

Oracle® Banking Originations

Functional Overview

Release 2.4.0.0.0

E64764-01

September 2015

Oracle Banking Originations Functional Overview, Release 2.4.0.0.0

E64764-01

Copyright © 2011, 2015, Oracle and/or its affiliates. All rights reserved.

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

U.S. GOVERNMENT END USERS: Oracle programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, delivered to U.S. Government end users are "commercial computer software" pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, use, duplication, disclosure, modification, and adaptation of the programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, shall be subject to license terms and license restrictions applicable to the programs. No other rights are granted to the U.S. Government.

This software or hardware is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications that may create a risk of personal injury. If you use this software or hardware in dangerous applications, then you shall be responsible to take all appropriate failsafe, backup, redundancy, and other measures to ensure its safe use. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software or hardware in dangerous applications.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

This software or hardware and documentation may provide access to or information on content, products and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services.

Contents

Preface	v
Audience	v
Documentation Accessibility	v
Related Documents	v
Conventions	vi
1 Overview	
2 Key Features	
2.1 Application Capture	2-1
2.2 Sourcing Entity Capture and Processing.....	2-6
2.3 Backdated Account Opening for CASA and TD Accounts	2-6
2.4 Submission Level Pricing.....	2-7
2.5 In-Principle Approval	2-8
2.6 Credit Assessment	2-8
2.7 Additional Information in Manual Review of Credit Assessment.....	2-10
2.8 Interest Sensitivity Rate.....	2-11
2.9 Debt Servicing	2-11
2.10 Manual Review for Credit Assessment - Timeout Scenario	2-12
2.11 Fraud Status Resolution Task.....	2-13
2.12 Verification.....	2-14
2.13 Valuation	2-16
2.14 Title Search.....	2-17
2.15 Structure Solution	2-18
2.15.1 Current and Savings Account Configuration.....	2-19
2.15.2 Term Deposits Account Configuration	2-20
2.16 Create Offer.....	2-21
2.17 Account Creation and Settlement Instructions.....	2-22
2.17.1 Create Account.....	2-22
2.17.2 Settlement Instructions	2-22
2.18 Collateral Perfection	2-24
2.19 Edit Submission.....	2-25
2.20 Bundle Origination	2-25
2.21 Application Forking and Routing Concepts	2-25
2.22 Lenders Mortgage Insurance (LMI)	2-26

2.23	Withdraw Submission.....	2-27
2.24	Variation Outside Arrangement.....	2-27
2.25	Application Tracker.....	2-28
2.26	Handling of Affiliates within Origination.....	2-29
2.27	Consumer Credit Insurance for Loans and Credit Cards.....	2-30
2.28	Capitalization of Fees and Insurance (LMI and CCI).....	2-31
2.29	Generation and Printing of Application Form.....	2-32
2.30	Property Details Capture for Stamp Duty Computation.....	2-33
2.31	Internal Refinance.....	2-34
2.32	Funds Table - Parameters and Capitalization.....	2-35
2.33	Conditions.....	2-36
2.34	Bundling.....	2-37
2.35	Credit Card Origination.....	2-38
2.36	Edit Submission for Reject Offer Letter.....	2-39
2.37	Create Offer Outbound Documents.....	2-40
2.38	Aggregator Support.....	2-41
2.39	Joint Application Form.....	2-41
2.40	Miscellaneous Features.....	2-42
2.40.1	Notes Capture.....	2-42
2.40.2	Other Miscellaneous Features.....	2-42
2.41	Policy Deviations.....	2-43
2.42	Pre-approved Limits.....	2-43
2.43	Manual Allocation of Collaterals.....	2-44
2.44	Process Tracker.....	2-45

3 Australia Localization

3.1	Key Features.....	3-1
-----	-------------------	-----

Preface

Oracle Banking is a one-stop solution for a bank for its core banking operations, across retail offerings. It is designed to help banks respond strategically to today's business challenges, while also transforming their business models and processes to reduce operating costs and improve productivity across both front and back offices.

Oracle Banking provides a unified yet scalable IT solution for a bank to manage its data and end-to-end business operations with an enriched user experience. It is a composed set of different modules wherein each of the modules is serviced by a set of services and other subsystems.

This preface contains the following topics:

- [Audience](#)
- [Documentation Accessibility](#)
- [Related Documents](#)
- [Conventions](#)

Audience

This guide is intended for the users of Oracle Banking Originations.

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.

Related Documents

For more information, see the following documentation:

- For installation and configuration information, see the Oracle Banking Installation Guide - Silent Installation
- For a comprehensive overview of security for Oracle Banking, see the Oracle Banking Security Guide

- For the complete list of Oracle Banking licensed products and the Third Party licenses included with the license, see the Oracle Banking Licensing Guide
- For information related to setting up a bank or a branch, and other operational and administrative functions, see the Oracle Banking Administrator's Guide
- For information related to customization and extension of Oracle Banking, see the Oracle Banking Extensibility Guide

Conventions

The following text conventions are used in this document:

Convention	Meaning
boldface	Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.
<i>italic</i>	Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.
monospace	Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter.

Overview

A robust account origination solution enables banks to offer suitable packages of products across the lines of business to the targeted number of customers and enhances sales opportunities. Oracle Banking offers a user-friendly account origination product which can help banks in process automation to achieve exceptional levels of user experience and performance efficiency thereby improving customer base and revenue growth.

Oracle Banking Originations is functionally rich and capable of maintaining complex information related to customers and various bank products and supports multiple applications of a customer in a single submission. The system supports different stages of the end-to-end life cycle for different product classes like lending (loans and overdrafts), liability (savings, term deposit), credit cards, bundle origination, variation (amend or review and renew) of existing facilities.

This account origination system helps banks to streamline and improve their account opening plans for Liability accounts as well as Lending accounts. In a single submission, multiple borrowers can apply for different products of the bank. In respect of lending applications, the solution has the ability to capture details, evaluate or provide a mechanism to evaluate critical attributes like Capital requirements, Credit worthiness of customer, Capacity of customer to repay and Collateral adequacy. Banks will not only be able to take appropriate credit decisions and accord approvals to most of the lending applications in real time but also can ensure meeting ever-increasing regulatory requirements.

The solution also supports application of credit policy and quick assessment of financial risk so that the bank can take measures for mitigation of financial risk at the right time. It supports features for handling of secured or unsecured lending products for Loan or Overdraft products.

Key Features

This chapter describes the key features of Oracle Banking Originations.

2.1 Application Capture

This feature enables the user to capture multiple types of applications within a single submission, albeit with some rules. The user can apply for new product bundles as part of the application form. The system performs amendment of existing facility or facilities within Oracle Banking through Origination which is commonly referred to as Variation outside Arrangement.

The application capture mechanism within Oracle Banking Originations allows the user to capture multiple product groups applied for by multiple applicants as part of a submission.

The following application types can be captured in the landing page of the application form:

- Application:
 - New Product
 - Lending
 - Deposit
 - Credit Cards
 - Bundles
- Variations:
 - Lending
 - * Amend
 - * Review and Renew
 - Credit Cards
- In-Principle Approval:
 - Lending
 - Deposit
 - Bundles

For more information on credit card options, refer [Chapter 2.35, "Credit Card Origination."](#)

The user can select one or more options based on certain validations within the system.

If other options of application type are chosen along with the Variation option, then the selected applicant has to be the primary applicant for the selected product groups. System does not allow application and in-principle approval request to be part of same submission.

Based on the selected application type, the system expands the steps in the application form that have to be filled mandatorily or optionally based on the configuration. The following table suggests the steps based on the type of product group selected. The following are the steps for the two distinct types of origination workflow behavior:

Table 2–1 Steps for Liability Origination Workflow Behavior

Serial#	Stage Name	Description
1	Product	Capture product details corresponding to product group and applicant details.
2	Personal	Capture or refresh personal details of the applicants associated with the product groups.
3	Bundles	View bundle recommendations and link new or existing account to new or existing bundles.
4	Configure	Perform account configuration for the offer selected within the product group. Mandatory for liability product groups as part of the application form.
5	Review	A consolidated view of the product groups applied in the submission.

Table 2–2 Steps for Lending Origination Workflow Behavior

Serial#	Stage Name	Description
1	Product	Capture product details corresponding to product group and applicant details. Basic details vary based on whether the product group is for Loan or Overdraft.
2	Personal	Capture or refresh personal details of the applicants associated with the product groups.
3	Bundles	View bundle recommendations and link new or existing account to new or existing bundles.
4	Collaterals	Link one or more collaterals to the applied facility. Link existing or new collaterals as part of the form. This step is enabled only when the product group is indicated as secured.
5	Funding	Based on the configuration of funding template linked with product group and purpose type combination, view, update and modify the outlay and funds sections for the lending facilities applied.
6	Financials	Capture and view financial information for the applicants and guarantors based on the template configured for the corresponding party type (and other logical entity, for example, employment type for Individual party type).
7	Configure	Perform account configuration for the offer selected within the product group. This step is optional as part of the application form for lending product groups.
8	Document	Process the document policies defined within the DMS module of Oracle Banking and display documents to be submitted by applicants and guarantors.
9	Review	A consolidated view of the product groups applied in the submission.

A brief synopsis of the different steps mentioned above is as follows:

Step 1 Product

The summary of product details is as follows:

- Mechanism to capture product specific information based on the product group chosen from the landing page.
- Applicants applying for the respective product groups.
- Capture of guarantors, if required, in case of lending product groups.
- Ability to capture property details in case of lending product groups being applied based on purpose type chosen. If the same property is provided as collateral, then user can link the same from the property page. The system auto creates such property as collateral.
- Ability to select existing facilities for internal refinance based on purpose type chosen.
- For more information on Property details, see [Chapter 2.30, "Property Details Capture for Stamp Duty Computation."](#)

Step 2 Personal

The summary of personal details is as follows:

- Display of existing information, if any, for the applicants and guarantors (applicable for lending products) and update information, if any.
- Separate pages for individual, organization, and trust applicant.
- Logic for panels and fields being mandatory or optional based on the type of products being applied. For example, employment information is optional for capture in case of liability products being applied.
- Multiple business relationships capture between two parties is allowed.

Step 3 Bundles

For more information on bundles, see [Section 2.34, "Bundling."](#)

Step 4 Collaterals

The summary of collaterals is as follows:

- Collaterals is enabled for Lending product groups in cases, where product group is configured as Secured and Collateral Required parameter at a credit policy (linked to product group and business unit combination) is marked as Mandatory or Optional.
- Allows mechanism to link existing collaterals present in the system OR add new collateral and link to respective facility.
- System allows the user to link only those collaterals belonging to the allowed list of collateral type and category combinations.
- System allows the user to link more than one collateral to a facility being applied or amended as part of the submission.
- System allows the user to capture and upload collateral documents. Document policy needs to be pre-configured. The system resolves and shows the applicable document based on the policy. The user can capture and upload ad-hoc documents.

Step 5 Funding

The summary of funding is as follows:

- Applicable for lending product groups only.
- Prerequisites of Funding Parameters and Funding Template are essential.
- Displayed based on template linked to product group and purpose type combination.
- Feature to display the outlay and source of funds, which gives the customer and banker a holistic picture of the overall arrangement in terms of funds.
- Execution of rules related to Lenders Risk Management (LRM), if applicable, prior to display of funds table.
- Capability to display Lenders Mortgage Insurance (LMI) and Consumer Credit Insurance (CCI) quote amounts.
- Capability to manually capture LMI premium details.
- Ability to negotiate fees post the derivation from the price policy chart within Oracle Banking Relationship Pricing.

For more information on Funding, see [Chapter 2.32, "Funds Table - Parameters and Capitalization."](#)

Step 6 Financial

The summary of financial details is as follows:

- Mandatory step applicable for lending product groups only.
- Feature to display and capture financial information for individual or organization or trust applicants.
- Capture of personal financial position and business income statement and balance sheet (for self employed kind of scenarios).
- Display of existing assets and liabilities within Oracle Banking as part of individual party's financial position.
- Capture is configured based on financial parameters and template.
- Mechanism to capture multiple active employments and link financials for each active employment. Integration with party financial templates and profile capture for the same.
- Ability to clone financials across applicants in the same submission where one or more applicant share the same employment detail in case of self employed employment detail. This is only from ease of data capture perspective and not linked as part of the storage of employment and linked financials.
- Ability to expire existing employment and capture new employment details.
- Integration with party module for financial template and profile capture for the following features:
 - Capture of mandatory financial parameters from the template.
 - Financial Ratio related functionality: Fixed list of ratios computed by the Party module in Oracle Banking. Derived or User Input ratios are supported.
 - Display of Net Customer Position based on the financial details captured.
 - Mechanism to capture salaried and self employed related financial detail information.

- Mechanism to capture Current Position of assets and liabilities in case of organization and trust.
- Additional Details capture supports user-maintained list based on nature of financial parameters. Supports character, numeric, and date-based fields.
- Factory shipped templates for Individual (Salaried, Self Employed), Organization (Simple type) and Trust.
- Capture of linked or associated asset-income-liability-expense financial parameters.
- Ability to read the rules maintained as part of Origination preferences and resolve the relevant financial template for Individuals only.
- Ability to resolve the highest priority template in case of the applicants applying for multiple product groups in the same submission.
- The same is applicable for Affiliates, Guarantors as well.

Step 7 Configure

The summary of configure (structure solution) is as follows:

- Applicable for liability (mandatory step) and lending product groups (optional step).
- Offer selection and account configuration: Feature to configure the account based on the product class – Savings and Overdrafts, Term Deposit and Loans.
- Interaction with Oracle Banking Relationship Pricing to determine and display applicable interest rates, margins and fees.
- Capability to negotiate margins and fees, based on configuration within Oracle Banking Relationship Pricing.
- Feature to configure sub-lines and accounts under the respective sub-lines under the Facility Summary for lending product groups.

Step 8 Documents

The summary of document checklist is as follows:

- Interaction with the DMS module of Oracle Banking to execute the applicable document policy rules linked at the levels for application, product groups, and collateral.
- Display document status and link, if document is already received.
- Validate status of mandatory documents and disallow to move ahead unless mandatory documents are marked as received.
- Display status for all inbound documents expected from applicants and guarantors.
- Applicable for lending product groups only.
- Capability to display and upload ad-hoc documents.

Step 9 Review

The summary of review is as follows:

- Common step to display a summary of the product groups applied for by the applicants in a submission.

- Ability to generate application form (based on pre-configured template) for the different products applied for in the application form.

For more information on Review, see [Chapter 2.29, "Generation and Printing of Application Form."](#)

2.2 Sourcing Entity Capture and Processing

Typically, banks might have applications and accounts originated by broker or introducer. In such cases, the agent like broker or introducer gets commission (upfront or trail) for the income or customer generated for the bank. There could also be scenarios where the broker or introducer is willing to forego a portion of his or her margin which in turn translates benefit (either discount or additional interest) to the customer's account (higher rate in case of deposit or lower rate in case of lending).

The system supports the capture of the application form and the applied product groups within the submission to be broker or introducer sourced. This will be applicable as part of new products applied or for variations done through the origination workflow.

The system checks the eligibility of the offers applied under the respective product group and displays only those offers which are eligible to be sourced by either broker or introducer based on the sourcing entity captured as part of the application header in the submission.

The system allows mapping of broker or introducer to business groups, which are in turn linked with product groups and offers. System validates whether the broker or introducer selected at submission is allowed to source or service such product group and offers. If such broker or introducer is not mapped for selected product group or offers, the system prompts the user to map.

System is also capable of sending an alert to a broker during origination life cycle when the submission is approved or when the offer letter is dispatched.

The following features have been incorporated and integrated in Oracle Banking Originations for the same:

- Capture of sourcing entity for applications – Broker or Introducer.
- Display of the broker or introducer details within the application.
- Validate whether the broker or introducer is allowed to source or service such product group or offers.
- Integration with offer selector to perform offer eligibility as part of the account configuration.
- Capture of Commission and Rebate Details within account configuration for new or amendments (there are rules in amendments based on original sourcing and amendment).
- Printing commission and rebate details of the broker or introducer within the offer letter.
- Stamping of the sourcing entity at the account level.
- Sending alert to broker or introducer during Origination life cycle.

2.3 Backdated Account Opening for CASA and TD Accounts

This feature covers the mechanism for the system to open backdated CASA and Term Deposit accounts through the Origination process.

This feature is part of Oracle Banking Originations:

- Capture Submission Value Date as part of the application header. This field has to be manually entered as a backdated value to enable opening of liability (savings and term deposit) accounts.
- Origination sends the value captured in submission value date field, in case of liability applications, to fetch the list of eligible offers as part of the Configure step of the application form.
- Offer Eligibility searches and fetches the list offers which were valid as of the value date passed from Origination. It eliminates the offers where the expiry date (considering the value in the parameter 'Backdated Account opening allowed period (In Days)' defined at the CASA Offer level) is less than the posting date in the system.
- This date is also used as part of the pricing interaction done by the module to fetch the interest rates and margins. Fees are applied based on the posting date on which the account configuration is being done.
- Origination validates the offer expiry in Configure step against the submission value date in the application form. In case of account opening, Origination sends the submission value date as the account opening date.
- There will be specific handling in case of incomplete submission being submitted after End of Day operations (EOD) for the date on which submission has been captured are completed. In such a scenario, the system forces the user to re-configure the accounts within the Configure step of the application form.
- If the user captures a back value dated submission value date, the system will expect the user to apply for New Deposit type of product groups. There will be NO backdated effect or processing for New Lending or New Credit Cards or Amend Lending Facilities or Amend Credit Card Limit types of application.
- In case of lending product groups, backdated handling will be done by processing of the same in Settlement Instruction.

2.4 Submission Level Pricing

Over a period of time, pricing for Banking Products has become very competitive. Customers look in for the best rates and Bankers look to provide an optimal rate so as not to lose out on business as well as maintain profitability. To enable banks to take calculated decisions regarding pricing, a holistic view (total expected business and discount being offered) of the submission (list of products applied) is provided.

- Approval task at submission level to show the pricing offered to customer (includes interest and fees).
- Task includes all products which are part of submission. If there was no negotiation performed by the customer in certain products, those products would also be part of submission level pricing approval, to give holistic view to approver.
- Task is created even if there is single product in group and negotiation has been performed.
- Rules framework determines whether submission level pricing task has to be triggered or not.
- Task is created once banker confirms the submission at review screen.
- Task displays the structure solution screen. The approver would know the negotiated interest and fees.

- Approver has an option to either approve or reject and add comments, if required.

2.5 In-Principle Approval

Customers usually prefer to obtain In-Principle Approval (IPA) from bank before committing for Loan, OD, or TD account. This helps them to know the offerings of different banks. Based on this, the customer can take the decision. Customer also tends to negotiate fees and rates during IPA process. IPA provided to a customer is valid for a certain period of time. If the customer returns to the bank within the stipulated time period to open an account, the bank retrieves the particular IPA request and applies it on customer's account.

IPA is an indication of loan eligibility but not a formal offer that is binding on the bank. This approval would not be construed as a final approval from the bank. It only shows the inclination of the bank to take up a detailed proposal, based on the minimum requirements furnished by the customer or borrower. However, the bank can insist for certain information and documents which are required for taking up a detailed approval later on.

- Origination supports the IPA request for following products:
 - Lending
 - Term Deposit
 - Bundles (with above combinations)
- Capture application for IPA follows the same behaviour as new application (which currently exists).
- System generates a term sheet for successful IPA request. Template for term sheet has to be pre-configured in system.
- No account opening process is triggered in IPA.
- System has the capability to define validity period for an IPA term sheet. If customer approaches the bank within the validity period and shows interest to avail the product, then banker can convert the erstwhile IPA request to new application through Application Tracker screen.
- Term sheet is generated at submission level for IPA request.
- For term deposit, term sheet is generated once the user confirms the Capture Application. For lending, term sheet is generated after Structure Solution.
- In case IPA request is declined by third party decision engine, then system has the capability to generate decline letter for IPA request.

2.6 Credit Assessment

The stage of credit assessment is applicable only in the case of lending applications (that is, product groups belonging to Loan or Overdraft product class).

Note: Overdraft product class is a CASA product group with the workflow behavior configured as Asset. As part of the application form, the system captures and splits the submission (based off rules defined within Oracle Banking Originations) into logical applications. Once this is performed, the system sends the information of the submission and the underlying lending applications for credit assessment.

If the credit decision is APPROVED or CONDITIONALLY APPROVED, the application has ability to guide the user through subsequent stages of origination and move to the next stage of processing that is, Configuring Facilities and Configuring Accounts. In the case the credit assessment process has given result as DECLINED or REFERRED, the system can guide the user to the next logical step so that the application can be processed manually to take appropriate Credit Decision which will be recorded as Manual Credit Decision.

Subsequent to credit decision, the overall decision for the entire application is stored by the solution. In addition to the decision for entire application, the solution also stores decisions for individual products applied by the customer.

Following are the features of credit assessment:

- Applicable for lending applications. The task related to manual credit review or downsell acceptance is created at submission level. The post approval tasks are created at the logical levels defined for the respective task.
- Capability to interact with third party interface for credit decision outcome.
- Repair task to handle credit assessment failure and mechanism to get the submission re-assessed.
- Mechanism to handle different credit decision statuses like Approved, Conditionally Approved, Declined, Referred, or Referred Downsell.
- Capability to perform fraud check as part of the credit assessment process and handling of the same.
- Based on the credit decision outcome, the system can take different paths as mentioned below:
 - **Approved or Conditionally Approved:** Moves the submission into the post approval flow where the system will proceed to create tasks like valuation, verification, structure solution, and title search. There are a number of scenario, where based on the business rules configured within Oracle Banking or each logical task and based on the outcome from credit assessment, the requisite task instances get created.
 - **Referred:** Moves the submission into the manual review of credit assessment step. Here, the credit team will be given opportunity to either approve or decline a submission. Decline will take the submission into Reject Letter processing phase whilst Approve will take into the approval workflow based on authorization matrix. Only after all the approvals, if required, are completed, system will mark the submission as Approved and move to creation of post approval tasks.
 - **Declined:** A declined decision from credit decision engine will move the submission into Reject letter processing task. Additionally, if the banker wants to do a manual review of credit assessment, then the banker can initiate the same through the link provided in the application tracker or the reject offer

letter task. If the manual review of credit assessment is initiated, then banker can approve or decline submission. System removes the reject letter processing task once the manual review of credit assessment task is initiated.

- **Referred Downsell:** Take the submission to Downsell Acceptance task, if the submission has a downsell and the user can either accept downsell (which will move it to approved flow), reject downsell (take it down the reject letter flow), or move the submission into manual review.
- System provides a mechanism to assess a submission multiple times and maintain the complete credit decision outcome for each of the submit done for the submission.
- System can carry forward the latest comments that were part of credit memorandum, if the submission undergone multiple edit from or post manual review of credit assessment task. The user is not required to prepare the whole credit memorandum, each time the submission is edited.
- Credit Decision History Inquiry gives the user an opportunity to inquire, check and assess the outcomes for the submission for each credit decision outcome received from the third party interface.
- System creates an overview of a submission if the submission is approved by the user as part of manual review of credit assessment or if the submission is approved by the approver using an approver task. The overview required indicator can come from the decision engine or on a random basis.
- Ability to perform credit assessment for new requests In-Principle Approval and Manual Credit Assessment.

2.7 Additional Information in Manual Review of Credit Assessment

It is important for the banker to take into account, the entire information within application before credit decision. To support that information on application, exposure and existing accounts of the borrowers are displayed as part of the manual review of credit assessment.

The following features support manual credit review:

- **Display Application:** A view submission link has been provided in the Manual Credit Assessment screen for the banker to view the application details. On clicking it, the system displays the application details, such as personal details, employment detail, financial details, and so on.
- **File Summary Report:** As part of view exposure summary panel, a View File Summary Report link is provided. On clicking it, the file summary report will generate a report that contains the details of the various facilities owned by the borrowers and guarantors, the collaterals for those limits and the accounts under them with the respective outstanding.
- **View Conduct:** View conduct is the action provided as part of the Manual review of credit decision. The following information is provided as part of the view conduct:
 - Bureau reports
 - Loan details including arrears and DPD
 - CASA or OD details including DPD and cheque returns
 - Credit card details

The information is provided at an application level for the borrowers and applicants who are part of the application. The information is provided for all the accounts or loans or cards where the applicant or guarantor is part of. The credit card details are not fetched or stored as part of the product. This is a placeholder and the information has to be fetched as part of consulting. The information is retrieved in real time till the submission is approved or declined or submitted for approval. The information at the time of approval or submit for approval is persisted in the submission.

- **Review and Renew:** The banker can capture or modify the review date as part of manual credit assessment, if the request type is review. If the request type is renew, then the banker can capture review date and/or modify renew date.

2.8 Interest Sensitivity Rate

Interest sensitivity rate is the rate used for calculating the debt service obligation of the borrower. This rate is used only for calculating the debt servicing obligation for credit decision and does not have a bearing on the actual rate fixed for the account post credit decision.

Following are the features of interest sensitivity rate:

- It is stored against origination domain for each product group and now against each offer within the product group.
- If the offer is selected upfront as part of application capture, the system uses the interest sensitivity rate at the offer level for calculating the debt servicing amount, else rate maintained at the product group is used.
- Interest sensitivity rate is calculated as sum of rate maintained, interest sensitivity buffer, and risk based margin.
- If this rate is lower than the floor rate maintained in PMU, the system uses the floor rate to calculate debt servicing obligations.

2.9 Debt Servicing

Debt servicing refers to the ability to repay the loan. System has the capability to check the debt servicing capacity of the borrowers. Debt servicing forms part of manual review of credit assessment where the user manually approves or decline a submission. The debt servicing is always done at a submission level. System has the capability to form multiple debt servicing groups. However, same person cannot be part of more than one debt servicing group.

Debt servicing checks if the borrower has any surplus income after taking into account all the income and expenses and loan obligations, including the proposed loans.

As part of debt servicing, system identifies and marks certain financial parameters which are to be used for debt servicing. For individuals (salaried), these parameters are specifically identified as income and expense. For an organization, trust and individual (self employed), the parameters marked for debt servicing is assumed to be income.

The following features form part of the debt servicing capability within manual review of the credit assessment:

Repayment Summary Consolidated

Repayment summary consolidated consists of repayment summary Proposed and repayment summary Others. Repayment summary Proposed consists of the monthly

debt servicing obligation for each product group. This is calculated using interest sensitivity rate, requested amount, and requested term. If the CCI amount is included and the same is capitalized, then the monthly amount which is to be paid by the borrower is also included in calculating the obligation.

System has the capability to capture the repayment obligations Others, which is the existing loans of the applicants or guarantor within the bank and outside the bank. This information has to be entered. System supports capture of both pre and post loan scenarios, which are essentially the scenarios before and after sanctioning of the loans.

Debt Servicing Summary

Debt servicing summary displays the information at debt service group level. The system displays available surplus for debt service (sum of incomes of each member of the group after expenses), repayment obligation (sum of existing and proposed loans of the members of the group) and balance amount after surplus (available surplus for debt service minus repayment obligation).

The user can click on the debt servicing group to expand the members of the debt servicing group. A view and delete link is provided as action against each member.

The delete button is used to remove a person from the debt servicing group.

The view button shows the values for financial parameters marked for debt servicing. The values are displayed as captured in the system and returned by the decision engine.

At a debt servicing group level, the user can choose to add a person to the debt servicing group or modify the debt servicing summary.

The modify debt servicing summary screen opens financial summary of the debt servicing group. It contains all the income and expense parameters for each of the borrowers who are part of the debt service group.

In case, same financial parameter has values across multiple borrowers, then the system will show the total value.

For organization and trust where the financial statements are captured for a period (between a start date and end date), system will calculate the monthly value to arrive debt service value.

In case of salaried individual where the income and expenses are captured based on frequency, system will arrive at the monthly value and use it for debt servicing.

System displays the values as captured in application and as given by the decision engine. An additional column is provided for the user to input values which is different from those provided by decision engine and customer. This value is used to arrive at the debt servicing scenario.

Based on the user input value, system displays the pre and post loan scenario for the members of the debt servicing group.

The user can capture the comments and approve or decline the submission.

2.10 Manual Review for Credit Assessment - Timeout Scenario

Credit Assessment is the process by which the bank determines whether to approve or refer or decline the loan application. This involves evaluation of the facility applied, the borrower and guarantor, if any, their financial position, credit bureau information and risk scores, and evaluation of the collateral linked to the facilities applied.

The system submits the submission (and its lending applications) for credit assessment through an adapter mechanism and provides a mechanism to return outcome at various levels in the submission, namely submission, application, applicant, facility and collateral. When the system makes a call to get an outcome from the credit decision engine and if the call fails for any reason, the system creates a human task called Credit Assessment Failure (at the submission level) which can be used to re-submit the submission for credit assessment. However, there is no mechanism to override this option and push the submission for a manual credit review.

The system provides a mechanism with the Credit Assessment Failure task to push the submission for manual credit decision processing using the action button Perform Manual Credit Review. When the submission is pushed for Manual Credit Review through the Review of Credit Assessment human task, the system performs the following:

- **Credit Decision Status:** The system will default the Pending credit decision status for the different levels in the submission where a credit decision status is expected namely, submission, application, applicant, facility and collateral.
- **Verifications:** The internal verification policy [defined within Common Services module of Oracle Banking Core (licensed separately)] is executed to determine if any recommended verification is to be done. No external recommendations for verification from credit decision engine will be available.
- **Valuation:** There is no default recommended valuation for a collateral. However, system gives user an opportunity to capture recommended valuation type for collateral in the scenario where the submission is pushed for manual credit review.
- **Conditions and Covenants:** Recommended conditions and covenants from the internal Conditions Policy and Covenants Policy defined within Oracle Banking Limits and Collateral Management are displayed and user can add any additional conditions and covenants.
- **Credit Decision Reason Codes:** Since there is no interaction with the credit decision engine, there are no default reason codes populated for such a submission. However, the system provides user an option to add any credit decision reason codes, as may be applicable, for the different levels in the submission.
- **Credit Memorandum:** In the scenario where the submission is pushed for manual credit review, the credit memorandum indicator at the submission level is set to Not Required.
- **Overview:** For a submission which is overridden for manual credit review, the overview indicator is set to Required.
- **Fraud Status:** The system makes a separate call to the fraud assessment system. In case of no response from this system, the default fraud status is set as Referred which creates the Fraud Status Resolution task documented separately in this document.

2.11 Fraud Status Resolution Task

The system provides a mechanism to store the fraud status at an application level. This fraud status was expected to be returned as an outcome of the interaction with third party credit decision engine. From product perspective, there was a mechanism or place holder to have customer specific task for fraud resolution but no actual human task within the product release. The fraud status is validated during generation of outbound documents as part of the Create Offer stage in the origination workflow.

Following are the features of Fraud Status Resolution task:

- The call for credit decision and fraud outcomes are split into two separate calls. The credit decision outcome is an input to the fraud resolution. Therefore, in case the credit decision times out, the system makes the call to the fraud interface with a Pending credit decision status.
- If outcome of the fraud status is other than Approved (that is, negative) then system can either:
 - Suspend the origination workflow till fraud resolution is done OR
 - Continue with the origination workflow (that is, irrespective of fraud outcome origination workflow should continue) till Create Offer stage. (The behavior is, if the credit decision status is APPROVED or CONDITIONALLY APPROVED using automatic or manual credit decision, the workflow will only stop at Create Offer stage for the respective application if fraud status is DECLINED or REFERRED.)

This is achieved using an outcome indicator as to whether the expected behavior is to HOLD the post (credit decision) approved tasks or to CONTINUE with the post (credit decision) approved tasks. The default product behavior is to HOLD the post approval tasks in case the credit decision is APPROVED or CONDITIONALLY APPROVED but the fraud outcome is DECLINED or REFERRED. In this scenario, the system creates the Fraud Status Resolution task and on successful completion of this task, if the status is overridden to APPROVED, only then system will move forward to create the post approval tasks within Origination.

- The system allow the capability to override fraud analysis status in Oracle Banking Originations with the new human task (created at submission level) titled Fraud Status Resolution. This task enables the user to override negative outcome (DECLINED or REFERRED) of the fraud status at an application level, if required.
- The existing Credit Decision History Inquiry displays the fraud outcome (automated and manual) at the application level. To provide this mechanism, the system stores two separate identifiers for the fraud status (one each for automated and manual outcomes) as part of the attributes stored for the outcome of credit decision interaction.
- The system provides extension capabilities within the Fraud Status Resolution sub-process to ensure that this can be overridden within the consulting layer.

2.12 Verification

Verification indicates the logical information provisioned by applicants and /or guarantors which has to be verified by the bank post the credit approval. Such cases are called conditionally approved cases subject to conditions such as, verification or valuation being completed successfully. Also, there could be scenarios where the bank might approve the submission only after tasks like verification or valuation are completed successfully.

Oracle Banking Originations provides both these flexibilities based on the outcome of credit assessment.

Following are the features of verification:

- Applicable for lending applications. Task is created at application level.
- Mechanism to display recommended verification if any, from third party interface.

- Execute and display outcome of verification policy executed at different levels based on the configuration within the Verification Policy maintenance within the Common Services module of Oracle Banking.
- Option to add any additional verification over and above recommended (from external system or internal rules) verifications.
- Actions to perform verification or waiver of external or derived verification within this task.
- Capture and display of linked document types to each logical verification type.
- Options to either mark verifications as Successful or Unsuccessful with appropriate comments.
- Support approval of waiver of recommended verifications.
- **Request More Information:**

A status called Request More Information is available at each verification instance level. It appears in the Verification Details panel of the verification task at application level. This enables the bank to indicate that additional information is required from the applicant for the verification to be completed. This status and the associated comments (which are visible outside bank) can be viewed from the customer facing channels like portal, internet banking to indicate to the customer what exactly needs to be provisioned or furnished for the verification to be completed. In case, the status is moved to Request More Information, then the system sends an alert to indicate the customer that the verification is pending more information.
- **Comments or Notes Integration:**

The Comments functionality has been integrated within the Verification task. This task supports replying to existing comments, providing history of the changes to the comments, and mechanism to identify whether the comments should be internal or external to bank users.
- **Conditions Capture**

For more information on the functionality of conditions capture within Verification task, see [Chapter 2.33, "Conditions."](#)
- **Display of application details:**

A View Submission link has been provided in the manual credit assessment screen for the banker to view the application details. On clicking it, the system displays the application details such as, personal details, employment details, financial details and so on. The user can view whether the customers have submitted the document to support their claims in application form.
- **Display of completed verifications:**

It is possible that the submission might undergo multiple edits during its life cycle. In each edit scenario, a new set of verifications is resolved which the user has to verify. These verifications may also include verifications that have been performed earlier. System stores all the completed verification types for party or collateral as part of submission. Whenever a submission is edited and a fresh set of verification types is created for verifications which are already verified, system enables a new link called View History. The user can click the link to view the verification and based on the history, current verification can be marked successful.
- **Automatic update of verification status for multiple instances of same verification type:**

As part of verification policy, it is possible that the same verification type is resolved for the party or collateral as part of different applications. System will update all the instances of verification type within the same submission across applications, if the verification type is completed in any one application.

- **Modify verification status:**

System allows modification of a verification status and verification type from successful to unsuccessful or request more information till the verify application data task is submitted. Additionally, for each of these modifications, banker can capture comments. System will not allow further modification once the task is submitted.

- **Maintain validity of verification and display such verifications as valid, if it is resolved for the same party or collateral:**

System allows to maintain validity for a verification type. If the same verification type is resolved again for the same party or collateral within the validity period, the system marks them as successfully verified.

- **Ability to automatically initiate the verification task on successful upload of documents:**

System initiates verification task only if the mandatory documents are attached to it. System enables the link from Application Tracker where the banker can upload the mandatory documents for each verification type. Once the mandatory documents are uploaded, the system initiates the task in the worklist where the banker can complete the verifications.

2.13 Valuation

Valuation indicates the process by which the bank will assess the current market value of the collateral (depending upon the type of assessment of valuation). This will also determine other key indicators for the loan applied for by customer, which are the Loan to Value Ratio (also called LVR) and the bank value of the collateral calculated based off the valuation process.

Typically, bank interacts with third party valuation agencies, either through manual or automatic process, to get the collateral evaluated in lieu of the facilities applied for by the customer, though this information may not necessarily be always shared with the vendors who perform the valuation.

Following are the features of valuation:

- This task is created at collateral level. It can be initiated either from Review of Credit Assessment (also known as Manual Credit Decision) or as part of the post approval tasks once a submission has been approved.
- Capability to handle business rules like creation of task only if the collateral task has Valuation Required parameter enabled as part of Collateral Category Preferences within Oracle Banking Limits and Collateral Management.
- Handling of recommended valuation type as part of the outcomes for credit assessment received from third party interface.
- Task creation is not triggered when unexpired valuation reports are present within Oracle Banking Limits and Collateral Management.
- In case the submission is sourced by a broker, the broker information will be available as part of valuation request.
- Valuation contains the following features or capabilities:

- Initiate request for valuation to valuation agency
- Amend or Re-initiate request
- Cancel valuation request
- Receive or Capture or Display the collateral valuation report
- Inquire a completed valuation report
- Update status for collateral valuation request
- Verify valuation report once it has been captured
- System can identify the valuation agency or agencies to which the valuation request can be sent based on rules defined for different collateral categories and key attributes like the geographical location of the particular asset.
- This task has been integrated with the valuation process developed within Oracle Banking Limits and Collateral Management. The valuation task (at collateral level) within Oracle Banking Originations has the mechanism to invoke the LCM valuation sub-process which has the following steps:
 - Valuation Request Details Capture
 - Valuation Report
 - Valuation Report Verification

These tasks form part of the sub-process developed within LCM module. As part of the integration with Oracle Banking Originations, the functionality of change of recommended valuation type and waiver of valuation continues to be part of the Valuation task within Oracle Banking Originations. At the end of the iteration of each sub-process for collateral, Oracle Banking Originations Valuation task is instantiated again to perform any further valuations, if required or to proceed ahead in the origination workflow.

The tracking of Valuation tasks is possible in Application tracker.

2.14 Title Search

Title Search is the process by which the bank can authenticate if the collateral is registered with the applicant or guarantor claiming to be the owner of the collateral. This process involves interaction with agencies in charge of title registration and involves multiple steps, similar to valuation.

Following are the features of title search:

- This task is created at collateral level. It can be initiated either from Review of Credit Assessment (also known as Manual Credit Decision) or as part of the Post Approval tasks once a submission has been approved.
- Task creation is not triggered when unexpired valuation reports are present within Oracle Banking Limits and Collateral Management.
- In case the submission is sourced by a broker, then the broker information will be available as part of Valuation Request.
- Capability to identify the agency to which the Title Search Request has to be sent is based on rules defined for collateral category and address information of the collateral. Mechanism to configured collateral categories for which Title Search is required.
- Key steps within title search are as follows:

- Initiate title search request to title search agency (including capability to send multiple requests)
- Amend or Re-initiate existing title search request
- Cancel title search request
- Receive, store and display of title search reports
- Mechanism to update the status of the title search request
- The Title Search sub-process developed within Oracle Banking Limits and Collateral Management is performed on the same lines as Valuation mentioned above. The Title Search task within Oracle Banking Originations is integrated with the LCM Title Search sub-process having the same logical steps as mentioned for valuation.

The only key difference within the Oracle Banking Origination Title Search task is the Waive functionality which continues to be available only through Origination module. The logic of re-creating the Oracle Banking Originations task for title search after each sub-process iteration is completed is similar to that of valuation as mentioned above.

The tracking of Title Search tasks is possible in Application tracker.

2.15 Structure Solution

This is the stage where the account can be configured for the product groups applied for in the submission.

Following are the features of Structure Solution:

- Applicable for both lending and liability product groups.
- Mandatory for liability product groups as part of the application form.
- Mandatory post credit assessment for lending product groups.
- Task is created at product group level. If the account configuration is done pre-assessment, then this is retained post assessment, except a few scenarios like downsell acceptance.
- Handling of loan and overdraft cases within this stage. Mechanism to create one or more sub-lines within the facility (or main line) applied for. Option to decrease mainline limit in case customers want lesser limit than what is approved by the credit decision engine.
- Interaction with offer selector for recommendation of offers based on features required and offers eligibility validations.
- Configuration of account information based on which accounts will be created during the account opening process triggered from either Create Account or Settlement Instruction human task within Oracle Banking Originations.
- Capability to interact with Oracle Banking Relationship Pricing for derivation or display of interest rates, margins and fees, wherever applicable.
- Negotiation of margins and fees. Approval handling for negotiation of interest margins.
- Retrieval of origination fees, option to collect or defer these fees so that they are deducted as part of disbursement during settlement instruction execution.
- Refresh of the funds table for the respective product group.

- LVR, Outstanding Exposure are available as facts in Pricing to determine the relevant pricing for the accounts.
- Ability to cancel or unsubscribe the bundle as part Post Credit Assessment Structure Solution.
- Offer expiry check removed as part of Structure Solution post assessment, if the offer has already been selected and/or account configured as part of capture application.
- Retrieval of Origination Fees based on the offer selected under the Product Group.
- Check or validate for other product offers before allowing to select a specific product offer.
- Validate the Facility Warning Indicators, if any.
- Capture Broker or Introducer details in account configuration.
- Identify the immediate Product Groups when there is a bundle selection as part of Group of Group Product Groups.
- Validate and process the Product Groups, which are indicated for Internal Refinance accordingly.
- Ability to link existing CASA accounts to Overdraft facility as a separate option and enable the linkage of existing CASA accounts which belongs to expired offers.
- Display the Available Amount of the Credit Facility in the Structure Solution during Origination work-flow.
- During amendment of facility, the changes to facility amount or term leads to repricing of the existing accounts under the facility. The effect of such repricing could either result in a new rate type such as Customized Rate or continuance of the existing Customized Rate rate type. In those scenarios, origination allows the existing accounts to be reconfigured.
- Support for Flexi Credit Facility products with functionalities like restricting only one level of Sublines, restricting only one accounts under each Subline.
- Support the configuration of Office Suspense accounts.
- Support account configurations for IPA.
- Pass Broker and Introducer details for the relevant modules.
- Origination - Loan Structure Solution: Subsequent Acct Fee displayed under Capitalized Servicing Fee only when the Capitalize Fee is unchecked under Product details.

2.15.1 Current and Savings Account Configuration

Following features form part of Current and Savings Account (CASA) account configuration:

- Account Title: The account title is auto-populated with the names of all the applicants who are present as part of the application form. This is handled for applications created for individual or organization or trust type of applicants.
- Alternate Account Capture: The system provides mechanism to capture alternate account for credit or debit interest and fees as part of the account configuration itself.
- Capture of Default Mailing Address and Correspondence Preferences related features: Default Mailing Address mandatory for all borrowers. Correspondence

Preference mandates atleast one account owner to be selected. This includes the affiliates linked to the account as well.

- Capability to link affiliates associated with applicants to the account.
- Cheque Book Request capture is optional for the accounts where the offer selected has cheque book facility and the customer wishes to apply for cheque book as part of account configuration. Based on whether cheque book details are to be captured, the appropriate fields are enabled for capture.
- Personalized title for the cheque book can be captured as part of the Cheque book details panel.
- Mechanism to capture Account Preference called Employee Referred Account. This indicator can be used to identify whether the account has been referred by an employee. Thereby, appropriate margins can be applied. As part of Account Preference panel, the user can either select the account as Employee Account or Employee Referred Account.
- Backdated Account Opening: As per [Chapter 2.3, "Backdated Account Opening for CASA and TD Accounts"](#), integration with Oracle Banking Relationship Pricing to fetch rates based on the value date.
- Capture of Account Operating Instructions.
- New warning indicator actions, for example, Prevent Cheque Book Issue action can be handled as part of Cheque Book Issue Details Capture in Account Configuration.
- Customized rates are supported.
- Account configurations for IPA are supported.

2.15.2 Term Deposits Account Configuration

Following are the enhancements in Term Deposit account configuration:

- Account Title: The account title is auto-populated with the names of all the applicants who are present as part of the application form. This is handled for applications created for individual or organization or trust type of applicants.
- Backdated Account Opening: As per [Chapter 2.3, "Backdated Account Opening for CASA and TD Accounts"](#), integration with Oracle Banking Relationship Pricing to fetch rates based on the value date.
- Mechanism to capture transacting party details in case of threshold limit breach for certain modes of payin.
- Mechanism to capture Account Preference called Employee Referred Account indicator. It is used to identify if the account has been referred by an employee and so appropriate margins can be applied. As part of Account Preference panel, the user can either select the account as Employee Account or Employee Referred Account.
- Capability to link affiliates associated with applicants to the account.
- Account Operating Instructions can be captured.
- Customized rates are supported.
- Account configurations for IPA are supported.

2.16 Create Offer

Prior to acceptance by the customer, the bank generates and dispatches a set of documents to be signed and accepted by the customer based on the requirements and negotiations, if any done with the banker. This is a crucial step before the acceptance of the terms and conditions put forward by the bank (through its different operations team) for the customer to understand and accept or re-process them if there is something unacceptable within the same.

Following are the features of create offer:

- Task is created at application level.
- Interaction with DMS module through the outbound document policy for identifying the recipients and the documents to be dispatched to the respective recipients.
- The generation and dispatch details display list of recommended documents to be sent to the recipients based on the rules configured within the DMS module of Oracle Banking.
- Covers lending applications only. Key details like the facility structure, account configuration, key attribute information like origination fees and servicing fees can be printed along with information if the accounts are bundled, condition and covenants applicable at the facility level and so on.
- Handling of document template through either BIP or Documaker.
- Ability to define document preference as optional or mandatory. On final submit, system ensures that all the mandatory documents are generated and dispatched.
- Ability to generate and send the offer letters to the recipients based on the automation rule set in the system. In this case, only the mandatory documents are generated and dispatched.
- Ability to generate documents at both application and submission level.

For more information on key features of offer letter template and outbound document type being generated, see [Chapter 2.37, "Create Offer Outbound Documents."](#)

- Default dispatch preferences can be overridden by the user based on certain validations.
- Mechanism to capture acceptance and execution status for the documents based on attributes defined at the document type level within the DMS module.
- Create Offer is a logical stage in the origination workflow which handles the processing of outbound documents to be dispatched to the borrowers, affiliates and guarantors, if applicable.

The outbound rule linked to the event of OR_CREATE_OFFER is used to identify which outbound documents are to be generated as part of this stage in the Origination Workflow. This task covers two steps Generation and Dispatch of Documents, and Acceptance and Execution Details, which are covered in same logical task.

This one task is split into two logical human tasks:

- **Create Offer:** This task is created at application level and deals with the Generation and Dispatch part of the Create Offer task. After all the documents are generated and dispatched, the system gives an informational message indicating the same and on user confirmation, system proceeds to close this

task and moves to the Accept Offer stage. This change is done so that the user need not explicitly click Submit to mark this task as Logically Completed and moves forward in the origination workflow.

- **Accept Offer:** The task displays the details of the outbound documents generated and dispatched to the concerned parties. It also provides the mechanism to record Acceptance and Execution Details for the documents generated for the particular application. This task is created at application level, similar to the Create Offer task. The banker can also extend the expiry period of the offer letter on receiving suitable approvals. If the bank does not want to spawn off a task for accept offer, the system allows to capture the same using the application tracker. This setup can be maintained based on rules.

2.17 Account Creation and Settlement Instructions

This section explains the functionality of account creation and settlement instructions in Oracle Banking Originations.

2.17.1 Create Account

Following are the features of Create Account:

- This task is created at product group level. This is created only for product groups where Settlement Required parameter is not enabled at the credit policy level.
- Human task is created only when there are exceptions (when the check mentioned below fails) encountered, else the system initiates the Create Account process and the accounts are created automatically.
- This step involves checking of preliminary and precedent conditions being complied, activation of facility hierarchy and related information like linkage of facility to collaterals, conditions, covenants that is, moving them from Proposed state to Active state.
- If there are any facility level risk indicators, then the system creates an error and creates the human task.
- If the customer due diligence statuses prevent an account opening, the system does not create the account.
- If the account opened is an OD with a customized rate, the system does not allow to open the account, if the customized rate is not valid.
- If opening of the account is dependent on another account, the system validates whether the account under mandatory offer is in existence.
- In case of review or renew request, there is no account creation. However, the system updates the review and renew date for the facility which is being reviewed or renewed.
- Any pending deferred origination fees for the respective product group should to be collected before the accounts are opened.

2.17.2 Settlement Instructions

Following are the features of Settlement Instructions:

- Task is created at application level. It is created for product groups where Settlement Required is enabled at the credit policy level.

- It supports skipping of settlement instructions if the banker chooses to.
- It supports two modes, such as application level and account level mode.
- Capture of borrower contribution, disbursement and generation of payout instruction is done as part of this task.
- Oracle Banking Originations provides facility to capture information within two areas of settlement instruction which are:
 - **Borrowing Contribution Instruction:** It is needed to receive the contribution amount from the borrowers to include along with the sanctioned amount of the accounts to be disbursed to arrive at the final payout amount.
 - **Settlement of Payout Instruction:** It is a debit type of instruction needed to disburse the loan and consider contribution, if any, to be paid out to the seller and applicable beneficiaries, if any.
- Capability to support different modes of settlement for contribution and final payout.
- Mechanism to maintain future dated or current dated settlement instructions.
- Current dated settlement instruction executed as part of the same posting date EOD process.
- Future dated settlement instructions executed in that day's BOD process.
- Capability to Revoke (maintained but not executed instructions), Reverse (executed instructions on the same posting date) and mark the instruction as Complete (to indicate logical fulfillment of the application).
- Capability to display Auto Refinance details.
- **Capitalization:** The system displays a break-up of the capitalized components performed as part of the earlier stages within Oracle Banking Originations. Also, Oracle Banking Originations passes the details of these amounts to the Common Account for settlement related processing of these amounts. The uncapitalized components are displayed within the Deduction Details panel.
- **Backdated Settlement Instructions:** The system allows the user to capture back value dated settlement payout instructions where the payout date cannot be beyond the offer letter acceptance date. This feature is required where the settlement instructions are maintained and have to be executed once the physical settlement has been completed on a posting date earlier than the current system date. Backdated settlement instruction also means that the activation of facility and account opening are performed with backdated effect. The disbursement date or instruction debit date for Loan and Overdraft accounts will be backdated. In case of backdated settlement, the allowed modes will be only CASA Account or GL Account. However, in case of loan account settlement, certain benefits like Mortgage Offset Benefit linkage or Accelerated Payment Setup will be done only from current posting date.

There are a number of other module related validations that are performed in case of backdated settlement instruction maintenance. Contribution is allowed in case of backdated settlement. The process of account opening and settlement instruction creation and execution is done as part of the Confirm button in Settlement Instruction human task.

- **Partial Settlement in Account level mode:** Partial settlement is allowed to facilitate progressive disbursements at an account level.

- **Online Disburse Feature:** In case of current dated settlement instructions, the system provides an option to the user to disburse online the accounts for which settlement instruction is maintained. The Disburse Online action appears in the Contribution Pay-in or Settlement Payout Summary panel against each account for the following scenarios:
 - The user might want to disburse only certain accounts as part of the settlement instruction task.
 - For the other accounts, the user might want the execution to happen as part of that day's EOD processing.
- **Display of Funds Table:** From operations perspective, the funding table for each facility cannot be viewed in Settlement Instructions. There is a hyperlink visible for each facility listed under the Settlement Instruction Account Details panel.
- **Modes For Contribution:** The system supports contribution payin by cheque and external account.
- **Reversal Handling:** Reversal is supported in case of the first disbursement being backdated for loans, overdrafts, and MOF type of product groups. Reverse is allowed only on the posting date on which the settlement instruction has been executed through online or batch execution. This button is not enabled on subsequent posting date and the user can only mark the Settlement Instruction task as Completed.
- **Settlement for Internal Refinance:** For the settlement of loan with the purpose internal refinance, the system defaults the settlement accounts and amounts to the internal refinanced accounts and amounts as captured in the application.
- **Collateral Document:** Banker can capture any document related to collateral as part of Collateral Perfection task. System enables capture of collateral document link, in case collateral document collection mandatory flag is checked at collateral category level. The banker has to either collect the document or defer the document collection in order to complete the task.
- **Customized Rate:** If the OD account is opened with a customized rate, the user cannot open the account, if the customized rate is not valid. For loans, the system validates whether the settlement date is within the validity date of customized rate.
- The option to comply precedent and preliminary condition as part of settlement instructions is provided.
- If opening of the account is dependent on another account, the system validates whether the account under mandatory offer is in existence.

2.18 Collateral Perfection

Following are the features of collateral perfection:

- Task is created at submission level. This is an optional task as part of a submission.
- It enables the bank to maintain charge related details for the collaterals linked to the facilities in the submission.
- Support maintenance of status based on the type of charge to be created like Registered, Hold Unregistered, Not Held – Registered, Obsolete, or Discharged.
- Selection of multiple collaterals for creation of a charge.

- Validations like during multiple selection, validate that the owner or owners of all the selected collaterals are the same.
- Banker can capture any document related to collateral as part of Collateral Perfection task. System enables the capture collateral document link, if the collateral document collection mandatory flag is checked at Collateral Category level. The banker has to either collect the document or defer the document collection in order to complete the task.

2.19 Edit Submission

Following are the features of edit submission:

- It appears for all the key tasks within Oracle Banking Originations.
- Mechanism to rollback the credit assessment, stop work on existing tasks to modify the state of applied facilities like reduce requested amount, add more collaterals or change charge amount at collateral level post credit assessment.
- After a confirmation warning message, this option creates a human task Edit Submission at submission level which is similar to the application form capture.
- System will reassess the submission once the user confirms the submission as part of the Review and Submit step through this option.
- This task offers convenience to bank users in practical situations, where collateral valuation received is different from earlier estimated value or when customer requests for increase or decrease in loan amount before final settlement or for any other genuine reasons.
- Feature to process Edit Submission is also provided in many of the post assessment tasks including Reject Offer Letter scenario mentioned in [Chapter 2.36, "Edit Submission for Reject Offer Letter"](#).

2.20 Bundle Origination

Following are the features of bundle origination:

- As mentioned in application form capture, system provides mechanism to originate bundle applications. This covers capture of mandatory or optional offers in the bundle being applied. Some of the key areas in the logical stages are mentioned below:
 - Nomination for bundle maintenance fees and first account in the facility structure is nominated for bundle subscription fees.
 - Indicator passed as part of account configuration so that the appropriate benefits defined for the bundle are displayed as part of the interaction with pricing within the Structure Solution stage.
 - Specific handling in the Create Offer stage to print bundle related key details.

For more information on bundle recommendation related feature, see [Chapter 2.34, "Bundling."](#)

2.21 Application Forking and Routing Concepts

The access of users to tasks is controlled through roles to which the task access is allocated through SMS. The user can belong to a role, based on the configuration with

the Oracle Security Stack related integration within the overall Oracle Banking solution.

The BPM work list component is used for the tasks driven through Oracle Banking Originations. BPM features like Claim (to start work on a particular task) or Release (through which the user can return the task to his or her role work list) are integrated within Oracle Banking Originations. Over and above this, Oracle Banking Originations provides specific actions for each logical task and the user can move back and forth in the origination workflow in the context of a particular submission.

2.22 Lenders Mortgage Insurance (LMI)

Following are the features of LMI:

- Support functionality of insurance like lenders mortgage insurance which protects the lenders interest.
- Parameter to indicate if LMI is applicable through credit policy configuration linked to product group.
- Rules for whether LRM is applicable, LRM provider, type of LRM request to be initiated are configured within Origination Preferences and executed just before the display of the Funds Table.
- Mechanism to handle as part of the credit assessment outcomes whether LRM is applicable at a facility level.
- Also, handling of the same in case of manual review of the submission where the LRM condition can be manually added at the facility level.
- Human task called Mortgage Insurance is created to manage interaction with third party provider for creation of insurance policy within Oracle Banking.
- Processing along with activation of facility to move linked insurance policy from proposed to active stage. Handling of LMI premium amount to be collected as an arrear in the nominated account within the Settlement Instruction step of the origination workflow.
- Support Negotiation of LMI Estimate in Funds Table.
- Support manual capture of LMI information, in case system is not able to get the information from interface.
- Support Negotiation of LMI estimate in Structure Solution.
- Enable Approval matrix for the LMI estimate negotiation approvals.
- Process the Mortgage Insurance task automatically without creating the Human task, that is, managing the interaction with third party provider for creation of insurance policy.
- Provision to create Human task in case of any exceptions found as part of automatic processing.
- Provision to view the Existing Policies linked to the respective Facilities as part of the task.
- Provision to view the LMI negotiation details as part of the task.
- Provision to view the Mortgage Insurance task details as part of Application Tracker.
- In case the interface is not able to provide the LMI policy details, the user can manually capture the policy details.

2.23 Withdraw Submission

When a customer does not want to go ahead with Submission for any reason or the banker does not want to go with the Submission, the system allows user to withdraw submission.

Key features of withdraw submission are:

- This Action button is provided within the Human Tasks in Oracle Banking Originations. It can be triggered at any point based on either the customer's request or banker's discretion.
- It creates a separate task at submission level to capture withdraw submission details.
- Existing tasks initiated for the submission are marked as Read Only, since the submission is Marked for Withdraw.
- On execution of the withdraw action, the system cancels the pending tasks, deletes all the proposed facilities, and associated dependencies (such as, collateral linkages, proposed conditions and covenants) and marks the submission as Closed.

2.24 Variation Outside Arrangement

Following are the features of variation outside arrangement:

- Variation - Amend:
 - Handled using the Amend option in the application form.
 - Handling of variation events like increase or decrease amount, increase or decrease term, changes in the collateral linkages to the amended facility.
 - Handling of LMI in case of amend flow.
 - Validations allow submission of request, if no changes are made at the mainline level or within the Collateral stage with respect to the collaterals linked to the amended main line.
 - Subsequent steps like credit assessment, structure solution, offer and account creation or update, settlement instruction handling for the variation outside arrangement (that is, amend) flow.
 - Change of borrowers: Add or remove borrowers to an existing facility and its downstream impact across various stages in the application form. Appropriate handling of existing accounts within Structure Solution step for the same.
 - Variation events supported are as follows:
 - Increase Amount
 - Decrease Amount
 - Increase Term
 - Decrease Term (supported for revolving facilities only)
 - Link or Delink collateral to existing facility. The collateral being linked can be new or existing collateral.
 - Add Borrower
 - Remove Borrower

- Management of bundled accounts in case of remove borrower amendment type being executed – either of Change of Bundle Owners or Delink Accounts from bundle option to be selected.
- Bundle Recommendation: Mechanism to recommend bundle in case of amend flow and handling of amendment to existing accounts linked to a bundle in-flight (as part of the amend flow).
- Collaterals: Handling of borrower change and ownership modification of existing collateral ownership or force de-link of collateral owned by de-linked borrowers.
- Funds Table: Identifiers stored at facility level for amendment to use as facts for charging separate fees for the respective variation events. Also, handling of amend scenarios to display appropriate information within Funds section of Funds Table.
- Capitalization of fees and LMI as part of the amend flow.
- Settlement Instruction: Creation of settlement instruction task based on different combinations in which amendments have been done in combination of facility and account modifications in amend scenarios.
- Variation - Review and Renew:
 - Handled using Review and Renew option at landing page.
 - Expired OD facilities shown in the landing page for the user to perform renewal.
 - Product details page shown as Read-only. Except in case of OD, where the user is allowed to capture Proposed Expiry Date.
 - System displays personal details screen as Read-only. No modification can be performed.
 - System allows the user to capture or update financial details of existing customer. In the Document Checklist screen, user can take new documents, if any.
 - System allows the user to submit the Review and Renew request for Auto-Decisioning.

2.25 Application Tracker

Application Tracker option provides a number of functionality feature points which enable the bank to enhance or improve the closure of the origination workflow for a particular submission or the applications under a submission.

- Retrieval of incomplete submission and mechanism to update and submit the submission.
- Collect origination fees marked as deferred prior to settlement instruction or account opening.
- Mechanism to view and upload documents to be provided by applicants and guarantors related to a submission.
- Upload documents linked to verification types associated with an application.
- Feature to capture solicitor details.
- Mechanism to search applications or submission based on a number of basic or advanced search criteria.

- With In-Principle Approval and Review & Renew functionalities in Origination, the application tracker allows the user to search IPA submission and review and renew submission as well.
- View Submission: Application form style inquiry of the complete submission to display state of the data captured in the application form when it was submitted into the system.
- Notes functionality: Integration with the revised comments functionality to display comments captured at each logical step in the origination workflow including the data entry stage. Also, mechanism to add or reply to existing comments for a particular application.
- Display of application fraud status for certain roles based on role based access control setup.
- View and capture referee details for a particular application.
- Mechanism to view or generate application form, if not generated already, for an application.
- Display sourcing entity details in the application tracker. Additional fields like sourcing entity, sourcing entity mode included in the additional search criteria fields within application tracker. Additional statuses are included for the field Status, such as Preliminary Decision Approved, and so on.
- Mechanism to push a submission for manual credit review in case of failure from automatic credit assessment.
- Ability to view aggregator sourced submissions.
- Ability to upload accepted offer documents in the Offer Documents panel with Application Tracker.
- Display of Verification comments through the application tracker.
- Cancel Application functionality within Application Tracker is similar to the functionality available in Application Form to mark a submission as Cancelled.
- Display of search results of application state instead of application status, as it appears in the header.
- Display of Valuation, Title Search and Mortgage Insurance task details.
- Ability to Trigger Manual Credit Assessment in case of Reject Offer being dispatched and within the respective grace period.
- Ability to trigger IPA conversion to full application (if within validity date).
- If setup in SOA composer is performed in such a way that task for structure solution is not to be created, the system allows the user to complete the Structure Solution task from an Application Tracker. The banker will have an option for 'Push to worklist' in case the back-end task for Structure Solution is required.
- Application tracker allows the banker to perform actions of Accept Offer and Accept Downsell.

2.26 Handling of Affiliates within Origination

Affiliates are parties associated to individual or organization and trust in owner or administrator capacity.

The directors of an organization and trustees of a trust (individual trust or corporate trust) are captured as applicants for the product groups applied as part of the

submission. However, this may not be ideal since from lending perspective, this will make such entities also part of the borrowing entity.

The following features have been integrated or incorporated as part of Oracle Banking Originations:

- Integration with Party Relationship Maintenance and Party to Party Relationship.
- Capture of Directors of Organization or Trustees of Trust within Applicant Details panel of application.
- Capture Personal Details page to capture Administrator if any, for Individual Applicant. Enable Owner and Administrator capture for Organization and Trust applicants. Provide mechanism to upload specific ad hoc documents for such affiliates.
- Capture Party Relationships in Personal Details.
- Collaterals step links affiliates with collateral sharing turned on at the party-to-party relationship level.
- Financial Details allows financial capture for affiliates with financial sharing enabled.
- Supports Document checklist for affiliate in Document step of the application form for inbound documents.
- Supports affiliate handling within the account configuration step for the respective modules – CASA, Term Deposit, or Loans – like linkage of affiliates to account and account holder preferences capture.
- Supports generation of outbound documents for affiliates.
- Creation of party to party relationships based on application form capture and party to account relationships based on affiliates linked to account.

2.27 Consumer Credit Insurance for Loans and Credit Cards

Consumer Credit Insurance (CCI) is a mechanism for the borrowers to get protection for their loan which they are applying for with the bank. In case of one or more events which are covered by the insurance policy like death, disability, the insurance provider will take over the responsibility of making the repayments on behalf of the customer. To apply for this protection, the borrowers have to pay for the additional premium as a one-time charge which can be capitalized to the loan account within Oracle Banking.

Following are the prerequisites to be performed in Oracle Banking, before the same can be processed through Oracle Banking Originations:

- Eligibility rule for CCI to be defined using Rule Author with domain category = EL (for LCM module).
- Linkage of CCI eligibility rule in the Insurance Policy Maintenance in Oracle Banking Limits and Collateral Management. Enable the linkage of product groups as part of Insurance plan maintenance.
- Enhance Credit Policy Definition to indicate if CCI applicable for credit policy defined for Loans or CASA product class.

The following changes are performed to support this feature as part of Oracle Banking Originations for Loan product groups (for Loans product class):

- **Product step in the application form:** There is no option to select CCI as part of Product details.

- **Structure Solution:** Option to select CCI and capturing the CCI request information such as, plan, premium payment frequency, premium payment option, premium term, cover type, running the eligibility rules, retrieving the relevant premiums and so on. It is performed as part of account configuration.
 - It supports both periodic and one time premium payments.
 - Nomination of one account mandatory under a facility hierarchy in structure solution. In case of Bank Funded (to be capitalized) CCI, the CCI premium amount will be added to the sanctioned amount of the nominated account.
 - Special handling for DSO calculation in credit assessment for the cases where CCI periodic premiums are Capitalized.
 - Option to opt out from selected CCI.
 - CCI functionality is enabled for Loans, Overdraft.
 - CCI functionality is also supported in case of amendment of existing facilities.
- **Consumer Credit Insurance human task:** Task for interaction with third party system for creation of CCI related policies. Task is created at application level and will handle call(s) for the product groups applied for (along with CCI) in the particular application. This task is automated, that is human task is created only when there is an exception occurred as part of automatic processing. View of CCI task details is available as part of Application tracker.
- **Create Offer:** Information related to CCI applied for by the borrower will be printed in the offer letter in the appropriate application. Also, CCI welcome letter generated per borrower, who has applied for CCI (in the respective facility) as part of this stage.
- **Create Account or Settlement Instruction:** If CCI is capitalized, the same is to be handled as part of the interaction between Origination and Loans as part of settlement processing. During the confirmation of settlement instruction or account opening, creation of the active insurance policies to be done at this stage. Alignment of the start date and end date of the CCI policy will be done as part of the loan disbursement.
- Handling of change in premium amount as per the CCI premium estimate that is, quote or rejected CCI policy is handled within the Oracle Banking Originations workflow.

The following changes are done to support this feature as part of Oracle Banking Originations for Credit Card product groups (for Credit Cards product class):

- **Product step in the application form:** There is no selection pertaining to CCI as part of product details.
- **Credit Card Account Opening Interaction:** The CCI indicator is available as part of Credit Card account configuration which is selected by the user. This is provisioned to be passed to third party systems to indicate if the applicant has applied for CCI along with the credit card.

2.28 Capitalization of Fees and Insurance (LMI and CCI)

Capitalization (that is, loan funded) means that the fees or insurance components are added to the loan account applied by the customer.

The following changes are done to support capitalization of origination (and servicing fees) and capitalization of LMI and CCI components:

- Capitalize Fees and Capitalize LMI options captured in application form:
 - **Capitalize Fees:** Option provided within the Product step of the application form to capitalize origination fees (which will be added to the requested amount over and above the base requested amount captured within the same step). Selecting this option makes Configure step mandatory in pre-assessment stage.
 - **Capitalize LMI:** Indicates that the LMI also needs to be capitalized along with the base requested amount captured in the Product step of the application form.
- CCI is deemed capitalized when the premium payment option for CCI is Bank Funded and the periodicity of premium is One Time or Periodic in the account configuration of Structure Solution.
- **Structure Solution:**
 - This step is mandatory in pre-assessment stage to get complete account configuration to identify, if any, servicing fees also to be capitalized as part of the New flows for lending product groups. Nomination of an account within the facility is mandatory to which the capitalized components are added to the sanctioned amount of the loan account.
 - The base amount on which LMI quote is made includes the capitalized origination and servicing fees. Any change in these components re-triggers LMI quote. There are a number of scenarios with respect to LMI which are detailed within the functional specification documents. For example, pre-assessment LMI is not applicable but is applicable post credit assessment or vice versa to name a few.
 - In case of structure solution post assessment, the system will also allow the user to modify the capitalized component(s) captured in origination like origination fee(s) and any changes done to the same, if breaching the credit cushion (parameters configured at credit policy and linked to product group) will force the user to perform Edit Submission.
- **Mortgage Insurance task:** Mechanism to check if the policy amount differs from the premium quote amount and mechanism to force the user to go back to Structure Solution to refresh the nominated account
- **Consumer Credit Insurance task:** This is a human task (similar to Mortgage Insurance) at application level for CCI policy creation. Mechanism to handle reject of CCI policy and CCI premium amount being different from capitalized CCI quote amount done as part of this task.
- **Create Offer:** Offer Letter template related features can be referred from [Chapter 2.37, "Create Offer Outbound Documents"](#).
- **Settlement Instruction:** Display of capitalization components within the Capitalization details panel in Settlement Instruction task. Passing of the capitalized and uncapitalized components to the servicing module for handling during disbursement (in case of loans) or debit (in case of OD) from accounting perspective and also processing of the settlement instruction itself.

2.29 Generation and Printing of Application Form

Application form details are captured using the screen OR097 based on the application type and other configuration such as, funding table template, credit policy, and so on.

The system provides a mechanism to capture information which is used to process the product groups applied in a submission by the respective borrowers.

The following are supported as part of generation and printing of application forms:

- There is an option to generate the application form for each product group applied in the submission.
- A single template via the document type APPLICATION_FORM is used for liability and lending product groups.
- The user can generate the application form either via the Review and Submit step of the application form or subsequently via the Application Tracker using the Generate Document option. In case of subsequent generation, the system will use the state of the application form when it was submitted in the system for the generation of application form.
- The document is indexed with application and submission identifiers, and can be subsequently searched via the Content module option for document search and upload.
- Since the generation of documents is asynchronous, the system provides a Refresh hyperlink till the document is generated successfully.
- Once document is generated, the View Document option is automatically enabled. The user can use this to view the generated application via the IPM viewer directly.

2.30 Property Details Capture for Stamp Duty Computation

Property Details indicate the details of the property that the borrowers intend to purchase in the context of the lending facilities that they are applying for with the bank. Typically, the borrowers have to pay stamp duty fees and registration fees based on the property being purchased. There could be additional fees levied or benefits provided (for example, subsidy or grant from the federal or state government) based on the purpose for which the property is being procured.

There was no separate or explicit detail of the property being purchased in context of the facility being applied for by the borrower. The system made the assumption that the property details captured in the Collateral step of the application form are the details of the property that the user intends to purchase. This resulted in issues related to mortgaged property being different from purchased property and amending its handling with respect to fees.

An additional panel called Property Details is enabled for capture (for certain purpose type only) as part of the Product step of the application form. This is enabled in the scenario of New or Amend type of option being selected for lending facilities. The user can capture multiple properties as well. The Properties captured as part of one product will be available as part of other Products in the Submission and the same can be selected as well. A button Fetch Properties is available for fetching the properties selected as part of other products in the Submission. The information details to be captured are as follows:

- Property ID and Property Description
- Purchase price of the property
- Address details of the property: Details like the state, city, zip (also known as postal code) play as determinants in computation of stamp duty.

- Primary place of residence: Indicator whether the borrower intends to use this property as a primary place of residence.
- An indicator called as 'Will this Property be considered for Fees' is available. Based on this flag, the properties are sent to Pricing for the relevant fee evaluation.
- The information captured within the Property Details is used for the computation of fees like stamp duty fees and registration fees. It is passed by Origination in the call to Oracle Banking Relationship Pricing for the evaluation of the Origination Fees Price Policy Chart (PPC) as part of the processing performed prior to the display of fees within the Funding step of the application form. While displaying the fees, the Fee name is concatenated with the Property Description.
- Transfer of Land Value Amount: This is same as purchase price and in some exception cases, it might defer. This can also be used as one of the input in the fee computation.
- Add as Collateral: This check box indicates whether the property should to be converted as a Collateral or not.
- Type and Sub type: Categories and Sub categories of the property.
- Owners: Owners of the property.

As part of Post Credit Assessment Structure Solution, user can view or modify the relevant property details by clicking the link [View Properties](#).

2.31 Internal Refinance

The term Internal Refinance means that with the proceeds of new loans, the customers wants to square off the existing loans liabilities (either partially or fully). It is important to capture the internal refinance details to derive the correct Loan To Value (LTV) ratio. The amount of internal refinance has to be adjusted while computing the LTV. Besides, it is also important from settlement process to settle the exiting liabilities which are selected as part of internal refinance application.

- Origination provides a purpose code called as Refinance (Internal).
- If the banker selects the purpose code as refinance (internal), the system fetches the existing liabilities of customer.
- System only fetches the existing loans. System displays the account number, facility ID, borrowing entity, and principal outstanding amount.
- Banker can select the accounts which are to be included as part of internal refinance. Once the banker selects the account, the system provides the option to fetch the Early and Final Settlement amount for each selected account.
- Origination sends the internal refinance amount to Limits module for correct calculation of LTV.
- At structure solution stage, the system mandates the user to configure at least one account with internal refinance amount.
- At settlement screen, the account number selected as part of internal refinance is defaulted that it can be settled.
- Origination passes the information to Loan module for effecting the credit in respective loan account which are captured for internal refinance.

2.32 Funds Table - Parameters and Capitalization

The funds table is a step to display the source and outlay of funds in the case of lending product groups in the application form. This is to give an idea to the banker and also the borrower how much of the funds will be sourced by the bank and what are the various reasons for the funds being sourced (for example, property purchase price, fees to be paid and so on).

The system provides a mechanism to define a funding table template (configured with funding parameters). This template is linked to the combination of product group and purpose type. In case of product groups where fees and/or LMI are applicable, it is assumed that operationally the bank has ensured that there is a template defined with the appropriate parameters for LMI within the template.

Some of the prerequisite enhancements are:

- Expression Builder related features in the Rules module of Oracle Banking to support Mathematical functions like ABSOLUTE, ROUNDDOWN, ROUNDUP, TRUNCATE for the BigDecimal and Money data types.

Following are the features of Funds Table step:

- **Other Costs:**

Mechanism to define one or more funding parameters within the template belonging to the funding type Other Costs. As part of the funding table capture, the system provides a mechanism to capture one or more instance of such funding parameters defined within the template. Additionally, there is a Remarks column which is used to capture information for each of the funding items of Other Costs funding type.

- **Ad hoc Fees:**

The Price Definition (PD) defined within the Oracle Banking Relationship Pricing provides an option to classify the fees with purpose type as Ad hoc Fees defined with the domain category Origination. The PD maintenance can define a fee with zero amount. This is required to handle the requirement where only in certain scenarios, Ad hoc fees have to be charged as part of the application. To handle this requirement, as part of the funds table, the user is given an opportunity to modify the amount for the ad hoc fees evaluated from the origination fees PPC defined within Oracle Banking Relationship Pricing. Such fees are displayed in a separate panel called Ad hoc Fees within the Outlay section of the Funds Table.

- **Bundle Subscription Fees:**

This panel appears within Funds Table corresponding to the product group under which a new account will be nominated for bundle subscription fees. The system will display the Capitalize indicator as checked within this panel if the behavior of bundle subscription fees is defined as CAPITALIZE within the Fee Treatment Preferences of the respective product to which the nominated offer belongs.

- **Capitalization of Fees and LMI:**

The Capitalize indicator is displayed as checked (if the particular component is capitalized) or unchecked (if the component is not capitalized). Fees is deemed as capitalized, if the user checks the option Capitalize Fees within the Product (step of the application form) for the respective product group. LMI is indicated as capitalized if the Capitalize LMI option within the same step is checked in Product.

The user can override and un-capitalize certain origination fees only, if required, as part of the Funds Table. This option is available only against Origination fees

and not against the other Insurance components within Funds Table. The system supports negotiation (if enabled) for the respective origination fees (irrespective of whether they are capitalized or not) within this stage of the origination workflow. Negotiation can be performed for LMI.

- **Specific fees for amendment options as part of Amend Lending Facilities:**

As part of the Amend Lending Facilities feature, the system has flags at facility level to know which of the following amendments have taken place. There are facts available, so that the bank can charge separate fees, if required.

- Increase Amount
 - Decrease Amount
 - Increase Term
 - Decrease Term (applicable for revolving facility only)
 - Add Collateral (Existing or New collateral)
 - Remove Collateral
 - Add Borrower
 - Remove Borrower
- Default the value of Contract of Sale field captured as part of Collaterals step in the Application Form for a Residential Property collateral category in the Transfer of Land value field captured as part of the Calculate button within the Funds Table.

2.33 Conditions

Conditions are related to the terms and conditions that the borrower needs to satisfy before the loan is disbursed or on a regular basis post the loan is disbursed. These conditions are the stipulations mentioned by the banker as part of the offer letter dispatched to the borrower and form part of the legal documentation for the loan approved to the borrower by the bank.

Conditions can be processed either as an outcome from credit decision engine (tagged within Oracle Banking with condition mode as External) or as the outcome of execution of conditions policy (tagged within Oracle Banking with condition mode as Derived) defined within Oracle Banking Limits and Collateral Management or manually captured (tagged within Oracle Banking with condition mode as Manual) within the Review of Credit Assessment task (also known as Manual Credit Decision task). The system also provides the functionality of waiver (for external or internal mode of conditions) of conditions within the same task.

The following are the features of Conditions:

- Manual capture of conditions as part of application form
- Capture of conditions in Verification, Valuation and Structure Solution tasks
- Waiver of conditions in Structure Solution
- **Condition capture in application form:**

The system provides an optional action in the application form titled Condition Details which will provide the user a mechanism to capture conditions as part of the application form capture itself. The advantage is that based on the situation of the facilities being applied the banker can decide to attach conditions to the different levels (facility or borrower or collateral) associated with the product

groups applied for in the submission. All new conditions manually captured or set via internal rule or received from external source will be set with the condition status as Proposed New. Existing conditions applicable can be only viewed (applicable in case of Amend flow) as part of the application form and subsequent stages in the origination workflow.

- **Verification:**

The verification task (created at application level) also provides a mechanism to manually capture conditions (and link to either the facility or borrower or collateral within the application). The system will not allow more than one instance of Borrowing Entity+ Entity ID (either facility or borrower or collateral identifier) + Condition ID to be created. The system will display existing active conditions within this stage with the View action enabled.

- **Valuation:**

The valuation task (created at collateral level) also provides a mechanism to manually capture conditions (and link to either the facility or borrower or collateral within the application). The rules around capture and display of existing conditions are similar to the Verification task.

- **Structure Solution:**

The Structure Solution task (created at a product group level) provides a mechanism to manually capture conditions (and link to either the facility or borrower or collateral within the application) as well as waiver of External or Derived conditions. The system also provides a mechanism for maker checker approval(s) in case of waiver of condition(s) being performed in the structure solution stage of the origination workflow. This will be in addition to the approval for negotiation of margin(s) and fees within this task.

The rules around capture and display of existing conditions are similar to the Verification task. The functional specification documents cover the different actions that is enabled based on the stage in the origination workflow in addition to the values for condition type, condition mode, and status of the condition.

2.34 Bundling

Oracle Banking Originations supports the origination of New Product Bundle chosen upfront as part of the application form. If such an option is chosen, the user cannot select other application type in the application form.

Oracle Banking Originations supports the following in conjunction with Oracle Banking Offer Bundling module:

- Bundles step in the application form to recommend new and existing owned bundles. Bundles can be either fully or partially qualified.
- Mechanism to capture additional offer related information in case of partially qualified bundle for mandatory offers in the bundle or for optional offers chosen from the bundle which is recommended.
- Mechanism to link existing or new accounts to a bundle via the application form.
- Bundle and Non Bundle related offers can be selected as part of a single product group in the submission. This is in addition to choosing additional application types to New Product Bundles option in the application form.
- Bundle Recommendation handling within Structure Solution as part of the application form.

- Bundle Recommendation handling within Structure Solution post credit assessment and handling of complex scenarios like multiple product groups applied for in the submission.

2.35 Credit Card Origination

Origination of credit card accounts where Oracle Banking Originations interacts with third party credit card systems.

The system supports capture of credit card applications and mechanism to originate credit card accounts within third party systems. Oracle Banking Originations provides the requisite adapters to interact with the third party systems for account opening in case of credit cards.

Some of the key prerequisite steps (within the Product Manufacturing module of Oracle Banking) for Credit Card Origination include the following:

- **Credit Policy:** Enhancement for defining credit policy for product class = Credit Card.
- **Product Group:** Definition for group type = Non MOF and product class = Credit Card. Linkage to credit policy to determine origination workflow processing.
- **Credit Card Offer:** Definition of credit card based on which offer eligibility can be defined. Also, this information will help to define the features which can be captured as part of card account configuration within the Structure Solution step of the application form capture.

The following steps are applicable within the Application Form capture within Origination for credit cards:

- **Landing Page:** Selection of application type as New Credit Cards or Amend Credit Card Limit (for handling amend scenarios for existing credit cards).
- **Product:** Capture of basic credit card related attributes such as employee benefit, whether the applicants wants to apply for maximum limit.
- **Personal:** In case the applicant is a new party within Oracle Banking, then the system provides this page to capture all the requisite information to on-board the party within the system with the role as Customer. In case the party already exists in the system, the user can update the existing information. There are validations around which, fields within this page are modifiable or not in case the party already exists in the system.
- **Bundles:** Common step to recommend bundles based on the applicant details and the offers applied for in the application. The system displays recommended bundles and the user can then choose to apply for partial or fully qualified bundles. As part of this, the user can also link existing accounts to a bundle.
- **Financial:** Common step for applicants applying for lending product groups. Within this page, the system displays a tab per applicant. The user can capture or update existing financial information and display based on the financial template configured for the particular entity [Individual and employment type combination (Salaried, Self Employed, Others), Organization (Simple or Complex template), and Trust (Simple template)]. The system supports capture of multiple employments and linked financial details for the same.
- **Configure (Structure Solution):** Configuration of the account based on the credit card offer chosen from the list of eligible offers under the credit card product group chosen within the application form. The system allows the user to configure the account covering key areas like:

- Primary card holder details
- Add on card holder details, if applicable
- Delivery Preferences
- Balance Transfer Details
- Membership Details
- Additional Information
- **Document:** Common step to display the list of inbound documents to be provided by the applicant.
- **Review:** Common step to display a brief analysis of the application details.
- **Credit Assessment:** The common process for determining the credit decision status of asset product groups applied in the submission. In case of credit card applications with an outcome other than approved, the system will capture the requisite action as part of the Structure Solution task created post assessment for the respective credit card product group.
- **Down sell:** If the case of the decision is Down Sell for the Credit Cards, then the system provides an option to Trigger Manual Credit Assessment.
- **Upsell:** Based on customer credit eligibility and requested amount, decision engine can give upsell indicator. The system provides an option to take customer concurrence and select the limit greater than the customer requested limit.
- **Verification:** No additional or specific functionality for credit card applications.
- **Structure Solution:** This option is available pre and post credit assessment. Within post assessment stage, once the credit card account configuration is confirmed, the system provides an option to directly create Credit Card Account providing verification is completed for the application.

2.36 Edit Submission for Reject Offer Letter

Once a submission has been declined as an outcome for credit assessment through the Review of Credit Assessment (also known as Manual Credit Decision), the system creates a Reject Letter task at the submission level to generate and dispatch the reject letter to the borrowers. However, the user cannot perform any changes (called as Edit Submission) based on customer request and re-process the lending facilities applied for in the submission.

The Approval validity period parameter in Origination Preferences maintenance has been renamed to Decision validity period to support this enhancement. Though the task is at submission level, the reject letters are generated at application level for all applications in the submission.

The posting date on which the user rejects the submission and the decision validity period parameter defined within Origination Preferences is used to compute the expiry date till which the Edit Submission action is enabled within the Decline Offer human task. The system takes into consideration the calendar holidays marked in the system. Providing this option within this task, gives the user the opportunity to re-process the submission based on customer request, where either the customer might want to reduce the loan amount or get guarantor or provide more collateral to get the application approved.

2.37 Create Offer Outbound Documents

Following are the features of Offer Letter template:

- Commission and Rebate Details information in case of broker or introducer sourced accounts.
- Mechanism to generate outbound documents to be dispatched to affiliates by passing relationships between affiliates and applicants.
- Capitalization related enhancements to display the break-up of the components that constitute the facility amount requested for by the borrowers which includes capitalized origination fees, LMI premium amount, CCI premium amount, capitalized servicing fees (for each account configured within the Structure Solution stage), capitalized advance interest amount. It also displays the capitalized bundle subscription fees, if any.
- Consumer Credit Insurance details like the policy information applied for by the borrower and the premium amount per borrower.
- Bundle related information in case of bundle subscribed (either upfront or via bundle recommendation) for the particular application.
 - Details of the subscribed bundle like bundle identifier, name and subscription date
 - Details of the bundle owner - Full name of the owner of the bundle
 - Existing accounts linked to the bundle
 - Details of the nominated account for bundle fees
 - Information related to bundle subscription and maintenance fees
 - Benefits of the bundle (interest and fees) applicable for accounts

Following are the features of CCI Welcome Letter:

The existing framework of Content module within Oracle Banking has been enhanced to provide the ability to generate an outbound document for certain parties from the list of borrowers who have applied for a product group within the application. This is achieved using the entity linkage level Party within the document policy maintenance for outbound rule linked to the event OR_CREATE_OFFER. With respect to CCI, the use case should be able to generate a CCI Welcome Letter for the borrowers who have applied for CCI as part of a particular facility in the application.

The factory shipped template for the CCI welcome letter is generated at a borrower level.

The following are the data elements as part of the XML sent to Documaker:

- **Interest and Repayment Section:** The system populates the Margin and Margin Type field details in the Interest and Repayments section.
- **Servicing Fee section:** The system displays the servicing fee panel in the offer letter for subsequent accounts in the following scenarios:
 - Open multiple accounts under a facility within a submission.
 - Open multiple facilities with one account under each facility within a submission.
- **Default Interest:** The system displays the Penal Interest Rate in the Default Interest Rate panel.
- Offer letter Recipients in case of applicants of party type Trust and Organization.

- If an applicant is of party type Organization or Trust, the address of the affiliate is stamped in the offer letter and the letter is sent to the Applicants only.

In this section, the Registered Address of the Organization or Trust Party is displayed

- The user cannot change the address for individual parties.
- Display Applicant or Affiliate Details in offer letter.
- Display the details of applicants and affiliates in the account.

Other features are mentioned below:

- Sending the collateral documents to the collateral owners and due to this new document recipient is added in DMS.
- An updated template for Personal Guarantee. However, the templates are configurable in Documaker.

2.38 Aggregator Support

Aggregator is the kind of entity which collates applications from a set of brokers and interacts with the lending institutions and acts as an agent between the banks and the lowest level brokers. Typically, the mechanism of interaction for such aggregators could be an industry or regional standards which are followed by banks. For example: LIXI (Lending Industry XML Initiative) standards are followed within Australia for interactions done by aggregators with a bank for lending applications.

The following capabilities are built within Oracle Banking Originations to support aggregator origination:

- Introduction of a new stage to record credit decision status that is, Preliminary.
- Enhancements in credit decision history inquiry to display the credit decision outcome for preliminary credit assessment.
- Introduction of new values for submission status to depict preliminary credit decision outcome:
 - Preliminary Assessment Failed
 - Preliminary Decision Approved
 - Preliminary Decision Conditionally Approved
 - Preliminary Decision Declined and
 - Preliminary Decision Referred
- Store preliminary credit assessment result and provision mechanism to update submission status.
- Provide mechanism to create human task for data enrichment for submission.
- Enhance Application Tracker to display the submission status in case of preliminary assessment.

2.39 Joint Application Form

Joint Application Form is the functionality within Oracle Banking Originations to capture details of an applicant marked as Not Present, to link such a not present individual to the account and to fulfill the request. Note that an applicant can be

marked as Not Present via the application form capture. This option available for new individual applicants only while applying for liability products.

Following are the features of Joint Applications Form:

- Handling of Not Present functionality for affiliates (for example: Directors of a Organization or Individual type of trustees for a Trust).
- Distinction between affiliate and applicant in search results. Appropriate handling of capture of information in structure solution step based on whether affiliate or applicant is being marked as present.

2.40 Miscellaneous Features

The following are the miscellaneous features in Oracle Banking Originations:

2.40.1 Notes Capture

The functionality of Comments has been renamed as Notes. Additionally, the same has been enhanced as follows:

- Capture of notes as part of the application form. Ability to view notes captured in application form in subsequent stage of the origination workflow.
- Ability to delete or respond to existing notes.
- Logical display of notes based on the appropriate stage in the origination workflow (work list tasks) and mechanism to view the same from application tracker.

2.40.2 Other Miscellaneous Features

The following are the other miscellaneous features:

- Capture Email ID optional as part of the Applicant Details capture during the Product stage.
- Capture of Solicitor Details and Referee Details as part of the application form.
- Cancel Application option available in the application form.
- Display of party identifiers in the Outcome page of the application form.
- Capture Mobile number and Email identifier made optional for Individual applicant in Personal stage of the application form.
- Integration for support of additional collateral types and categories within Collaterals stage of the application form.
- Capture Current Work Address details in Personal stage for Individual applicant.
- Party module KYC rule integration and display or capture of KYC mode, if applicable, within Personal stage of the application form.
- Facility Level Fees integration in Configure stage for lending product groups.
- First date of disbursement – Logic for validation and approvals in Create account or Settlement Instruction human tasks within Oracle Banking Originations.
- Modification of address and ownership details of collateral via the origination workflow.
- Regulated Loan handling within the account configuration for Loans and Overdrafts.

- Integration for Proposed Term Deposit as collateral.
- Handling of expiry of recurring documents in the Document stage of the application form capture.
- Integration with approvals for negotiation of fees and User Defined Margins (UDM) in Configure stage for lending product groups.
- Current Approval matrix used for triggering MCD approvals is enabled across all the stages of Origination.
- SLA rules configuration is enabled in SOA composer, so that while creating the relevant Origination task, the system can compute the Due Date.
- Task Priority rules configuration is enabled in SOA composer, so that while creating the relevant Origination task, the system can compute the priority of the task.
- Task Ownership rules configuration is enabled in SOA composer, so that while creating the relevant Origination task, the system could identify the Owner of the task.

2.41 Policy Deviations

The number of bank policies which guides the banker to perform the relevant activities is large. All of them cannot be monitored automatically by the system as and when the user deviates from the same. For this reason, there should be a provision to capture these kinds of deviations manually by the user who is deviating from the policy and seek approval from the relevant higher authorities.

The Policy Deviations capture is only applicable for Asset and Credit Card kind of products.

The following are the functions pertaining to the Policy Deviations capture:

- A link called as Policy Deviations is provided to enable the user to capture the bank policy deviations encountered in the process manually. This option enables the user to capture those bank policies which are not maintained in Oracle Banking
- The library of Policy Deviation Codes is maintained as part of Common services.
- This option of Capture Policy Deviations is available in all the stages of Origination.
- There will also be a link called as View Policy Deviation History for each combination where in the user can view all the existing policy deviations for the applicants to the Product group.
- There is an approval task flow for the approval of the deviations.
- For the Policy deviations captured as part of Capture Application will need to be done as part of Manual Credit Assessment.

2.42 Pre-approved Limits

A bank, based on details available publicly or proprietary information such as Credit Rating report of an individual may grant individuals with an approved limit for a specific product. The basis on which the approval is performed as well the amount, is specific and internal to the bank. The bank may or may not convey the same to the customer as part of the offer.

A pre-approved limit for an individual which may or may not be an existing customer of the bank conveys that, if the individual wishes to choose the specific product from the bank which has granted the pre-approved limit, then the bank confirms that he or she is worthy enough to opt for that product and will be granted the product.

For customer, it may look there is no processing required from the bank to grant the loan. In reality, this is just a pre-qualification from a bank's perspective. The bank will still do the required credit assessment to finally approve the limit.

In summary a pre approved limit may not give an assurance for or a guarantee that the customer will be approved for the selected product. However, it assists in defining the details required from the customer. It is an important factor while performing assessment of the customer.

As part of Origination, following features have been provided to support the pre-approved limits:

- As part of Product step, there is a provision to interact with the external system in order to find out whether the Product Group applied by the Customer along with the details like requested amount is pre-approved or not. A flag is introduced within Oracle Banking termed as pre-approved with values as Y or N. The pre-approved flag will be stored against the Product group that is applied. Finally, once the account is successfully created in Oracle Banking, then there will be a provision to interact with the external system in order to confirm the external system about the utilization of the pre-approved limit.
- Additionally, this pre-approved flag should be available as a fact for the rules that are defined to decide the financial template that needs to be used for the selected product group. This flag value will enable a bank to define a simple financial template in case the bank policy requires capturing minimum financial details for a pre-approved application.
- If there are requests for Cancel Application or Withdraw Submission, there is a provision to interact with the External System in order to confirm about the cancellation of the pre-approved limit.
- If there are requests for Edit Submission as part of any stage in Origination, there is a provision to interact with the External System in order to get the latest value for the changed product details.
- In case of the Decline offer task or Reject Offer (Accept Offer task), there is a provision to interact with the External System in order to confirm about the cancellation of the pre-approved limit.

Note: It is expected that the capability to resolve, if a pre-approved limit is applicable or not for the specific product group residing in the Third Party external system. Oracle Banking will just consume the pre-approved flag and do the validations as mentioned above.

2.43 Manual Allocation of Collaterals

Manual Allocation of Collaterals is a functionality available as part of Standalone LCM. Manual allocation for all the facilities in the group, including the proposed facility, is allowed as part of the manual allocation task in Originations. Each group formed within the submission is available in separate accordions for submission. This option is available as part of Capture Application and Manual Credit Assessment. Origination uses the task flow provided by LCM to perform Manual Allocations.

In case, if the Decision taken is based on the LVR arrived due to the Manual allocations, then if any change in the collateral amounts post valuations, LCM provides an option to the Banker to re-do the allocations again by creating a Manual Reallocation task.

For Manual Allocation against the applied facility, the system would require to check the Manual Reallocation status as part of Post Credit Assessment Structure Solution, instead of checking the LVR threshold breach and LTV matrix deterioration in case of LMI or NCCP applicable.

For Manual Allocation against the applied facilities, the system would require to check the Manual Reallocation status as part of Accept Offer instead of checking the LTV matrix deterioration in case of NCCP not applicable.

2.44 Process Tracker

The process tracker is envisioned as a tool to track the status and progress of a business process and perform generic search by text (such as, by Submission Identifier, in case of an application originated from the Origination Module).

The tracker displays the following in a single user-friendly snap shot:

- The various steps that are applicable for the process in question.
- Their type of processing (for example, automated process, manual task or a system service).
- The current status of each of those steps in question, for the tasks and process which have been enabled for the tracker and enabled through BPEL.

It is expected that such a tracker would be useful for a Bank Customer Service Executive or a Call Center Executive in answering queries, or actioning on bottlenecks if any, found in the process. The process tracker is a separate menu item in Oracle Banking.

Australia Localization

This chapter describes the key features of Oracle Banking Originations for Australia localization.

3.1 Key Features

Key features supported by Oracle Banking Originations for Australia Localization are as follows:

- Origination of Savings Farm Management Deposit Account is supported.
- Origination of Term Deposit Farm Management Deposit Account is supported.
- ANZSIC and ASCO code capture for account holders during Origination is supported.
- Capture of Australia specific tax codes (TFN or Exemption code, ABN, ARBN or ACN) and related validations are supported in Oracle Banking product localization through Origination.
- Capturing of Tax beneficiary details during origination enabled.
- Capture of Non Australian Address for Current Address type is supported in Oracle Banking Originations for all party types.
- Personal Property Securities Register (PPSR) is a register where details of security interests in personal property (Collateral) can be registered and searched in Australia. During Origination, following processing is supported:
 - Registration of interest on PPSR
 - Release of registered interest on PPSR
 - Modification of a registered interest on PPSR

