Oracle® Loans

User Guide

Release 12.2

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Oracle Loans User Guide, Release 12.2

Part No. E21613-05

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- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
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Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Oracle E-Business Suite Release Online Documentation CD available on My Oracle Support and www.oracle.com. It contains the most current Documentation Library plus all documents revised or released recently.

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Preface

Beta Draft Documentation Notice

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Intended Audience

Welcome to Release 12.2 of the *Oracle Loans User Guide.*

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.

- Computer desktop application usage and terminology.

If you have never used Oracle E-Business Suite, we suggest you attend one or more of the Oracle E-Business Suite training classes available through Oracle University.

See Related Information Sources on page xi for more Oracle E-Business Suite product information.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Structure

1 Setting Up Oracle Loans

This chapter provides an overview of Oracle Loans as well as the setup tasks that you need to perform in Oracle Applications for Oracle Loans.

2 Creating A Loan

This chapter describes how to create and update a loan.

3 Funding A Loan

This chapter describes how to fund a loan.

4 Loan Servicing

This chapter describes how to service a loan.

5 Billing A Loan

This chapter describes how to bill a loan.

6 Budgetary Control

This chapter describes setting up budgetary control.

A Loans Forgiveness Program
B Oracle Loans Profile Options and Profile Option Categories
C Oracle Loans Concurrent Programs
D Oracle Loans Reports

Related Information Sources

This book is included in the Oracle E-Business Suite Documentation Library, which is supplied in the Release 12.2 Media Pack. If this guide refers you to other Oracle E-Business Suite documentation, use only the latest Release 12.2 versions of those guides.

Online Documentation

All Oracle E-Business Suite documentation is available online (HTML or PDF).

- **Online Help** - Online help patches (HTML) are available on My Oracle Support.

- **PDF Documentation** - See the Oracle E-Business Suite Documentation Library for current PDF documentation for your product with each release.

- **Release Notes** - For information about changes in this release, including new features, known issues, and other details, see the release notes for the relevant product, available on My Oracle Support.

- **Oracle Electronic Technical Reference Manual -** The Oracle Electronic Technical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for each Oracle E-Business Suite product. This information helps you convert data from your existing applications and integrate Oracle E-Business Suite data with non-Oracle applications, and write custom reports for Oracle E-Business Suite products. The Oracle eTRM is available on My Oracle Support.

Related Guides

You should have the following related books on hand. Depending on the requirements of your particular installation, you may also need additional manuals or guides.

Oracle Alert User's Guide:

This guide explains how to define periodic and event alerts to monitor the status of your Oracle E-Business Suite data.

Oracle Application Framework Developer's Guide:

This guide contains the coding standards followed by the Oracle E-Business Suite development staff to produce applications built with Oracle Application Framework. This guide is available in PDF format on My Oracle Support and as online documentation in JDeveloper 10*g* with Oracle Application Extension.

Oracle Application Framework Personalization Guide:

This guide covers the design-time and run-time aspects of personalizing applications built with Oracle Application Framework.

Oracle Fusion Middleware Adapter for Oracle Applications User's Guide (Oracle Application Server Adapter for Oracle Applications User's Guide):

This guide covers the use of Adapter for Oracle Applications in developing integrations between Oracle E-Business Suite and trading partners.

Please note that the user's guide can be found in the following documentation libraries:

- As part of the Oracle Fusion Middleware and SOA Suite in 11*g*, *Oracle Fusion Middleware Adapter for Oracle Applications User's Guide* is available in the Oracle Fusion Middleware 11*g* Documentation Library.

- As part of the Oracle Application Server in 10*g*, *Oracle Application Server Adapter for Oracle Applications User's Guide* is available in the Oracle Application Server 10*g* Documentation Library.

Oracle Diagnostics Framework User's Guide:

This manual contains information on implementing and administering diagnostics tests for Oracle E-Business Suite using the Oracle Diagnostics Framework.

Oracle E-Business Suite Concepts:

This book is intended for all those planning to deploy Oracle E-Business Suite Release 12.2, or contemplating significant changes to a configuration. After describing the Oracle E-Business Suite architecture and technology stack, it focuses on strategic topics, giving a broad outline of the actions needed to achieve a particular goal, plus the installation and configuration choices that may be available.

Oracle E-Business Suite CRM System Administrator's Guide

This manual describes how to implement the CRM Technology Foundation (JTT) and use its System Administrator Console.

Oracle E-Business Suite Desktop Integration Framework Developer's Guide

Oracle E-Business Suite Desktop Integration Framework is a development tool that lets you define custom integrators for use with Oracle Web Applications Desktop Integrator. This guide describes how to define and manage integrators and all associated supporting objects, as well as how to download and upload integrator definitions.

Oracle E-Business Suite Developer's Guide

This guide contains the coding standards followed by the Oracle E-Business Suite development staff. It describes the Oracle Application Object Library components needed to implement the Oracle E-Business Suite user interface described in the *Oracle E-Business Suite User Interface Standards for Forms-Based Products*. It provides information to help you build your custom Oracle Forms Developer forms so that they integrate with Oracle E-Business Suite. In addition, this guide has information for customizations in features such as concurrent programs, flexfields, messages, and logging.

Oracle E-Business Suite Flexfields Guide:

This guide provides flexfields planning, setup, and reference information for the Oracle E-Business Suite implementation team, as well as for users responsible for the ongoing maintenance of Oracle E-Business Suite product data. This guide also provides

information on creating custom reports on flexfields data.

Oracle E-Business Suite Installation Guide: Using Rapid Install:

This book is intended for use by anyone who is responsible for installing or upgrading Oracle E-Business Suite. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle E-Business Suite Release 12.2, or as part of an upgrade to Release 12.2.

Oracle E-Business Suite Maintenance Guide:

This guide contains information about the strategies, tasks, and troubleshooting activities that can be used to help ensure an Oracle E-Business Suite system keeps running smoothly, together with a comprehensive description of the relevant tools and utilities. It also describes how to patch a system, with recommendations for optimizing typical patching operations and reducing downtime.

Oracle E-Business Suite Security Guide:

This guide contains information on a comprehensive range of security-related topics, including access control, user management, function security, data security, and auditing. It also describes how Oracle E-Business Suite can be integrated into a single sign-on environment.

Oracle E-Business Suite Setup Guide:

This guide contains information on system configuration tasks that are carried out either after installation or whenever there is a significant change to the system. The activities described include defining concurrent programs and managers, enabling Oracle Applications Manager features, and setting up printers and online help.

Oracle E-Business Suite Upgrade Guide: Release 12.0 and 12.1 to 12.2:

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading Release 12.0 and 12.1 Oracle E-Business Suite system (techstack and products) to Release 12.2. In addition to information about applying the upgrade driver, it outlines pre-upgrade steps and post-upgrade steps, and provides descriptions of product-specific functional changes and suggestions for verifying the upgrade and reducing downtime.

Oracle E-Business Suite User's Guide:

This guide explains how to navigate, enter data, query, and run reports using the user interface (UI) of Oracle E-Business Suite. This guide also includes information on setting user profiles, as well as running and reviewing concurrent requests.

Oracle E-Business Suite User Interface Standards for Forms-Based Products

This guide contains the user interface (UI) standards followed by the Oracle E-Business Suite development staff. It describes the UI for the Oracle E-Business Suite products and how to apply this UI to the design of an application built by using Oracle Forms.

Oracle E-Business Suite Integrated SOA Gateway User's Guide:

This guide describes the high level service enablement process, explaining how users

can browse and view the integration interface definitions and services residing in Oracle Integration Repository.

Oracle E-Business Suite Integrated SOA Gateway Developer's Guide:

This guide describes how system integration developers can perform end-to-end service integration activities. These include orchestrating discrete Web services into meaningful end-to-end business processes using business process execution language (BPEL), and deploying BPEL processes at run time.

It also explains in detail how to invoke Web services using the Service Invocation Framework. This includes defining Web service invocation metadata, invoking Web services, and testing the Web service invocation.

Oracle E-Business Suite Integrated SOA Gateway Implementation Guide:

This guide explains how integration repository administrators can manage and administer the Web service activities for integration interfaces including native packaged integration interfaces, composite services (BPEL type), and custom integration interfaces. It also describes how to invoke Web services from Oracle E-Business Suite by employing the Oracle Workflow Business Event System, and how to manage Web service security, configure logs, and monitor SOAP messages.

Oracle e-Commerce Gateway User's Guide

This guide describes the functionality of Oracle e-Commerce Gateway and the necessary setup steps in order for Oracle E-Business Suite to conduct business with trading partners through Electronic Data Interchange (EDI). It also describes how to run extract programs for outbound transactions, import programs for inbound transactions, and the relevant reports.

Oracle e-Commerce Gateway Implementation Guide

This guide describes implementation details, highlighting additional setup steps needed for trading partners, code conversion, and Oracle E-Business Suite. It also provides architecture guidelines for transaction interface files, troubleshooting information, and a description of how to customize EDI transactions.

Oracle iSetup Developer's Guide

This manual describes how to build, test, and deploy Oracle iSetup Framework interfaces.

Oracle iSetup User's Guide

This guide describes how to use Oracle iSetup to migrate data between different instances of the Oracle E-Business Suite and generate reports. It also includes configuration information, instance mapping, and seeded templates used for data migration.

Oracle Report Manager User's Guide

Oracle Report Manager is an online report distribution system that provides a secure and centralized location to produce and manage point-in-time reports. Oracle Report Manager users can be either report producers or report consumers. Use this guide for

information on setting up and using Oracle Report Manager.

Oracle Web Applications Desktop Integrator Implementation and Administration Guide

Oracle Web Applications Desktop Integrator brings Oracle E-Business Suite functionality to a spreadsheet, where familiar data entry and modeling techniques can be used to complete Oracle E-Business Suite tasks. You can create formatted spreadsheets on your desktop that allow you to download, view, edit, and create Oracle E-Business Suite data, which you can then upload. This guide describes how to implement Oracle Web Applications Desktop Integrator and how to define mappings, layouts, style sheets, and other setup options.

Oracle Workflow Administrator's Guide:

This guide explains how to complete the setup steps necessary for any product that includes workflow-enabled processes. It also describes how to manage workflow processes and business events using Oracle Applications Manager, how to monitor the progress of runtime workflow processes, and how to administer notifications sent to workflow users.

Oracle Workflow Developer's Guide:

This guide explains how to define new workflow business processes and customize existing Oracle E-Business Suite-embedded workflow processes. It also describes how to define and customize business events and event subscriptions.

Oracle Workflow User's Guide:

This guide describes how users can view and respond to workflow notifications and monitor the progress of their workflow processes.

Oracle Workflow API Reference:

This guide describes the APIs provided for developers and administrators to access Oracle Workflow.

Oracle Workflow Client Installation Guide:

This guide describes how to install the Oracle Workflow Builder and Oracle XML Gateway Message Designer client components for Oracle E-Business Suite.

Oracle XML Gateway User's Guide

This guide describes Oracle XML Gateway functionality and each component of the Oracle XML Gateway architecture, including Message Designer, Oracle XML Gateway Setup, Execution Engine, Message Queues, and Oracle Transport Agent. It also explains how to use Collaboration History that records all business transactions and messages exchanged with trading partners.

The integrations with Oracle Workflow Business Event System, and the Business-to-Business transactions are also addressed in this guide.

Oracle XML Publisher Report Designer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data

with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Using Microsoft Word or Adobe Acrobat as the design tool, you can create pixel-perfect reports from the Oracle E-Business Suite. Use this guide to design your report layouts.

This guide is available through the Oracle E-Business Suite online help.

Oracle XML Publisher Administration and Developer's Guide:

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Outputs include: PDF, HTML, Excel, RTF, and eText (for EDI and EFT transactions). Oracle XML Publisher can be used to generate reports based on existing Oracle E-Business Suite report data, or you can use Oracle XML Publisher's data extraction engine to build your own queries. Oracle XML Publisher also provides a robust set of APIs to manage delivery of your reports via e-mail, fax, secure FTP, printer, WebDav, and more. This guide describes how to set up and administer Oracle XML Publisher as well as how to use the Application Programming Interface to build custom solutions.

This guide is available through the Oracle E-Business Suite online help.

Oracle Advanced Collections User Guide:

This guide describes how to use the features of Oracle Advanced Collections to manage your collections activities. It describes how collections agents and managers can use Oracle Advanced Collections to identify delinquent customers, review payment history and aging data, process payments, use strategies and dunning plans to automate the collections process, manage work assignments, and handle later-stage delinquencies.

Oracle Advanced Collections Implementation Guide:

This guide describes how to configure Oracle Advanced Collections and its integrated products. It contains the steps required to set up and verify your implementation of Oracle Advanced Collections.

Oracle Common Application Calendar User Guide:

Use this guide to learn to create appointments, tasks, notes, adding attachments to notes, as well as invite attendees to appointments, and view scheduled activities through flexible daily, weekly, and monthly calendar views.

Oracle Credit Management User Guide:

This guide provides you with information on how to use Oracle Credit Management. This guide includes implementation steps, such as how to set up credit policies, as well as details on how to use the credit review process to derive credit recommendations that comply with your credit policies. This guide also includes detailed information about the public application programming interfaces (APIs) that you can use to extend Oracle Credit Management functionality.

Oracle E-Business Suite Multiple Organizations Implementation Guide:

This guide describes the multiple organizations concepts in Oracle E-Business Suite. It

describes in detail on setting up and working effectively with multiple organizations in Oracle E-Business Suite.

Oracle Financials and Oracle Procurement Functional Upgrade Guide: Release 11i to Release 12:

This guides provides detailed information about the functional impacts of upgrading Oracle Financials and Oracle Procurement products from Release 11i to Release 12. This guide supplements the *Oracle E-Business Suite Upgrade Guide: Release 12.0 and 12.1 to 12.2.*

Oracle Financials Concepts Guide:

This guide describes the fundamental concepts of Oracle Financials. The guide is intended to introduce readers to the concepts used in the applications, and help them compare their real world business, organization, and processes to those used in the applications.

Oracle Financials Glossary:

The glossary includes definitions of common terms that are shared by all Oracle Financials products. In some cases, there may be different definitions of the same term for different Financials products. If you are unsure of the meaning of a term you see in an Oracle Financials guide, please refer to the glossary for clarification. You can find the glossary in the online help or in the *Oracle Financials Implementation Guide*.

Oracle Financials Implementation Guide:

This guide provides information on how to implement the Oracle Financials E-Business Suite. It guides you through setting up your organizations, including legal entities, and their accounting, using the Accounting Setup Manager. It covers intercompany accounting and sequencing of accounting entries, and it provides examples.

Oracle General Ledger User's Guide:

This guide provides information on how to use Oracle General Ledger. Use this guide to learn how to create and maintain ledgers, ledger currencies, budgets, and journal entries. This guide also includes information about running financial reports.

Oracle General Ledger Implementation Guide:

This guide provides information on how to implement Oracle General Ledger. Use this guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

Oracle Payables User's Guide:

This guide describes how to use Oracle Payables to create invoices and make payments. In addition, it describes how to enter and manage suppliers, import invoices using the Payables open interface, manage purchase order and receipt matching, apply holds to invoices, and validate invoices. It contains information on managing expense reporting, procurement cards, and credit cards. This guide also explains the accounting for Payables transactions.

Oracle Payables Implementation Guide:

This guide provides you with information on how to implement Oracle Payables. Use this guide to understand the implementation steps required for how to set up suppliers, payments, accounting, and tax.

Oracle Payments Implementation Guide:

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes how Oracle Payments is integrated with financial institutions and payment systems for receipt and payment processing, known as funds capture and funds disbursement, respectively. Additionally, the guide explains to the implementer how to plan the implementation of Oracle Payments, how to configure it, set it up, test transactions, and how use it with external payment systems.

Oracle Receivables User Guide:

This guide provides you with information on how to use Oracle Receivables. Use this guide to learn how to create and maintain transactions and bills receivable, enter and apply receipts, enter customer information, and manage revenue. This guide also includes information about accounting in Receivables. Use the Standard Navigation Paths appendix to find out how to access each Receivables window.

Oracle Receivables Implementation Guide:

This guide provides you with information on how to implement Oracle Receivables. Use this guide to understand the implementation steps required for application use, including how to set up customers, transactions, receipts, accounting, tax, and collections. This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle Receivables Reference Guide:

This guide provides you with detailed information about all public application programming interfaces (APIs) that you can use to extend Oracle Receivables functionality. This guide also describes the Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and AutoInvoice which you can use to import and validate transactions from other systems. Archiving and purging Receivables data is also discussed in this guide.

Oracle Subledger Accounting Implementation Guide:

This guide provides setup information for Oracle Subledger Accounting features, including the Accounting Methods Builder. You can use the Accounting Methods Builder to create and modify the setup for subledger journal lines and application accounting definitions for Oracle subledger applications. This guide also discusses the reports available in Oracle Subledger Accounting and describes how to inquire on subledger journal entries.

Oracle Trading Community Architecture User Guide:

This guide describes the Oracle Trading Community Architecture (TCA) and how to

use features from the Trading Community Manager responsibility to create, update, enrich, and cleanse the data in the TCA Registry. It also describes how to use Resource Manager to define and manage resources.

Oracle Trading Community Architecture Administration Guide:

This guide describes how to administer and implement Oracle Trading Community Architecture (TCA). You set up, control, and manage functionality that affects data in the TCA Registry. It also describes how to set up and use Resource Manager to manage resources.

Oracle Trading Community Architecture Reference Guide:

This guide contains seeded relationship types, seeded Data Quality Management data, D and B data elements, Bulk Import interface table fields and validations, and a comprehensive glossary. This guide supplements the documentation for Oracle Trading Community Architecture and all products in the Oracle Customer Data Management family.

Oracle Trading Community Architecture Technical Implementation Guide:

This guide explains how to use the public Oracle Trading Community Architecture application programming interfaces (APIs) and develop callouts based on Oracle Workflow Business Events System (BES). For each API, this guide provides a description of the API, the PL/SQL procedure, and the Java method, as well as a table of the parameter descriptions and validations. For each BES callout, this guide provides the name of the logical entity, its description, and the ID parameter name. Also included are setup instructions and sample code.

Oracle U.S. Federal Financials User's Guide:

This guide describes the common concepts for an integrated financial management solution for federal agencies to comply with the requirements of the U.S. Federal government. It describes the product architecture and provides information on Budget Execution, Prompt Payment, Treasury payments, Third party payments, Interagency transactions, Receivables management, Federal reports, CCR Integration, and Year End Closing.

Oracle U.S. Federal Financials Implementation Guide:

This guide describes the common concepts for an integrated financial management solution for federal agencies. It includes a consolidated setup checklist by page and provides detailed information on how to set up, maintain, and troubleshoot the Federal Financial application for the following functional areas: Sub Ledger Accounting, Budget Execution, Prompt Payment, Treasury payments, Third party payments, Interagency transactions, Receivables management, Federal reports, CCR Integration, and Year End Closing.

Oracle Human Resources Management Systems Approvals Management Implementation Guide:

Use Oracle Approvals Management (AME) to define the approval rules that determine the approval processes for Oracle applications.

Oracle Human Resources Management Systems Workforce Sourcing, Deployment, and Talent Management Guide:

Learn how to use Oracle HRMS to represent your workforce. This includes recruiting new workers, developing their careers, managing contingent workers, and reporting on your workforce.

> **Important:** Oracle Loans does not contain any end-user personalizable regions, and there are no special considerations that you need to be aware of when creating administrator-level personalizations of its regions or pages. For general information about how to create personalizations, refer to Oracle Application Framework Personalization Guide.

Integration Repository

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

You can navigate to the Oracle Integration Repository through Oracle E-Business Suite Integrated SOA Gateway.

Do Not Use Database Tools to Modify Oracle E-Business Suite Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle E-Business Suite.

When you use Oracle E-Business Suite to modify your data, Oracle E-Business Suite

automatically checks that your changes are valid. Oracle E-Business Suite also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

1

Setting Up Oracle Loans

This chapter provides an overview of Oracle Loans as well as the setup tasks that you need to perform in Oracle Applications for Oracle Loans.

This chapter covers the following topics:

- Setting Up Oracle Loans
- Oracle HRMS Setup
- Oracle System Administrator Setup
- Oracle Resource Manager Setup
- Oracle General Ledger Setup
- Oracle Receivables Setup
- Oracle Payables Setup
- Oracle Workflow Setup
- Oracle Loans Setup

Setting Up Oracle Loans

This section provides you with an overview of the setup steps for implementing Oracle Loans.

These setup steps span the following Oracle applications:

1. Oracle HRMS, page 1-2

2. Oracle System Administrator, page 1-2

3. Oracle Resource Manager, page 1-4

4. Oracle General Ledger, page 1-4

5. Oracle Receivables, page 1-4

6. Oracle Payables, page 1-6

7. Oracle Workflow, page 1-6

8. Oracle Loans, page 1-6

Oracle HRMS Setup

In Oracle HRMS:

1. Use the People window to enter basic information for your employees.

See: Entering a New Person, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*.

Oracle System Administrator Setup

In Oracle System Administrator:

Steps:

1. Run the Replicate Seed Data program for *each* operating unit in which you plan to use Loans.

This step replicates the Loans batch source that you will use during Oracle Receivables setup as well as other data such as receivable activities and reason codes. You should complete this step before configuring the Loans credit memo batch source.

See: Oracle Receivables Setup, page 1-4

2. Set these profile options:

- LNS: Generate Loan Number, page B-5

- LNS: Disable Loan Class Access, page B-5

- Concurrent: Report Access Level, page B-6

3. In the Users window, define all Loans users, and attach the appropriate responsibilities, either:

- Loan Administration

  Use this responsibility to set system options, enter accounting defaults, define loan conditions, fees, interest rates, and notifications.

- Loan Agent

Use this responsibility to create loans, enter credits, view loan information and payment history, view and submit concurrent requests, and answer customer service inquiries.

Functional manager users can also use this responsibility to approve loans and update loan accounting.

> **Tip:** Set the Concurrent Report Level profile option to Responsibility to enable both agents and managers using the same responsibility to view each other's concurrent requests, such as billing. See: Concurrent Report Access Level, page 1-2.

> **Note:** Before users can perform tasks in Loans, you must assign the appropriate roles to each user. See: Oracle Resource Manager Setup, page 1-4.

See: Overview of Oracle E-Business Suite Security, *Oracle E-Business Suite Security Guide*.

4. In the Descriptive Flexfields Segments window, define context field values, if needed. You can use these values to capture and report on information relevant to your organization.

   - Loan Information

     Use this flexfield to enter additional information in the General section of Basic Information for a loan.

   - Loan Asset Information

     Use this flexfield to enter information about an asset in the Asset section of the Borrowers information.

   To add additional context values:

   1. Deselect Freeze Flexfield Definition.

   2. Select Segments to add additional values and select the Enabled check box.

   3. Compile. Then select Freeze Flexfield Definition.

5. Clear the cache and bounce the middle-tier web server so that Loans reflects the changes made. This step is not required if you change profile option settings at the user level and do not set up descriptive flexfields.

Oracle Resource Manager Setup

Using the CRM Resource Manager responsibility, complete these steps:

Steps:

1. In the Resource Manager, define your employees as resources.

2. In the Resource Manager, query your resources and add one or more roles to each resource. Loans has three roles: Loan Manager, Loan Agent, and Loan Administrator.

Related Topics

Overview of the Oracle Resource Manager, *Oracle Trading Community Architecture User Guide*.

Oracle General Ledger Setup

If your organization offers loans in currencies other than your ledger currency, then you must define those currencies in General Ledger.

See: Defining Currencies, *Oracle General Ledger User's Guide*.

The accounting periods need to be open when approving and billing the loans. For detailed information, see: Opening and Closing Accounting Periods, *Oracle General Ledger Implementation Guide*.

Oracle Receivables Setup

Steps:

1. Define an active credit memo transaction batch source for Oracle Loans for use during the reverse or reverse and rebill process.

   Ensure the Type is manual, and set Automatic Batch Numbering and Automatic Transaction Numbering to Yes.

   See: Transaction Batch Sources, *Oracle Receivables Implementation Guide*.

2. Query the seeded Loans batch source in the Transaction Source window and, in the Credit Memo Batch Source field, enter the credit memo batch source that you created in the previous step.

3. (Optional) Define three default transaction types for use when billing:

- Loan principal

- Loan interest

- Loan fees

When defining these transaction types, be sure to set:

- Transaction Status to Open

- Creation Sign to Positive

- Tax Calculation to No

- Natural Application Only to Yes.

> **Note:** You can use existing transaction types for principal, interest, and fees, provided that you set the Tax Calculation option on those transaction types to No. If you use existing transaction types, then skip this step. Each transaction type must have a Credit Memo Type of Credit Memo defined.

> **Note:** When defining transaction types for Loans, do not enter accounting information. Instead, enter default accounting in Loans. See: Setting Up Accounting, page 1-12.

See: Transaction Types, *Oracle Receivables Implementation Guide*.

4. Open GL periods so that you can successfully execute billing.

Depending on your loan requirements, you might need to open GL periods for up to one year in advance.

See: Opening and Closing Accounting Periods, *Oracle Receivables User Guide*.

5. Confirm that you have no Revenue Policy system options defined.

In the System Options window, all fields on the Revenue Policy tab must be blank.

See: Defining Your Revenue Policy, *Oracle Receivables Implementation Guide*.

6. Query the seeded Receivable activity, Loan Conversion, and enter the GL account for loan clearing to be used to automatically adjust an existing receivable when it is converted to a loan. This step is required if you create Extended Receivable Schedule loans and plan to automatically adjust the receivable balance to zero.

Oracle Payables Setup

Loans integrates with Oracle Payables to disburse funds for a direct loan and seeds Loans as a source for transactions imported to Payables through the interface tables.

- Verify that Loans appears in the Source Lookups in Payables.

- If your organization pays invoices in multiple currencies: then you must:

  - Set up and enable additional currencies.

  - Select Use Multiple Currencies on the Currency tab.

  - Define additional internal bank accounts and remittance documents for each currency you will use.

See: System Setup for Multiple Currency, *Oracle Payables Implementation Guide*

Payables periods need to be open only for Direct loans. For detailed information, see: Controlling the Status of Payables Periods, *Oracle Payables Implementation Guide*

Oracle Workflow Setup

To be able to use notifications in Oracle Loans, set up Oracle Workflow.

> **Tip:** It is recommended that you set up the user e-mail addresses that Workflow uses to send notifications, in Oracle HRMS rather than in Oracle System Administrator.

In order for Oracle Loans to display notifications properly on the dashboard, in Preferences, set the Notification Email Style to HTML Mail for each user.

See: Overview of Required Setup Steps, *Oracle Workflow Administrator's Guide*.

Oracle Loans Setup

Log on to Oracle Loans using the Loan Administration responsibility. Under Loan Administration, click Setup, and complete these steps:

- Global Setup

  1. Set Up Rates, page 1-7

  2. Set Up Conditions, page 1-7

  3. Set Up Notifications, page 1-9

4.   Set Up Loan Types, page 1-9

•   Operating Unit Dependent Setup

1.   Set Up Loans System Options, page 1-10

2.   Set Up Accounting, page 1-12

3.   Set Up Fees, page 1-16

4.   Set Up Loan Products, page 1-18

•   From the navigator, go to LNS: Lookups to define lookups, page 1-20.

> **Important:** After you complete your Loans setup, clear the cache and
> bounce the middle-tier web server so that Loans reflects the setup
> changes.

Setting Up Rates

Set up the interest rate indexes for your loans.

When a loan agent selects an index for a loan application, the rate will default for the
index date selected from the index rates you set up.

You can enter interest rates manually or upload a file from an external source.

> **Tip:** Save the index name before adding rates or importing rate files.

To upload a rate file, create an Excel spreadsheet with three columns formatted as show
in this table:

Start Date	End Date	Rate
dd-Mon-yy	dd-Mon-yy	xx.xx

Use two decimal points for rate percentage. For example, enter 6.25 if the rate
percentage is 6.25%. Save the spreadsheet with a .csv file extension.

Defining Loan Conditions

Define the loan conditions that your agents can attach to a loan application. Condition
names must be unique within an operating unit.

Condition type determines where the condition is used. The following conditions types

are available in Oracle Loans:

- **Additional Receivable Approval:** Use this condition type during approval of additional receivable for ERS loan.

- **Conversion Approval:** Use this condition type during conversion from disbursement phase into term phase for Disbursement to Term loans.

- **Disbursement Approval:** Use this condition type during disbursement submission process for direct loan.

- **Loan Amount Adjustment Approval:** Use this condition type during approval of loan amount adjustment for direct loan.

- **Loan Approval:** Use this condition type during loan approval process.

You can update conditions at any time.

> **Note:** Do not delete a condition that is attached to an approved loan.

To attach a condition to a loan application, see: Conditions, page 2-17.

Custom Conditions

Custom conditions provides you with the ability to use custom business logic for automatic validation of key loan activities like loan approval, disbursement approval, loan amount adjustment approval , and so on.

Any custom condition procedure must have the following signature:

```
PROCEDURE MY_CUSTOM_CONDITION(
  P_COND_ASSIGNMENT_ID IN NUMBER,
  X_CONDITION_MET OUT NOCOPY VARCHAR2,
  X_ERROR OUT NOCOPY VARCHAR2);
```

Where:

P_COND_ASSIGNMENT_ID: Input parameter that carries valid COND_ASSIGNMENT_ID from LNS_COND_ASSIGNMENTS table. This parameter is passed by Loans system into the custom procedure. Custom code uses this to find required loan data.

X_CONDITION_MET: Output parameter that carries result of custom validation. The custom procedure sets and passes this parameter back to Loans system. Valid values are Y (condition validation has succeeded) and N (condition validation has failed).

X_ERROR: Output parameter that carries validation error message in case condition validation has failed. The custom procedure sets and passes this parameter back to Loans system. The error message states reasons for validation failure and is displayed on the Loans UI.

Enabling Notifications

Event notifications can be enabled or disabled for an entire loan class or for individual loan types within a class. They are enabled by default. You can disable notifications for some events to minimize the number of notifications sent to loan agents and managers. You can determine the critical event notifications and disable others to minimize the number of notifications sent to loans users.

- To enable or disable an event notification for an entire loan class, search for events by loan class. Select an event and change the enable flag.

- To enable or disable an event notification for a specific loan type within a loan class, search for a specific event, select the event for the corresponding loan class, and change the enable flag for the loan type.

Setting Up Loan Types

Loan Type is a structure to which Loan Products are associated. A Loan Type provides the mandatory characteristics to set boundaries while defining Loan Products. Loan Type defines accounting, reserving funds, critical calculations, ability to convert construction loan to permanent loans and requirement for collateral. Setting these parameters ensures all associated Loan Products adhere to same default settings as set up in the selected loan type. Before creating a new loan type, you can search for existing loan types that match your criteria and duplicate the loan type.

Creating a Loan Type

To create a new Loan Type, login using the Loan Administration responsibility, select Setup and click Loan Types under Global Setup. Click Create and perform the following steps:

1. Enter the General Information for the loan type and select Direct Loan or Extended Repayment Schedule (ERS) Loan as the class.

   - **Direct Loan** is a disbursement of funds under a contract that requires repayment of such funds with or without interest.

   - **ERS Loan** is a loan converted from one or more receivables and assigned terms and conditions for repayment.

2. Based on the Class selected, the parameters in the Details section vary.

   - **Use Disbursements Phase:** Setting this to Yes enables Disbursement phase where loan is disbursed using a pre-defined static disbursement schedule. During this phase only fees and interest can be served (billed).

     If set to No, then loans are created directly in Term phase that supports single or multiple disbursements with a flexible disbursement schedule. During Term

phase all fees, interests, and principals are billed.

- **Allow Conversion to Term Phase:** Setting this to Yes enables conversion of a loan from Disbursement to Term phase.

  Select No if loans of this type must be paid off in Disbursement phase and cannot be converted to Term loans.

- **Credit Review:** This option enables you to configure the requirement to review the credit status of borrowers.

3. In the Terms for Payment section, select the payment applications and assign a sequence. You can add new or remove existing payment applications.

You can only create loan products for loan types with a status of Completed. If any required fields for a loan type are not filled in, then the status is Incomplete.

You can only delete a loan type if it is Incomplete or if it is Completed without any loan products assigned to it. Loan types with loan products assigned to it can only be end-dated and made unavailable.

Updating a Loan Type

If you are updating a Loan Type, the Class, Start Date, and Details are read-only fields and cannot be edited. You can end-date existing Loan Types so that they are not assigned to new Loan Products.

Duplicating a Loan Type

You can create loan types that are similar to existing types. Search for the Loan Type you wish to duplicate and click Duplicate. Replace the "Copy of <Loan Type Name>" with a new name (if necessary). Enter a Description and Start Date. The Class defaults from the original Loan Type and cannot be changed. Mark it Completed to make it available for assignment to Loan Products.

> **Note:** If you change the values of a Loan Type after marking it Completed, the new values will not affect existing loan products assigned to the loan type.

Setting Up System Options

Set the following system options.

> **Note:** You must clear the cache and bounce the middle tier server whenever you change profile option settings at any level other than User level, or add or change values that appear in Loans pages.

General:

Day Count Method

Determines the number of days in a period when calculating interest. Select the Day Count method appropriate for your organization.

Billing:

1. **Batch Source**

   Select Loans. You identify Loans bills in Oracle Receivables by this batch source.

   > **Note:** In Oracle General Ledger, the batch source for journal entries that are created for loans transactions is Oracle Loans.

2. **Payment Term**

3. **Principal Transaction Type**

   Select the Receivables transaction type for use when billing loan principal amounts. See: Oracle Receivables Setup, page 1-4.

4. **Bill Generation Timing**

   To indicate when you want Loans to generate bills for all active loans, enter the number of days *before* the installment due date.

   > **Note:** When submitting the LNS: Billing program, this system option populates the To Number of Days to Due Date parameter of the billing program.

5. **Interest Transaction Type**

   Select the Receivables transaction type for use when billing loan interest amounts.

6. **GL Date Timing**

   Enter the number of days *after* the payment due date to indicate the GL date for Loans transactions.

   The GL date is the payment due date *plus* this number of days.

7. **Fee Transaction Type**

   Select the Receivables transaction type for use when billing loan fee amounts.

Original Receivable Adjustment:

Activity Name

Select the Receivables activity name for the automatic receivable adjustment created when an existing receivable is converted to a loan. This system option is required only if your organization creates loans from receivables (loan class is ERS).

The activity name must have the following parameters:

• Activity Type: Adjustment

• GL accounts set up

• Status: Active

Loans recommends that you use the seeded activity name, Loan Conversion, for audit tracking purposes.

Loans Forgiveness Adjustment:

Select the Receivables activity name for the automatic receivable adjustment created when portion of billed principal amount is forgiven.

Loans Cancellation Adjustment:

Select the Receivables activity name for the automatic receivable adjustment created during loan cancellation process.

Fee Accounting:

Enter the default debit accounting flexfield for Fee Receivable. You can enter only one account. All fees automatically generated by Loans use this debit account.

Setting Up Accounting

For each combination of loan class and loan type that your organization creates loans for, you must define GL accounts. You must set up accounting whether you create Direct loans or Extended Repayment Schedule (ERS) loans.

A loan manager can update the default accounting when working with a specific loan in Origination up until the loan becomes active. After a loan is active, no accounting changes can be made. See: Viewing Accounting, page 2-30.

Oracle Loans uptakes subledger accounting to generate accounting entries for the business events associated with the loan process. Accounting events are created when an ERS loan is approved and when a Direct loan is approved, disbursed or canceled. Accounting entries are also created when loan payments are billed. See: Accounting for Loan Payments, page 4-10.

Note that when payments are received for a loan, Oracle Receivables generates the accounting distributions through the receipt application process.

To review the default accounting for a loan, use the Accounting area on the Origination tab. See: Viewing Loan Accounting, page 2-30.

> **Note:** You must be familiar with your organization's chart of accounts in order to set up accounting for loans correctly. If you inadvertently select a non-postable or parent account when setting up accounting, journal posting will fail.

To Create Loan Accounting Setup for Direct Loans:

1. Select Direct Loan class and a loan type for the accounting setup and click Create.

2. Enter GL accounts and distribution percentage for Loan Approval.

3. Enter GL accounts and distribution percentage for Principal and Interest Billing.

To Create Loan Accounting Setup for Extended Repayment Schedule (ERS) Loans:

1. Select ERS class and a loan type for the accounting setup and click Create.

2. Enter the Replacement Natural Account for loan booking.

3. Enter a GL accounts and distribution percentage for principal and Interest Billing.

Related Topics

Validation for Loan Accounting, page 1-13

Accounting Derivation Rules, page 1-14

Validation for Loan Accounting

To properly account for a loan, you must set up GL accounts according to the following validation rules, before you can approve a loan.

- The account code combinations for Loan Receivable accounts in Loan Approval must be identical to those in Billing.

- The distribution percentage for Loan Receivable accounts in Loan Approval and Billing must equal 100%.

- The distribution percentage for Loan Clearing accounts in Loan Approval and Billing must equal 100%.

- You may have multiple Loan Receivable accounts but only one Loan Clearing account (ERS loans).

- The code combination distribution percentage for each Loan Receivable in Loan Approval must equal the distribution percentage for each Loan Receivable in Billing.

- You can set up only one Principal Receivable account and one Interest Receivable account.

- You can distribute interest income across multiple GL accounts.

- The distribution percentages for Interest Income must equal 100%.

Accounting Derivation Rules

Loans uses accounting derivation rules to establish accounting distributions when a loan is created.

1. If a loan application is created for existing receivables from a public sector installation of Receivables that is multi-fund enabled, then Loans:

   - Derives the accounting distributions for the loan receivable journal entries by replacing the natural account segment from the original receivable transaction line with the natural segment set up in Multi-fund Account Derivation Mapping.

   - Derives the number of loans receivables accounts from the original receivable and establishes a corresponding number of distribution accounts for each unique receivable line account code combination with a balance greater than zero.

   - Derives the distribution percentages for the accounts from the original invoice's revenue line distributions, rounding to seven decimal places.

   - Uses these accounts and percentages when billing the loan.

Accounting Events

Loans generates accounting information for events that occur during the lifecycle of a loan. The distributions are based on the accounting set up for the loan class/loan type combination associated with the loan. Loans generates an accounting event for each loan event and stores the accounting information that will be used by Oracle Subledger Accounting to create a journal entry for that event.

Accounting for Loan Approval

> **Important:** Accounting distributions that a manager enters in the Accounting area on the Origination tab always take precedence over the accounting defaults that you enter in Setup. Loans re-derives the accounting distributions for accuracy when you approve a loan . For example, the original receivable amount may have changed since the application process began.

When you approve a loan application, Oracle Loans uses the Loan Creation accounts that you defined for the particular loan's combination of loan class and type to create the following accounting events:

Loan Approval for Direct Loans

```
Debit      Loan Receivable
Credit      Loan Payable
```

Loan Approval for ERS Loans

```
Debit      Loan Receivable
Credit      Loan Clearing
```

Accounting for Loan Funding

When you fund a direct loan, Loans uses the Loan Funding accounts that you defined for the particular loan's combination of loan class and type to create the following journal entries:

Loan Funding

```
Debit      Loan Payable
Credit      Loan Liability
```

Accounting for Loan Billing

When you generate a loan bill, Loans uses the Loan Billing accounts that you defined for the particular loan's combination of loan class and type to create the following journal entries:

Billing - Principal

```
Debit      Principal Receivable
Credit      Loan Receivable
```

Billing - Interest

```
Debit      Interest Receivable
Credit      Interest Income
```

Billing - Fee

```
Debit      Fee Receivable
```

```
Credit     Fee Income
```

> **Note:** Define the credit for fee billing when you create a fee. See: Defining Loan Fees, page 1-16.

Accounting for Loan Cancellation

When you cancel a loan application, Oracle Loans uses the Loan Cancellation accounts that you defined for the particular loan's combination of loan class and type to create the following accounting events:

Loan Cancellation for Direct Loans

```
Debit      Loan Payable
Credit      Loan Receivable
```

> **Note:** Loan Cancellation is for the entire loan amount for loans without distributions, and on amounts yet to be disbursed for loans with multiple disbursements.

Defining Loan Fees

Define the fees that your agents can attach to a loan application. Fee names must be unique within an operating unit.

When defining a new fee, indicate the category, fee name, start date, and currency. Additional parameters are available based on the fee category selected.

You can define fees for the following categories:

- Event Based, page 2-16

- Manual, page 2-17

- Memo, page 2-15 (for ERS Loans only)

  These fees are for reference only, and are not included when billing the loan. See: Preaccrued Interest, page 1-17.

- Recurring, page 2-17

For more information about the types of fees, see: Fees, page 2-15.

Define rules for a late charge to determine the grace period, minimum overdue amount, and whether the fee is calculated for overdue interest, principal, or principal and interest.

When selecting a billing option, you can bill the fee as due before first loan payment, at origination, with an installment, equally with installments, or recurring. Billing option changes based on the selected fee category.

You can update fee setup at any time.

You cannot delete a fee attached to an approved loan. You can end date fees that you no longer want to use.

If the fee amount varies from loan to loan, set up a fee with a nominal amount and allow updates to the fee amount. Loans agents can modify the fee amount in Servicing.

To attach a fee to a loan application, see: Fees, page 2-15.

Loans displays the fees that you attach to a loan in the loan's amortization schedule. See: Amortization, page 2-18 and Viewing Current Amortization Schedule, page 4-12.

Calculation

Every fee has one of the following calculation methods:

- **Fixed:** Fee amount is fixed.

- **Variable:** Fee amount is calculated as percentage of a predefined base amounts.

- **Custom:** Fee amount is calculated by a custom procedure. It must have the following signature:

```
PROCEDURE MY_CUSTOM_FEE_CALC(
 P_LOAN_ID IN NUMBER,
 P_FEE_ID IN NUMBER,
 P_INSTALLMENT IN NUMBER,
 X_AMOUNT OUT NOCOPY NUMBER,
 X_ERROR OUT NOCOPY VARCHAR2);

where:
P_LOAN_ID: Input Loan ID (passed by the system)
P_FEE_ID: Input fee id from lns_fees_all table (passed by the
system)
P_INSTALLMENT: Input installment number (passed by the system)
X_AMOUNT: Returned fee amount value
X_ERROR: Returned error message
```

Defining Credit Accounts for Fees

When you generate a bill for a loan, Oracle Loans uses the debit account you define for Fee Accounting in System Options, and the credit account you define in Fees when you create the fee, to create the journal entries for a fee. All fees debit the same fee receivable account, but you can define a different fee income account to credit for each fee you create. You can define only one credit account for each fee.

> **Note:** You can update the credit account when you assign the fee to a loan. See Fees, page 2-15.

See: Accounting Events, page 1-14 and Setting Up System Options, page 1-10.

Preaccrued Interest

If your organization creates loan applications for existing receivables (the funds were already disbursed), then you can optionally set up a memo fee for any interest that has already accrued on the receivable. to record for read only purposes.

See: Memo Fees, page 2-15.

Setting Up Loan Products

Loan Product is a product offering that provides defaulted and mandatory characteristics that meet loan program rules including terms, index rates, conditions, fees, and disbursements. Loan products are tied to loan types and cannot be created until loan types are available. Also, you must set up rates, conditions and notifications before creating a loan product. Before creating a new loan product, you can search existing loan products and duplicate any match that suits your need.

Creating a Loan Product

To create a new Loan Product, login using the Loans Administration Responsibility and select Setup. Use the Focus icon to access the setup tasks for a specific operating unit. Click Create and perform the following steps:

1. Select a Loan Type

2. Enter a Loan Product name, Description and select Currency, Segment and Start Date.

3. In the Terms tab, specify the Requested Amount From. The Requested Amount To parameter lets you specify an optional upper limit to the amount the Loan Product can offer. If you want loan agents to be able to set the upper range amount when creating a loan application for this product, then leave this field blank.

   > **Important:** You cannot specify a requested amount range for ERS loans since Loans derives the loan amount from the receivables selected to convert to a loan.

4. The minimum duration of a loan is set by the Term From parameter. Selecting the Disable Update option disallows the loan agent from changing the loan duration. You can optionally set the Term To parameter. Leaving it unspecified allows you to offer a Loan Product without predetermined duration.

5. Enable or disable the Loans Forgiveness Program. Selecting the Disable Update option disallows the loan agent from making changes to the selection later.

   See: Loans Forgiveness Program, page A-1.

6. Specify if you require loan approval and approval to cancel disbursements.

> **Note:** Once set, both these fields cannot be updated.

7. In the Interest Rates tab, specify values for Index Name, Rate Type, Amortization Method, Days Formula, Payment Frequency, Interest Calculation Method, Allow Interest Only Payments, Reamortize On Disbursements, Reamortize On Overpayments, Charge Additional Interest On Unpaid Principal, Capitalize Interest, Charge Additional Interest On Unpaid Interest, Service Based On Approved Amounts, and Collateralized fields.

   > **Note:** Select the Disable Update check box to disable loan agents from modifying a parameter when updating a loan product.

8. In the Conditions tab, add conditions for the loan product. Select Mandatory if a condition must be met before the loan application can be submitted for approval. You can add conversion conditions only to Construction-to-Permanent loan products.

   > **Note:** Adding conditions to a loan product is optional.

9. In the Fees tab, you can set fees to be paid by the borrower at origination or during the course of the active loan. Fees marked mandatory cannot be overridden by the loan agent. However, if it is marked Update Amount, then the amount can be modified by the loan agent.

   > **Note:** The fees associated must be in the same currency as the loan product and from the same operating unit.

   > **Note:** A loan product can be created without any mandatory fees.

10. The Disbursement tab lets you configure the number of disbursement to be allowed for a particular Loan Product. You can set up multiple disbursement activities and optionally associate conditions and fees to be met before disbursing each installment. If you set fees and conditions to mandatory, only you or a user with administrator rights can modify it. Multiple disbursement is executed based on a disbursement schedule configured while creating a loan. For further details, see: Creating a Disbursement Schedule, page 3-2.

    > **Note:** If your Loan Type does not allow multiple disbursement, the loan release will be defaulted to Single Disbursement. The Disbursements tab is not available for ERS loan products.

Updating a Loan Product

If you are updating a loan product, the Class, Type, Currency, Segment and Start Date appear as read-only fields and cannot be edited. Changes to existing loan products are effective only for future loans. While you cannot delete a loan product, you can end-date it, which ensures your Loan Product is not assigned to new loans.

Duplicating a Loan Product

To create similar products you can duplicate a loan product instead of creating a new one. Search for the loan product you wish to duplicate and click Duplicate. Replace the "Copy of <Loan Product Name>" with a new name (if necessary). Enter a Description and Start Date. The new loan product inherits the loan class and loan type and cannot be changed. The Loan Product is set to Incomplete until all required details are entered.

Defining Oracle Loans Lookups

The following table lists the extensible lookup types that Oracle Loans uses.

Define lookups for these types in the Oracle Loans Lookups window.

Meaning	Type
Loan Purpose	LOAN_PURPOSE
Asset Quantity Type for Machinery and Equipment	ASSET_QNT_MACHINERY_EQUIPMENT
Asset Quantity Type for Class Other	ASSET_QNT_OTHER_ASSET
Asset Quantity Type for Class Real Estate	ASSET_QNT_REAL_ESTATE
Asset Quantity Type for Class Securities	ASSET_QNT_SECURITIES
Asset Quantity Type for Other	ASSET_QNT_OTHER_ASSET
Asset Classes	ASSET_CLASSES
Asset Reference Type for Machinery and Equipment	ASSET_REF_MACHINERY_EQUIPMENT
Asset Reference Type for Class Others	ASSET_REF_OTHER_ASSET
Asset Reference Type for Real Estate	ASSET_REF_REAL_ESTATE
Asset Reference Type for Securities	ASSET_REF_SECURITIES

Meaning	Type
Asset Reference Type for Others	ASSET_REF_OTHERS

Customer Access to Loans

You can enable and manage customer access to Loans with the following settings:

Define a Customer Account Contact with Loans User Contact Role in Receivables:

1. Navigate to the Customers page under Oracle Receivables, Customers.

2. Search for and select the customer for whom the contact needs to be added.

3. Select the Account Number for the contact, click Details, and navigate to the Communications tab.

4. Create a new contact, or click the Details icon of an existing contact.

5. Under the Contact Roles section, add the Role of Loans User, and click Apply.

Define a FND User and Attach the Customer Account Contact:

1. Navigate to System Administrator and select the Define form under Security, User.

2. Define a new FND user with the required Loans responsibilities, and click Save.

The customer contact has only access to loans where this customer is primary borrower, co-borrower, or guarantor and based on global and local loan access levels.

Managing Loans Access Levels

There are three Loans Access Level settings which control access to a loan:

• **Full access level:** Read and write (full) access to loan.

• **Read Only access level:** Access to loan in read only mode.

• **No Access level:** No access to loan at all.

Loans Access Level settings are controlled globally using the following profiles:

• LNS: Borrower Default Access Level

• LNS: Co-Borrower Default Access Level

• LNS: Guarantor Default Access Level

For more information, see: Profile Options Owned by Oracle Loans, page B-2.

Individual Loans Access Level settings are located on the Borrowers tab under Origination. If set, these overwrite the global settings. Loans Agent can control individual loan access levels using the Access Levels Details section. Use the Reset Access Levels button to remove all individual access level settings for all participants of the loan.

2

Creating A Loan

This chapter describes how to create and update a loan.

This chapter covers the following topics:

- Using Oracle Loans
- Using the Loans Dashboard
- Using Notifications
- Creating a Loan
- Updating a Loan
- Loan Overview
- Viewing Borrowers
- Creating a New Organization
- Adding Borrowers and Guarantors
- Creating Assets
- Adding Collateral
- Credit Review
- Approving a Loan
- Viewing Accounting Events

Using Oracle Loans

Oracle Loans supports the entire loans management life cycle, from loan origination and approval, to servicing and eventual loan payoff.

Use Loans to:

- Track a loan from initial application until approval and funding

- Create approval conditions

- Set up periodic loan billing for all active loans

Oracle Loans within the Oracle E-Business Suite

Loans is seamlessly integrated with other applications within the Oracle E-Business Suite to facilitate all aspects of loan management.

For example, Loans automatically integrates with:

- **Oracle Trading Community Architecture**

  Borrowers, co-borrowers, and guarantors are stored in the TCA Registry. When you create a new loan for an new or existing borrower, Loans leverages functionality from the Customer Data Hub to prevent you from creating duplicate borrower records.

  When you create a new borrower in Loans, it is automatically entered into the TCA Registry.

  > **Tip:** Schedule the DQM: Setup Data Synchronization program to run as frequently as every minute in order to be able to search for new borrowers.

  See: *Oracle Trading Community Architecture Administration Guide* for more information.

- **Oracle General Ledger**

  See: Integrating General Ledger Using Journal Import, *Oracle General Ledger User's Guide*

- **Oracle Receivables**

  When creating a loan application, you can select an existing receivable to create an ERS loan.

  See: Creating a Loan, page 2-6.

  Additionally, billing documents (such as invoices and debit memos) are created in Receivables when you initiate the billing process for loans. These billing documents provide payment amounts for principal, interest, and fees. When payment is remitted, your Receivables clerk applies receipts to these documents. Your receivables clerk also transfers journal entries for billing and payments the general ledger.

  See: Overview of Loan Billing, page 5-1.

- **Oracle Payables**

Loans integrates with Oracle Payables to disburse funds for approved direct loans. Suppliers are created in the Loan Origination process. Payables invoices are created upon loan approval. Then Payables clerks validate the invoices and process the payments by check, wire or other Payables methods, to disburse funds to a third party agency or directly to the borrower.

See: *Oracle Payables User Guide*.

- **Oracle Advanced Collections**

Loans uses Advanced Collections scoring engines to identify when loan payments are overdue and set the status of the loan to Delinquent or In Default, depending upon the severity of the overdue condition. From there, Advanced Collections takes over and provides automated dunning or collections strategies to schedule calls and other collection activities for the collections agents. Advanced Collections processes payments and promises to cure the troubled loans.

See: Overview of Scoring, *Oracle Advanced Collections Implementation Guide* and Collections Strategies, *Oracle Advanced Collections Implementation Guide*.

- **Oracle Credit Management**

Loans displays information from Oracle Credit Management in the Borrower Summary. This information can be used in the loan application and approval process.

See: *Oracle Credit Management User Guide* for more information.

- **Oracle Common Application Calendar**

Use Oracle Notes to track comments and customer interactions, during both loan origination and servicing phases.

Use Oracle Attachments functionality to add attachments such as scanned documents or URLs to notes or loan approval conditions.

See: Overview of Oracle Notes, *Oracle Common Application Calendar User Guide*.

- **Oracle XML Publisher**

Loans uses XML Publisher to generate statements and reports for Loans. These can be printed in multiple formats and made available to download or forward.

- Statements are used to inform the borrower about their next bill.

- The Loans Portfolio Report provides a listing of all loans along with critical loan summary information.

- The Loans Reconciliation Report assists lending organizations to review billing and payment discrepancies.

- The Loan Agreement Report provides a printable document of all loan details.

See: *Oracle XML Publisher Administration and Developer's Guide*.

Using the Loans Dashboard

The Loans dashboard is your virtual "home" within the Oracle Loans application.

Use the dashboard to:

- Search for a specific loan.

  Execute a search using different loan attributes - Borrower Name, Loan Description, Loan Number, Loan Status or Taxpayer ID; or execute an advanced search.

- Review and respond to notifications related to your loans.

  See: Notifications, page 2-4.

- View your recent loan activities under Loan Portfolios.

  You can select Show to display additional loan details. You can filter the loans shown in the Dashboard to show only loans with the same status, such as loans in origination, loans in funding, and so on. You can sort the list by clicking the column headings.

  You can personalize the group of loans displayed on the dashboard to match criteria you select. You can change the number of loans displayed and specify parameters to filter the loans displayed. For example, you could personalize your view of loans to show only active loans over a certain amount.

- View a borrower summary for a specific borrower.

  See: Viewing Borrowers, page 2-25.

- Create a new loan application.

  See: Creating a Loan, page 2-6.

- Update an existing loan application.

  See: Updating a Loan, page 2-10.

- Delete an incomplete loan application.

- View graphs showing loans grouped by status and value.

- Navigate easily to main tasks areas through container links and tabs.

Using Notifications

Use notifications to automatically inform loan agents and managers about critical

events that occur during the life of a loan. When the status of a loan changes, a business event is raised in Oracle Workflow, which then sends a notification to the recipient based on user roles.

Each notification event is associated with a loan class and type. Loans seeds and enables notifications for the combinations of loan class and type shown in the following table.

Loan Class	Loan Type
Extended Repayment Schedule	Extended Repayment Schedule
Direct Loan	Agriculture
Direct Loan	Business
Direct Loan	Real Estate

> **Note:** You can disable notifications for a loan type or class. See Enabling Notifications, page 1-9.

Loans automatically generates the text for a notification based on the message parameters seeded in Workflow.

See: *Oracle Workflow Administrator's Guide* and *Oracle Workflow User's Guide*.

The five most recent notifications from your worklist appear in the Notifications section of the dashboard. A notification remains on your worklist until the due date of the notification or until you indicate you have reviewed the notification by clicking OK.

> **Tip:** If you want don't want to delete the notification from the worklist or dashboard, then use the Dashboard link to return to the dashboard.

Select the Notification hyperlink to view the notification details. To navigate to the loan section associated with the notification and the most current loan information, select Loan Details in the Reference section.

> **Tip:** You must perform several steps in Oracle Payables to process the funding request for a loan. See Loan Funding for more information.

Creating a Loan

Use Oracle Loans to create and track loan applications, from origination to payoff.

- You can create an application for a borrower.

- You can create an application for one or more existing receivables in the same currency in Oracle Receivables.

> **Note:** Set the class for the loan to Direct Loan or Extended Repayment Schedule to determine which create flow to use, based on your organization's business process.

Creating a loan involves two processes:

1. Creating the loan application.

2. Adding details to the application. See: Updating a Loan, page 2-10.

To create a direct loan application for a borrower:

1. From the Loans dashboard, click Create Loan.

   See: Using the Loans Dashboard, page 2-4.

2. Enter the general loan information.

   - Select a Loan Product with Direct Loan Class.

     The loan product selected for a loan sets the Type, Operating Unit and Loan Currency to be used with the loan product. The Loan Type and Class determine the accounting distributions recorded when the loan is created, funding is approved, and loan payments are billed.

     For further information, see: Setting up Loan Types, page 1-9 and Setting up Loan Products, page 1-18.

   - Select a Legal Entity, Application Date, Loan Purpose and assign a Loan Officer.

     > **Note:** The Application Date defaults to the current date. You can change it to display a date before or after the current date.

3. Enter the borrower information by searching for an existing borrower. If the borrower does not exist, you can:

- Create an organization.

- Create an account number.

- Create an address to be used as the primary billing address.

    Tip: To search for an address for an existing borrower, the customer must have a Bill To address set up in Oracle Receivables.

- Create a primary contact.

4. Enter loan details, such as:

    - Requested Amount

        Note: The Requested Amount defaults to the minimum requested amount set in the loan product.

    - Term Start Date

    - Term, in Days, Months, or Years

        Note: The Term defaults to the minimum term set in the loan product.

    - Balloon Payment Type

        - When creating a loan with a term type balloon payment, enter a balloon term that is longer than or equal to the loan term.

        - When creating a loan with an amount type balloon payment, enter a balloon amount greater than the requested loan amount.

    - Balloon Term

    - Subtype

        Subtype indicates whether the loan is secured by collateral. If you select Secured, enter the loan-to-value ratio required for the loan in Collateral Percentage.

5. Enter the rates.

    Select an index, type, days formula, custom calculation method, payment frequency, interest calculation method, compounding frequency, and interest rate frequency.

    Loans defaults the index rate percentage based on the index rates you set up in Loan Administration. You can override the defaulted index rate if necessary. See Setting Up Interest Rates, page 1-7.

    The interest rate for the loan is the total of the index rate percentage and the spread percentage, if any. If the loan has multiple interest rates, the interest rate percentage is the initial interest rate for the loan.

    > **Note:** When you first create a loan application, the term type is fixed. To create a variable rate loan, update the interest rate on the Origination tab after you save the application. See Updating a Loan.

6. Click Save and Add Details. Loans creates the application and navigates to the Origination tab, where you can update the application. See: Updating a Loan, page 2-10.

    Or, click Apply. Loans creates the application and navigates back to the dashboard.

    > **Note:** When you create an application, the loan status defaults to Incomplete.

To create a loan application from an existing receivable:

1. From the Loans dashboard, click Create Loan.

    See: Using the Loans Dashboard, page 2-4.

2. Enter the general loan information.

    -   Select a Loan Product with ERS Loan Class.

        The loan product selected for a loan sets the Type, Operating Unit, and Loan Currency to be used with the loan product. The Loan Type and Class determine the accounting distributions recorded when the loan is created, funding is approved, and loan payments are billed.

    -   Select a Legal Entity, Application Date, Purpose and assign a Loan Officer.

        > **Note:** The Application Date defaults to the current date. You may change it if you wish to display a date before or after the

current date.

3. Select a borrower for the loan and then add one or more outstanding receivables. The outstanding receivables must be in the same currency as the loan.

   Enter the amount of each receivable that will be used to create the loan. The amount cannot exceed the current receivable amount.

   Click Derive to pull in all transactions that match the rule setup based on the selected loan product and customer in the loan creation page. The balance amounts on the transactions will be used to create the payment plan.

   > **Note:** When you create a loan for an existing receivable, Loans will automatically adjust the original receivable with the amount of the loan. See: Approving a Loan, page 2-29.

4. Add the borrower details.

5. Enter loan details and terms, such as:

   - Transaction Type

     Select a transaction type for billing.

   - Term Start Date

   - Term

   - Balloon Payment Type

     - When creating a loan with a term type balloon payment, enter a balloon term that is longer than the number entered for term of the loan.

     - When creating a loan with a amount type balloon payment, enter a balloon amount greater than the amount entered in the Requested Amount field.

   - Balloon Term

   - Subtype

     Subtype for a loan to indicate whether the loan is secured by collateral

6. Enter the rates.

Select an interest rate index, type, days formula, payment frequency, interest calculation method, and interest rate percentage. Loans defaults the index rate percentage based on the index rates you set up in Loan Administration. See: Setting Up Interest Rates, page 1-7.

The interest rate for the loan is the total of the index rate percentage and the spread percentage, if any. If the loan has multiple interest rates, the interest rate percentage is the initial interest rate for the loan.

> **Note:** When you first create a loan application, the term type is fixed. To create a variable rate loan, update the interest rate on the Origination tab after you save the application. See: Updating a Loan, page 2-10.

7. Click Save and Add Details. Loans creates the application and navigates to the Origination tab, where you can update the application. See: Updating a Loan, page 2-10. Loans automatically adjusts the original receivable when the completed loan application is approved. See: Approving a Loan, page 2-29.

Or, click Apply. Loans creates the application and navigates back to the dashboard.

> **Note:** When you create an application, the loan status defaults to Incomplete.

Updating a Loan

From the Loans dashboard, click a Loan Number to update a loan.

When you first create a loan application, the status is always Incomplete. After a loan is approved, the status is Active.

If the status is Incomplete and you click the Loam Number from the dashboard to update the loan, then Loans navigates to the Origination tab. Use the Origination tab to enter all required information before you can approve the application.

> **Note:** If the loan status is Active, Delinquent, Default, or Paid-off, then clicking Update takes you to the Servicing Center. See: Servicing Center, page 4-2.
>
> If the loan status is In Funding, then clicking the Loan Number takes you Funding. See: Funding, page 3-1.

To access information about the borrower for the loan, click the borrower name hypertext link. See: Viewing Borrowers, page 2-25.

To complete a loan application, use the Overview area on the Origination tab. See:

Overview, page 2-11.

Use the other areas on the Origination tab to enter additional information about a loan:

- Borrowers

    See: Viewing Borrowers, page 2-25.

- Collateral

    See: Adding Collateral, page 2-27.

- Approval

    See: Approving a Loan, page 2-29.

- Accounting

    See: Viewing Loan Accounting, page 2-30.

Finally, when the application is completed and ready for approval, use the Approval area. See: Approving a Loan, page 2-29.

> **Note:** Throughout the Origination tab, you can click Save or Apply:
>
> - Click Save to save loan updates and remain on the Origination tab.
>
> - Click Apply to save loan updates and return to the dashboard.

Loan Overview

The Overview area includes the following sections:

- General, page 2-12

- Interest Rates, page 2-12

- Fees, page 2-15

- Conditions, page 2-17

- Amortization, page 2-18

- Related Loans, page 2-24

- Notes, page 2-24

General

Use this section to update basic loan details.

When you create an application, Loans automatically populates this section with all required values. Note that *before* you submit the application for approval, you can update any defaulted values.

The General section includes the Loan Status History region, which documents all status changes for this loan.

Selected Terminology

- **Transaction Type** - When creating a loan from an existing receivable, Loans uses this transaction type when billing loan amounts. The default is the transaction type set up in System Options.

  If you are not converting an existing receivable to a loan, then Loans uses the transaction type from the system option setup for billing purposes. See: Setting Up System Options, page 1-10 and Overview of Loan Billing, page 5-1.

- **Term Start Date** - Date when you want the loan to start. Default is the current date but you can change it.

- **Context Value** - Loans displays this field only if your system in configured for descriptive flexfields.

- **Class, Type, and Subtype** - Loan classifications. These classifications are automatically seeded. Your implementation team can add additional loan types. See: Defining Oracle Loans Lookups, page 1-20.

Rates

Use this section to update the following details:

- Interest rates and interest rate schedule:

  - With fixed rate loans, the rates are known when the loan is created.

    If you select Fixed, then this loan can have either a single interest rate or multiple rates for the loan duration.

  - With variable rate loans, the rates are unknown at the time of loan creation, and are based on future indexes, instead.

    If you select Variable, then you must indicate the initial interest rate, as well as placeholder rates for subsequent rates.

> **Note:** For a loan, you can have one interest rate schedule for all payments using the initial interest rate or you can define additional periods and enter suggested rates in order to complete the Amortization Schedule for the loan. Remember that the suggested interest rates are not binding and change when future interest rates are in effect.

- Use the Interest Only check box to indicate that Loans will bill only interest for the selected installments. A loan can be entirely interest only installments or a combination of interest only and standard installments throughout the life of the loan.

- Ceiling Rate Percentage specifies the maximum interest rate on the loan.

- Lock Date is to specify the date on which the specified interest rate is agreed upon (lock-in rate).

- Lock Expiration Date specifies the date on which the lock-in rate expires if the loan has not been processed by then.

- Amortization Method

  Use these options to calculate how Loans will handle repayment of the loan. You can choose from:

  - **Equal Payment:** The loan is repaid in equal installments for the given frequency. All payments are equal except the first and last, which may be different to balance out the repayment.

  - **Separate Schedules:** The principal and interest of the loan is repaid over different frequency types. For example, the principal may be repaid annually, while the interest is paid monthly. The repayment date for principal and interest can also be different. If you selected this method, you will see Principal Payment Start Date, Interest Payment Start Date, Principal Payment Frequency and Interest Payment Frequency fields.

  - **Equal Principal Repayment:** The principal and interest are repaid over the same frequency type but the principal amount is equal across the installments and only the interest varies across the months. The total amount payable each month is a sum of the principal and interest. Since the interest amount is variable, the consolidated monthly payment varies across the repayment tenure.

- Interest calculation method

  Use these options to specify how Loans will calculate interest for this loan. There

are two available Interest Calculation Methods:

- **Simple Interest:** If you selected Simple the interest due on your loan is calculated on simple interest basis.

- **Compound Interest:** If you selected Compound, the interest is calculated on compounding basis. You must also select a Compounding Frequency.

    Note: You can only select one of the two interest calculation methods. The interest due on your loan cannot be calculated using both methods, unless the loan is restructured or modified.

You can change the payment start date to any date within the term of the loan. If the new start date is more than one month after the loan start date, the number of payments for the loan and the amortization schedule will be recalculated for the loan. The loan maturity date will not change.

- Compounding Frequency

  The compounding of interest is based on the frequency set in the Compounding Frequency field.

- Servicing Options

  Use these options to indicate how you want to apply payments. You can:

  - Decide if you want to reamortize the amortization schedule, if a borrower makes an overpayment. See: Amortization, page 2-18.

  - Specify the past due amount at which the loan becomes delinquent. Loans displays the first payment amount as initially calculated by the Amortization Schedule as a default. If you change the interest rate or term for this loan at a later time, you may want to also update this amount. Loans and Advanced Collections use this amount when determining if loan payments are overdue and to change the status to Delinquent or In Default. See: Updating Loan Status, page 4-6.

  - Specify the order in which you want to apply payments: Fees, Interest, and Principal. You can list a payment application type only once in the order.

      Note: If your organization charges fees, then you must include Fees in Terms of Payment in order for the billing engine to create the appropriate transaction. You should define the order for all transactions types.

Selected Terminology

Interest Only - Select this check box if this an interest-only loan.

Days Formula - Determines the number of days in a period when calculating interest. This value defaults from the Day Count Method system option. See: Setting Up System Options, page 1-10.

Payment Start Date - Loans defaults the payment start date based on the loan start date and payment frequency that you specify for a loan. You can change this date to any date within the term of the loan.

Reamortize On Overpayments - Select this check box if you want to recalculate the amortization schedule when borrower remits overpayments.

Fees

During loan creation all fees assigned to the loan product are inherited by the new loan. All inherited fees (except funding fees) can be seen on loan Fees tab.

You can assign more fees to a loan using the Add Fee button, remove fees from the loan by using the Remove button and update fees by using the Update button

You can add the following types of fees:

- **Memo** - Fee is added to an ERS loans for information only. A memo fee is not included as part of a loan.

  See: Memo Fees, page 2-15.

- **Event Based** - Fee is billed automatically based on a seeded trigger event and user defined rules. For example, an origination fee is billed when a loan is approved or a late fee is billed when payment is not received on time.

  See: Event Based Fees, page 2-16.

- **Manual** - Fee is added manually to an active loan in Servicing.

  See: Manual Fees, page 2-17.

- **Recurring** - Fee is billed automatically over a range of installments.

  See: Recurring Fees, page 2-17.

  > **Note:** You must create fees before you can add them to a loan application. See: Defining Loan Fees, page 1-16.

Memo Fees

Some fees are not billed and do not have any accounting impact in the general ledger through Loans. To view these fees in Loans, you can add a memo fee to a loan.

For example, an outstanding receivable that you create a loan for might have already accrued interest. You can add a memo only fee for the preaccrued interest, and indicate how you want the fee to be represented in the repayment (amortization) schedule that you provide to the borrower:

- If you amortize the fee, then Loans lists the fee within the amortization schedule, in the Memo Items column, alongside the loan payments and includes the amounts in the Payment column on the Amortization Schedule.

- If you expect payment of the fee before the first loan payment, then Loans lists the fee separately from the amortization schedule.

  Loans schedules the fee for repayment prior to the loan start date, using the number of installments that you specified when you added the fee.

  > **Note:** If you set a memo fee to be due before the first loan payment, then the amortization schedule does not include this fee. Instead, Loans presents this fee in the Memo Fees Due Before First Loan Payment region of the Amortization area.

With memo fees:

- You can add only one memo fee to a loan application.

- On the amortization schedule, Loans separates origination fees from memo fees.

- If you amortize the memo fee, then you must select the number of installments that you want the memo fees to be paid along with.

Event Based Fees

You can add an event based fee to a loan if you want Loans to automatically bill the fee when a loan event occurs. The events that can trigger billing a fee are:

- **Loan Origination:** Origination fees is charged at different times of loan origination process: while submitting for approval, during loan activation, or with the first installment.

- **Late Payment:** Billed when loan payment is overdue. Loans calculates the fee for the last payment due and bills the fee the next time you run the Billing program. You can determine the number of grace days allowed before a payment is considered overdue.

- **Disbursement Funding:** Funding fees are assigned to individual disbursements on the Fees tab under Funding. They are billed with the first installment that has due date following the actual disbursement funding date. For example, if the loan has installments due on the first of every month and if disbursement is funded on the 20th, then funding fee for this disbursement is billed in installment that is due on

the first of the coming month.

- **Conversion from Disbursement to Term Phase:** Conversion fees are assigned only to disbursement phase loans and is billed as zeroth installment in term phase after loan is converted.

- **Loan Payoff:** Payoff fees are automatically added to the payoff transaction list during payoff process.

For event based fees, Loans cannot display the fee amount in the list of fees assigned to a loan until the event trigger has occurred and the fee is billed. For example, you can view the amount of a late fee only after payment is not received on time for a loan and Loans bills the fee.

Manual Fees

Add a fee manually to a loan in Servicing. A manual fee is billed with the next payment number for a loan. For example, you can add a fee for insufficient funds charge.

To bill a manual fee, you must first add the fee to a loan in Origination. You can add a fee before or after the loan is active. Then, when you need to bill the fee, such as charging the borrower for insufficient funds, add the manual fee in the Fee Details area of Current Amortization. You can view billed manual fees in the payment detail for a specific payment.

Recurring Fees

Add a recurring fee to a loan to bill a charge over a number of loan installments. Recurring fees are billed at the same time as the monthly installment. You can view the fee amount in the amortization schedule and in the payment detail for a specific payment.

Managing Fees

You can view all fees assigned to a loan in Origination. You can view billed fees in the Amortization Schedule and in Payment Detail for a specific loan payment in Servicing.

Based on setup parameters, you can edit fee amounts or billing options after fees have been added to loans.

When you assign a fee to a loan, you can update the accounting flexfield for the fee's credit account. These changes affect the accounting information for this loan only.

You must enter a credit in Receivables if you need to change a fee that has been billed with a loan. You can view credits in Payment History.

Conditions

You can add conditions that the loan must meet. For example, you can add conditions that an application must satisfy before a loan can be approved.

During loan creation, all conditions assigned to the product are inherited by the new loan. These are seen on the loan Conditions tab. To add a condition, click Add Conditions, then enter the required details. You can add multiple conditions at once. To remove a condition, click the Remove button.

> **Note:** If a loan is set up to be converted to a permanent loan, you can add conversion conditions to it. All such conditions must be met by the borrower before the loan can be converted.

You can update a condition before a loan is approved by selecting a different condition type or name.

> **Note:** You must create conditions before you can add them to a loan application. See: Defining Loan Conditions, page 1-7.

Amortization

Oracle Loans uses the information that you provided elsewhere in the application to automatically calculate the amortization schedule for this loan.

You can:

- Customize the schedule's individual installments: You can alter the date of repayments, amount of repayment, application of repayment towards principal and interest, and control how much is applied toward each. You can also waive or reduce interest amounts as well as regulate the principal amount repaid.

  You can shift between customized amortization schedule and regular amortization method anytime before loan approval. However, the changes made by the user in the custom schedule would be lost each time a switch is made.

  > **Note:** Once you customize an amortization schedule, Loans cannot update it. For example, if the loan Start Date changes for a loan with a custom amortization schedule, you will have to manually update the schedule.

- Download the schedule as a spreadsheet

- Upload a spreadsheet to Loans

  Upload content as a .csv file, or as a delimited text file. Use the same column headings that appear in the amortization schedule: Payment Number, Date, Principal, and Interest. Format dates as 31-Nov-2006.

  > **Note:** To ensure a successful upload, you should download the

schedule first, make your updates, and then use that same schedule
for uploading.

After the loan is approved, you cannot update the original amortization schedule for a
loan shown on the Origination tab. You can view the current amortization schedule
from the Servicing tab.

See: Viewing Current Amortization Schedule, page 4-12.

Customizing the Amortization Schedule

Follow these guidelines when customizing the amortization schedule. Click Recalculate
to refresh the data shown on the schedule.

- You cannot change the payment amount, which reflects the total amount to be paid
  against a particular installment. To change the payment amount, you must either
  change the principal or interest or both.

- The total of all principal lines entered must equal the loan amount.

- You can edit the Principal column or Freeze principal repayment for an installment.
  To do this, you can choose from any of the 6 list of values available under Choose
  an Action: 1) Freeze All Interests 2) Freeze All Principals 3) Freeze All Principals
  and Interests 4) Unfreeze All Principals, 5) Unfreeze All Interests and 6) Unfreeze
  All Principals and Interests.

  You can waive interest or reduce the amount of interest payable but cannot waive
  part or full amount of principal outstanding.

- **Freeze principal amounts and percentages**: You can freeze either principal
  amounts or principal percentages of any installment.

  - If principal amount or percentage is frozen, that is, the Freeze Amount or
    Freeze Percent check box is selected, then the system does not recalculate and
    modify that value.

  - If principal amount is unfrozen, that is, both Freeze Amount and Freeze Percent
    check boxes are deselected, then the system recalculates and modifies that
    amount based on the recalculation method.

  The subsequent principal amounts and percentages are automatically recalculated,
  and kept in sync. Principal percentage is calculated from the loan funded amount.

- The total amount repaid over each installment can be changed.

- Payment numbers must be consecutive.

- Payment dates can be changed and they need not follow any fixed order. Shift

Subsequent Due Dates can be used to automatically change all subsequent dates from the modified date. The date must be any date greater or equal to the loan start date for INCOMPLETE loans and/or greater then due date of the last billed installment for ACTIVE loans. The date cannot be greater than the maturity date for the loan. You cannot have two rows with the same date. If you modify dates with the Shift Subsequent Dates checked, the schedule will be automatically recalculated.

- **Freeze or freeze and defer interest amounts**: You can freeze or freeze and defer interest amounts of any installment.

  - If interest amount is frozen, that is, Freeze check box is selected, then the system does not recalculate or modify that amount.

    > **Caution:** Freezing of interest amounts can result in loosing or overcharging interest. The frozen interest cannot be tracked or recovered.

  - If interest amount is frozen and deferred, that is, Freeze and Defer check box is selected, the system does not recalculate or modify that amount, and automatically adds deferred amount to the next installment interest. This option is recommended.

  - If interest amount is unfrozen, that is, both check boxes are selected, then the system recalculates and modifies that amount based on installment due date, rate, and begin balance.

    > **Note:** You cannot Freeze the last row of the amortization schedule as it is used to balance the repayment schedule.

- **Adding, Removing Installments**: You can add and remove installments without uploading a new custom schedule. To add new installment, click the Add Another Row button. By default, the due date is set to the system date, principal and interest portions are set to zero, and are unfrozen. You can modify these values. There is no limit for adding new installments to the custom schedule. Upon recalculation, all new installments are automatically ordered in custom schedule based on their due dates.

  To remove one or more installments, select the respective Remove check boxes, and click the Recalculate button. To remove all installments at once, use Check all Remove action under Choose an Actions list. You can have empty custom schedules without any installments.

- **Recalculation Methods**: These are used to automatically recalculate unfrozen parts of custom schedule during loan servicing. All recalculation methods follow these rules:

- Only unfrozen principal or interest amounts are recalculated and modified.

- Unfrozen interests are automatically recalculated based on installment due date, rate, and begin balance.

- Installment payments are automatically recalculated as sum of principal and interest portions.

- All balances are automatically recalculated.

- The last row principal is modified (even if frozen) only if the principal amount is greater than the remaining principal balance.

The following recalculation methods are supported within customized schedules. The method selected determines the recalculation.

- **Equal Payment Method**: The principal and interest amount break up over the unfrozen rows is computed based on the Equal Payment approach. The payment amount remains equal, while the break up of the principal and interest amounts vary for each unfrozen row.

- **Equal Principal Method**: The principal amount is equally spread over the unfrozen rows. The payment amount is derived based on the interest for each row and the payment amount is likely to vary between different unfrozen rows.

- **Balloon Method**: This is the default recalculation method. The schedule follows the same values for the unfrozen rows, as per the original schedule. Any difference is adjusted in the last row's principal amount. It is common to have uneven installment payments and a big last payment amount.

- The number of rows in a schedule must equal the number of installments for the loan.

- Principal and interest amounts must be 0 or greater.

- Fees are always calculated and cannot be edited when you customize the amortization schedule.

- **Switching back from to standard schedule (origination only)**: While loan is still incomplete, you can switch back to any available standard amortization schedule. To uncustomize to a loan, navigate to the Interest Rates tab under Origination and change Amortization Method to any available standard amortization schedule methods. Upon saving, a warning message is displayed. When confirmed, the custom schedule is deleted and the loan is switched back to the selected standard amortization schedule. It is not possible to uncustomize a loan during servicing.

Once you customize the amortization schedule for a loan, you must manually maintain any changes. For example, if the loan start date changes for a loan with a custom

Amortization Schedule, you must manually change the dates in the schedule. For active loans, you can only update the amortization schedule for unbilled loan installments.

Manual Bills

If possible, avoid creating a manual bill for a loan with a custom Amortization Schedule. If you create a manual bill, you must actively manage the remaining principal balance of the loan.

If the balance of a loan is less than the remaining principal to be billed shown on the customized Amortization Schedule, then the scheduled billing will not occur. Create a manual bill for the remaining principal, interest, and fees, if any.

Paying Off a Loan with a Customized Amortization Schedule

You cannot calculate and process a loan payoff if a loan has a custom schedule. Instead, you must manually calculate the loan payoff amount and update the next unbilled installment in the Amortization Schedule with the payoff amounts.

Custom Schedule Control File Format

To upload a custom schedule to a product or a loan it must be saved in a file with any extension (custom schedule control file). The schedule should be in comma separated format with the following column headings and values:

- **Due Date**: This column is mandatory and should contain either actual installment due date (for example, 1-Jan-2011) or relative due date. The relative due date can be any proper generic Oracle date expression with standard Oracle date functions. It can also contain the following three Loans specific constants:

    - LAST_DUE_DATE: Last to current installment due date.

    - LOAN_START_DATE: Loan start date.

    - LOAN_MATURITY_DATE: Loan maturity date.

    Examples of related due dates:

    - add_months(LAST_DUE_DATE,1): Due date is one month after the last installment due date.

    - round(add_months(LAST_DUE_DATE,3),'Q')-1: Due date is the last date of the quarter.

    - LOAN_START_DATE+45: Due date is 45 days after loan start date.

- **Principal**: This column is optional and if specified should contain either principal amount or principal percentage. If this column is skipped, it is recalculated by the system based on recalculation method.

- **Freeze Principal Flag**: This column is mandatory if Principal is specified. It should contain one of the following values:

  - **N**: Principal amount or percentage is not frozen.

  - **Y**: Principal column contains principal amount that is frozen.

  - **P**: Principal column contains principal percentage that is frozen.

  If this column is skipped, then it is set to N by the system.

- **Interest**: This column is optional and if specified should contain the interest amount. If this column is skipped, then it is recalculated by the system based on installment due date, rate, and begin balance.

- **Freeze Interest Flag**: This column is mandatory if Interest is specified. This column should contain one of the following values:

  - **N**: Interest amount is not frozen.

  - **Y**: Interest column contains interest amount that is frozen.

  - **D**: Interest column contains interest amount that is frozen, and difference between frozen and actual amount is deferred.

  If this column is skipped, then it is set to N by the system.

- **Command** (for advanced users only): This column is optional and if specified should contain valid commands to help generate the desired custom schedule. Every command should end with a semicolon (;). The following commands are available:

  - **loop#;**: This command directs the system to start looping (repeating) the custom schedule rows from the current row forward. # should be replaced with a valid digit that specifies the number of iterations. For example, loop5; command directs the system to start loop from the current row 5 times.

  - **endl;**: This command directs the system to end looping on the current row. Both commands loop#; and endl; can be placed on the same row.

Custom schedule control file can contain the following standalone settings:

- AMORT_METHOD=[EQUAL_PAYMENT/ EQUAL_PRINCIPAL/ NONE]: This is optional, and specifies the recalculation method for the custom schedule.

- DESCRIPTION=[value]: This is optional, and gives the description for the custom schedule.

- COMBINE_INT_WITH_LAST_PRIN=[Y/N]: This is optional. If set to Y, this forces

the custom schedule to combine remaining interest amount with the last principal installment. This setting is very useful in custom schedules where interest and principal portions have different repayment schedules.

Example

Generate 12 installments schedule with one month period with Equal Payment amortization method regularly:

```
AMORT_METHOD=EQUAL_PAYMENT
DESCRIPTION=Simple monthly repayment schedule
DUE DATE,PRINCIPAL,FREEZE PRINCIPAL FLAG,INTEREST,FREEZE INTEREST FLAG
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
add_months(LAST_DUE_DATE,1),,N,,N
```

Advanced method (using commands):

```
AMORT_METHOD=EQUAL_PAYMENT
DESCRIPTION=Simple monthly repayment schedule
DUE DATE,PRINCIPAL,FREEZE PRINCIPAL FLAG,INTEREST,FREEZE INTEREST
FLAG,COMMAND
add_months(LAST_DUE_DATE,1),,,,,loop12;endl;
```

Related Loans

Use this section to obtain an overall sense of the borrower, co-borrower, and guarantor's financial exposure from a loan perspective.

This section displays any existing loans that are related to the current loan, via:

- the primary borrower

- the co-borrower

- the guarantor

Notes

Using Oracle Notes, you can add comments to loan information, such as your notes about customer interactions, about why you approved or rejected the application, or why you modified a fee amount.

> **Note:** See: Overview of Oracle Notes, *Oracle Common Application Calendar User Guide*

Viewing Borrowers

You can access Borrowers to view all information about the borrowers for a loan including the primary borrower, co-borrowers, and guarantors:

• Borrower Details

  Select a borrower from the Borrowers table to view the detail information.

• Borrower Summary

  To access Borrower Summary, click the borrower name hypertext link in the loan header. You can link to Borrower Summary from the Dashboard, Origination, and Servicing.

  > **Note:** Borrower Summary page always displays all amounts in Ledger Currency.

• Assets for the borrower. To add an asset, see: Creating Assets, page 2-26.

• Credit Summary

  View credit information generated by Oracle Credit Management, if installed.

  See: Viewing the Credit Summary, *Oracle Credit Management User Guide*.

You can perform these tasks related to borrowers:

• Add co-borrowers and guarantors to the loan. See: Adding Borrowers and Guarantors, page 2-26.

  Update borrower information. Click the borrower name hyperlink in the list of borrowers associated with this loan.

• Create a new borrower to add to the loan. See: Creating a New Organization, page 2-25.

Creating a New Organization

Create a new organization to add a new borrower, co-borrower, or guarantor to the Oracle Trading Community Architecture Registry. The new organization appears on the Borrowers page and you can select the role of co-borrower or guarantor.

Related Topics

Viewing Borrowers, page 2-25

Adding Borrowers and Guarantors, page 2-26

Adding Borrowers and Guarantors

You can optionally add co-borrowers and guarantors to this loan.

This table describes the difference between co-borrowers and guarantors:

Type	Description
Co-borrower	Although bills are sent to the primary borrower on this loan, co-borrowers are equally responsible for loan payments, should the primary borrower default on the loan.
Guarantor	The Guarantor may be contacted if the primary borrower and any co-borrowers stop making payments and cannot be located.

To add a co-borrower or guarantor, click Add Another Row on the Borrowers page and search for the organization in the TCA Registry.

After finding the organization, you can update the existing organization with new details.

To create a new borrower, co-borrower or guarantor, click Create Organization.

You can change the contact for the primary borrower from the Borrowers page.

Creating Assets

You can create assets for borrowers, co-borrowers, and guarantors. Assets are then added as collateral for a loan and reviewed during the loan approval process. See: Adding Collateral, page 2-27.

If the purpose of the loan is to acquire an asset, the new asset must also be created as part of the borrower's information. For example, if a borrower is applying for a loan to purchase a piece of commercial property, then create an asset for the property and enter the associated loan number in the Acquired For field.

The following table show the classes and types that Loans provides to group assets.

Class	Types
Machinery and Equipment	Commercial, Personal, Others
Real Estate	Land, Property, Personal, Others

Class	Types
Securities	Bonds, Personal, Stocks, Others
Others	Agricultural, Cash, Others, Personal

You can define additional values for class, type, quantity, reference fields as needed for your business process. If you define a new class, you must also define the quantity and reference lookup values for the class.

You can enter a custodian or lien holder information for the asset by searching for a party or creating a new organization.

You can update asset information throughout the life of the loan.

> **Note:** When you make updates to existing assets, changes are reflected in the History section. The Pledged Amount section reflects all pledged amounts.

Selected Terminology

- **Class:** Main asset categories

- **Type:** Subgroup of Class

- **Reference:** Enter identifying information for the asset, such as VIN number for a vehicle or ticket symbol for a security.

- **Acquired for:** Enter the loan number if the purpose of the loan is to acquire this asset.

- **End Date:** The date the asset was sold. If the purpose of a loan application is to acquire an asset and the application is rejected, Loans automatically enters the rejection date to end date the asset.

- **Next Valuation Date:** The date for the next appraisal or revaluation of the asset.

- **Context Value:** Use this descriptive flexfield to enter user-defined parameters to group assets for reporting purposes. See Step 5 in Oracle System Administrator Setup, page 1-2.

Adding Collateral

You can add collateral for a loan. Collateral is required if the loan subtype is Secured.

Collateral consists of a list of assets belonging to the borrower, co-borrowers, and guarantors that support the loan. A lender can seize the collateral if the borrower defaults on the loan.

You must add an asset to a borrower's information before you can add it as collateral for a loan. See: Creating Assets, page 2-26.

When you search for assets to add as collateral, only assets in the same currency as the loan currency are available.

You can pledge some or all of an asset's value for a loan.

To remove an asset from an active loan, you must first pledge additional assets to fulfill the loan to value ratio before you can remove the asset.

When a loan is deleted or rejected, the acquired asset or pledged amount towards collateral will be removed.

Selected Terminology

- **Amount Pledged:** Amount of asset pledged as collateral for a loan.

- **Amount Available:** The difference between the asset's worth and the total amount pledged on this or other loans.

- **Loan to Value Ratio:** The ratio of the value of the assets to the total loan amount. For secured loans, the borrower must pledge assets as collateral that equal this value. Enter this percentage when you create a loan application.

  When you submit a loan for approval, Loans validates that the loan to value ratio is met.

- **Current Loan to Value Ratio:** Pledged collateral as percentage of the loan amount.

- **Remaining Collateral Needed:** Remaining amount of collateral that must be pledged to meet the loan to value ratio for a loan.

- **Total Collateral Amount:** Total amount of all collateral pledged for the loan.

Credit Review

Oracle Loans integrates with Oracle Credit Management to perform credit reviews for loan application requests and decide to approve or reject it. The Credit Review option is set at the Loan Type level. You can either create a loan with a loan product that requires credit review or request review while creating or updating a loan. You must complete as much of the application including recording assets, financial data, co-borrowers, guarantors and other loan details to request credit review.

Once set for review and saved, you cannot remove the credit review requirement. After selecting the Credit Review option, the Financial Data subtab on the Borrower tab

appears and you can view, create, update or copy financial data that may exist in another Credit Management case folder or loan application of the current borrower. You can also run a multi-statement comparison by clicking Compare. The credit request is submitted from the Approval tab. You must setup checklists with all possible combinations of Credit Review Type and Credit Classification in Credit Management before submitting a Credit Review request. Separate credit requests are created in Credit Management for Primary Borrower and co-borrowers using the Credit Review Type defined on the loan product. Guarantor credit requests are created with a reference to the primary borrower's credit request as the parent.

Once you submit a loan for Credit Review, it is frozen and cannot be updated. After credit review is completed, the status of the loan application changes to Incomplete: Credit Reviewed and you can view the credit review details. You can continue to update the loan and the loan status will change to Incomplete: Pending Credit Review. You'll need to resubmit it for Credit Review which will create new credit requests with reference to parent requests.

> **Note:** If the loan type for a loan requires a credit review, you can submit the loan application for approval only after the credit review process is complete.

Completing Loan Application after Credit Review

- If the loan is credit approved and the recommended amount matches the loan request, then you can submit it for approval to the loan manager.

- If the loan is credit rejected, then discuss the case with your loan manager and resolve if you should override credit team recommendation and seek approval to fund the loan.

- If the loan is conditionally approved and lists additional conditions to be met by borrower before credit team's approval, then you must ensure the conditions are met before submitting for approval to loans manager.

For further information, see: Oracle Loans Integration, *Oracle Credit Management User Guide*

Approving a Loan

On the Approval tab, review any mandatory conditions that must be met before you can submit the application for approval.

For each condition, you can also add attachments so that, when a loan manager completes the application review process, any required documents are available online for easy access.

In loans with multiple disbursements, the disbursement schedule must be verified before submitting the application for approval. The disbursements must equal 100 per

cent.

Use the Funding Option check box to automatically disburse funds when loan is approved. Otherwise, Loans uses the prioritized funding process.

Select the Completed boxes to indicate that mandatory conditions are met. Then, click Submit for Approval.

In loans with Credit Review set to Yes, ensure all the required conditions are met and Fulfillment date is filled. Click Submit for Credit Review.

The loan status changes to Pending Approval, and the application requires a loan manager's review. The manager can approve or reject the application, or ask for additional information:

- If the loan manager requests additional information, then the status remains Incomplete.

- If the manager approves the loan, then the status changes based on type of loan.

  - Direct loans with automatic funds disbursement - status changes to In Funding.

  - Direct loans with prioritized funds disbursement - status changes to Approved.

  - ERS loans - status changes to Active.

    Note: You can Cancel Disbursements only for Approved loans. Incomplete loans or loans pending approval can be rejected and hence the Cancel Disbursements button is unavailable.

- If the loan manager rejects the loan, then the status changes to Rejected, and you can no longer update the application.

  The borrower must complete a new application for loan consideration.

    Note: Any notes that you add from the Approval tab are visible from the Notes tab in Overview or Servicing. See: Notes, page 2-24.

Viewing Accounting Events

The Accounting area lists the GL accounts that are used for:

- **Loan Approval**

  When a loan is submitted for approval or approved, Loans uses the GL accounts entered here.

- **Loan Funding**

When a loan is approved and funded, Loans uses the GL accounts entered here.

- **Billing**

  Each time you bill the borrower for this loan, Oracle Receivables uses the GL accounts entered here for the loan principal and interest.

Loans uses default rules to establish the accounting for a loan. For a description of these rules, see: Setting Up Accounting, page 1-12.

After loan approval you can view the accounting events history and verify journal entries using the view Accounting Events link on the Accounting tab. You can also run Online Accounting programs like:

- Create Draft Accounting

- Create Final Accounting

  Creates accounting entries but does not post to Oracle General Ledger.

- Create Final Accounting and Post to GL

  Creates accounting entries and posts to Oracle General Ledger.

- Funds Check

  Checks if funds are available before submitting the loan for approval.

- Funds Reserve

  Checks if funds are available and reserves funds for loan.

- View Funds

  Displays report with fund amount, reserved amount and balance in fund.

    Note: To view accounting for Loan Payable, Loan Liability in Accounts Payable, you must run Create Accounting program in Accounts Payable.

    Note: To view accounting for Billing, you must bill loan apply receipts, run Create Accounting program in Accounts Receivable.

3

Funding A Loan

This chapter describes how to fund a loan.

This chapter covers the following topics:

- Overview of Loan Funding
- Loan Disbursements
- Loan Adjustments
- Loan Additional Receivables

Overview of Loan Funding

All loans funding activities are carried out on the Funding tab. It contains the Disbursement and Loan Adjustments tabs for Direct Loans, and Loan Additional Receivables tab for ERS Loans.

Loans Funding is designed to be a very flexible process with some restrictions. The features of Loans Funding are listed below:

- It provides 100% support for single and multiple disbursements.

- It can disburse funds to any registered party and to any number of parties in single or multiple disbursements.

- Disbursement schedule can be modified at any time during the loan's life time. You can also add, update, delete, or cancel rows awaiting funding.

- Funds can be disbursed on an ad-hoc basis. Disbursement schedule can remain empty or incomplete even for approved and active loans until the time is appropriate.

- You can increase or decrease loan amount after the loan is approved.

> **Tip:** The loan amount can be decreased only up to already disbursed amount.

- Loan's amortization schedule reflects any changes to the disbursement schedule including disbursement amounts and disbursement dates.

  > **Note:** To control how changes to disbursement schedule effect amortization schedule, use "Reamortize On Disbursements" for Direct Loans and "Reamortize On Additional Receivables" for ERS loans on the Origination/Interest Rate tab.

Loan Disbursements

When a direct loan is created its initial disbursement schedule is inherited from the disbursement schedule of the loan product. You are free to modify (or completely delete) the loan's disbursement schedule to match your business scenario.

To Make a Disbursement

The Disbursement tab enables you to create the Disbursement schedule for the loan. This is populated with values from the Loan.

1. Navigate to Disbursements tab under Funding. Select the Add Another Disbursement button to add a new disbursement row.

   > **Note:** The button is visible only if there is an undisbursed amount.

2. Enter the Disbursement Description, Amount and Due Dates fields.

3. Enter the Payee details under Disbursement details in the Payee tab. The payee is automatically populated with the Loan's Primary Borrower name. You can select other payees or add more than one payee. You can also create new Payee for the disbursement.

4. Add Conditions to the disbursement using Conditions tabs.

   > **Note:** When a new disbursement is created, all of the loan's conditions of type Disbursement Approval are automatically attached to this new disbursement. You can also add more Disbursement Approval Conditions on the Disbursement Conditions tab.

5. Add Fees to the disbursement using Fees tabs.

> **Note:** When a new disbursement is created, all loan's Funding fees are automatically attached to this new disbursement. You can also add more Funding fees on the Disbursement Fees tab.

6. Save the changes. The Totals section under disbursement schedule table is updated with the newly saved disbursement amount.

7. Click the Submit icon on the disbursement row. Upon successful submission, new payment request is created in the AP module.

8. After the AP payment request is paid, the following changes are automatically done to the loan:

    1. Corresponding disbursement row is updated with status Fully Funded.

    2. Disbursement totals section is updated with funded amount.

    3. Loan's status is updated to Active.

    4. Loan's Funded Amount is updated with the funded amount.

    5. Current amortization schedule is changed based on disbursement amount and date.

There are two ways to cancel already submitted but not paid yet disbursements:

- By voiding the payment request in AP.

- By clicking the Cancel icon on the disbursement schedule table.

You can cancel or delete the disbursements which are not already submitted. Cancelled disbursements stay in the database and can be viewed by selecting the Display Cancelled Disbursements check box. Deleted disbursements are permanently removed from the database.

Loan Adjustments

The Loan Adjustments tab under Funding enables the Loan Officer to increase or decrease the approved loan amount at any point in time. Adjustments can be made only after the loan has been approved. Perform the following steps to make a loan adjustment:

1. Navigate to Loan Adjustments tab under Funding.

2. Select the Add Another Adjustment button under Loan Amount Adjustments to

add a new adjustment row.

3. Enter the adjustment description, amount and effective date and save the changes.

> **Note:** The Add Another Adjustment button is disabled when there is a pending adjustment.

4. Loan Adjustment request can be approved or rejected only by Loans Manager. To add matching disbursement row upon adjustment approval, select the Automatically Create Matching Disbursement Record check box.

5. Upon the approval of adjustment request, loan amount is adjusted with the new adjustment amount.

You can reject or delete pending loan amount adjustments. Rejected adjustments stay in the database and can be viewed by selecting the Display Rejected Adjustments check box. Deleted adjustments are permanently removed from the database.

Loan Additional Receivables

As with Direct loans, ERS loans can be multi funded by adding original AR invoices and debit memos to existing approved ERS loans. Perform the following steps to add an additional receivable to a loan:

1. Navigate to the Loan Additional Receivables tab under Funding.

2. Select the Add Another Receivable button. Select receivable LOV pops up. Search and select the receivable that you want to add to the loan.

3. Enter amount, description and effective date. Save changes.

> **Note:** You can have many pending additional receivables row at the same time.

> **Note:** Effective Date cannot be earlier than last billed installment due date.

4. Additional Receivable request is approved or rejected only by Loans Manager.

5. Upon the approval of an additional receivable request:

    1. AR receivable is adjusted.

    2. The loan amount is increased.

3. Current amortization schedule is updated based on new receivable amount and effective date.

You can reject or delete pending loan amount adjustments. Rejected adjustments stay in the database and can be viewed by selecting the Display Rejected Adjustments check box. Deleted adjustments are permanently removed from the database.

4

Loan Servicing

This chapter describes how to service a loan.

This chapter covers the following topics:

- Servicing Center
- Loan Overview
- Loan History
- Using Reports
- Updating Loan Status
- Running Scoring to Update Loan Status
- Payments
- Accounting for Loan Payments
- Processing Loan Payoffs
- Viewing Current Amortization and Payment History
- Memo Fees Due Before First Loan Payment
- Amortization Schedule
- Outstanding Bills
- Creating Manual Bills
- Reversing Bills
- Reverse and Rebill
- Term Extensions
- Loans Cancellation

Servicing Center

The Servicing Center provides information for a loan that you select from the Loans dashboard or from a basic or advanced search. You can service loans with a status of active, delinquent, or in default. Most collections activities and troubled loan status changes are handled through Oracle Advanced Collections functionality. You can view paid-off loans for historical purposes.

The Servicing Center displays the most current interest rate, loan balance, and billing information for a loan.

If you use Oracle Advanced Collections:

You can run Oracle Advanced Collections scoring engines to identify delinquent loan payments and automatically update loan status based on the Amount Past Due value specified in the Delinquency Conditions for a loan.

For information about updating loan status, see Updating Loan Status, page 4-6.

Using the Service Center:

The Servicing Center includes the following sections:

- Overview, page 4-3

- Loan History, page 4-5

- Notes, page 2-12

- Related Loans, page 2-24

From the Servicing Center, you can quickly:

- View information about the borrower for the loan.

  See: Viewing Borrower Summary, page 2-25.

- Update information for borrowers and guarantors

  See: Updating a Loan, page 2-10.

- Review loan information, including:

  - Loan details

    See: Basic Information, page 2-11.

  - Original amortization schedule

    See: Amortization, page 2-18.

- Current amortization schedule

  See: Viewing Current Amortization Schedule, page 4-12.

- Service loans:

  - Enter a new interest rate

    See: Interest Rates, page 2-12.

  - Pay off a loan

    See: Calculating Loan Payoffs, page 4-10.

  - Create a manual bill

    See: Creating Manual Bills, page 4-14.

    Note: During loan servicing, if you choose to adjust loan invoices, Loans only recognizes negative adjustments which account for loan payoffs. You cannot make positive adjustments to an existing loan account.

Loan Overview

Summary

In the Summary section, you can view basic loan information including loan start date, loan class and type, term, loan amount, loan officer for the loan, and so on.

Payment Overview

The Payment Overview section shows the next payment due for the loan. This payment was created when the billing program was last run for the loan.

- **Summary:** This section details the remaining amount and number of payments for the loan as well as the amounts of principal, interest, and fees paid since the loan began.

- **Next Payment:** The Paid On Time Amount is the total amount of principal, interest, and fees due if the payment for this bill is received by the due date.

- **Overdue Payment:** This section shows the total amount of overdue principal, interest and fees as of the last billing cycle, the date of the oldest overdue payment and the number of overdue payments. The Last Payment Amount represents the last receipt posted against a single transaction, so if you generate multiple

transactions for principal, interest and fees, this amount only reflects the last of these transactions to be paid.

- **Year to Date:** Total amounts paid by the borrower for principal, interest, and fees for the current calendar year.

- **Last Year:** Total amounts paid by the borrower for principal, interest, and fees in the previous calendar year.

Payment History

In Payment History, you can view bills, credited bills, and payments received for the loan.

- To re-sort the Payment History table, click Payment Number, Paid Date, or Due Dates column heading.

- You can view billing details for each loan payment by clicking the payment number hypertext link. If payment has not been received for the bill, then the Payment Activities section will be blank. See: Payment Detail, page 4-4.

- You can view or print a statement for a loan payment. Loan statements provide information about the loan, borrower, paid amounts, and amounts due, in addition to delinquency details such as overdue amounts and the number of missed or short payments. Loans derives this information by reviewing all payments that are billed and due by the statement date, but have not yet been fully paid.

  Loans automatically generates statements for each installment when the LNS: Billing programs is run.

- Select Display Reversed Bills to display bills that have been reversed.

- Principal Balance shows the latest outstanding balance.

You can also view Payment History from the Current Amortization section of the Payments page, as well as from the Loan Summary page.

See also: Viewing Payment History, page 4-12.

See also: Overview of Loan Billing, page 5-1.

Payment Detail

Billing Summary shows the principal, interest, and fees billed for the loan.

Payment Summary shows amounts received for the payment number and the source of the payment.

> **Note:** All invoices are due for immediate payment and therefore, the payment or installment number will always be 1.

- Receipts - cash applied

- Netting Credit Memos - from AR/AP netting process

- Loan Payment Credit Memos - credit memos with a reason of loan payment

- Other Credit Memos - usually credit memos canceling payments

- Adjustments - adjustments created in Receivables, such write-offs

Payment Activities shows payments for principal, interest or fees. In the description field, *Entire Transaction* means that the payment receipt was applied at the transaction level, not at the line level. It does not mean that the invoice was completely paid. This applies to transactions that follow multi-fund guidelines.

Disable Billing and Accrual

Disable Billing and Accrual is enabled for Active, Delinquent and Default loans. If you select Yes in the Disable Billing drop-down list , then any kind of billing is disabled for the loan, including LNS: Billing concurrent program, Bill Next Installment button, Bill and Apply Next Installment button, Create Manual Bill button, Process PayOff button and Create Manual Bill link.

Loan History

Loan History shows events that have occurred over the life of a loan, including loan creation, approval processing, and changes in loan status.

Event information includes:

- Date of change

- Change event that occurred for the loan, showing the original and new value

- Loan agent who made the change, if involved

- Role of agent

Using Reports

You can generate reports for loans by submitting a request. Each report uses a template to format the report. You can create and register additional templates or copy and modify existing templates, using XML Publisher.

To submit a report request, select Submit Request from the Dashboard.

> **Tip:** If you add a report template, you can preview the report with sample data, if configured, to determine if the template meets your reporting needs.

For the Loan Portfolio Report and the Loan Reconciliation Report, you must specify the operating unit, loan class, loan type, and currency and then select additional parameters. For the Loan Agreement Report, specify the loan number. Report output can be in PDF, RTF, or a spreadsheet format.

- LNS: Loans Portfolio Report, page D-2

- LNS: Loans Reconciliation Report, page D-2

- LNS: Loan Agreement Report, page D-1

Updating Loan Status

Loan status is determined by business events that occur throughout the life of the loan. These events can occur within Loans, such as loan approval, or outside of Loans, such as becoming delinquent. The status of a loan can be:

- **Incomplete** - Loan application has been started but not completed.

- **Pending Approval** - Completed loan application has been submitted for manager's approval.

- **Approved** - Direct loan application has been approved and if using prioritized funding, is in funding queue.

- **Rejected** - Loan application has been rejected.

- **Deleted** - Loan application was withdrawn and not completed.

- **In Funding** - Loan funding advice has been generated and is to be paid in Payables.

- **Funding Error** - An error prevented funding from completing successfully.

- **Active** - For Direct loan, loan has been approved and funded. For ERS loan, loan has been approved.

- **Delinquent** - (available if you use Oracle Advanced Collections) Loan has an overdue amount equal to or greater than the amount entered for Past Due Amount on the loan application. This is typically one month's loan payment.

- **In Default** - (available if you use Oracle Advanced Collections) Loan has an

overdue amount equal to or greater than twice the Past Due Amount. Typically this amount equals two loan payments.

- **Paid Off** - Principal loan balance has been completely paid.

Oracle Advanced Collections and Loan Status

If you use Oracle Advanced Collections, it monitors when loan payments are due but not yet paid through standard integration with Oracle Receivables. Oracle Loans monitors business events raised by Advanced Collections when payments are late or when they are paid and leverages Advanced Collections' scoring engine to determine a change in a loan's status.

Oracle Advanced Collections and Oracle Loans use the amount entered in the Amount Past Due field when you set up a loan, to determine when a loan becomes delinquent or in default. When you create a loan application, Loans defaults an amount equal to the total due for a single monthly payment for a loan into this field. You may enter a different amount based on your business practices. Loans does not automatically update this amount if the interest rate or payment amount for the loan changes during the application process or during life of the loan.

The seeded scoring engine in Oracle Advanced Collections, Default Invoice Delinquency Management Engine, determines whether a loan transaction is delinquent, paid, or closed, and automatically raises a business event if a new delinquency has been created or an existing one closed. Using the Workflow Agent Listener concurrent program, Loans monitors the business events and compares the outstanding amount due for loan to the delinquency conditions defined when a loan is set up to determine and update the status for each loan. For example, if a monthly loan payment is $1000, then Loans determines a loan's status as shown in the following table:

Loan Amount Overdue	Status
Less than $1000	Active
$1000 - $1999	Delinquent
$2000 and more	In Default

> **Note:** You must set the Advanced Collections profile option, IEX: Enable Raising Customer Status Change Event, page B-6. Additionally, verify that the Workflow Agent Listener concurrent program is enabled. Oracle Advanced Collections generates a business event for each delinquency created or closed. Loans uses the business events to update loan status.

Optionally, you can create strategies for borrowers with delinquent or defaulted loans using standard Oracle Advanced Collections functionality. You must run strategies at the Party level as Oracle Advanced Collections does not currently provide loan-level strategies.

For information about how to run Advanced Collections scoring engines, see: Running a Scoring Engine to Update Loan Status, page 4-8.

For information about creating scoring engines and strategies to meet your business needs, see: Overview of Scoring, *Oracle Advanced Collections Implementation Guide*.

See also: Overview of Loan Billing, page 5-1.

Running Scoring to Update Loan Status

If you use Oracle Advanced Collections, you automatically update loan status in Loans by running the following programs.

- Run Scoring Engine Harness, page 4-8 in Oracle Advanced Collections to determine delinquent and in default loans.

- Run Workflow Agent Listener, page 4-9 in Loans to update loan status.

See also: Updating Loan Status, page 4-6.

Prerequisites

❒ Install Oracle Advanced Collections. See *Oracle Advanced Collections Implementation Guide*.

❒ Enable Advanced Collections profile option, IEX: Enable Raising Customer Status Change Event, page B-6 to create business events for Loans to monitor. See Set Up Oracle Advanced Collections Profile Options, *Oracle Advanced Collections Implementation Guide*.

To run a scoring engine in Oracle Advanced Collections:

Parameters

Select the Default Invoice Delinquency Management Engine.

The Scoring Engine Harness program runs the scoring engine you select to score loan transactions to determine if there is a change in loan status based on unpaid loan amounts.

If you want to create your own scoring engine, components, and filters, see Overview of Scoring, *Oracle Advanced Collections Implementation Guide*. Your scoring engine must, however, create and close delinquencies in order to raise the proper business events.

1. Use the Collections Administrator responsibility and select Request Submission.

2. Select IEX: Scoring Engine Harness and enter the required parameters.

To run Workflow Agent Listener program:

Parameters

Agent Name: WF_DEFERRED

Correlation ID: Null

AQ Wait Period: Enter zero or other value as needed.

1. Using System Administrator responsibility, select Submit Request and click Open.

2. Select Workflow Agent Listener and enter the required parameters.

Payments

Oracle Loans reflects all loan payments (receipts) that are entered and applied in Oracle Receivables. Loan payments can include:

*   On-time payments

*   Late payments

*   Short pays

*   Overpayments

> **Note:** If your business uses AR/AP netting, loan payments can also include credit memos. You can identify credit memos applied for netting because the transaction number includes the prefix NET.

From the Payments tab in Loans, you can:

*   Calculate a loan payoff

    See: Calculating Loan Payoffs, page 4-10.

*   View payment history

    See: Viewing Payment History, page 4-12.

*   View memo fees for a loan

    See: Memo Fees Due Before First Loan Payment, page 4-13.

*   View current amortization schedule for a loan

    See: Viewing Current Amortization Schedule, page 4-12.

- Download amortization schedule

- View outstanding bills

  - Create a manual bill for a payment

    See: Creating Manual Bills, page 4-14.

  - Reverse an outstanding bill

    See: Reversing Bills, page 4-16.

  - Reverse and rebill an outstanding bill

    See: Reverse and Rebill, page 4-16.

Accounting for Loan Payments

When you enter a receipt for a loan payment bill, Receivables creates the following journal entry:

Payment

```
Debit  Cash
Credit  Principal Receivable
Credit  Interest Receivable
Credit  Fee Receivable
```

> **Note:** Accounting information for billing and payments received for a loan is generated in Receivables and must be transferred to the general ledger.

See: Overview of Loan Billing, page 5-1.

Viewing Loans Transactions from General Ledger

After posting journals for loan billing from Receivables, General Ledger enables users to drill down to Receivables to view the source transactions for the journal entries.

See: Drilling Down to Oracle Receivables from Oracle General Ledger, *Oracle Receivables User Guide*.

Processing Loan Payoffs

You can calculate payoff amounts for a loan and automatically create the appropriate payoff documents. Loans generates invoices or debit memos in Receivables for the remaining principal and interest, and creates credit memos, if needed, to clear billed but

unpaid interest. Loans applies the payoff receipts to these transactions, and updates the loan status to Paid Off. Receipts to pay off a loan can be in the same currency as the loan or the ledger.

> **Note:** Only receipts in loan currency or GL Ledger currency will be shown under the Receipts for payoff. Amounts in the receipts will appear in the loan currency.

When a loan is paid off, Loans end dates any collateral pledges attached to the loan as of the payoff date.

Loan payoff affects the Current Amortization Schedule.

To pay off a loan:

1. Calculate the loan payoff amounts.

2. Notify borrower of total payoff amount.

3. When payment is received, select Process Payment to view the payoff transaction amounts and add receipts.

4. Submit the payoff request.

Calculating Payoff Amounts

The expected payment date for a payoff must be:

- after the loan origination date

- within the term of the loan

- between five days before and 365 days after current date

- before or on the same date as the loan maturity date

- after the last activity date, such as after the last billing date

Using the days formula for the loan, Loans calculates the total payoff amount based on any billed but unpaid principal and interest for the loan, the payoff date, and the remaining principal balance.

> **Note:** See: Interest Rates, page 2-12 for information on day/count methods used in Oracle Loans.

> **Note:** Oracle Loans does not support calculating payoff amounts in case of a customized amortization schedule.

Loans does not save calculated payoff amounts because a borrower may or may not remit payment or may send payment earlier or later than initially discussed. When you know that the loan payoff payment has been received by Receivables, recalculate the payoff amount for the date the receipt was recorded in Receivables and continue with the payoff process.

Viewing Current Amortization and Payment History

You can view payment history, memo fees, and the current amortization schedule for a loan in the Current Amortization section. You can also view fees scheduled to be billed and add manual fees to future installments.

Viewing Payment History

Consult the Payment History to view all loan payments (bills), credits (credited bills), and payments (receipts) received for a loan.

Payment History is also available in the Overview section of the Servicing tab. See: Payment History, page 4-4.

The Payment History displays the latest, unpaid loan balance when a bill is created, and then updates the loan balance after receipts are applied. Select Include Credited Bills to display payments (bills) that have been reversed.

For example, the table below shows the payment history for a loan of $1000. The monthly loan payment is $110. Three payments have been billed. Payment was received and applied for payment number 1 and principal balance reflects the applied principal amount for the payment. Principal balance for payments 2 and 3 is $900 because payment number 2 has not been received.

Payment Number	Due Date	Paid Date	Principal Balance	Amount Due	Amount Paid	Amount Remaining	Source	Credited
1	10-Jan	9-Jan	900	110	110	0	Scheduled	No
2	10-Feb		900	110	0	110	Scheduled	No
3	10-Mar		900	110	0	110	Scheduled	No

The following table shows the change in principal balance when payment number 2 is received and applied. Principal balance for payment number 2 reflects the applied principal and is now $800. The principal balance for payment number 3 is $800 because a payment has not been received.

Payment Number	Due Date	Paid Date	Principal Balance	Amount Due	Amount Paid	Amount Remaining	Source	Credited
1	10-Jan	9-Jan	900	110	110	0	Scheduled	No
2	10-Feb	8-Feb	800	110	110	0	Scheduled	No
3	10-Mar		800	110	0	110	Scheduled	No

When you create a manual bill, Loans does not update the principal balance amount shown in payment history schedule until payment has been received and applied.

> **Note:** Payment history reflecting data from previous years list system date as the Paid Date not the original Receipt Date.

Selected Terminology

Due Date - The date payment is due for a bill

Principal Balance - Latest unpaid principal amount

Amount Due - The amount due for this bill

Amount Paid - Amount applied to the bill including receipts, adjustments, and credit memos for netting.

Amount Remaining - Amount due less amount paid

Credited - Indicates if the bill has been reversed.

Memo Fees Due Before First Loan Payment

Loans displays this section only if you create loans from existing receivables, and memo fees exist for the loan. Loans does not bill or generate accounting entries for memo fees.

Amortization Schedule

Use the Amortization Schedule to view current unbilled payments for a loan. Throughout the life of a loan, this schedule dynamically reflects changes to principal, interest, and fees due to events such as loan approval, interest rate changes, extra payments, short payments and late fees.

Each change in these parameters also triggers the amortization schedule to be recalculated. User can change the first payment date which also results in change in the loan repayment time for the loan. By default this date is defaulted to the 1 month after the loan start date. For example, if the loan starts on January 1 and lasts for 5 months,

the maturity date will be June 1 and the first default payment date will be February 1. If user changes the first payment date to March 1 then there are will be only 4 payments till June 1, the maturity date of the loan.

The beginning balance for the first payment shown in the Amortization Schedule always reflects the latest unpaid loan balance. Loans calculates principal and interest based on the beginning balance amount. When a receipt is applied, Loans moves the payment to the Payment History section and updates the beginning balance for the first unbilled payment. The ending balance or the last payment does not reflect zero if there are unpaid bills.

Fee Details

The Fee Details table shows the fees scheduled to be billed with the payment selected in the Amortization Schedule. To add a fee, select Add Manual Fee and assign a manual fee to be billed with this payment number. To add a manual fee, you must first assign the fee to the loan. See: Manual Fees, page 2-17.

Outstanding Bills

From Outstanding Bills, you can view all unpaid loan payments (bills) for a loan. Payments with partial amounts applied will not appear on this screen.

You can also:

- Create a manual bill for an overpayment or additional principal payment.

  See: Creating Manual Bills, page 4-14.

- Create a credit for billing errors.

  See: Reversing Bills, page 4-16.

- Credit an outstanding bill and rebill with revised amounts for principal, interest, and fees.

  See: Reverse and Rebill, page 4-16.

Creating Manual Bills

When borrowers remit overpayments, you can create a manual bill for additional principal amounts for the loan.

Note that you create the manual bill *after* you receive the receipt.

- You create a manual bill for principal.

- The payment number for a manual bill defaults to the same payment number for last bill created.

- You can view a manual bill in Outstanding Bills. Loans does not store completed manual bills in the Create Manual Bill window.

- When payment is applied, Loans reduces the beginning balance for the next payment to be billed and recalculates the remaining principal amounts.

If a borrower remits an overpayment, first apply any regular loan payment amounts to outstanding transactions in Receivables. These transactions can include invoices and debit memos for principal, interest, and fees. Then create a manual bill for the overpayment amount in Loans. Finally, in Receivables, apply the payment to the manually created bill.

To create a manual bill:

To create a manual bill, do not submit the LNS: Billing program. Instead, complete these steps:

1. Click Create Manual Bill

2. Click Add New Manual Bill.

3. Enter the amount and date for the bill.

> **Note:** Loans defaults the current principal balance only in the amount field. If you are creating a bill for a purpose other than to pay off the loan, be sure to update the amount field with the correct amount.

Loans associates the bill with the last outstanding payment number.

4. Click Submit.

Loans automatically creates a manual bill when you click Submit, and Receivables then creates the invoice for principal.

> **Note:** Manual bills, like other billing transactions, must be interfaced from Receivables to General Ledger. You will be able to drill down from General Ledger to Loans and view transaction details for a manual bill only after the interface program has been run.

To create a manual bill and apply receipts manually:

To create a manual bill and add and apply receipts manually to the respective principal invoices, perform these steps:

1. Create a Manual Bill

2. To Add and Apply Receipts click Add Receipts Search for the Receipt Number.

3. Select the Receipt to apply to the outstanding invoice.

Reversing Bills

You can reverse an outstanding bill by crediting the bill. Loans reverses the loan principal, interest, and fee amounts for the bill by creating credits in Receivables, and recalculates amortization to reflect the change.

> **Note:** You can reverse only the most recent loan bill.

Reverse and Rebill

Use Reverse and Rebill to correct principal, interest, and fee amounts for a loan payment, after payment applications have been made in Receivables.

For example, a borrower's payment for loan payment four was incorrectly applied, and loan payment five was already billed. The receivables clerk then corrects the error for payment four. You must reverse and rebill payment five to recalculate the amounts due for principal and interest.

Select Reverse and Rebill for the outstanding bill that you want to rebill.

In the example above, you can reverse and rebill an outstanding bill only after the receivables clerk corrects payment four. If you want the amortization schedule to accurately reflect the principal and interest for the loan before payment four is corrected in Receivables, then simply credit payment five. You can submit the LNS: Billing program at a later time to rebill payment five.

See: Submitting the LNS: Reverse Last Bill Program, page 5-4.

Related Topics

Overview of Loan Billing, page 5-1

Term Extensions

Loan Term Extensions enables the user to extend the term (duration) of approved loans. The Term Extensions tab under the Servicing tab is enabled for loans that are in funding or servicing. It contains all term extension history for a loan, each with one of the following statuses. Click the Extension link to see the extension details.

- **Pending:** Extension is pending for update, approval or rejection. This can be modified at any point of time.

- **Approved:** Extension has been approved and loan maturity date has been moved according to the extension period. This cannot be modified.

- **Rejected:** Extension has been rejected. This cannot be modified.

  > **Note:** There can be only one pending loan term extension at any given time. You cannot add another extension until the current pending extension is approved or rejected.

To add a term extension, click the Add Extension button. Enter the extension details for the loan in the Term Extension Details page.

> **Important:** The fields Index, Index Date, Index Rate, Spread, Interest Rate, and Interest Only are hidden from the Loan Extension Details page if the loan amortization schedule is customized.

> Only standard amortization schedules are automatically extended upon term extension approval. For custom amortization schedules, you have to add new installments either by uploading new amortization schedules or by adding installments manually on the custom schedule page.

Loans Cancellation

You can cancel approved or active loans using the Cancellation Requests tab under Servicing. The Cancellation Requests table lists all cancellation requests created for a given loan, and has one of the following statuses:

- **Pending:** When the request is being reviewed. A loan can have only one pending cancellation request.

- **Rejected:** When the request is rejected by the Loans Manager. A loan can have multiple rejected cancellation requests.

- **Approved:** When the request is approved by the Loans Manager. If approved, the loan status becomes Cancelled and the system stops servicing the loan.

Creating Cancellation Request

To create a new cancellation request fill out Description and Cancellation Date fields and click the Calculate Cancellation Amount button. The system calculates all due amounts based on Cancellation Date.

> **Note:** After a cancellation request is saved, the cancellation date is

disabled. You can still update the actions and amounts.

Billed Unpaid Transactions Table: This table contains all billed unpaid invoices for the loan. You can choose the following actions for these invoices:

• Adjust invoice down to zero

• Credit invoice

• Leave invoice to age in AR

Unbilled Transactions Table: This table contains all invoices that are still to be billed for the loan. You can choose the following actions for these invoices:

• Bill and Adjust invoice down to zero

• Bill and Credit invoice

• Bill and Leave invoice to age in AR

• Discard (do not bill) invoice at all. This option is available only for interest or fee invoices by setting Amount To Bill value to zero.

Original Receivables Table (ERS loans only): This table contains all original receivable invoices converted to the loan. By default for ERS loans, system calculates and breaks unbilled principal amount between original receivables and sets unbilled principal amount to zero. You can change unbilled principal distribution between adjusting original receivables and billing new principal invoice by changing the Amount to Return in the Original Receivables table.

Totals Table: This table contains all totals for the current cancellation request broken down by actions and invoices.

After the cancellation request is saved, you can approve it by clicking the Cancel Loan button. To reject the request, click the Reject Request button.

> **Note:** Only users with Loan Manager role can approve or reject cancellation requests.

5

Billing A Loan

This chapter describes how to bill a loan.

This chapter covers the following topics:

- Overview of Loan Billing
- Integration with Oracle Receivables
- LNS: Billing Program
- Submitting the LNS: Billing Program
- Submitting the LNS: Reverse Last Bill Program
- LNS: Allow to Bill and Pay from UI

Overview of Loan Billing

You must periodically bill your active loans to automatically generate the proper documents in Oracle Receivables. Your borrowers pay against these documents in Receivables.

Use the LNS: Billing concurrent program to submit the billing process for your active loans in Oracle Loans. See: Submitting the LNS: Billing Program, page 5-3.

The LNS: Billing program bills only those loans whose status is active, delinquent, or in default.

> **Note:** As the Loans Agent, you can also bill loans by submitting the LNS: Loans Maintenance and Billing request set from a Forms application such as Oracle Receivables.

Integration with Oracle Receivables

When you bill a loan, Loans reviews your system options setup to determine how many

documents to create in Receivables.

For example, Receivables can create *multiple documents* for each bill:

- An invoice for loan principal

- An invoice or debit memo for loan interest

- An invoice or debit memo for loan fees

See: Setting Up System Options, page 1-10.

With these Receivables documents, you can:

- Optionally send loan repayment reminders to your borrowers for each billing period

- Apply, to these documents, the payments (receipts) that your borrowers eventually remit

- Transmit the proper accounting distributions from the loan to the general ledger

    When billing, Loans creates accounting distributions based on the accounting setup, and passes those distributions to the related Receivables documents. Your Receivables clerk posts these documents to the general ledger.

    You define default loan accounting during setup. See: Setting Up Accounting, page 1-12. Also, see: Viewing Loan Accounting, page 2-30.

Drilldown between Oracle Loans and Oracle Receivables

You can view both the billing that Receivables generates, as well as the payments that are applied in Receivables to loans, from several locations in the Loans application:

- Servicing tab
    - Servicing Center, in the Overview section
    - Payments area, in the Current Amortization section

LNS: Billing Program

For details on using the LNS: Billing concurrent program, see: LNS: Billing Program, page C-1.

Loan Payment Due Date

For each loan, Loans calculates the *payment due date* using the payment start date plus the payment frequency option that you defined during loan creation. See: Interest Rates,

page 2-12.

For example, if the loan start date is May 25, the payment start date is June 25, and the Payment Frequency is Monthly, then the due dates for each subsequent billing period are June 25, July 25, and so on.

If you submit the LNS: Billing program on June 29 and specify a two week range of seven days (-7) before and seven days (+7) after the system date), then Loans selects for billing the example loan mentioned above, because its due date (June 25) falls within the specified two week range (June 22 through July 6).

Billing Periods

The LNS: Billing program creates only one bill per loan, per billing period:

- If you have not run the billing program for several billing periods, then you must run the program once for each bill that you want to generate.

- You can create the next bill for a loan only after the due date for the current bill has past.

    Even if the Invoice Generation Timing system option falls within the parameters that you entered in the billing program, Loans will create a new bill only if the due date for the previous bill has already passed. This lets Loans correctly calculate the interest due for the new bill.

Submitting the LNS: Billing Program

Submit the LNS: Billing program, page C-1 in Oracle Loans to create bills (Receivables documents) for your active loans.

You can create bills for a single loan or borrower, or for a range of loans, borrowers, or dates.

Using standard request submission, you can schedule billing to run at a specific time, or to run periodically.

Submit the LNS: Billing program from either the Forms-based Submit Request window, or click Submit Requests from the Dashboard. See: Running Reports and Programs, *Oracl E-Business Suite User's Guide*.

For more information, see: Overview of Loan Billing, page 5-1.

Prerequisites

❒ Define your system options.

See: Setting Up System Options, page 1-10.

❒ Define default accounting.

See: Setting Up Accounting, page 1-12.

❐ You must have active loans.

See: Approving a Loan, page 2-29.

To submit the LNS: Billing program

Parameters

The LNS: Billing program creates a bill for all active loans that match the entered parameters.

Enter at least one parameter to run billing:

• Borrower

> **Note:** Parameter searches are not interdependent. For example, searching by borrower name does not restrict the loan values available, if you then search by loan number, to just loans for that borrower.

• Loan

• From/To Number of Days to Due Date

The numbers that you enter here represent the number of days between the system date and the payment due date, and can be positive or negative.

As a default, From Number of Days to Due Date is blank. The default for To Number of Days to Due Date is the value of the Invoice Generation Timing system option. If you run the billing program using the defaults, Loans generates bills for loans with due dates that range from any date before the system date to the number of days specified in Invoice Generation Timing system option.

• Loan Type

• Loan Product

1. Using the Loan Agent responsibility, click Submit Requests on the Dashboard.

2. Select the LNS: Billing program, and enter required parameters.

Submitting the LNS: Reverse Last Bill Program

If a bill that you issued to a borrower is incorrect, then you must use the LNS: Reverse Last Bill concurrent program to credit the original bill. For detailed information, see: LNS: Reverse Last Bill, page C-4.

LNS: Allow to Bill and Pay from UI

Use the LNS: Allow to Bill and Pay from UI profile option to control user access to Bill and Pay transactions from the UI. The available profile values are:

- No: Default Value. This will restrict user access to the functionality.

- Bill Only: User can only bill the transactions, if they are ready to be billed, from the UI without applying payments.

- Bill and Pay: User can bill and pay for the transactions displayed on the UI.

6

Budgetary Control

This chapter describes setting up budgetary control.

This chapter covers the following topics:

- Setting up Budgetary Control
- Setting Up Loan Types: Approval Depends on Funds Availability
- Setting up Loan Products: Subsidy Rate

Setting up Budgetary Control

Budgetary Control provides systematic enforcement of spending limits based on availability of funds before loan approval. Oracle Loans integrates with Oracle U.S. Federal Financials to generate accounting entries for the budgetary control of funds. Loan agents can check in real time, whether funds are available to cover the amount of a loan application.

If Approval Depends on Fund Availability is checked while creating the Loan Type, Loans automatically allocates funds for the entire loan amount at loan approval. It also reduces the budget accounts according to the U.S. Federal Accounting Subledger Accounting Methods.

If loan approval is not linked to fund availability, the funds are reserved on the first disbursement.

This is only available for organizations in the U.S. Federal government that offer direct loans and use Oracle U.S. Federal Financials. Other installations of Loans will not be able to view budgetary control features.

To set up budgetary control perform the following steps:

1. Oracle General Ledger Setup, *Oracle General Ledger Implementation Guide*.

2. Oracle U.S. Federal Financials Setup Overview, *Oracle US Federal Financials Implementation Guide*.

3. Oracle Loans Setup for Budgetary Control, page 6-2.

    1. Create Loan Product with Budgetary Attributes

    2. Create Default Accounting

    3. Map Fund Value

Oracle Loans Setup for Budgetary Control

You can perform this setup only if you set up budgetary control in Oracle General Ledger. For further information, see: Overview of Budgeting, *Oracle General Ledger User's Guide*.

Creating Loan Product with Budgetary Control Attributes

1. Login as Loan Administrator and click Accounting under Setup: *Your organization*: Loan Products.

2. Create a Loan Product, page 1-18.

3. Select Approval Depends on Funds Availability (optional).

4. Ensure a valid Subsidy Rate exists in the Subsidy Rate tab.

Create Default Accounting for Loan Product

1. Login as Loan Administrator and click Accounting under Setup : U.S. Federal Government.

2. Ensure the Year and Fiscal Year Segments match the Budget Year.

3. Fund Segment must match the Mapped Fund setup.

4. Limitations, Program and Cost Center should match the corresponding fields in Budget Execution.

5. The SGL or Natural Account used for Budget Execution must match the overlaid natural account segment set up in SLA account.

See: Accounting Derivation Rules, page 1-14

Fund Value Mapping

1. Login as Loan Administrator and click Fund Value Mapping under Setup : <Operating Unit>.

2. Query the Federal Account Symbol Name you created as part of Federal setup.

3. Select a Financing Account.

4. Select Matching Program Account Treasury Account Symbol.

>   **Note:** The Federal Account Symbol needs to have at least one fund
>   value mapped to it.

Setting Up Loan Types: Approval Depends on Funds Availability

While setting up loan types, the Approval Depends on Funds Availability option is only available to organizations in the U.S. Federal Government that offer direct loans. If set to Yes, the loan manager cannot approve the loan if funds are not available. If set to No, the manager can approve the loan but no funds are reserved. Disbursement cannot be made before funds are reserved.

Setting up Loan Products: Subsidy Rate

The Subsidy Rate tab will be visible only to organizations in the U.S. Federal Government that have Federal Financials enabled and is associated with a ledger with U.S. Federal Accounting Method. The Start Date of the Subsidy Rate can be the same or later than the Start Date of the Loan Product. The Start and End Date of the Subsidy Rate cannot overlap for different rates.

A

Loans Forgiveness Program

This appendix covers the following topics:

- Setting Up Loans Forgiveness Program

Setting Up Loans Forgiveness Program

The Loans Forgiveness Program is designed to help borrowers pay back the loan principal. This works with Loans Billing and automatically adjusts specified percentage of loan principal amount. It has the following characteristics:

- It is configured separately for every operating unit under System Options.

- It can be added to a loan product.

- It can be turned on or off in a loan at anytime.

- Any changes in a loan related to Loans Forgiveness Program is available under Loan History in the Servicing tab.

Enabling Loans Forgiveness Program for an Operating Unit

1. Setup a new AR receivable activity to be used by the Loans Forgiveness Program. Go to Receivables Manager, select Setup: Receipts, select Receivable Activities, then select New.

2. Assign the new AR receivable activity to Loans Forgiveness Activity Name. Go to Loan Administration, select the Operating Unit. Under Loans Setup, select System Options, and under Loans Forgiveness Adjustment select the Activity Name.

To disable the Forgiveness Program, set the Loans Forgiveness Adjustment Activity Name to NULL. Loans Forgiveness Program region stops appearing in all products and all loans of that Operating Unit, and no forgiveness adjustment is performed during billing.

Enabling Loans Forgiveness Program in a Product

Go to Loan Product setup, under the Terms tab in the Loans Forgiveness Program region, set Enable Forgiveness Program to Yes and Percent of Installment (%) to a value between 0 and 100.

To disable Loans Forgiveness Program, set Enable Forgiveness Program to No.

Enabling Forgiveness Program in a Loan

Go to the Origination tab for the loan. in the General tab under Loans Forgiveness Program region, set Forgiveness Program to Yes and Percent of Installment (%) to a value between 0 and 100.

To disable Loans Forgiveness Program, Set Enable Forgiveness Program to No.

B

Oracle Loans Profile Options and Profile Option Categories

This appendix covers the following topics:

- Profile Options and Profile Option Categories Overview
- Profile Option Category and Profile Options Descriptions

Profile Options and Profile Option Categories Overview

During implementation, set a value for each Oracle Loans profile option to specify how Loans controls access to and processes data.

See: Setting Profile Options, *Oracle E-Business Suite Setup Guide*.

Profile Option Category and Profile Options Descriptions

This section describes profile options by category.

The tables in this section provide profile option information as follows:

- The Default column displays either the default profile option value in italics, or No Default if none exists.

- The User Access column indicates whether you can view or update the profile option.

- The System Administration: Site, Application, Responsibility, and User columns indicate at which levels the system administrator can update these profile options.

The key for each table is:

- Update: You can update the profile option.

- View Only: You can view the profile option but cannot change it.

- No Access: You cannot view or change the profile option.

Profile Options Owned by Oracle Loans

The table below lists the profile options owned by Oracle Loans.

Profile Options Owned by Oracle Loans

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
LNS: AME Transaction Type	*Null*	View Only	Update	Update	Not Available	Not Available
LNS: Allow to Bill and Apply from UI	*No*	View Only	Update	Update	Update	Update
LNS: Approve Loan From Notification	*Yes*	Update	Update	Update	Update	Update
LNS: Borrower Default Access Level	*No Access*	View Only	Update	Update	Update	Not Available
LNS: Co-Borrower Default Access Level	*No Access*	View Only	Update	Update	Update	Not Available
LNS: Create Zero Amount Installments	*No*	View Only	Update	Not Available	Update	Not Available

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
LNS: Create Zero Amount Principal Invoices	*No*	View Only	Update	Not Available	Update	Not Available
LNS: Default Loan Product	*Null*	Update	Update	Not Available	Update	Update
LNS: Disable Loan Class Access	*Null*	View Only	Update	Not Available	Update	Update
LNS: Enable DFF Update During Servicing	*No*	Update	Update	Update	Not Available	Update
LNS: Encumbrance Enabled	*No*	Update	Update	Not Available	Update	Update
LNS: Generate Loan Number	*Yes*	View Only	Update	Not Available	Not Available	Not Available
LNS: Guarantor Default Access Level	*No Access*	View Only	Update	Update	Update	Not Available
LNS: Loan Officers Selection	*Not Restricted*	View Only	Update	Not Available	Not Available	Not Available
LNS: Read Only Mode	*Null*	Update	Update	Update	Update	Update

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
LNS: Scoring Engine	*Loan Delinquency Scoring Engine*	View Only	Update	Update	Update	Not Available
LNS: Shift Payment Start Dates Procedure	*LNS_DEFAULT_HOOKS_PVT. SHIFT_PAY_START_DATES*	Update	Update	Not Available	Update	Update

LNS: AME Transaction Type

Set this profile option to use AME for Loans approval. Loans provide a default AME transaction type, Loans AME Approval Chain.

LNS: Allow to Bill and Apply from UI

Set this profile option to permit loan agents to bill, or bill and pay the next due installment from the UI.

LNS: Approve Loan From Notification

Set this profile option to permit loan managers to approve loans from notification messages.

LNS: Borrower Default Access Level

This profile option sets the default Loans access level for primary borrowers.

LNS: Co-Borrower Default Access Level

This profile option sets the default Loans access level for primary co-borrowers.

LNS: Create Zero Amount Installments

This profile option enables the creation of zero amount installments.

LNS: Create Zero Amount Principal Invoices

This profile option enables the creation of zero amount principal invoices. If the value is No, then zero amount AR invoices are not created while billing. If the value is Yes, then zero amount AR invoices are created while billing.

LNS: Default Loan Product

Set this profile option to Yes to enable configuring of a default loan product when creating a new loan.

LNS: Disable Loan Class Access

Set this profile option to prevent loan agents from creating loan applications by loan class. You can restrict access to ERS loans or direct loans.

LNS: Enable DFF Update During Servicing

This profile option value enables Loans DFF update during servicing.

LNS: Encumbrance Enabled

This profile option enables Loans Encumbrance.

LNS: Generate Loan Number

Set this profile option to Yes if you want Loans to automatically generate the loan number when you create a new loan.

LNS: Guarantor Default Access Level

This profile option sets default Loans access level for guarantors.

LNS: Loan Officers Selection

This profile option determines the Loan Officers selected for a Loan.

LNS: Read Only Mode

This profile option enables the modification of loans.

LNS: Scoring Engine

This profile option specifies the IEX scoring engine used to determine the loan delinquency status.

LNS: Shift Payment Start Dates Procedure

This profile option specifies the shift payment start dates procedure used for direct

loans, when disbursement is fully paid and the loan becomes active.

Profile Options Not Owned by Oracle Loans

The table below lists the profile options not owned by Oracle Loans.

Profile Options Not Owned by Oracle Loans

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
IEX: Enable Raising Customer Status Change Event	*No*	View Only	Update	Not Available	Not Available	Not Available
AOL: Concurrent Report Access Level	Null	View Only	Update	Not Available	Update	Update

IEX: Enable Raising Customer Status Change Event

Set this profile option to Yes to create business events for Loans to monitor in loan status.

Concurrent: Report Access Level

Set this profile option to determine the access privileges to report output files and log files generated by concurrent programs. If you set this profile option to Responsibility, users can access reports and log files submitted by any user with the same current responsibility.

See: Overview of Setting User Profiles, *Oracle E-Business Suite Setup Guide*.

C

Oracle Loans Concurrent Programs

This appendix covers the following topics:

- LNS: Assign Loans Access Levels

- LNS: Billing

- LNS: Export Amortization Schedules

- LNS: Generate Distributions

- LNS: Interest Accruals

- LNS: Mass Update Floating Rate Loans

- LNS: Receipts Application Engine

- LNS: Refresh Materialized Views

- LNS: Reverse Last Bill

- LNS: Transfer Loans

LNS: Assign Loans Access Levels

This program enables the Loans Administrator to assign Loan Access Level for borrowers, co-borrowers, and guarantors based on the parameters entered. Using the parameters an administrator can:

- Filter and process loans for specific organization, borrower, or product.

- Assign specific access levels for borrowers, co-borrowers, and guarantors at once.

- Remove individual loan access level settings to use global settings.

LNS: Billing

Submit the LNS: Billing program in Oracle Loans to create bills (Receivables

documents) for your active loans. You can create bills for a single loan or borrower, or for a range of loans, borrowers, or dates. Using standard request submission, you can schedule billing to run at a specific time, or to run periodically.

Submit the LNS: Billing program from either the Forms-based Submit Request window, or the HTML-based Submit Request page. See: Using Standard Request Submission, *Oracle E-Business Suite User's Guide*

For more information, see: Overview of Loan Billing, page 5-1.

The LNS: Billing program creates a bill for all active loans that match the entered parameters. Enter at least one parameter to run billing:

- Borrower

    > **Note:** Parameter searches are not interdependent. For example, searching by borrower name does not restrict the loan values available, if you then search by loan number, to just loans for that borrower.

- Loan

- From/To Number of Days to Due Date

    > **Note:** The numbers that you enter here represent the number of days between the system date and the payment due date, and can be positive or negative.

    > From Number of Days to Due Date is blank by default. The default value for To Number of Days to Due Date is the value of the Invoice Generation Timing system option. If you run the billing program using the defaults, Loans generates bills for loans with due dates that range from any date before the system date to the number of days specified in Invoice Generation Timing system option.

- Loan Type: The specified loan type is billed.

- Loan Product: The specified loan product is billed.

Hints

- In general, do not specify a borrower or loan when submitting the LNS: Billing program. Instead, you should run the program for all borrowers and loans.

    You might, however, need to run the program for an individual borrower or loan to correct isolated billing issues.

- Use a combination of the From/To Number of Days to Due Date parameters with Standard Request Submission's scheduling options to complete the billing for your active loans.

  For example, you can schedule the LNS: Billing program to run everyday, for all loans whose installment due date falls 15 days before and after the system date.

- To bill loans with back-dated start dates, set only the To Number of Days to Due Date parameter. The billing program will pick up all loans that should have been billed as long ago as the date you created the loan. Since the Loans billing program only creates one bill per loan, you may need to submit the program multiple times to make sure you generate bills for all periods required.

- During billing, if the calculated loan invoice gl_date falls into a closed GL period, it is posted to the next open period.

See: Running Reports and Programs, *Oracle E-Business Suite User's Guide*.

LNS: Export Amortization Schedules

This program enables the user to export loans amortization schedules into LNS_AM_SCHEDS_EXPORTS table for further usage by external reports and analytical tools.

LNS: Generate Distributions

This program generates distributions for ERS loans.

LNS: Interest Accruals

This program creates the Journal Entry for the accrued interest from last Billing installment Due Date to the Period End or Daily Accrual entered. The following parameters are available for this program:

- Borrower: The interest accrual is calculated for all loans of the operating units which are assigned to this borrower and the other input parameter Ledger.

- Ledger: The interest accrual is calculated for all loans of the operating units which are assigned to the entered ledgers.

- Operating Unit: The interest accrual is calculated for all loans of the entered operating unit.

- Loan Number: The interest accrual is calculated only for this loan number

- Accrual Type: Select from one of the following parameters:

- Period End Accrual: The interest accrual is calculated up to the last day of the given period which is closed in AR and open in GL.

- Daily Accrual: The interest accrual is calculated up to the entered accrual date. This value is limited to two years before and one year after the system date.

- Period: This parameter is enabled and mandatory for accruals of type Period End Accrual. The accrual interest is calculated till the last day of this GL period.

- Accrual Date: This parameter is enabled and mandatory for accruals of type Daily Accrual. The accrual interest is calculated till this date.

- Accrual Mode: The program runs in two modes:
  - Draft Mode: Creates accounting entries in Loans and the user can check the distributions in the output report. These entries are not eligible for the SLA concurrent program Create Accounting.

  - Final Mode: Creates accounting entries in Loans and makes these entries eligible for the SLA concurrent program Create Accounting.

LNS: Mass Update Floating Rate Loans

This program updates interest rate in all floating rate loans based on specified index

LNS: Receipts Application Engine

This program searches and applies payments to Loans invoices based on selected parameters.

LNS: Refresh Materialized Views

Note: This concurrent program has been obsoleted.

This program refreshes the Loans Dashboard Graphs data.

LNS: Reverse Last Bill

This program credits the original bill if the bill issued to a borrower is incorrect. You can optionally rebill the loan at the same time. Alternatively, you can complete the credit, or credit and rebill, process from within the Servicing tab. See: Outstanding Bills, page 4-14.

LNS: Transfer Loans

This program enables the Loans Administrator to transfer loans from one loan officer to another. The parameters present are From Loan Officer and To Loan Officer.

D

Oracle Loans Reports

This appendix covers the following topics:

- LNS: Loan Agreement Report
- LNS: Loans Portfolio Report
- LNS: Loans Reconciliation Report

LNS: Loan Agreement Report

Use this report to provide a document of all loan details that can be used to obtain the borrower's signature as part of the loan closing process. This report contains all critical loan information about the borrowers, loan details, interest rates, collateral, fees, conditions, amortization schedules, funding, and outstanding receivables, if applicable. After the loan is active, the details for Loan Agreement cannot be changed.

New agreement reports are automatically generated for the following cases:

- Loan is approved.

- Loan term extension is approved.

- Loan amount adjustment is approved (for direct loans).

- Disbursement is funded (for direct loans).

- New receivable is approved and added to ERS loan.

- Loans amortization schedule is customized.

You can generate the Loan Agreement Report manually from the View Loan Agreement page under the Servicing tab. The Reason text is used to capture the reason for generating a new report. Till the loan status is active, it can have only one agreement report. The older version of the report is overwritten. Once the loan is active, it can have multiple agreement reports.

LNS: Loans Portfolio Report

Use this report to view all loans in your portfolio grouped by status, based on the selected parameters. Deleted loans are not included. This report provides the number and value of all loans your organization manages in each phase of the loan lifecycle. Report parameters include:

- Loan Number

- Borrower Name

- Account Number

- Loan Start Date From

- Loan Start Date To

- Loan Status

- Display a Graph

LNS: Loans Reconciliation Report

Use this report to reconcile Loans information with Receivables information. It compares the loan balance and related billing events originating in Loans with the payments, netting credits, other credits, and adjustments applied in Receivables. Report parameters include:

- Loan Number

- Customer Name

- Account Number

- Bill Due Date Range

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