tenant.
   2. For backdated index updates for loans where payment is in progress, we adjust the interest amount with the next to next schedule. However, the interest rate change will be applicable from the schedule date or next tier date after the effective date.
   3. The system will re-run the accrual on the new rate as per the required date to match the scheduled interest with the accrued interest.
10. On rate change, the allocation to Principal and Interest changes. The payment amount also changes from the following schedule.
11. For Interest-only loans, the payment amount(interest-only schedules) would change when the rate changes.
12. Restructuring/modification modules also support this.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [FeatureType, InterestRateManagement, PenalInterestRate, DefaultInterestRate, DelinquencyManagement, SystemBehavior, ConceptExplanation]
CONTENT:
10. Penal/Default Interest Rate
When a loan defaults, the lender may want to charge a higher interest rate to the borrower. In such cases, the lender can choose to apply Penal/default Interest as soon as the loan goes delinquent. To achieve this, we have two parameters at the product level which can be overridden at the loan level as well:
1. Base - This can be the base at which default interest will accrue. This can be total principal outstanding, missed principal interest (default value) or the complete missed installment amount as well.
2. Spread - This is the value (in %) that is added to the onboarded interest rate to get a higher value.

This interest is stored in the Additional Interest bucket which is also part of the Payment Hierarchies.

Also we have one field “Current Rate” in the Economics and Loan Details tab which shows the current interest rate for the loan. “Current Rate” field might be different from the original interest rate if the loan is in delinquent.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [FeatureType, ScheduleManagement, InterestOnlySchedule, EquatedInstallmentSchedule, FlexibleSchedule, HybridSchedule, ConceptExplanation]
CONTENT:
11. Types of Schedules for Interest-bearing loans
    1. Types of Schedules

Interest-only schedules
A loan with this repayment schedule, where during the term we collect interest only and the last payment is a balloon payment to cover all principal and interest accrued.
Equated Installment Schedules
A loan with this repayment schedule has periodic payments of the same amount that are towards principal and interest on a reducing principal balance theory.
Flexible(hybrid) schedules
Typically, in CRE loans, the lender might choose to give a flexible payment plan to the borrowers. This can include an interest-only schedule followed by a fixed payment schedule. The lender can also offer combinations such as interest-only followed by balloon etc. Hence, in LMS, we support the onboarding of loans that have this type of hybrid schedule, create amortization based on this data, and also maintain the same in different scenarios.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [FeatureType, ScheduleManagement, FlexibleSchedule, HybridSchedule, OnboardingProcess, APIFunctionality, InterestRateManagement, ConceptExplanation]
CONTENT:
LMS gets information on flexible schedules during the onboarding of a loan. We have different “Tiers” in the onboarding API and each of these tiers contains the below fields. There can be multiple such tiers in any loan based on the requirement.
* Payment Start Date - the first schedule date in the tier
* Number of Payments - number of payments in the tier
* Schedule Type - this can contain any of the following
  * Fixed Payment
  * Interest Only
* Payment Amount -
  * if “Schedule Type” is “Interest Only”, then Not Applicable
  * if “Schedule Type” is “Fixed Payment”, then this is optional if this tier is the last one. If not passed, then the system calculates. If this is not the last tier, then the amount needs to be passed here.

* Interest Rate Type (Variable/Fixed) - If this is “Variable”, then the interest rate is calculated based on the “Spread” and “Index”(as defined below). If this is “Fixed”, then the interest rate is the same as what is being passed in the Interest Rate field below.
* Interest Rate - is the Interest Rate in case of “Fixed” interest rate type. In the case of the “Variable” type, this is NA because the system only calculates.
* Index - this has to be one of the configured values for the Index
* Index Value- this is added to the spread to get the interest rate for “Variable” tiers.
* Spread - this will be added to the Index to get the interest rate for “Variable” tiers.
* Reprice at - this field is applicable only when “Interest Rate Type” is “Variable” and can contain any one of the following values:
  * At the beginning of the Tier period: this means the system will take the latest index value at the beginning of the tier and will update the rate from the beginning of the Tier. The “Reprice on” date will be this date then.
  * Schedule Date: This means the system will check for the latest index value on each schedule date irrespective of the tier and will update the rate from the beginning of the schedule. The “Reprice on” date will be this date then.

Note: The last Payment in such hybrid schedules is adjusted to accommodate the remaining Principal and Interest.
If the first tier is “interest only” then the tenure is the same as the total number of payments passed in the API. In this case, the first tier is “fixed payment” and the broken period is set as “Separate” then the tenure is the number of payments+1.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, ModifyLoan, RestructurePayments, FlexibleSchedule, HybridSchedule, InterestToRecover, ConceptExplanation, Definition]
CONTENT:
2. Loan Modification/Restructuring of flexible schedule loans
While modifying the loan, if the loan has onboarded with tiers, then the tier(s) information will be shown in the Modification/Restructure screen, otherwise the system will continue to show the existing modification/Restructure screen(as explained here and here).
We allow a user to add or edit the payment tier(s) information and based on these details a new schedule version is created. More details are listed below.

What is ITR?
How does one recover the prior interest?
Prior to modification or restructuring, any accrued and unpaid interest is referred to as Interest to Recover(ITR). The following options to recover the same are supported in the system:
1. Distributed: ITR gets distributed across the total # of payments
2. Custom: ITR gets distributed across the custom # of payments(entered on the UI)
3. On First Schedule: ITR gets recovered with the first schedule
4. On Last Schedule: ITR gets recovered with the last schedule
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [LoanManagementAction, ModifyLoan, FlexibleSchedule, HybridSchedule, HowTo, UIElementDescription]
CONTENT:
Loan Modification for Flexible Schedule Loans
* You can edit payment tier information, # of payments, Schedule Type, Payment Amount, Rate Type, and Interest Rate.
* If the Rate Type is “Variable” then we will display Index, Index Value, Spread, Reprice At, and Index Frequency. All these fields will be editable and the Interest rate will be the sum of spread and index value.
* If "Schedule Type" is Equated Monthly installment, then the "Schedule amount" field will be editable.
* If "Schedule Type" is Interest only followed by Balloon payment for any tier then the "Schedule amount" field will not be visible on UI.
* Only active and upcoming tier information will be shown in the modification.
* A user can also add a new tier.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, RestructurePayments, FlexibleSchedule, HybridSchedule, HowTo, UIElementDescription]
CONTENT:
Loan Restructuring for Flexible Schedule Loans
* We allow you to edit payment tier information, # of payments, Schedule Type, Payment Amount, and Rate Type.
* If "Schedule Type" is Equated Monthly installment and the tier is the current tier then the "Schedule amount" field will be editable.
* If "Schedule Type" is Interest only followed by Balloon payment for any tier then the "Schedule amount" field will not be visible on UI.
* Only active and upcoming tier information will be shown.
* A user can also add a new tier.
Note: For illustrations and samples, please contact the LF product team.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [APIFunctionality, LOS_Integration, SelfService, DrawManagement, RiskManagement, ConceptExplanation]
CONTENT:
11. Role of APIs in LOS-LMS set-up
In the case of Tenants who have LF’s LOS and LMS, we can provide a seamless solution. In the case of Tenants who have stand-alone LF LMS, there is sometimes a need to interact with the LOS (non-LF or LF), APIs can be provided for onboarding the loans, sharing loan data, providing the latest economics, etc. These will be detailed and provided as a part of the setup. For example,
* Onboarding of Loans from LOS to LMS: When the decision to Fund the application is taken on LOS the loan is onboarded to LMS via onboarding API.

* Borrower Portal: Latest details of the loan such as transactions, upcoming payment details, schedule details, etc., can be published on the borrower portal via LMS APIs. The borrower can also initiate payment from the portal which calls the payment API in the back-end.
* Additional Draws: When a Tenant has a LOC type of product, their underwriter can make additional funding decisions, which can result in the creation of new repayment schedules. This workflow needs to be configured in the LOS. Once a decision has been made in the LOS, the Draw API is used to create a funding request for such a draw and results in the onboarding of this additional amount into the LMS in the same loan account's line of credit. When this workflow is being configured, validations are typically put in place to ensure that the Credit Limit amount is not exceeded.
* Loan Economics Data: As a part of the underwriting, the loan economics of the existing borrower is shared with LOS. This can be done by searching for that borrower id in the LMS UI and navigating to the "Borrower Loans" tab in the top tabs section of any loan for the borrower or using the borrower search API. This API  provides the DPD count for all loans of that borrower including outstanding balances.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, MCA, ReducingBalanceMCA, AmortizationMethods, CalculationMethod, ConceptExplanation]
CONTENT:
12. Additional Product-specific features
Certain features are specific to certain types of financial products. These are as follows:
    1. Merchant Cash Advance(MCA)
        1. MCA with reducing balance

MCA with reducing balance is an additional extension of the MCA product where the amortization schedule allocates finance charge for each payment in a way that the portion of payment to finance charge reduces with each payment as the principal portion increases. This computation is done using an Interest Allocation Percentage which uses a derived rate as explained below. Rest all the features after creation of  payment schedule generation will follow the same as normal MCA product i.e. due generation based on schedule, repayment and allocation to schedule. Interest allocation percentage can be viewed in LMS by downloading payment schedules in excel or pdf format.
Calculation for Interest Allocation in a schedule
1. Compute Payment Interest Rate
* Calculate for the rate for the period
* Inputs:
  * Payments Per Year : No of payments/schedules e.g. 249
  * Scheduled Payment : Payment amount for each schedule e.g. 235.26
  * Loan Amount : Total of Principal and fees (origination fee and processing fees if fees are marked as "Amortised" in fee configuration. E.g. 50500
* Excel Formula = RATE(PaymentsPerYear,-ScheduledPayment,LoanAmount)

2. Compute interest portion of the schedule
* Interest in Nth schedule = Ending Principal * Payment interest rate

Note: For first schedule Ending principal = Loan Amount
* Principal = Schedule payment - Interest
* Go on reducing the ending principal by the principal
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, MCA, LoanManagementAction, RestructurePayments, ModifyLoan, SystemBehavior]
CONTENT:
Notes:
Loan Restructuring on MCA : Upon restructuring, a new payment schedule should be plotted carrying forward the older schedule. It can be used for Payment frequency change (weekly to daily and vice versa) and Payment date change. We can also change the Payment Amount by changing the Number of  schedules. As of now Loan Modification is not allowed for MCA.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, MCA, RenewedLoans, Settlement, DiscountManagement, APIFunctionality, LOS_Integration, ConceptExplanation]
CONTENT:
2. MCA Renewals
In a Merchant Cash Advance, loan renewal refers to the process of providing additional funding or extending financing to a merchant who has an existing MCA agreement. Essentially, it allows the borrower to secure new funding by “renewing” or rolling over part or all of their remaining balance from the current MCA advance into a new MCA agreement.

The renewal application is submitted from the origination system. The LOS uses the LMS API(s) to retrieve loan details and the payment performance of the parent loan. Based on this, the LOS executes several eligibility rules(as per the client) for the renewal application.

Once the eligibility criteria are met, the application moves through various status in LOS and finally moves to the “Funded” status. Here, the parent loan is paid-off and the renewal loan is onboarded to the LMS.
In the LMS onboarding API, the following fields are submitted for renewals:
* BorrowerId: This unique identifier is assigned to the borrower in the LMS. It links the renewal application to the specific borrower in the system and is used to retrieve borrower-related information.
* SettlementIntAmount:  This is the amount of outstanding interest on the parent loan that will be settled. (The field is passed in Customfields in onboarding api)
* SettlementPrnAmount: This is the amount of outstanding principal on the parent loan that will be settled. (The field is passed in Customfields in onboarding api)
* LoanType: "Renewal" This field indicates that the loan is a renewal type of loan. It helps the LMS recognize the loan type as a renewal rather than a new loan.
* FundedAmount: This is the total amount funded to the borrower as part of the renewal loan.
* FactorRate: The factor rate is a multiplier applied to the funded amount to calculate the total repayment amount.

* SequenceNumber:This sequence number represents the iteration of the loan renewal i.e. The number of times a loan is renewed
* SettlementAmount: This is the total amount used to settle the parent loan, which includes the sum of the principal and interest owed. It clears the remaining balance of the parent loan as part of the renewal process. SettlementAmount should be always greater or equal to the outstanding amount in the parent loan.
* SettlementDiscount: This is the discount applied to the settlement amount as an incentive for the borrower to renew. It reduces the borrower's payoff amount on the parent loan, usually by discounting the interest owed.
* ParentApplicationNumber: This is the application number for the original (parent) loan that is being renewed. It links the renewal loan back to the initial loan in the system, allowing the LMS to apply the settlement, handle outstanding balances, and track the renewal history.
On the LMS, the parent loan is paid off using the settlement amount, and the new renewal loan is onboarded. Proper transactions are created on both the loans. The new loan number for the renewal is generated using the sequence number in the format {{loan number}}_RXX.

The settlement discount is determined based on specific eligibility criteria, including the percentage paid down and the Days Past Due (DPD) count. Discount is optional and the rules can vary from client to client. If the outstanding balance is less than the settlement amount, any surplus funds are allocated to the excess amount in the parent loan.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, SCF, InvoiceFinancing, LimitManagement, FIFO, LoanManagementAction, MakeBorrowerPayment, APIFunctionality, ConceptExplanation]
CONTENT:
1. Supply Chain Financing(SCF)
In the case of SCF, each invoice will be onboarded as a new loan into the LMS. Invoice details are provided at the time of Onboarding for each invoice. Invoice is onboarded into the LMS only after a decision to fund has been made, outside the LMS. Limits are displayed for all SCF loans of a borrower. In addition to the "Make Payment" action, in the case of SCF loans, we have the following functionalities to complete the loop:
Funding new invoices
Based on a borrower's limit an underwriter may choose to approve funding of additional invoices. Once funded, these invoices can be onboarded into the LF LMS, using the same onboarding API as the first-time onboarding, except with new invoice details. At present, LMS does not perform any validations to check whether the limit is exceeded or not, since funding has already occurred.
FIFO-based payments
To accommodate FIFO-based payments towards multiple invoices, every loan in LMS has a "Make Borrower Payment" action available. Whenever a payment is received from a borrower to cover multiple SCF loans, for the same borrower, this action can be used to pay outstanding balances. For all SCF loans, when a bulk payment is received, the system will clear the past due amount on the oldest loan first, if a surplus remains then the second oldest loan's past due amount followed by subsequent loans. Once the past due amount for all loans of that borrower

is cleared, the surplus amount is used to clear total outstanding balances in the same FIFO order. Please note that this action is available on all loan types and not SCF. However, it needs to be used with caution as applicability and testing has been restricted to SCF loans only for the time being.

Update Borrower Information

Once the loan(s) of the borrower are onboarded to LMS, the back office user can edit some information such as Phone Number, Address, and email ID by clicking on the edit icon on the Personal Information ribbon in the Business details tab. This change can be applied to that loan or to all the loans of that borrower. A corresponding API also exists for this functionality. This will be recorded in the Activity List and all other related functionalities will work as expected.

--- END SEGMENT ---

--- START SEGMENT ---

TAGS: [AssetClassSupport, LOC, RevolvingLOC, NonRevolvingLOC, FixedTermLOC, OpenTermLOC, ConceptExplanation, Definition]

CONTENT:

2. Line of Credit(LOC)

Types of LOCs

There are broadly 2 types of LOCs:

1. Revolving – In a revolving LOC, the amount available to make additional draws (or funding) will be replenished based on the payments. Also, the loan doesn't get paid off before maturity even if all outstanding is cleared.
2. Non-revolving – In a non-revolving LOC, the available amount for making additional draws (funding) isn't replenished based on the payments. Also, the loan gets paid off once the outstanding becomes 0.

Tenures in a LOC

A LOC can have either a "Fixed" term or an "Open" term:

1. Fixed Term: Here, the Maturity Date remains the same even after multiple draws
2. Open Term: Here, the Maturity Date keeps increasing with each draw

--- END SEGMENT ---

--- START SEGMENT ---

TAGS: [AssetClassSupport, LOC, LOCStatusManagement, SystemBehavior, APIFunctionality, ConceptExplanation]

CONTENT:

LOC Status

A table describes LOC Statuses and their relationship to Loan Status and available APIs.

- Loan in Service / Active: Can be suspended via "Suspend LOC" API. No new draws allowed.
- Loan in Service / Active: Can be activated via "Activate LOC" API (after suspension).
- Loan in Service / Active: Can be canceled via "Cancel LOC" API. Cannot be reactivated.
- Loan in Service / Suspended: Can be reactivated via "Activate LOC" API.
- Loan in Service / Any: LOC can be automatically closed based on "Valid till Date" from LOS.

--- END SEGSEMNT ---

--- START SEGMENT ---

TAGS: [AssetClassSupport, LOC, DrawManagement, HowTo, APIFunctionality, UIElementDescription]

CONTENT:
Additional Funding/Draw Flow
1. A draw can be initiated in LMS through the “Initiate Draw” action in the Action List on the right side of the loan view page. Alternatively, it can be recorded in LMS via the Initiate Draw API. “Requested Date” and “Requested Amount” are mandatory fields.
2. If the user checks the “AutoFunded” checkbox, then LMS will create the disbursement instruction. The disbursement instruction is created soon after this action is completed, but the disbursement file is generated by the usual disbursement task and has a date that is based on the approval date (considering cut-off time) + payment processing days(considering holidays). On this date, the file moves to the client shared location and this is also the date which is considered as the Funded Date.
3. If the “AutoFunded” flag is false, then the system assumes that the disbursement has already happened.
The status of the draw is “Verification” at this point. This can be seen in the Draw Request tab. A draw can be deleted in this status using the Delete link.
1. When the draw is initiated from an upstream LOS, then the draw cannot be deleted.
4. The draw can now be approved using the Approve Draw action menu.
2. “Requested Date” and “Requested Amount” will be pre-filled based on what was entered during the Initiate Draw. Approved Amount is a mandatory field.
3. The status for the draw will be “Approved” now. The caller then has to call Funding Request API and pass the Funded Date so that the same can be updated in LMS (to start accrual on the draw).
4. The accrual process and re-amortization should start from the date the draw status got changed to “Funded”.
5. The draw can be rejected using the Reject Draw action menu. Reject Reason is mandatory. Upon completion of this, the status of the draw is Rejected and the same can be seen in the Draw Request tab.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, LOC, DrawManagement, FeeApplication, APIFunctionality, HowTo]
CONTENT:
Notes:
1. Fees: If the lender wishes to apply a fee during the draw process, it can do it in 2 ways:
1. Let us know the fees name and amount - we can have it pre-configured and the system can apply the fees automatically once the draw is approved.
2. If the fee amount can vary and/or does not apply to all draws, then it can use the existing “Apply Fee” action to apply the fee manually.
3. We can also pass the fee in the Initiate Draw API. While funding the draw that amount will be deducted from Approved Amount (Funded Amount = Approved Amount - Fees(in InitiateDraw)).
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, LOC, DrawManagement, ConceptExplanation]
CONTENT:

Draw Status
A table describes the status of a Draw, its details, and available actions.
- Verification: User has created a draw request. Actions: Delete, Approve Draw, Reject Draw.
- Deleted: User has deleted the draw request. No actions.
- Rejected: The draw request is rejected. No actions.
- Approved: The draw request is approved. No actions.
- Funded: Draw is funded. No actions.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, CRERoan, ConstructionLoan, LoanManagementAction, EscrowManagement, EscrowAccount, ConceptExplanation, Definition]
CONTENT:
1. Construction/CRE Loans
5. Escrow Accounts
Definition and Concept
For CRE/construction loans, multiple escrow accounts can be linked with the loan. Lenders typically use these to make property tax and insurance payments on behalf of the borrower. LMS can add multiple escrow accounts to any loan account during onboarding or even at a later stage.
Types of Escrow Accounts - Property Tax, Insurance, and Holdbacks for CRE loans; Interest Reserve for Construction loans. Each escrow account can have sub-types as well.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EscrowManagement, EscrowReplenishment, HowTo, UIElementDescription]
CONTENT:
Escrow Replenishment
An escrow account can be manually replenished or automatically replenished via scheduled repayments.
Auto- Replenishment
Escrows that have “Schedule Replenishment” as true, are replenished via auto-payments. There are dedicated tasks in LMS that take care of assessing the escrow(increasing the o/s on the escrow so that the payment can go towards this o/s escrow amount) and replenishing the escrow.

Manual Replenishment
If the user wants to replenish the escrow manually, then she needs to first assess the amount using the “Assess Escrow” action in the Action List. The user has to select the desired Escrow category and fill in the amount. She can then use the “Replenish Escrow” action to replenish the escrow.

“Selected Category” - The user can select the category from the drop-down
“Fee Amount” - The amount that the user wants to assess before replenishment

Once the user submits the required fields, then the amount is added to the “Assessed Amount” bucket.
Direct Replenishment from other Escrow Accounts/borrower
The “Replenishment Escrow” action is used to manually replenish an escrow from the borrower or from another type of escrow.

“Replenish From” - The source escrow account from which the replenishment should happen. The user can select any of the configured escrow types or select “Borrower” if the replenishment has happened directly from the borrower.
“Replenish To” - The user can select the destination account to which the funds need to be added.
“Fee Amount” - The amount to be replenished.
On click of the SUBMIT button, the destination account will be replenished and the balance in the source account will be reduced.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EscrowManagement, EscrowWithdrawal, HowTo, UIElementDescription]
CONTENT:
Escrow Withdrawal/Disbursement
At any point in time, if the lender wishes to pay the taxes or insurance from the escrow, she can use the “Make Payments from Escrow” action from the Action List on the right pane to withdraw the funds. This will increase the “Total Withdrawal Amount” value and reduce the “Available Balance” of that escrow.

1. Payment From - The user can select the escrow-type from dropdown from which the payment needs to be made
2. Payment Towards - dropdown of configured escrow account types + Refund Excess(for a refund to the borrower) + Loan(used for applying payments towards loan)
3. Available Balance - Current balance of escrow
4. Minimum Balance - Minimum balance of escrow that needs to be maintained
5. Payment Amount- Amount that needs to be paid. It should be less than (Available Balance - Minimum Balance). In case, this criterion is not met, the system throws a warning message.
6. Based on the value selected in the “Payment Towards” field above, the system populates the linked types with that escrow along with their due amount and due date.
7. Payment Date - date of recording this payment
8. Effective Date - effective date of payment, used while backdating this payment
9. The “Notes” will be used to add any specific notes
10. Once the payment is made, the Next Due Date will be updated to the Payment Date + frequency.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [LoanManagementAction, EscrowManagement, EscrowAccount, HowTo, UIElementDescription]
CONTENT:
Escrow Tab
Newly onboarded loans do not have escrow accounts. To add them, navigate to the "Escrow" tab on the left of the loan view page, where you will find the "Add Escrow" subtab to add the escrow account(s).

In the "Select Category" dropdown, you will find the list of escrow categories configured for you. Please choose a category to add. Once selected, all fields related to that category will be populated.
Once the required fields are updated and submitted, the added escrow account will be displayed in the same tab.

Adding Sub-types to an Escrow Account
Each escrow has an "Add Subtype" button that allows the user to add sub-types to an escrow account. When the user clicks on the "Add Subtype" button, the page with the required fields populates. After updating the required details and submitting, the subtype will be added to the specific escrow account.

Edit the Escrow
Each type of escrow has an edit(pencil) icon on the right side to modify the details. When the user clicks on this icon, a page with all the fields that are allowed to be edited are displayed. After making the necessary edits, the user can either “Submit” or “Cancel” using these buttons on the screen. Upon submission, the edited details will be updated in the respective escrow account.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EscrowManagement, EscrowAccount, EscrowReplenishment, EscrowWithdrawal, TransactionReversal, UIElementDescription]
CONTENT:
Escrow Transactions
All transactions on the Escrow account are recorded and displayed in the "Transaction (Additional A/C)" section. This tab is placed adjacent to the main transactions tab. In every transaction, there is a "View" button. When the user clicks this button, detailed information related to the transaction is displayed.

The following transaction types are tracked:
Replenished - <type of escrow account>
This is posted when the escrow amount is replenished. There are several ways to replenish the amount as described above in the “Escrow Replenishment” section.

Replenishment Reversed - <type of escrow account>

If a manual payment or ACH payment that replenished the escrow is reversed, a “Replenishment Reversed” record will be posted as shown below.

Withdrawn - <type of escrow account>
When there is any disbursement from the escrow account using the "Make Payment from Escrow" action, a withdrawn record will be added to the withdrawn account.
Example:

* In the "Make Payment from Escrow" action, if "HoldBack" is chosen in the "Payment from" field along with the required fields, the withdrawal will occur from the "HoldBack" account.

Withdrawal Reversed - <type of escrow account>
If the above transaction is reversed using the “Reverse” option in the transaction (Loan A/C) tab, a "Withdrawal Reversed" transaction will be added.

Excess Refund - <type of Escrow account>
In the "Make Payment from Escrow" action, if "Refund" is chosen in the "Payment Towards" field and the required fields are submitted, an "Excess Refund" transaction is added.
For Example: In the screenshot below, "Holdback" is selected in the "Payment from" field and "Refund" in the "Payment Towards" field. Consequently, the withdrawal occurs from Holdback, and an Excess Refund transaction is added because "Refund" was chosen in the "Payment Towards" field.

Note:
In every transaction, there is a "View" button. When the user clicks this button, detailed information related to the transaction will be displayed.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EscrowManagement, EscrowAnalysis, BatchProcessing, ReportingFeature, HowTo, UIElementDescription]
CONTENT:
Escrow Analysis
Escrow Analysis is a way of estimating the future replenishment amount for the escrow account based on the past replenishment amount and withdrawals. This process is applied to every escrow account in a loan where the “Auto escrow” flag is set to true. Analysis can be performed either on an ad-hoc basis or annually, and it can be done for a single loan or a batch of loans. We store the “Last Analysis Date” and the “Next Analysis Date” whenever an analysis is performed. Escrow Analysis can be performed based on the rules that the client wants to run.
Batch Analysis

1. For batch escrow analysis, navigate to the Reports menu on the left pane on the portal. Then click on Report and from the “Pick a Report” dropdown, choose “Escrow Analysis”. Then provide the start and end dates. The system will filter out loans where “Last Analysis Date” falls in this date range, and only these loans will be included in the escrow analysis.
2. Client rules will be run in the background.

3. Selecting "Update" is optional during the analysis. If chosen, the system will automatically update each loan with the new analysis amount; otherwise, only the analysis will be performed.

4. "Generate Report" is used to create the report, which becomes downloadable once generated.

5. "Send Email" sends the report to the configured email address every time a report is generated.

6. When the user clicks "Fetch Report" and provides the required details, the report will be generated and available in "Downloaded BI Report".

Individual Analysis

There is a task API to perform individual loan analysis for each loan. The user can set up the Effective Date and Update option at the loan level. For individual analysis, the system will also consider the payments for each escrow from the Last Analysis Date to the current date. Once the API response returns a status of 200, the report will be available in the "Documents" section of the loan.

--- END SEGMENT ---

--- START SEGMENT ---

TAGS: [AssetClassSupport, CRERoan, ConstructionLoan, PrepaymentPenalty, LoanManagementAction, ApplyFeeCharge, ConceptExplanation, Definition]

CONTENT:

6. Exit Fee

Definition: An exit fee in a commercial real estate (CRE) or a construction loan is a penalty that a borrower may have to pay if they settle the debt before the loan's maturity date. The purpose of these fees is to protect the lender's anticipated yield on the loan.

This can be configured for any tenant and the amount for these fees can be manually assessed and applied to the loan using the existing Apply Fee action menu/API.

Based on the client's needs, this can go in the Estimate Pay-off letter as well.

--- END SEGMENT ---

--- START SEGMENT ---

TAGS: [AssetClassSupport, CRERoan, PrepaymentRestriction, LockOutPeriod, SystemBehavior, ConceptExplanation, Definition]

CONTENT:

7. Lock-out Period

Definition: A lockout is a restriction within the CRE loan to prevent the prepayment of the loan. If the loan is paid early then the lender will not benefit from the anticipated yield of the loan. For this reason, some CRE loans have a lockout period, which is the minimum number of years in which the borrower cannot pay off the loan.

Using the "Lock Out" action, a CRE loan can be put under a lock-out. Once the user has entered the Start Date and the End Date, the system shows these on the UI. If a loan is already under the lock-out period and the user selects another date(s) then the system will overwrite the current details with a new date(s). During this period, the borrower will not be able to pay off the

loan. The user will not be able to make a payment that is greater than the minimum amount due. The minimum amount due is the summation of all the missed payments amount. If the payment amount is more than the minimum amount due, the system would throw a warning. Only upon positive confirmation, the system would proceed with the payment accounting. Please note that the scheduled ACH(if ON) will remain as it is on the loans.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [AssetClassSupport, CRERoan, LoanManagementAction, EarnOuts, CapitalIncrease, ReAmortization, HowTo, UIElementDescription, ConceptExplanation]
CONTENT:
8. Earn-Outs
Concept: An earnout is a type of provision within a loan agreement. It allows the loan borrower to obtain additional capital from the lender. Earnouts can be associated with a range of purposes such as obtaining a certificate of occupancy or increasing the tenant occupancy space. When the borrower achieves the specified goal, the lender can increase the loan amount. As soon as the earned out happens, the loan becomes a P+I loan even if earlier it was in the int-only phase.
To issue an Earn Out in LMS, you can go to the Action List on the loan view page and click on the “Issue Earn Out” action.
It has the following fields: Amount, Auto-Funded, Effective Date and Submit button.
If Auto-Funded = true, then, LMS will do the disbursement, and based on this, the principal balance is updated.
Once the "Submit" button is clicked, a confirmation popup will appear and once confirmed, this request will be submitted.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [LoanManagementAction, EarnOuts, SystemBehavior, ReAmortization, Backdating]
CONTENT:
1. As soon as an earn-out is issued to the borrower, the principal balance on the loan increases from the Effective Date, and also re-amortize the loan. Re-amortization will not create a new schedule version.
2. The system will recompute the installment amount.
3. The maturity date will remain the same in this case.
4. It will also add a transaction to the main loan a/c with the name "Earn Out Issued" with the (negative)amount in the Principal column.
5. Earn-outs can be issued for CRE loans that may have single or multi-tiers. It is applicable to both fixed-rate interest loans and variable(index-based).
6. Earn-outs can be backdated as well as long as it is after the last payment effective date.
7. DB: Data will be stored in ‘earn-out-details’ collection
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, DataExport, ConceptExplanation]
CONTENT:
13. Operational Reports

LMS has a series of reports to aid reconciliation and audit of various processes. These operational reports are available via the “Reports->Report” filter on the left pane in the LMS. The following reports exist as of today. The user can pick any report from the dropdown and can see the details on the screen. Additionally, these reports are downloadable in excel format with more information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, LoanEarningsReport, ConceptExplanation]
CONTENT:
1. Loan Earnings Report
This helps the lender know its earnings during a given time period. This report will run across all the loans in the system and publish the earnings generated from those loans during the period that the user has specified.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, BorrowerFollowUpReport, ConceptExplanation]
CONTENT:
2. Borrower Follow-up Report
This report helps the lender to retrieve the list of all the loans on which follow-up is required and when it is required along with other information.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, LoanInCollectionsReport, DelinquencyManagement, ConceptExplanation]
CONTENT:
3. Loan in Collections Report
This report contains the loans that are delinquent and also housed in different stages of Collections. Please note that a loan will be housed in the Collection Stage while restructuring the loan manually through the Modify Loan action menu in the LMS portal.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, ACHInstructionReport, ACHProcessing, ConceptExplanation]
CONTENT:
4. ACH Instruction Report
This report contains a list of all loans for which ACH/payment instructions were created. At present LMS creates ACH/payment instructions. An ACH file contains multiple instructions. However, 1 instruction for 1 payment on 1 loan. A single loan may have multiple payments being pulled on the same day; in such a case 1 loan can have multiple instructions in a day. At present this instruction is created by a task, which runs once a day.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, PaymentsReport, PaymentProcessing, ConceptExplanation]

CONTENT:
5. Payments Report
This report contains a list of all loans for which payments were recorded during a time period. Payments can be initiated by the system via ACH, or through alternate payment rails (such as Cash, Check or any other). We need to record all payments from all sources and methods. This report is meant to give a consolidated view of all payments, on all loans on which payment activity was recorded.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [ReportingFeature, OperationalReports, ReattemptReport, PaymentFailureHandling, ACHProcessing, SystemBehavior, ConceptExplanation]
CONTENT:
6. Re-attempt Report
This report contains a list of all loans for which ACH/payment instructions were failed or unsuccessful, and of those which were re-attempted or not.  At present LMS creates ACH/payment instructions. If an ACH payment is rejected, then LF will re-attempt based on the re-attempt product parameter. The system gets notified once an instruction is rejected for any reason, with a return code. Each return code has a description. Currently the system re-tries the payment automatically if there is a NSF failure(Non-sufficient funds), a re-attempt may be initiated on the following business day or next scheduled ACH task creation time (in case such tasks are set up to run multiple times a day). This report is used to track # of re-attempts, reject code for each failure so that necessary corrective actions can be taken by the Tenant.

Note: Additional BI reports can be configured on as needed basis  or LF user can use our Add on service for BI reporting.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [BatchProcessing, EOD_BOD_Processing, Automation, TaskManagement, ConceptExplanation, Definition]
CONTENT:
14. Batch Jobs

Overview
Batch Jobs refer to the automated processing of bulk operations on a high volume of loans in a scheduled manner, typically at predefined intervals such as daily, weekly, or monthly on a specified time. Each task is dedicated to perform a defined activity. These tasks are mostly run during the non-business hours of the client so that the regular operations are not impacted. These jobs or tasks help to streamline operations, optimize resource utilization, and minimize manual intervention. Batch processing is a cornerstone of operational efficiency in the LendFoundry Loan Servicing System, enabling the systematic execution of high-volume, repetitive processes.

Some of the examples of standard LF LMS EOD/BOD tasks are for running accrual, NACHA file creation for repayment/disbursement, Retrying on NSF etc. Additional batch jobs may be

incorporated upon request, subject to formal approval and evaluation of technical feasibility and business requirements.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [BatchProcessing, NotificationAlerts, SlackIntegration, Automation, SystemBehavior, ConceptExplanation]
CONTENT:
Batch Job Updates and Notification Alerts
The batch jobs within the system are fully automated, ensuring seamless execution without manual intervention. Associated notifications or alerts regarding the status of these jobs, including any updates or errors, can be sent to tenants via Email, Slack, or both. Additionally, all relevant information is readily accessible through the Loan Servicing portal, allowing tenants to quickly and easily access real-time updates and review historical data for Batch Jobs. This ensures efficient monitoring and management of job statuses over time.
--- END SEGMENT ---
--- START SEGMENT ---
TAGS: [BatchProcessing, TaskManagement, HowTo, UIElementDescription]
CONTENT:
Batch Jobs on the LMS portal
Once the Backoffice User logs in to the Loan Servicing System, he/she can go to the Left Menu Pane and click on the “Batch Job->Job Status”.

Upon clicking the menu, a page opens on the right that allows the option to select a task from a drop-down(“Please Select Task”) which lists all the configured tasks for the tenant. The user can select the date range(“From Date-To Date”) for which they want to check the detailed status of the task.

The user clicks on the “Get Task Details” button.

Upon click, the table on the UI displays the following columns: Task Name, Start Time, Success, Fail, Skip, and a View Log button.

* Task Name refers to the task name associated with the batch job.
* Start Time indicates when the batch job was executed.
* The Success, Fail, and Skip columns show the count of loans that were successfully processed by the task, that were not processed successfully by the task or that were skipped by the task respectively.
* The View Log option provides detailed information on loans where the task was skipped or failed, including any errors or handling actions, excluding loans where the task was successfully completed.

The sample screenshots display the details of an Accrual Batch Job for the specified date range, including the count of loans in each category.
--- END SEGMENT ---
--- START SEGMENT ---

TAGS: [BatchProcessing, NotificationAlerts, SlackIntegration, SystemBehavior, ConceptExplanation]
CONTENT:
Slack Notification Alerts
A sample update of an Accrual Batch Job received on Slack, generated automatically upon the completion of the Accrual Batch Job task for the particular day.

Notification on Slack for Accrual Batch Job ->
“task-accrual completed successfully
noOfLoanProcess : 17189
noOfLoanSuccess: 17189
noOfLoanFail : 0
noOfLoanSkip : 0”

The standardized UI access for batch job details and Slack alerts is consistently available across all individual batch jobs, ensuring uniformity in how job statuses, updates, and notifications are presented. This includes automated Slack alerts for each batch job, with updates that can be filtered for detailed information directly from the UI, providing a consistent user experience for monitoring job execution and outcomes.
--- END SEGMENT ---