

OSP IT DIGITAL SOLUTIONS

2nd Floor DTB Bank
Wandegeya
(256) 704 487563
(256) 705 559333

Muro Finance

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Background

OSP IT Digital Solutions has undertaken the development of a comprehensive Loan Management System for Muro Finance. This project aims to address the challenges in the current loan management process and enhance the overall efficiency and transparency for both loan officers and administrators.

Muro Finance Limited

Objectives

1. Design and implement a user-friendly interface for loan officers and administrators.
2. Enable loan officers to add, review, and manage loan requests.
3. Facilitate admin approval/rejection of loan requests.
4. Provide a system for recording loan payments and managing client accounts.
5. Implement a notification system for overdue payments and pending approvals.
6. Ensure data security and privacy for client information.

Specifications

Functional Requirements.

Accounts creation:

Users can have a fixed account and repayment account / normal savings account.

Loan Portfolio Management

- The system should streamline the loan origination process, making it easier for the Micro-Finance to evaluate loan applications, disburse funds, and manage repayment schedules.

Loan application:

Steps

1. Visit or contact institution
 2. Fill the form that is presented by the operator.
 3. Attach the necessary documentation e.g copies of id, pictures of the security, proof of business ownership. They can be as many as possible in pdf and images format.
 4. The admin reviews and takes action on the loan.
- The system should automatically record installment plans and how much is to be paid.

Loan Request Management.

- The system shall allow loan officers to add new loan requests.
- Loan officers shall be able to attach relevant documents to a loan request for admin review.
- These documents can be either pictures, pdfs, or both.

Savings and Deposit Management:

- The system should help in managing savings and deposit accounts, allowing clients to securely save and withdraw funds.
- Interest calculations and account statements are automated, enhancing transparency and accountability.

Admin Approval/Rejection.

- The system shall enable administrators to review and approve/reject loan requests.
- Notifications shall be sent to the loan officer and client upon the approval or rejection of a loan request.

Loan Payment Management.

- The system shall allow administrators to record loan payments made by clients.
- Upon recording a payment, the system shall automatically clear any outstanding debts and penalties associated with the client.

Client Management:

- Efficient management of client information, including personal details, financial history, and transaction records.
- Add client local address - nationality

Account Management.

- Administrators and loan officers shall be able to manage client accounts, including recording of deposits.

- The system shall provide a list of all client accounts with current balances and deposit amounts.

Interest and Principal Calculation.

- Calculate received interest and principal for every day a loan is paid, offering detailed payment breakdowns.

Loans should have codes, loan types have codes.

Loan account will have product code.

Reporting

- The system shall generate reports on the financial status of clients and the overall loan portfolio.
- Reports shall include information on approval rates and average loan amounts.

○ Arrears reports

○ Active loans report

no	Loan account	savings/repayment	Client ID	Client name	Amount borrowed	Outstanding balance	Interest balance	Total loan balance
1								
2								

Loan accounts should depend on the loan type code

Salary loan - MF-SAL0000001

School fees loan - MF-COD0000001

That means a system user with admin privileges can specify the possible loan types and their codes.

We set interest rates according to frequency of payment i.e

- Daily
- Weekly
- Bi-weekly
- Monthly

• Payment Schedules

This is generated after a loan is approved.

Accounting module

It should cater for accounts and their variations such as cash, expenses (salary, transport, etc).

Should have a balance sheet, Cash flow statements (summaries according to selection), Income statement. Shows loss and profit.

Should be able to show whether the business is in a loss or profit.

SIMPLE LOAN CALCULATOR						
Enter Values						
Loan Amount		\$	10,000.00			
Annual Interest Rate			11.15%			
Loan Period in Years			4	Must be between 1 and 30 years.		
Start Date of Loan			6/27/2002			
Monthly Payment			\$259.20			
Number of Payments			48			
Total Interest			\$2,441.78			
Total Cost of Loan			\$12,441.78			
No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	7/27/2002	\$ 10,000.00	\$ 259.20	\$ 166.25	\$ 92.95	\$ 9,833.75
2	8/27/2002	9,833.75	259.20	167.80	91.40	9,665.95
3	9/27/2002	9,665.95	259.20	169.36	89.84	9,496.59
4	10/27/2002	9,496.59	259.20	170.93	88.27	9,325.66
5	11/27/2002	9,325.66	259.20	172.52	86.68	9,153.13
6	12/27/2002	9,153.13	259.20	174.13	85.08	8,979.01
7	1/27/2003	8,979.01	259.20	175.74	83.46	8,803.26
8	2/27/2003	8,803.26	259.20	177.38	81.83	8,625.89
9	3/27/2003	8,625.89	259.20	179.03	80.18	8,446.86
10	4/27/2003	8,446.86	259.20	180.69	78.51	8,266.17
11	5/27/2003	8,266.17	259.20	182.37	76.83	8,083.80
12	6/27/2003	8,083.80	259.20	184.06	75.14	7,899.74
13	7/27/2003	7,899.74	259.20	185.78	73.43	7,713.96
14	8/27/2003	7,713.96	259.20	187.50	71.70	7,526.46
15	9/27/2003	7,526.46	259.20	189.25	69.96	7,337.21
16	10/27/2003	7,337.21	259.20	191.00	68.20	7,146.21
17	11/27/2003	7,146.21	259.20	192.78	66.42	6,953.43
18	12/27/2003	6,953.43	259.20	194.57	64.63	6,758.86
19	1/27/2004	6,758.86	259.20	196.38	62.82	6,562.48
20	2/27/2004	6,562.48	259.20	198.21	61.00	6,364.27
21	3/27/2004	6,364.27	259.20	200.05	59.16	6,164.22
22	4/27/2004	6,164.22	259.20	201.91	57.30	5,962.32
23	5/27/2004	5,962.32	259.20	203.78	55.42	5,758.53
24	6/27/2004	5,758.53	259.20	205.68	53.53	5,552.85
25	7/27/2004	5,552.85	259.20	207.59	51.61	5,345.26
26	8/27/2004	5,345.26	259.20	209.52	49.68	5,135.74
27	9/27/2004	5,135.74	259.20	211.47	47.74	4,924.28
28	10/27/2004	4,924.28	259.20	213.43	45.77	4,710.85
29	11/27/2004	4,710.85	259.20	215.42	43.79	4,495.43
30	12/27/2004	4,495.43	259.20	217.42	41.79	4,278.01
31	1/27/2005	4,278.01	259.20	219.44	39.76	4,058.57
32	2/27/2005	4,058.57	259.20	221.48	37.72	3,837.09
33	3/27/2005	3,837.09	259.20	223.54	35.67	3,613.55
34	4/27/2005	3,613.55	259.20	225.62	33.59	3,387.94
35	5/27/2005	3,387.94	259.20	227.71	31.49	3,160.22

Note: Every loan type can have different rates for different frequencies.

When inserting a loan, the admin can adjust rate

Whenever a client whose loan is due is found, his name should show red.

These frequently

- **Arrears**

Shows people with outstanding loans

If there is an arrears on someone's account, the system should have a negative figure equivalent to the arrears amount on the repayment account.

Client Order Number	Payment Account Name	Account ID	SVI Balance	SVI Avail Bal	Phone1	Phone2	Loan Balance1	Arrears Amount	Payment Due Date	Arrears Days
MTW0001	20000010001	1,582,851.48	1,582,851.89	0752561333	0752561333	16,977,138.00	1,453,456.00	16/12/2023	2	
MTW0002	20000010002	10,000.00	10,000.00	0754561241	0754561241	3,447,370.19	423,507.00	16/12/2023	2	
MTW0003	20000010003	5,000.00	5,000.00	0754561862	0754561862	3,561,596.12	525,461.00	16/12/2023	2	
MTW0004	20000010004	42,399.50	42,399.50	0776148756	0776148756	3,881,734.00	1,099,223.00	16/12/2023	2	
MTW0005	20000010005	16,576.58	16,576.58	0772550317	0772550317	4,306,200.00	523,461.00	16/12/2023	2	
MTW0006	20000010006	5,741.94	5,741.94	077026512	070267245	2,500,000.00	265,481.00	16/12/2023	2	
MTW0007	20000010007	10,000.00	10,000.00	077449620	077449620	3,444,960.00	421,469.00	16/12/2023	2	
MTW0008	20000010008	2,971,825.00	2,971,825.00	26676259586	0774231858	19,694,334.00	944,500.00	16/12/2023	2	
MTW0009	20000010009	10,000.00	10,000.00	0774231858	0774231858	3,884,100.00	605,812.00	16/12/2023	2	
MTW0010	20000010010	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0011	20000010011	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0012	20000010012	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0013	20000010013	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0014	20000010014	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0015	20000010015	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0016	20000010016	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0017	20000010017	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0018	20000010018	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0019	20000010019	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0020	20000010020	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0021	20000010021	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0022	20000010022	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0023	20000010023	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0024	20000010024	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0025	20000010025	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0026	20000010026	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0027	20000010027	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0028	20000010028	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0029	20000010029	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	
MTW0030	20000010030	10,000.00	10,000.00	0774231858	0774231858	1,131,081.18	41,201.70	16/12/2023	3	

Loan portfolio has only principals

Summary

In summary, we have client management, loan portfolio management, savings and deposit management, accounting, and reporting.

Pricing

Is to be discussed.