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1. About this Manual

1.1 Introduction

This manual is designed to help acquaint you with the Loan Syndication Modules of Oracle FLEXCUBE.

It provides an overview of the modules and guides you, through the various steps involved in granting syndicated loans to the customers of your bank.

In addition to this User Manual, you can find answers to specific features and procedures, in the Online Help. It can be invoked by choosing Help Contents from the Help Menu of the software. You can further obtain information about to a particular field by placing the cursor on the relevant field and striking the <F1> key on the keyboard.

1.2 Audience

This manual is intended for the following User/User Roles:

Role	Function
Back office data entry clerk	Input functions for contracts
Back office managers/officers	Authorization functions
Product Managers	Product definition and authorization
End of Day operators	Processing during End of Day/ Beginning of Day
Financial Controller / Product Managers	Generation of reports

1.3 Organization

This manual is organized into the following chapters:

Chapter 1	<i>About this Manual:</i> Gives information on the intended audience. It also lists the various chapters covered in this User Manual.
Chapter 2	<i>Loan Syndication —an overview:</i> It is a snapshot of the features that the module provides.
Chapter 3	<i>Reference Information for Loan Syndication:</i> This chapter explains the maintenance of reference information for loan syndication processing.
Chapter 4	<i>Defining Products for Loan Syndication:</i> It details the procedure to set up Loan Syndication products as well as Tranche / Draw Down products.

Chapter 5	<i>Loan Syndication Contracts - Part 1:</i> This chapter deals with the procedure involved in entering the details of syndication contracts (Facility, Tranche and Drawdowns)
Chapter 6	<i>Loan Syndication Contracts - Part 2:</i> This chapter deals with the procedure involved in entering the details of syndication contracts (Facility, Tranche and Drawdowns).
Chapter 7	<i>Processing Repayments:</i> This chapter discusses the setting up of repayment schedules for the drawdowns that are disbursed.
Chapter 8	<i>Processing Charges and Fees:</i> This chapter takes you through the procedures involved in applying fees to a draw down loan contract as well as the sharing of fee income among participants of a syndication contract.
Chapter 9	<i>Rolling over a drawdown:</i> Explains the process of rolling over a drawdown.
Chapter 10	<i>Processing a Value Dated Amendment:</i> It deals with the value dated amendments for a tranches and drawdowns
Chapter 11	<i>Straight Through Processing (STP):</i> This chapter explains the straight through processing from LS module to LD module of Oracle FLEXCUBE.
Chapter 12	<i>Re-pricing:</i> This chapter explains the re-pricing of fixed rate contracts to floating rate contracts and vice-versa.
Chapter 13	<i>Maintaining Collateral Details:</i> This chapter explains the maintenance of collateral input, tranche account details for a collateral and collateral entity details.
Chapter 14	<i>Appendix A – Events, Advices and Accounting Entries for Loan Syndication Products –</i> Contains a list of suggested accounting entries, events and advices used by the loan syndication modules.
Chapter 15	<i>S.W.I.F.T. Messages for Loan Syndication –</i> lists the S.W.I.F.T. messages generated by the system during the life cycle of a tranche or draw down contract under a syndication contract.
Chapter 16	<i>FpML Messaging -</i> deals with the FpML messages supported by the system.
Chapter 17	<i>Customer Correspondence –</i> Enumerates the different advices that are sent to customers involved in loan syndication contracts.

1.4 Related Documents

This user manual must be used in conjunction with the following Oracle FLEXCUBE user manuals:

- Core Services
- Core Entities

- Loans
- Deposits
- Procedures
- Products
- Interest
- Charges
- Settlements

2. Loan Syndication – An Overview

2.1 Loan Syndication

The Loan Syndication modules of Oracle FLEXCUBE address loan operations of a bank or a financial institution that enters into loan syndication contracts with borrowing customers (borrowers).

The loan syndication modules are the Syndication Facility (LN), Syndication Borrower (LS) and Syndication Participant (LL) modules.

A syndication agreement is reached between a borrower and a bank (or a financial institution), which arranges the syndication. The arranger bank identifies one or more banks or financial institutions that pool funds to meet the borrowing requirements. These banks or institutions are known as participants.

The arranger bank actually disburses the loan, after receiving the contributions of the other participants. The participants in the syndication share the interest and other income accruing from the loan, in the ratio of their participation that was agreed upon at the time of drawing up the loan syndication agreement.

2.1.1 The Process of Disbursing a Syndicated Loan

The process in which the loan is disbursed (or the customer avails the loan) under a syndication agreement depends upon many factors. The most important factor is the nature of the requirement of the customer. The other factor is the identification of the participants who would share the load of funding the borrowing.

The customer could choose to avail the loan:

- Either entirely, in one installment, or borrow a fixed installment amount at a desired frequency, over a specified tenor
- The syndication agreement may provide for different interest application, calculation and collection methods for each of the installments
- Also, it could provide for revolving or non-revolving commitments while availing the installments
- The identification of the participants who would share the load of meeting the borrowing requirements depends upon all these factors.
- Accordingly, it is possible, due to the nature of the borrowing requirement,
- That a different set of participants may be identified to share the funding, for each installment of loan principal borrowed
- On the other hand, the same set of participants could also fund each installment in different ratios, if so dictated by the nature of the borrowing requirement.

2.1.2 Tranches

Each installment of the syndicated loan that is made available to the borrower is funded by a set of participants. Each such installment is known as a **tranche**. Therefore, under a tranche, a specified portion (or the entire amount, depending upon the arrangement) of the total loan is made available to the borrower.

The tranche takes the form of a commitment on the part of each of the participants to grant, in principle, the provision of funds for the amount being made available under the tranche. It also involves a commitment on the part of the customer to avail the funds made available under the tranche.

When the terms of a tranche are finalized, the schedules for the actual loans to be made available to the customer under the tranche are also finalized, according to the requirement of the borrower. The participants are directed to fulfil their commitments whenever a schedule is due.

2.1.3 Draw Downs

When the commitments are fulfilled, the borrower may avail the funds made available under a tranche as draw down loans. Depending upon the requirement, the borrower may avail of the tranche amount in a specified number of draw down loans. These loans may have a term or tenor that is independent of the tranche tenor.

The tenor of the draw down loans will fall within the period between the start date and the end date of the main syndication contract. Also, the tenor of the draw down loans will begin within the tenor of the tranche.

Therefore, the main borrowing requirement (or total principal) in a syndication contract may be disbursed to the borrower through one or many tranches (installments), and each tranche may be split down into a specified number of draw down loans. A tranche amount could also be disbursed through a single draw down loan, if so required by the borrower.

This chapter explains each of the features of the Loan Syndication module of Oracle FLEXCUBE, enabling you to understand how you can use the system to process syndicated loans.

The following example illustrates the concept of loan syndication:

Example

The syndication contract

Your bank offers the facility of entering into syndication contracts with customers who request loans. You have identified other banks or financial institutions for the purpose of pooling in resources to meet the borrowing requirements of the loan syndication contract.

One of your customers, Mr. Chad Jacobs, has approached you for a loan of 200,000 USD on 1st June 2000. You enter into a syndication contract with him on the same date, with a view to meeting his funding requirement by identifying other banks or institutions that can share the load of funding. The agreement is entered into on 1st June 2000, and the end date, by which all components of the borrowed amount will be repaid, is 1st June 2001.

Mr. Chad Jacobs' borrowing requirement is as follows:

- Total syndicated loan principal: 200000 USD, in two tranches with a total tenor of six months.
- Portion of loan desired in the first tranche: 100,000 USD. Mr. Jacob desires to completely avail of this first tranche amount in the following pattern:
 1. 30,000 USD on 30th June
 2. 35,000 USD on 31st July
 3. 35,000 USD on 31st August
- Portion of loan desired in the next tranche: 100,000 USD Mr. Jacob desires to completely avail of this first tranche amount in the following pattern:
 1. 30,000 USD on 30th September
 2. 35,000 USD on 31st October
 3. 35000 USD on 30th November

Also, the details of interest applicable on each tranche is as follows:

- For the first tranche, Mr. Jacobs desires interest to be applied as a fixed rate of 5%, and collected as bearing.
- For the second tranche, he desires interest to be applied as a floating rate.

Tranches

Mr. Chad Jacobs' syndicated loan is therefore required to be disbursed in two different sets of tranches, as seen above.

The syndication contract also involves a 'commitment' from Mr. Chad Jacobs as the borrowing customer, as well as from willing participants who undertake to meet the borrowing requirement, and to disburse the loan after pooling together resources.

For the first installment, wherein an installment principal of 100000 USD is to be lent at 5% fixed rate of interest, your bank has now identified Fargo Eastern Bank and Gold Crest Commercial Bank as potential sources from whom funding may be obtained, to meet Mr. Chad's borrowing requirement. The funding load is proposed to be shared in the following pattern, which is known as the ratio of participation:

- Your bank (Participant) : 30000 USD
- Fargo Eastern Bank (Participant) : 35000 USD
- Gold Crest Commercial Bank (Participant) : 35000 USD

The ratio of participation could also be expressed through percentages. Each of the participants enters into a commitment contract, pledging to provide the portion of funds agreed upon by them.

Since the first installment set is required to be made available according to the schedule falling between 1st June and 31st August, the participants are reminded to fulfill their commitments just before each schedule is due. This would mean that the approved contributions from each participant would be credited into a common syndication pool before each schedule is due. The schedule dates, according to the agreement, are 30th June, 31st July and 31st August.

This arrangement, wherein the participants commit to provide the funding as per their pledge, and then proceed to fulfill their commitment, is known as a tranche. It is under the auspices of a tranche that the principal of the syndicated loan amount is actually made available to the customer.

The tenor of each of the commitment contracts with the participants would be, in the case of the first tranche as given above, three months.

Let us suppose that the value date of the tranche contracts with each participant is 1st June 2000. The approved contributions would then need to be credited into a common syndication pool, in the mutually agreed ratio, before each schedule date, i.e., before 30th June 2000, before 31st July and before 31st August.

The above arrangement (for the first tranche) meets the borrowing requirement of the first installment. To meet the remaining portion of the requirement wherein an installment principal of 100000 USD is lent at floating interest rates, your bank has identified North American Overseas Bank and Banco Italia as funding partners. The ratio of participation is finalized as follows:

- Your bank 25000 USD
- North American Overseas Bank 40000 USD
- Banco Italia 35000 USD

Again, each of the participants enters into a commitment contract, committing to provide their portion of funds as agreed. This arrangement forms the second tranche under the syndication contract.

Since the second installment set is required to be made available according to the schedule falling between 1st September and 30th November, the participants are reminded to fulfill their commitments just before each schedule is due. This would mean that the approved contributions from each participant would be credited into a common syndication pool before each schedule is due. The schedule dates, according to the agreement, are 30th September, 31st October and 30th November.

The tenor of each of the commitment contracts with the participants would be, in the case of the second tranche as given above, three months.

Mr. Chad Jacobs' requirement of 200000 USD under the syndication contract has now been mobilized under two separate tranches, with the main players as follows:

Tranche One (1st June to 31st August)	Tranche Two (1st September to 30th November)
Mr. Chad Jacobs (Borrowing customer)	Mr. Chad Jacobs (Borrowing customer)
Your bank (Participant) 35000 USD	Your bank (Participant) 25000 USD
Fargo Eastern Bank (Participant) 35000 USD	North American Overseas Bank (Participant) 40000 USD
Gold Crest Commercial Bank (Participant) 30000 USD	Banco Italia (Participant) 35000 USD

Therefore, the borrowing requirement in a syndication contract can be realized in as many tranches as required. Each tranche will have the borrowing customer, and may have either common or different participants. Also, each of the players in a tranche is under a commitment contract to fulfill their portion of the ratio of participation.

Draw Downs

To recall, the schedule defined for the actual loans to be made available to Mr. Chad Jacobs' according to his borrowing requirement under the contract is as follows:

Tranche One:

- 30000 USD on 30th June
- 35000 USD on 31st July
- 35000 USD on 31st August

Tranche Two

- 30000 USD on 30th September
- 35000 USD on 31st October
- 35000 USD on 30th November

This means that either on 30th June or any date following it, up to 31st July, Mr. Jacobs can avail his first loan under the syndication contract, to the tune of 30000 USD, which is made available to him under tranche one.

Similarly, either on 31st July or any date following it, up to 31st August, Mr. Jacobs can avail his second loan under the syndication contract, to the tune of 35000 USD, which is made available to him under tranche one.

Therefore, Mr. Jacobs is given the opportunity, according to the schedule, to avail of the portion of the total loan amount made available under each tranche, in a specified number of loans. Each of these loans is called a draw down loan.

Therefore, according to the schedule, the draw down loans availed by Mr. Jacobs under the syndication contract, and under each tranche, could be as follows:

Value Date of the Syndication Contract: 1st June 2000

Loan number	Loan Contract Date	Amount (USD)	Tranche	Participant break-up
1	30 th June 2000	30000	1	As agreed for tranche one
2	31 st July 2000	35000	1	As agreed for tranche one
3	31 st August	35000	1	As agreed for tranche one
4	30 th September	30000	2	As agreed for tranche two
5	31 st October	35000	2	As agreed for tranche two
6	30 th November	35000	2	As agreed for tranche two

Each of the draw down loans can have independent life cycles and different tenors. However, all six draw down loans must mature before the end date of the syndication contract, which is 31st June 2001.

Each of the participants in a tranche will share the interest income derived from any loans availed by Mr. Chad Jacobs under the syndication contract.

In this manner, your bank has fulfilled Mr. Chad Jacobs' borrowing requirement under the syndication contract dated 1st June 2000.

2.1.4 Swing Lines

A borrower requests for a participant to get certain amount of drawdown payment. In some cases, there could be delay of 1-2 days in between the borrower request for a drawdown and the actual disbursement from the participants. The reason for delay could be on account of documentation, legal formalities etc.

In case the borrower urgently requires the funds, the borrower can avail the funds immediately using a Swing Line. The swing line has the following features:

- Swing line is nothing but an ad-hoc line that is available from participants to borrower as a short term measure.
- For a participant, the swing line limit should not cross the share amount of the participant in the tranche.
- All the swing amounts (In case there is more than one participant) should be disbursed on the same day. In case of multiple swing line days, new drawdown should be entered for each of the swing line date based on the participants for the swing line for that day.
- System will not ensure the closure of the swing line drawdown, before the initiation of regular drawdown as there will be no linkage between the swing line and the regular drawdown. This has to be operationally controlled.
- You are not allowed to do rollover for swing line contracts
- Swing line drawdown is allowed only for normal and bearing contracts

2.1.5 Defining Products

In Oracle FLEXCUBE, any service or scheme that you want to make available to your customers can be defined as a product. For instance, your bank may be entering into lending agreements with other lending banks, to disburse loan requests as a syndicate. This facility of disbursing syndicated loans can be defined as a product.

Going further, your bank could be offering borrowing customers loans through any tranche of a syndication contract framework. To recall, a tranche is a channel through which a borrowing customer could receive the required loan as a draw down. This facility that you want to offer to your customers, of availing loans through a 'tranche' arm of the syndicate agreement, could also be defined as a tranche product.

Defining products simplifies the task of disbursing syndicated loans. Typically, you would need to specify the following information about a tranche product each time you process a draw down under the tranche:

- The preferences with regard to interest applicable
- The payment schedules
- The liquidation schedules for ICCF components

You can define a product with all the specifications listed above. Each time you enter a draw down under the product into Oracle FLEXCUBE, they will be automatically applied to it, and you need not specify them afresh.

In Oracle FLEXCUBE, you can define two levels of products for syndication contracts:

- The main syndication product. This level establishes a blueprint for capturing details for all syndication contracts
- The tranche and draw down level products. This level enables you to capture details for all tranches under a syndication contract, as well as the draw downs under each tranche.

2.1.6 Processing Tranche or Draw Down Contracts

Oracle FLEXCUBE processes syndication contracts by allowing you to capture contracts at both the tranche level as well as the draw down level under a tranche.

2.1.6.1 Processing Tranche

When you open a tranche under a syndication contract, you input a commitment contract for the borrowing customer. Based on this, the system creates a commitment contract for each of the participants.

The borrower tranche contract involves the borrower tranche product that you have defined. The participant commitment contracts involve the participant commitment products you have defined.

Though the tranche contracts may involve different products, all the contracts involved in a particular tranche are processed simultaneously.

The tranche contracts may be revolving or non-revolving, according to the requirement of the borrower. In a revolving commitment, the commitment amount is reinstated when it is fulfilled. Therefore, the commitment amount pledged to a borrower is reinstated once the draw down loan availed has been repaid by the borrower. If the commitment is non-revolving, the commitment amount is not reinstated on repayment of the draw down loan availed.

2.1.6.2 Processing Drawdown

After a tranche comes into effect (i.e., on and after the value date of the borrower tranche contract), the draw down loan contract for the borrower can be entered into the system.

When you input a drawdown for the borrowing customer under a tranche, the system creates a contract for each of the participants involved.

The borrower draw down loan contract involves the borrower draw down loan product that you have defined. The participant contracts involve the participant products you have defined.

2.1.7 Processing Repayments

Repayments as well as interest payments on a borrower draw down loan are distributed to the participants.

A common loan syndication pool is maintained to which contributions towards the borrower loan principal would be credited, and from which the borrower avails draw down loans. Repayments of principal are also credited into this common syndication pool, from where they are distributed to the participant nostro accounts.

A common loan syndication interest pool is maintained to which repayments of interest due on the loans are credited. From this pool, the interest due to each participant is distributed to the participant nostro accounts.

You can maintain a GL in Oracle FLEXCUBE that would serve the purpose of a common syndication pool, as well as another to serve the purpose of a loan syndication interest pool. These GL's would be known as Bridge GL's.

2.1.8 Sharing of Fee or Charge Income

The participants share income from the liquidation of charges or fees that are applicable to borrower contracts, according to the ratio of participation agreed upon when the syndication contract is drawn up.

You can liquidate these charges or fees online in Oracle FLEXCUBE and apportion the liquidated fee income to the participants, net of tax.

3. Reference Information for Loan Syndication

3.1 Introduction

Before you can set up products for loan syndication contracts, or process loan syndication contracts, you need to maintain certain basic reference information that you might need in order to set up products and process contracts.

In the context of loan syndication, for instance, you may need to identify administrators among the officers of your bank to whom you could assign the administration of each loan syndication contract. You may also need to define certain events that need to be processed for syndication contracts, messages to be sent to the required parties, and so on.

This chapter explains the maintenance of such reference information for the modules used for loan syndication contracts.

Reference information relating to the following needs to be maintained for loan syndication:

- Administrators
- Parties

- Diary Events
- Messages
- User-defined fields
- Ad-hoc fee components

3.2 Maintaining Administrators

Your bank may wish to assign appropriate administrators to loan syndication contracts. You can maintain such administrators in the system, in the 'Administrator Details' screen. To invoke this screen, select **LS Maintenance** in the Application Browser, click **Administrator** in the sub-menu and then select the **Detailed** option under it.



The screenshot shows a window titled "Administrator Details". It contains two text input fields: "Administrator Id" with the value "ADMIN-LS-2" and "Administrator Name" with the value "ADMINISTRATOR - LS - 02". Below these fields is a table with the following data:

Input By	Date Time	Auth By	Date Time	Mod No	Status
CUBES	31/10/2003 11:32:54	CUBES	31/10/2003 11:34:03	1	<input checked="" type="checkbox"/> Open <input checked="" type="checkbox"/> Authorised

You can capture the following in this screen:

Administrator ID

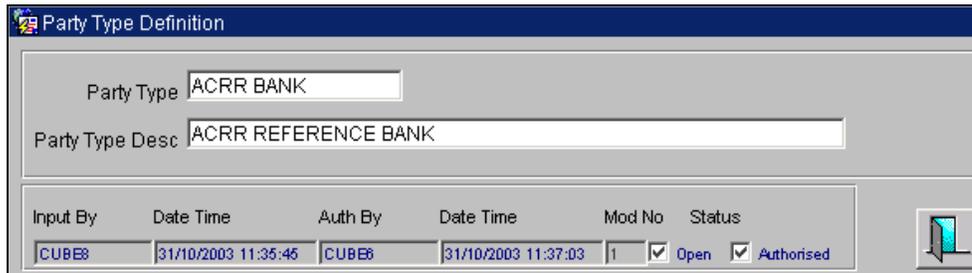
You have to capture a unique id for each administrator. This will help you in identifying the administrator in the system. The Id can consist of a maximum of 10-alphanumeric characters.

Administrator Name

Specify the name of the administrator. In addition to the id, the name will also help you in identifying the administrator in the system. The name can comprise a maximum of 30-alphanumeric characters.

3.3 Maintaining Party Types

You can identify the different types of entities or parties involved in loan syndication contracts, in the system, in the 'Party Type Definition' screen. To invoke this screen, select **LS Maintenance** in the **Application Browser**, click **Party Type Definition** in the sub-menu and then select the **Detailed** option under it.



The screenshot shows a window titled "Party Type Definition". It contains two text input fields: "Party Type" with the value "ACRR BANK" and "Party Type Desc" with the value "ACRR REFERENCE BANK". Below these fields is a table with the following data:

Input By	Date Time	Auth By	Date Time	Mod No	Status
CUBEB	31/10/2003 11:35:46	CUBEB	31/10/2003 11:37:03	1	<input checked="" type="checkbox"/> Open <input checked="" type="checkbox"/> Authorised

There is a small icon in the bottom right corner of the window.

The different types of entities that you might want to define could include:

- Originator
- Arranger
- Borrower
- Participant

For each entity type, you must specify the following:

Party Type

Capture a unique name to identify the entity/party type in the system. The id can consist of a maximum of 10-alphanumeric characters.

Party Type Desc

Specify an appropriate and typical description of the party type being maintained. The description can comprise a maximum of 30-alphanumeric characters.

3.4 Maintaining User Groups

You can identify the different types of user groups involved in loan syndication contracts through the 'User Group Maintenance' screen. To invoke this screen, click **Messaging Maintenance** in the **Application Browser**, select **Diary User Group** in the sub-menu and then click the **Detailed** option under it.

User ID	User Name
KAVITHA01	KAVITHA01
KAVITHA02	KAVITHA02
PRASANNA01	PRASANNA01
PRASANNA02	PRASANNA02

Input By	Date Time	Auth By	Date Time	Mod No	Authorised	Open
KAVITHA01	28/12/2004 10:14:52	KAVITHA02	28/12/2004 10:21:52	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

In the 'User Group' section, specify the following details:

User Group

Specify a name for the user group, by which you will be able to identify the same easily. The name can comprise a maximum of 20-alphanumeric characters.

Description

You can capture a brief description of the user group being maintained. The description will also help you in identifying a group in the system. The description can consist of a maximum of 30-alphanumeric characters.

In the 'User IDs' section of the screen, specify the following details:

User ID

Select the ID of the user you want to include in the group. The option list will display the User IDs and User Names maintained in the system. When you select an id from this list, the 'User Name' will also be displayed. Click the add button  to add another user to the group. If you wish to delete a user from the group, click the delete button .

3.5 Maintaining Reason Codes

You can maintain reason codes in the 'Reason Maintenance' screen. To invoke this screen, click **LS Maintenance** in the **Application Browser** and then select **Reason Maintenance**.

The screenshot shows the 'Reason Maintenance' application window. The title bar reads 'Reason Maintenance'. The main content area is titled 'Reason Maintenance' and contains the following fields and controls:

- Reason Code:** A text box containing 'STP'.
- Reason Desc:** A text box containing 'STP REQUIRED'.
- Module:** A text box containing 'LS' with a search icon to its right.
- Event Code:** A text box containing 'VAMB' with a search icon to its right.
- STP Processing Required:** A checked checkbox.
- Send To Rapid:** An unchecked checkbox.

At the bottom of the window, there is a summary table with the following data:

Input By	Date Time	Auth By	Date Time	Mod No	Open	Authorized
SE89647	14-FEB-2011 13:50:28	TP13428	14-FEB-2011 14:17:32	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

There is also a small icon of a document with a blue arrow pointing to it on the right side of the bottom bar.

You can specify the following fields:

Reason Code

Specify the reason code here.

Reason Desc

Provide the description of the reason specified.

Module

Specify the module here. The adjoining option list displays all modules available in the system. Choose the appropriate one.

Event Code

Specify the even code here. The adjoining option list displays all event codes available in the system. Choose the appropriate one.

STP Processing Required

Check this box if STP processing is required.

Send to Rapid

Check this to box to send the auto reduction feed to rapid.

3.5.1.1 Processing Auto Reduction Feed

The system sends the Auto reduction Feed to RAPID with only the commitment reductions (VAMI) from originations having Reason code description as 'Rapid Feed Required' and the box 'Send to Rapid' is checked.

Note the following:

- You have to manually choose this reason code while performing commitment reduction in LD module for the commitment contract.
- The Reason code will be factory shipped with the flag 'Send to Rapid' unchecked by default.
- This reason code is applicable only for commitment VAMI and not applicable for Loan VAMI. This should be controlled operationally
- You are allowed to check / uncheck the flag 'Send to Rapid' only for LD module

The Commitment contracts with LC sub-limit amount is allowed to select this reason code and hence those contracts will not be considered in Auto feed

3.6 Maintaining Diary Events

You can define the diary events to be associated with each of the loan syndication modules in the 'Diary Event Maintenance' screen. A diary event signifies occurrences (other than accounting entries being passed) in the life cycle of a contract, at which appropriate messages would need to be generated. To invoke this screen, click **LS Maintenance** in the **Application Browser**, select **Diary Events** in the sub-menu and then click the **Detailed** option under it.

The screenshot shows the 'Diary Event Maintenance' screen with the following data:

Event	Event Description	Occurrence	User Group	Internal Event
CREV	Contract Reversal	Once		<input type="checkbox"/>
EXFG	Exchange Rate Fixing	Multiple		<input type="checkbox"/>
IRFG	Interest Rate Fixing	Multiple		<input type="checkbox"/>
DISB	Disbursement	Once		<input type="checkbox"/>
CAMT	Contract Amendment	Multiple	ACCT	<input checked="" type="checkbox"/>
CATH	Contract Authorization	Multiple	TRSY	<input checked="" type="checkbox"/>
CONB	Contract Booking	Once	SYND	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

Message Type	Description
REVERSAL_ADVICE	Contract Reversal Advice
BORR_EXFX_ADV	Exchange Rate Fixing Advice
BORR_IRFX_ADV	Interest Rate Fixing Advice
PAYMENT_MESSAGE	Payment Message

Specify the following details in this screen:

Module

You must first specify the module to which the diary events you are defining, will apply. Select the Module 'LS' to indicate that the diary events are being maintained for loan syndication contracts.

3.6.1 Capturing Event Details

In the 'Events' section of the 'Events' tab, specify the following:

Event

Define the diary event that is to be applicable for contracts processed in the LS module. The event name can consist of four alphanumeric characters (one should definitely be an alphabet).

Event Description

Specify an appropriate description for the diary event that you are defining. The description can consist of a maximum of 30-alphanumeric characters.

Occurrence

Specify whether the event should occur only 'Once' or 'Multiple' times in the life cycle of an LS contract.

User Group

Select the user group to which the message should be sent out, from the option list provided. The option list includes all user groups you have maintained in the 'User Group Maintenance' screen.



You can select a User Group only if you have marked the event as an 'Internal Event'.

Internal Event

You have to check this option to identify the event as an internal event. In this case, the message will be an internal message to the user group.

In the 'Messages' section of the 'Events' tab, specify the following:

Message Type

Specify the type of message to be generated for the module. The name of the message type can consist of a maximum of 15-alphanumeric characters.

Description

Give a brief description about the message type captured. The description can consist of a maximum of 35-alphanumeric characters

After you have identified the diary events in the 'Diary Event Maintenance' screen, you must also:

- Define the message types and message formats to be available for the module

- For each module, associate the appropriate message type to be generated at the occurrence of each diary event. You can do this in the 'Diary Event Messages' screen, discussed later in this chapter.

3.6.2 Maintaining Message Types for a Module

You can maintain the message types that are to be available for generation at the occurrence of a diary event in the 'Diary Event Maintenance' screen.

When you make the appropriate message types available for each module in this manner, you can associate the available message type with the appropriate diary event applicable to a contract in the 'Diary Event Messages screen'.

For more details on this screen, refer the heading titled 'Associating message types to events' in this chapter.

For the message types captured in the 'Messages' section in the 'Events' tab of the 'Diary Event Maintenance' screen, you can maintain the desired format for each message type, by specifying the appropriate field tags. You can do this in the 'Message Fields' tab of the 'Diary Event Maintenance' screen.

The screenshot shows the 'Diary Event Maintenance' window with the 'Message Fields' tab selected. The 'Field Tags' section contains a list of 30 field tags, with the first few populated: Field Tag 1 (Loan-Borrower Name), Field Tag 2 (Address), Field Tag 3 (City), Field Tag 4 (Country), Field Tag 5 (Phone), Field Tag 6 (Document), Field Tag 16 (Loan Document Date), Field Tag 17 (Loan Application), Field Tag 18 (Loan Application Date), Field Tag 19 (Loan Event Generation), Field Tag 20 (Loan Event Diary Advice), and Field Tag 21 (Loan Event Date). The 'User Defined Fields' section has a table with the following data:

Field No	Tag Name	Tag Datatype	Tag Date Format
1	Loan Book Date	Date	DD/MM/YYYY
2	Loan Value Date	Date	DD/MM/YYYY
3	Loan Remarks	Character	

The status bar at the bottom shows: Maker Id: SURAJ, Maker Dt Stamp: 31/03/2006 18:09:55, Checker Id: SURAJA, Checker Dt Stamp: 31/03/2006 18:10:42, Mod No: 1, Status: Open, Authorised.

In the above screen, you can do the following:

- Capture the required field tags
- Capture user defined field tags

3.6.2.1 Defining Field Tags

You can capture a name for each field tag. You can specify up to 30 field tags. The selected field tags will be used in the message.

3.6.2.2 Maintaining User Defined Field Tags

You can maintain field tags for user-defined information in the 'User Defined Fields' section of the screen. You can maintain up to 10 different such tags here.

For each field tag, you must specify:

Tag Name

Specify a name to identify the user-defined field (UDF). The name can use up to 20-alphanumeric characters. The system will display a serial number for each field added.

Tag Datatype

Specify the type of data that can be entered as the UDF value. The available options are:

- Character
- Numeric
- Date

Tag Date Format

If you specify that the value of the UDF should be of 'Date' type, then you will also have to specify the date format. The available options are:

- DD/MON/YYYY
- DD/MM/YYYY
- MM/DD/YYYY

3.7 Associating Message Types to Events

After you have defined the diary events to be applicable for a module, and also made available the requisite message types (in the 'Diary Event Maintenance' screen) you can associate the type of message to be used to generate messages for each diary event, in the 'Diary Event Messages' screen.

To invoke this screen, click **LS Maintenance** in the **Application Browser**, select **Diary Event Messages** in the sub-menu and then click the option **Detailed** under it.

Diary Event Messages

Module Syndication Loans and Commitments

Event DOCUMENT COLLECTION

Message Type DEBIT ADVICE

Input By	DateTime	Auth By	DateTime	Mod No		
KAMTHA	30/06/2005 17:12:50	KAMTHAA	30/06/2005 17:13:42	1	<input checked="" type="checkbox"/>	Open <input checked="" type="checkbox"/> Authorised



Select the following in this screen:

Module

You have to select the module for which you want to specify the message type to be generated. Select the module 'LS' here to indicate the details are applicable to the Loans Syndication module. When you select the module, its description will also be displayed.

Event

To an event code, you can only associate a message type that has not been already mapped. The option list will display only those events which are not marked as an 'Internal Event' (in the 'Diary Event Maintenance' screen).

Message Type

Select the type of message that is to be generated for an event. The message types defined for the 'LS' module (in the 'Events' tab of the 'Diary Event Maintenance' screen) will be available in the option list provided. When you select a type, the description will also be displayed alongside.

3.8 Indicating Branch Parameters for Loan Syndication

In the 'Syndication Loans and Commitments – Branch Parameters' screen, you can define loan syndication details to be applicable for your branch such as the reporting currency for syndication contracts and the exchange rate that would be used to convert outstanding contract balances to reporting currency equivalent.

You can also indicate the participant to whom the rounding difference between amounts collected and amounts disbursed, must be routed. To invoke this screen, click **Branch Parameters** in the **Application Browser**, and then click the option **Detailed** under **Loans Syndication**.

Syndication Loans and Commitments - Branch Parameters

Branch Code

Cross Reference Basis
 Contract Reference Custom Reference

Reference Number - Preference
 External Custom Reference No.

Process Till
 System Date Next Working Day - 1

Tax Basis
 Schedule Amount Liquidation Amount

Accrual Level
 Product Contract

Fee Accrual Level
 Product Contract

Residual Amt Residual TXN Cd Confirmation Auto Auth

LSLN Parameters
Reporting Ccy
Reporting Rate Type
Rounding Participant
LS Message Susp GL

Message Parameters
Customer Transfer
Bank To Bank Transfer
Incoming
Internal
Netting Suspense GL
Reversal Suspense GL
FT Offset GL for LOR

Sighting Funds Parameters
 Sighting Funds Applicable
Sighting Fund Suspense GL
Sighting Fund GL
PNL Account

Collateral Participants
Col Settlement Customer
Col Online Customer

Posting into Deferred Accounts
 Track Delinquency
 Auto Liqd of Delinquent Contracts
 Re-classify PY/CY Income
 Reference No. Suffix in Field 20
 Common Reference in Field 21
 Field 83 Mandatory
 Withholding Tax Applicable
 Tax Payment at Year End
 Generate Self Participant Message
 REVN for Liqd Contract
 FTI Handoff Required
 Chinese Characters in Payment

Rates Required
 Eff. Customer Loan Rate
 Eff. Loan Rate
 Eff. Rate Eff Denom. Basis

Tracer Required
 Tracer Req. No. Of Days

Forward Event Processing
Limit Days Archive Days

Collateral Min Tranche Bal
Collateral Max DrawDown Bal

Input By Date Time Auth By Date Time Mod No Status Authorized Open

The details to be captured in this screen are discussed below:

Process Till

Specify till which date the automatic processes of your branch should be executed if they fall due on holidays. The options available are:

- **System Date:** If you specify that processing of automatic events should be done upto the 'System Date', automatic events scheduled *till* (inclusive of) the current system date will be processed.

- **Next Working Day-1:** This specification means that events scheduled for a holiday should be processed on the last working day before the holiday. If you indicate this, all the events that fall on a day between the current system date and the next working day will be processed.

Example

Case 1: System Date

Assume today is 20th October 2005, and 21st October 2005 and 22nd October 2005 are holidays. If you select 'System Date', during the Automatic Batch Update function run for your branch, only the events scheduled for 20th October 2005 will be processed.

The events scheduled for the holidays, i.e., 21st October 2005 and 22nd October 2005 will be processed during the Automatic Batch Update function run during beginning of day operations on 23rd October 2005.

Case 2: Next Working Date -1

Assume that today is 20th October 2005, and 21st October 2005 and 22nd October 2005 are holidays. If you click this field, during the Automatic Batch Update function run at EOD on 20th October 2005, all the events scheduled that are scheduled for 21st and 22nd October 2005 will also be processed.

Reporting Currency

Specify the currency that will be displayed in the syndication contracts. This is the currency in which the principal contract amount outstanding balance of tranches and draw downs is expressed.

Reporting Rate Type

This is the exchange rate type, which will be used to convert the principal amount and outstanding balance in case the syndication contract currency is different from the reporting currency that you have specified in the previous field.

Choose the exchange rate type from the option list given.

Rounding Participant

The system creates a new participant contract to route the rounding difference amount that was created due to rounding difference between the amount collected and the amount disbursed.

When the amount collected from the borrower is disbursed to the participants, you could encounter rounding differences. You need to choose the rounding participant from the option list to indicate that the participant to whom the rounding difference is to be routed.

Netting Suspense GL

If on the maturity date of a drawdown, a borrower books another drawdown, you have the option of netting the payment. This netting of payment can be done for the principal, interest, tax, charge and fee components associated with the drawdown. Select the Netting Suspense GL into which the accounting entries during netting will be posted.

FT Offset GL

FT offset GL can be used to select FT contracts for settling the net amount to be transferred to the buyer/seller with the same or different counter parties of a CUSIP in which Borrower has made the interest payment.

An incoming and an outgoing FT products are maintained as the default products as internal parameters for the actual settlement. Based on the net settlement amount (either Payable or receivable) for the counter party, Branch and Currency combinations, system picks up the appropriate Outgoing/ Incoming FT products from the internal parameters and use this product for the settlement

Capturing Sighting Funds Parameters

Sighting Funds Applicable

Check this field to indicate that sighting funds is applicable for the branch. On checking this field, you will be able to capture the fields described as follows.

Sighting Funds suspense GL

Specify a valid GL as the suspense GL for sighting funds. You can choose the appropriate one from the option list as well.

Sighting Funds GL

Specify a valid GL as the GL for sighting funds. You can choose the appropriate one from the option list as well.

PNL Account

Specify a valid account as the PNL Account for sighting funds. You can choose the appropriate one from the option list as well.

Collateral Customers

Specify the collateral customer details:

Col Settlement Customer

Specify the collateral settlement customer number for collateral settlement contract. The adjoining option list displays all valid collateral settlement numbers that are maintained in the system. You can select the appropriate one.

Col Online Customer

Specify the collateral online customer number for collateral online contract. The adjoining option list displays all valid collateral online numbers that are maintained in the system. You can select the appropriate one.

Capturing Forward Event Processing Details

You can process transactions before the scheduled date, but hold back the messages till the Spot Date or Value Date. This is known as Forward Processing.

Limit Days

The number you enter here, will be the number of days after the 'System Date' for which events marked for forward processing will be shown in the Forward Processing Queue.

Example

The System Date is 30th August 2005. The 'Limit Days' you enter is 7. Any event marked for forward processing, occurring within the next seven days, will be in the Forward Processing Queue.

Archive Days

When a payment message is sent out for an event marked for forward processing, the event can be archived. The archive days will be the number of the days before the System Date prior to which any event confirmed for forward processing will be archived.

Example

The System Date is 30th August 2005. The 'Archive Days' you enter is 7. Any event confirmed for forward processing, having occurred more than seven days before the System Date, will be archived.

For details on forward processing, refer the heading titled 'Forward processing of events' in the 'Loan Syndication Contracts' chapter of this User Manual.

Collateral Min Tranche Bal

Specify the minimum tranche balance amount for the collateral. The amount maintained here will be validated in Tranche currency.

Collateral MaxdrawDown Bal

Specify the maximum draw down balance amount for the collateral. The amount maintained here will be validated in drawdown currency.

New Availability Amount for collateral is computed by the system based on the following formula:

- $\text{New Availability Amount} = (\text{Least of Net Available Collateral Amount for the Drawdown Value Date and Tranche Amount}) - (\text{Total Outstanding})$

On saving the details, an override message will be displayed and the transaction will require dual authorization.

An e-mail will be sent to the participants of the tranche whenever the override message is displayed. The message is as follows:

If the new availability amount is less than the specified collateral minimum tranche balance amount, the following message is displayed:

Tranche Availability is less than -collateral Min Tranche balance amount

If the new drawdown amount exceeds the specified collateral maximum drawdown balance amount, the following message is displayed:

Drawdown amount is greater than - Collateral Max drawdown balance

FTI Handoff Required

Check this box to indicate that the FTI handoff is required. The system will handoff all the payment messages in branch local currency to FTI system through MQ only if this box is checked.

Chinese Characters in Payment

Check this box to indicate that Chinese character should be allowed during payment. The system will allow you to enter Chinese characters in the field 57, 59 and 70 of the 'Settlement Instructions' screen only if this box is checked.

3.9 Maintaining Interest Limits

You can maintain component-wise interest limit for a product in Loan Syndication module using the 'Interest Limits' screen. You can invoke this screen from the **Application Browser** by selecting **Interest Limits** under **LS Maintenance** and then selecting **Detailed** option under it.

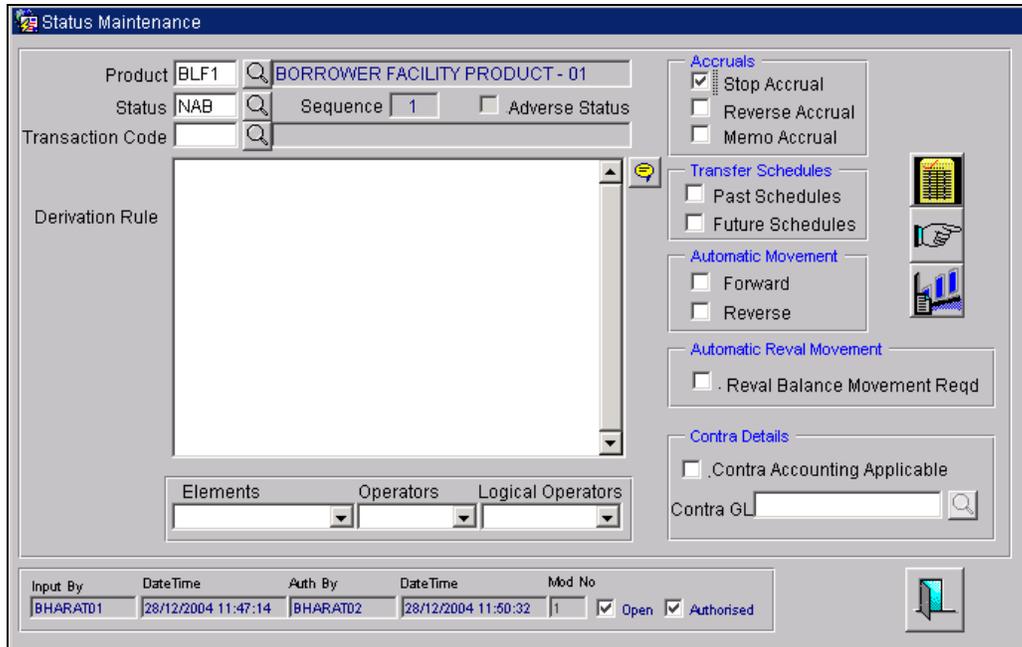
The screenshot shows the 'Interest Limits' application window. At the top, there are search fields for 'Branch Code' (set to ALL), 'Product Code' (DPA2), and 'Component' (DPA1_COMP1). Below these is a table with columns: Currency, +/-, Default Rate, Default Amt, +/-, Min Rate, +/-, Max Rate, Min Spread, Max Spread, Tenor, Interest Basis, Int Period Basis, and Cc. The table contains one row with values: (empty), 0, (empty), Include From Dt, (empty). At the bottom, there are fields for 'Input By' (SYSTEM), 'Date time' (31/10/2003 00:00:00), 'Auth By' (SYSTEM), 'Date time' (31/10/2003 00:00:00), and 'Mod No' (1). There are also checkboxes for 'Authorized' and 'Open', both of which are checked.

You can maintain tenor based, currency-wise interest limits for a combination of Product and Interest Component through this screen.

For more details on this maintenance, refer the heading titled 'Specifying limits for Interest Rate application' in the 'Processing Interest' chapter of the Interest User Manual.

3.10 Maintaining Status Rules for a Syndication Product

You can maintain the status rules for a product in loan syndication module using the 'Status Maintenance' screen. You can invoke this screen from the **Application Browser** by selecting **Status Maintenance** under **LS Maintenance** and then selecting **Detailed** option under it.



Capture the following details in this screen:

Product Code

You can define status rules for a Product, Status and Transaction Code combination. Identify the code of the product for which you are defining Status Rules in this field.

Status

You can define status rules for a Product, Status and Transaction Code combination. Specify the Status Code for which you are defining status rules. The option list will display the Status Codes associated with the selected product.

Transaction Code

You have to select the Transaction Code which is to be used for tracking entries involving this status. Rules defined for the combination of Product, Status and Transaction Code will be applicable for moving a contract from the current status to the status being defined. The option list will display all the transaction codes maintained in the system (through the 'Transaction Code Maintenance' screen).

Adverse Status

A contract can move to adverse status due to two reasons:

- If the counterparty involved in the contract defaults
- If the status is derived due to other attributes (delinquency, tenor in deposit etc)

While defining statuses which are to be associated with a product, you can check this option to indicate if a status is to be considered for delinquency tracking.

Derivation Rule

You can set-up any number of status rules for a given product, status and transaction code combination. Each status rule that you define should have a unique derivation logic associated with it. For instance, you can create a status rule which can be made applicable when a particular interest payment is overdue for more than 15 days and the contract is being moved to the PDO status.

A particular customer can have multiple loan contracts and you could be tracking the status of all of them. Oracle FLEXCUBE allows you to move all contracts for a particular customer to a delinquent status when any one or more of the contracts are defaulted upon. The derivation rule allows for this facility.

Elements

You can build Derivation Rules using a combination of Elements, Operators and Logical Operators. The elements, which you can use, are as follows:

- Classification – Refers to the Customer Classification – Excellent, Good Bad etc.
- Transfer Days – Refers to the Overdue Days. For contract level processing, transfer days are calculated as the Current Processing Date minus the Earliest Component Schedule Due Date. For schedule processing, it refers to the Current processing date minus the Component Schedule due date.
- Maturity Days – Refers to the Overdue days from contract maturity. It is calculated as Current Processing Date minus the Contract Maturity Days.
- Delinquency – Refers to Customer delinquency. For example if a customer's defaults on the contract, the customer will be marked as delinquent. Additionally all contracts involving the customer which are in the normal status will be reclassified to an appropriate status to facilitate better risk management.
- Tenor Days – Refers to the tenor days of a deposit and is calculated as Maturity Date minus the Value Date
- Any Schedule – this is applicable for schedule level processing and denotes any principal component schedule. Is calculated as Current processing Date minus the Principal component Schedule Due Date. Generally, Any Schedule component can be used to reclassify Future Principal Schedules.
- Component – Refers to the components maintained for the loan product E.g. Principal, Interest

Operators

Choose the operator to arrive at the derivation rule. The operators available are +, -, /, *.

Logical Operators

Choose the logical operators to arrive at the derivation rule. The logical operators available are =, <>, <=, >=, NOT, AND, OR.

Stop Accrual

Check this box to indicate that for a given product code, status and transaction code combination, the accruals should be frozen during status change.

Reverse Accrual

Check this box to indicate that for a given product code, status and transaction code combination, the accruals till date should be reversed by transferring them to an expense GL.

Memo Accrual

Check this box to indicate that for a given product code, status and transaction code combination, the future accruals and past accruals (if reverse accrual option has been enabled) will be tracked in a Memo GL.



Memo GLs are contingent in nature.

Past Schedules

Check this box to indicate that the entries for the past schedules have to be transferred to the new GLs for each component. If checked, this option will enable transfer of all past-due schedules (including principal and accruals) to be transferred to new GLs rather than transferring only the schedule that is affected by the current status.

Future Schedules

Check this option to indicate that the entries for the future schedules have to be transferred to the new GLs for each component. If checked, this option will enable the transfer of only the principal schedules due in the future to the designated GL.

Forward

Check this option to indicate that the status should change from the current status to the next status, in the sequence you have defined.

If you specify that forward changes have to be carried out automatically, the status of the contract will be changed after the specified number of days. If not, you have to change the status of a contract through the contract processing function.

Even if you have specified automatic status change for a product and, therefore, a contract involving it, you can manually change the status of a contract before the automatic change is due. You can do this through the Contract On-line Details screen.

Reverse

Check this option to indicate that the status should change from the current status to the previous status.

If you specify that reverse changes have to be carried out automatically, the status will be changed when a payment is made on a contract with a status other than Normal. If you specify that reverse changes should not be automatic, the status remains unchanged even if a repayment is made on the contract. You have to change the status, manually, through the Contract Processing function.

A reverse change may also become necessary when the number of days of default is increased for a product. If you have not specified that the forward or reverse changes should be carried out automatically, the status remains unchanged till you specifically change it for a contract through the Contract Processing function.

Reval Balance Movement Req

Check this option to transfer the revaluation balance automatically while processing the status change for the contract. The system transfers the revaluation balance for the contract when the status of the contract moves from an adverse status to a normal status. To indicate this, you first need to enable the 'Transfer of Revaluation Balances' in the Product Preferences screen.

Consequently, you can indicate whether the transfer of the revaluation balances has to be in the reverse direction/ backward direction in the Status maintenance screen. In case you check the box for Reverse, the system transfers the balances in the reverse direction. Leave the box unchecked to indicate otherwise.

For further details on transfer of the revaluation balance and validations performed, refer the heading titled 'Specifying the status/revaluation during status change process' in the 'Defining the Attributes specific to a Loan product' chapter of the Loans User Manual.

Contra Accounting Applicable

You may check this option if, for a particular status, you want to book the income received to a Contra GL and not the Income GL. If you check this option, you have to select the applicable contra GL for the same.

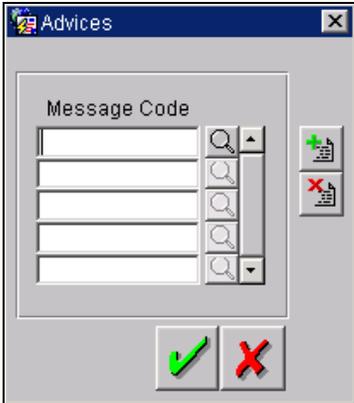
Contra GL

If you have checked the option 'Contra Accounting Applicable', you will have to select the Contra GL from the option list provided.

When there is a status change to the one specified, the balance that has been booked into the GL that was previously specified, will be moved into the GL specified for the present status. If the status change involves movement of the balance from an Income GL to a Contra GL or from one Contra GL to another, the same will be done.

3.10.1 Identifying the Advices for a Status Change

You can generate advices, when the components of the contract move forward from one status to the next, to notify the customer of the status change. These messages or advices are maintained in the Messaging System of Oracle FLEXCUBE. Click the  button to associate the required advices with the status rule.



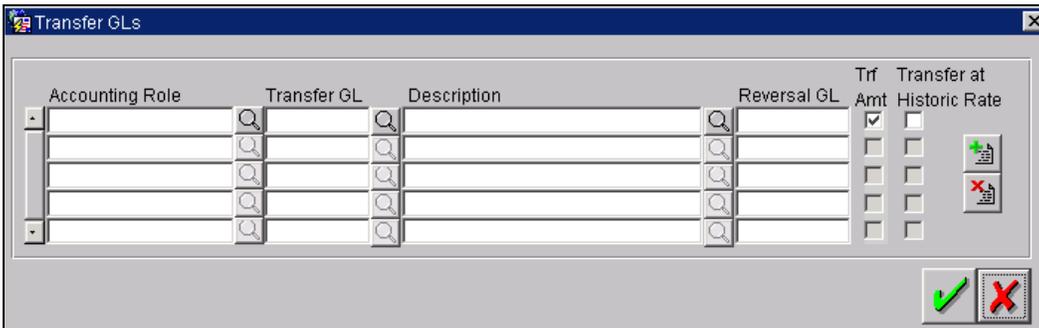
You can associate the message to be generated for a particular status of the product by selecting the Message code in the above screen.

3.10.2 Specifying Transfer GLs for Status Change

You may have a GL structure under which loans in Normal status are reported, while those associated with other statuses (e.g., status pertaining to defaulted and future schedules) are reported under different GLs, depending on their status. For each component, you should indicate the GLs from and to which balances should be transferred when the loan moves from one status to another.



Click the  button and invoke the Transfer GLs screen to associate existing accounting roles to the new GLs that entries should be posted to after status change.



The following details can be captured in this screen:

Accounting Role

Select the accounting role whose balance is to be transferred to the GL you specify.

Transfer GL

Select the GL to which the balance should be transferred.

Description

Select a description here.

Reversal GL

You have to indicate the GLs from and to which balances should move during a status movement. For interest income components, you have two options for transferring balances during a forward status movement:

- Debit the Interest Income GL maintained for a particular status and credit the Interest Income GL for the next status.
- Post the Debit entry into a Reversal GL instead of posting it into the Interest Income GL maintained for the previous status.

You can select the latter option by specifying Reversal GLs against the respective interest income components (accounting roles). If you do not specify Reversal GL against a particular interest income component, the former option defaults for that component.

Trf Amt

For an income/expense account, the existing balance in the role (as on the date of status change) is transferred to the specified GL only if you check this box. The box is checked by default for every income/expense role-GL combination that you specify.

Transfer at Historic Rate

For all Asset or liability GLs with internal GL types as Contract, you can choose to transfer the balance at historic rate for each accounting role.

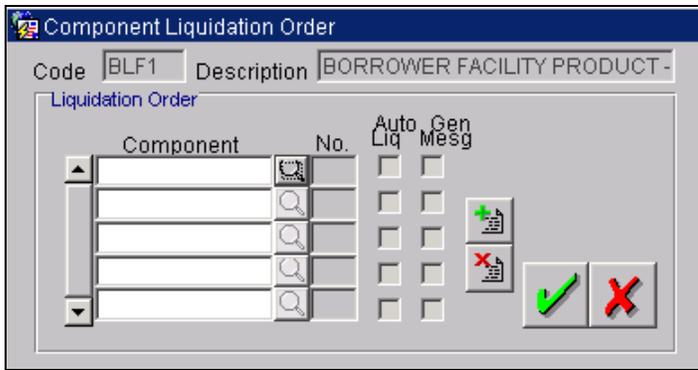
If you enable this option, the system takes the existing LCY balance without further computation. If the option is left unchecked, the LCY equivalent of the FCY amount being transferred is recomputed based on the current exchange rate from the currency rates maintenance.

For all the loan contracts, you can modify this option only if you specified 'Transfer at Historic Rate' in the Product Preferences screen.

3.10.3 Specifying Liquidation Order of Components for a Particular Status

Specifications of component-wise liquidation order made as part of Product Preferences maintenance hold true for a loan as long as it is in the NORMAL status. For each adverse status of a loan, you need to maintain the liquidation order separately.

Click the  icon to invoke the 'Component Liquidation Order' screen.



The following details are captured:

Component

Select the components to be liquidated.

No.

The priority in which the components will be liquidated is displayed here. It will be in incremental order.

Auto Liq

In the Component Liquidation Order screen, you can select the 'Auto Liq' box for those components that you wish to be automatically liquidated. These selected components will be automatically liquidated in the order assigned in this screen.

Any components for which you do not select the 'Auto Liq' box must be liquidated manually.

Gen Mesg

Check this box to indicate that a message needs to be generated when that component is liquidated.

3.11 Maintaining Margin Component Details

Oracle FLEXCUBE allows you to define margin components through the 'Margin – Definition' screen. To invoke this screen, click **ICCF Details** in the **Application Browser** and then click the option **Detailed** under **Margin Component Definition**.

Margin - Definition					
Margin Component	PIK-MARGIN				
Description	PIK-MARGIN				
Margin Basis		Slab/Tier		<input checked="" type="checkbox"/> Pik Component	
<input checked="" type="radio"/> Tranche <input type="radio"/> DrawDown		<input checked="" type="radio"/> Slab <input type="radio"/> Tier			
Maker Id	Maker Dt Stamp	Checker Id	Checker Dt Stamp	Mod No	<input checked="" type="checkbox"/> Open
NIRU	28/12/2004 10:16:07	NIRUA	28/12/2004 10:17:09		<input checked="" type="checkbox"/> Authorised

In this screen, specify the following:

Margin Component

Give the margin component you are defining, a unique code by which you will be able to identify the same easily. The code can consist of a maximum of 10-alphanumeric characters.

Description

Provide a brief description of the margin component being defined. The description can comprise a maximum of 50-alphanumeric characters.

Margin Basis

Specify the margin basis by selecting the appropriate option. The available options are:

- Tranche
- Drawdown

Slab/Tier

If the margin basis is 'Tranche', you will be allowed to select the slab or tier option. You can then specify further details in the contract screen.

PIK Component

Select this option to indicate that the margin specified is a PIK margin.

STOP In the 'Margin Maintenance' screen (invoked from the 'LS Tranche Contract Online' screen) you can define the Slab/Tier structures (for tranche utilization percentage) with different effective dates for margin types of 'Tranche' basis.

For details on this maintenance, refer the heading titled 'Maintaining Margin Slab/Tier structure' in the 'Loan Syndication Contracts' chapter of this User Manual.

3.12 Maintaining Borrower Rating

Oracle FLEXCUBE allows you to associate a margin rating agency to each customer. You can do this through the 'Borrower Rating Maintenance' screen. To invoke this screen from the **Application Browser**, choose **LS Maintenance** and double click the **Detailed** option under **Borrower Rating Maintenance**.

Here, you need to specify the following:

Borrower

Select the CIF ID of your customer (borrower) against whom you are maintaining the margin rate here.

STOP All valid CIF IDs maintained at your bank head office are made available here.

On choosing the same, the short name of your customer is displayed alongside.

Rating Agency

Select / specify the rating agency name. All valid rating agencies maintained at your bank head office (through the 'Margin Rating Maintenance' screen) are made available here.

On choosing the 'Rating Agency', the corresponding description is displayed here.

Rating Code

Based on the 'Rating Agency' chosen by you, all corresponding rating codes (maintained at your bank head office through the 'Margin Rating Maintenance' screen) are made available here. You need to choose the relevant rating code here.

Business Date

The system displays the application date on which the rates are received from PMC.

Value Date

The system displays the same date which is received from the PMC.

Tenor

The system displays the rates received for the combination of Rate Code, Value Date, Currency and Tenor, with Maker/Checker as SYSTEM

Bid Rate

The system displays the rates received for the combination of Rate Code, Value Date, Currency and Tenor, with Maker/Checker as SYSTEM

Mid Rate

The system displays the rates received for the combination of Rate Code, Value Date, Currency and Tenor, with Maker/Checker as SYSTEM.

For more details on negative rate processing, refer the title 'Maintaining Loans Parameters Details' in the chapter 'Bank Parameters' in Core Services User Manual.

You can maintain negative rate even if the flag 'Disallow Negative Base Rate Processing' is checked. However, rate gets fixed as zero during auto rate set process.

Ask Rate

The system displays the rates received for the combination of Rate Code, Value Date, Currency and Tenor, with Maker/Checker as SYSTEM

Below operations will be allowed in the screen

- Unlock
- Save
- Authorize
- Close
- Reopen



You are allowed to amend the rate from this screen. But Dual authorization will be required to authorize such amendments. The system will process Daily LIBOR rate feed from PMC and display in Daily LIBOR rate screen irrespective of the rate codes.



Note the following

You are allowed to amend the rate details for the rate code received from PMC but you are not allowed to maintain a new set of rate details for a rate code which is not received from PMC

- If Rate details are not received from PMC for a rate code which is associated with a Drawdown, then Auto Rate fixing will not be done. This is explained in detail in the subsequent sections
- At the End of Day the Batch will not be processed if there is any unauthorized maintenance exists from this screen
- If the file is received from PMC on holidays with value dates as holiday then the value date in Daily LIBOR Rate maintenance will be the holiday date and not the system application Date

For Example:

The system receives file on 21-Jun-2014 with Value date as Business date. 21-Jun-2014 is a holiday and the system application date is 22-Jun-2014 which is next working date.

The Rate gets populated with business date and value date as 21-Jun-2014 in Daily LIBOR Rate maintenance screen (Oracle FLEXCUBE application date is 22-jun-2014)

The Rate set the events with the effective date of 22-Jun-2014, will be processed on 22-Jun-2014 only when the system receives file on 22-Jun-2014 and 21-Jun-2014 file will not be considered.

3.14 Maintaining Reporting Requirements

Oracle FLEXCUBE allows you to maintain a list of reporting requirements for Borrower Facility, Borrower Tranche and Borrower Drawdown products. You can also link these reporting requirements to the underlying contracts.

You can capture the reporting requirements as Disclosure Code in Oracle FLEXCUBE. The Disclosure Code is defined in the 'Disclosure Maintenance' screen. To invoke this screen, select **LS Maintenance** in the Application Browser, click **Disclosure Maintenance** in the sub-menu and then click the **Detailed** option under it.

Input By	Date Time	Auth By	Date Time	Mod No	Open	Authorized
MAINT08	28/12/2004 10:37:57	MAINT06	28/12/2004 09:08:19	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

You can maintain the following details in this screen:

Disclosure Code

Specify a code for the reporting requirement. This code should have a maximum of 12 characters.

Disclosure Description

Specify a description for the reporting requirement. The maximum allowed characters is 35.

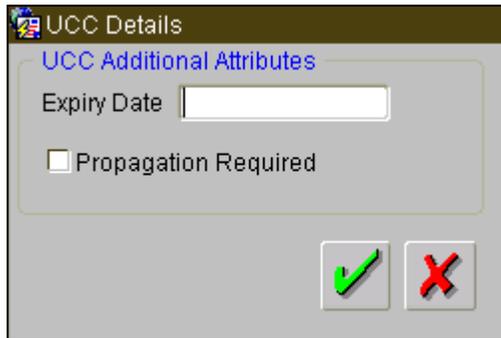
UCC Code

Check this box if the disclosure code is considered a Uniform Commercial Code (UCC). If checked, the 'UCC' button gets enabled.

 Once this box is checked for a disclosure code and authorized, this box is disabled and you will not be able to amend this box by unlocking the record.

3.14.1 Maintaining UCC Details

You can maintain UCC details pertaining to a disclosure code using the 'UCC Details' screen. To invoke this screen, click on 'UCC' button on the 'Disclosure Maintenance' screen.



You can maintain the following details in this screen:

Expiry Date

Specify the expiry date of the UCC code. Input to this field will be mandatory if you check the 'UCC Code' box on the 'Disclosure Maintenance' screen.

Propagation Required

Check this box if expiry date is to be propagated to all linked contracts when expiry date of UCC is modified.

You can maintain any number of reporting requirements using the 'Disclosure Maintenance' screen.

After maintaining the disclosure code, the same will be authorized by a checker.

Once you maintain the reporting requirements, you can link the same to a product. When you book a new contract, you can specify the reporting requirements that need to be linked to the contracts.



You cannot delete a disclosure code if it is linked to any of the contracts within a product.

All the fields can be amended on the 'UCC Details' screen by unlocking the Disclosure Maintenance record and clicking the 'UCC' button.



If the UCC is not linked to any contracts, there will be no contract level impact of such amendments. If the UCC is linked to contracts, on authorization of the amendment, the new expiry date will be automatically propagated to existing contracts if the 'Propagation Required' box is checked. If this box is unchecked during modification, then the new expiry date will not be propagated to the existing contracts.

3.15 Maintaining Information about Partners

You can capture information on how the income received from investments is allocated among the partners. This information will be verified by the tax authorities. At the end of the year, these details are used to produce Forms 1099 and 1042-S.

You can maintain information about partners in the 'Investor Partner Maintenance' screen. To invoke this screen, click **Investor Partners** under the **Customer Maintenance** menu in the **Application Browser**. Select the **Detailed** option.

The screenshot shows the 'Investor Partners Maintenance' window. It is divided into two main sections: 'Customer Details' and 'Partner Details'.
Customer Details:
Customer No: CITCZ01
Partner Name: CITGB01 LOCAL
Partner Details:
Country: US (United States)
Tintype: [empty]
Exempt Code: EXM-01
Address Line1: CITIUS01
Address Line2: #01_BRIDGEWAY
Address Line3: US
Address Line4: [empty]
Partnership Type: [empty]
Type Of Recipient: [empty]
Type Of Document: [empty]
Wh Rate OnUscorp Dividends: 3.44
Wh Rate On Portfolio Int: 2.50
Ownership%: 067.000000000
At the bottom, there is a table for audit trail:
Input By: BINCY | Date Time: 09/01/2005 09:26:21 | Auth By: BINCYA | Date Time: 09/01/2005 09:32:11 | Mod No: [empty] | Status: [checked] Open [checked] Authorised

In this screen, you need to specify the customer's details as well as the partner's details.

3.15.1.1 Specifying Customer Details

You can specify the following details:

Customer No

From the option list, select the investor whose details you want to capture.

Partner Name

Specify a code for the partner and the partner's name will be displayed in the adjoining text box.

3.15.1.2 Specifying Partner Details

You can specify the following details:

Country

Select the country to where the partner belongs. All valid country codes will be available in the option list.

Tintype

Specify the Tax Identification number of the partner.

Exempt Code

Specify the exempt code of the partner whether the partner is Foreign, US Exempt or US Non Exempt.

Address Line 1 to Line 4

Specify the partner's address details.

Partnership Type

Specify the type of partnership with the bank. This can be Beneficial, Owner or Intermediary.

Type of Recipient

Specify the type of recipient, i.e., US, LP or Corporation of the partner.

Type of Document

Specify the type of documents furnished by the partner such as W-9, W-8BEN etc.

WH Rate on US Corp Dividends

This is the Withholding rate on US Corp dividends for the partner.

WH Rate on Portfolio Int

This is the Withholding rate on Portfolio Interest for the partner.

Ownership%

Specify the percentage of ownership of the partners. The system will validate to ensure that this percentage does not exceed 100% across all partners.

On saving the details specified in this screen, system will validate if the customer's total ownership percentage exceeds 100%.

3.16 Maintaining Watch List Details

You can maintain a facility under a watch list. The System prompts the user that the facility is under Watch List, in the following situations:

- Booking a new contract
- Renewal of an existing contract
- Payment of an existing contract
- Value dated amendment of the contract

 The system also displays the reason for the facility being under Watch List. You can maintain the list of reasons for a watch list using the 'Static Maintenance - Detail' screen.

3.16.1 Static Maintenance

The system allows you to maintain static maintenance. To invoke this screen from the **Application Browser**, select **User Defined Maintenance** and the **Detailed** option under **Static Maintenance**.

Input By	Date/Time	Auth By	Date/Time	Mod No
SAMPLE12	24-AUG-2012 05:52:48			1

You can maintain the following details in this screen:

Field Type

Select the field type from the option list provided. To specify watch list details select the field type as 'WL'.

Field Name

Specify name for field as 'WLREMARKS'.

Field Description

Provide a description for the watch list entry. You can specify the reason for including the facility in the watch list.

3.16.1.1 Maintaining Paying Agent

You need to maintain the paying agents using the 'Static Maintenance' as per the details given below:

- You need to select the 'Field Type' as 'PA'
- You need to select the 'Field Name' as 'Paying Agent'
- You need to select the 'Field Description' as 'Paying Agent Code'

While saving the record, the system displays the below error message if the field name is not Paying Agent for the field type 'PA'.

The field name should be PAYINGAGENT for field type PA

3.16.1.2 Maintaining Fedwire Values

You can maintain Fedwire values for payments involving the Fedwire payment system using the 'Static Maintenance - Detail' screen as per the details given below:

- You need to select the 'Field Type' as 'FW' for Fedwire values
- You need to specify the Field Name as FWACCOUNT
- Specify the Fedwire value in the 'Field Description' field
- You can maintain more than one value for a combination of the Field Type and Field Name

3.16.1.3 Maintaining Escrow Accounts

You can maintain the escrow components for Escrow Accounts using the 'Static Maintenance – Detail' screen.

The following Field Types are available to maintain Escrow accounts. These are the only escrow type of components that are available for selection in the 'Contract Adjustment' Screen:

- ESC1– Tax escrows
- ESC2– Insurance escrows
- ESC3– Other escrows
- ESC6– Suspense escrows

The Field Name that you specify will be treated as the name of the Escrow Component. You can maintain multiple escrow components for a given escrow type.

3.16.1.4 Maintaining Tax Types

You can maintain the insurance types using the 'Static Maintenance – Detail' screen.

To maintain new insurance type, select 'ESC1' from 'Field Type' option list and enter the required field name and description. This must be maintained for all tax types offered by the bank.

To maintain two-digit code of states, select 'STAT' from 'Field Type' option list and specify the required field name and field description. This field description is displayed as 'Tax Authority State' in 'Additional Details' section of 'Tax Maintenance' screen, based on the two-digit state code from 'Tax Authority ID' field.

To maintain five-digit code of county (first 2 digits corresponding to the state code and last 3 digits corresponding to the county code), select 'CNTY' from 'Field Type' option list and specify the required name description. This field description is displayed as 'Tax Authority County' in the 'Additional Details' section of 'Tax Maintenance' screen, based on the three-digit county code from 'Tax Authority ID' field.

3.16.1.5 Maintaining Insurance Types

You can maintain the insurance types using the 'Static Maintenance – Detail' screen. To maintain new insurance type, select 'ESC2' from 'Field Type' option list and enter the required field name and description. This must be maintained for all insurance types offered by the bank.

3.17 Maintaining Static Details for Insurance

You can maintain static details pertaining to insurance using the 'Insurance Maintenance' screen. Using this screen, you can capture insurance related field details for Loans and agency contracts. The maintenance can be done for loans, drawdown and participant contract while it will be restricted for loans commitment and tranche contracts. To invoke this screen from the **Application Browser**, select **L&D Interface** and the **Detailed** option under **Insurance Maintenance**.

The screenshot shows the 'Insurance Maintenance' application window. It contains several sections of input fields:

- Contract Information:** Contract Ref No (CT1BLD10436300RT), External Ref No (CT1BLD10436300RT), Insurance Type (Allied Insurance), Policy Number (Policy001), Insurance Company (WNC), Property Code (PropertyDD1), Escrow Type (Insurance Escrw), Principal Bal (10,000.00), Insurance Seq No (1), Original Insurance Seq No, and Flood Zone.
- Insurance Details:** Insurance Agent (WNC), Settlement Seq No, Effective Date (28-DEC-2004), Expiry Date (31-DEC-2004), Next Remit Date (28-JUN-2005), Billing Status (ESCROW), Canc./Remove Binder Date, Premium Currency (USD), Premium Amount (5,000.00), Policy Status (dropdown), Cancellation Code, Paid off Date, Version No (1), and Handoff Status (H).
- Actions:** NOTES, COVERAGE, and CHANGES buttons.
- Footer:** Entry by (APPU01), Entry Time (31/12/2004 11:33:49), Auth by (APPU02), Auth Time (31/12/2004 12:55:22), Mod No (1), and checkboxes for Open and Authorised.

You can maintain the following details in this screen:

Contract Ref No

Select the contract reference number from the adjacent option list. This list displays all active and authorized contracts for Loans and Drawdowns available in the application

External Ref No

System displays the Contract Reference Number of the external system McCracken for converted contracts. For new loan bookings, system displays the Custom Ref No here.

Insurance Seq No.

System defaults the insurance sequence number.

Original Insurance Seq. No

System displays the original insurance sequence number received from the incoming WNC feed. System displays the expired policy insurance sequence number based on the feed received from WNC, when a new policy is created in place of an expired policy.

Escrow Type

System defaults the value 'ESC2' in this field. You cannot modify this value.

Principal Bal

System defaults the principal balance amount.

Insurance Type

Select an appropriate insurance type from the adjacent option list. This option list displays the 'Field Name' and 'Field Description' maintained for Field Type 'ESC2' in the 'Static Maintenance' screen.

You must maintain the values for this option list using the 'Static Maintenance' screen (CSDSFMNT).

Insurance Company

Select the Insurance service provider from the adjacent option list. This list will display all short names from the 'Customer Maintenance' screen identified based on the customer category.



Note the following:

- You can select only those customers having customer category as 'ESC2'. To do this maintenance, you must first maintain valid list of customer categories supported by bank using the 'Customer Category' screen (STDCSCAT available under Customer Maintenance/Customer Category browser menu). Once the required 'Customer Category' is maintained as "ESC2", then a customer can be linked to this category indicating the customer is an insurance service provider.
- A customer can be linked to only one customer category hence if the customer is mapped to category "ESC2" (indicating insurance service provider), it cannot be mapped to another category

Property Code

Specify the property code.

Flood Zone

Select the flood zone from the adjoining option list. This is a mandatory input if 'Insurance Type' is 'Flood'. For other insurance types, this field should be left blank.

The UDF 'FLOOD_ZONE_TYPE' is maintained with the following values in the 'Static Maintenance' screen:

- For flood insurance – FEMA or NON FEMA

- Other types of insurances – NULL

The following UDFs are maintained using the 'Static Maintenance' screen:

UDF Name	UDF Value
FLOOD_ZONE TYPE	FEMA or NON FEMA for flood insurance NULL for other types of insurances
FLOODINSURANCE	'Y' for flood type of insurance type 'ESC2' NULL for other types of insurances

Policy Number

Specify the insurance policy number.



System does not perform any validations on the policy number that you specify in this field.

Insurance Details

Expiry Date

Specify the expiry date of the policy.



System does not perform any validations on the expiry date that you specify.

Billing Status

Select an appropriate value from the drop-down list. The options available are:

- Escrow
- Monitoring

By default, System displays 'Escrow' in this field

Settlement Seq No

Select the appropriate settlement sequence number from the adjacent option list. The option list condition used for this field is same as the one available in contract maintenance screen.

Insurance Agent

On selecting the insurance company, system defaults the mapped SIFCODE here.

Premium Currency

System defaults the Branch Currency in this field and you cannot modify this value.

Premium Amount

System defaults the premium amount to zero.

Effective Date

Specify the effective date.

Next Remit Date

Specify the next remittance date.

Blanket

By default, system un-checks this box.

Paid off Date

System displays the current application date here. However, you can edit this value. This is a mandatory input if you select the 'Cancellation Code' as 'P.I.F' (Loan Paid in Full).

Pending Loss

By default, system un-checks this box.

Force

By default, system un-checks this box.

Policy Status

Select the policy status from the adjoining drop-down list. This list displays the following values:

- CANCEL – You can select this option to cancel a particular insurance record.
- REMOVE BINDER – You can select this option only if the handoff status of the insurance policy is 'H', i.e., insurance policy has expired and has been sent to WNC feed).



If a policy is in cancel status, then you cannot select the 'Remove Binder' option. Once a policy is cancelled and sent to WNC in the EOD feed with Handoff Status 'C', you cannot change the policy status to 'Remove Binder'.

Cancellation Code

Select the cancellation code from the adjoining option list. This list displays all the cancellation codes maintained using the 'Static Maintenance' screen for Field Type 'CANC'. You can select the appropriate one. This is a mandatory input if the Policy Status is 'CANCEL'.

Canc/Remove binder Date

System displays the current Application date on selecting the 'Policy Code'. However, you can edit this value and specify a date which is less than 'Policy Effective Date' and 'Expiry Date'.

Handoff Status

System displays the following handoff status on successful generation of feed for a given insurance record:

- H – This indicates that system sends an expired insurance record to WNC on the same day's batch indicating the insurance is not renewed by the borrower
- C – This indicates that the Policy Status is 'CANCEL'
- NULL - This indicates that Policy Status is 'REMOVE BINDER'



Note the following:

- Once the modified maintenance is saved, it cannot be deleted; it can only be authorized.
- It is mandatory to visit 'Notes' & 'Coverages' screens when you use the copy option.
- Any number of insurances (type of insurance) can be attached to a contract however only the latest insurance details will be active for users to modify. The previous details will be moved to history table for tracking purpose

3.17.1 Maintaining Notes

You can maintain notes pertaining to an insurance record using the 'NOTES' screen. To invoke this screen, click on 'Notes' button on the 'Insurance Maintenance' screen.

Notes Seq No	Cross Ref No	Remarks1	Remarks2

You can maintain the following details in this screen:

Remarks1

Specify your remarks.

Remarks2

Specify your remarks.

3.17.2 Maintaining Insurance Coverage

You can maintain coverage of insurance details for a contract using the screen 'Coverage' screen. This is a static maintenance screen and no processing/validations are performed.

You can maintain multiple coverage details for a given insurance record. To invoke this screen, click on 'COVERAGE' button on the 'Insurance Maintenance' screen

Contract Ref No: CT1BLD10436300RT Insurance Seq No: 1
Insurance Type: INK Policy Number: Policy001
Insurance Company: WNC Property Code: PropertyDD1

Coverage Details

Coverage Seq No	Coverage Type	Deduct Type	Deduct Amount	Co insurance Percent	Premium Term	Limit	Replacement Amount
1	INSURANCE		10.00	100	12	10,000.00	1,000.00
2	INSURANCE		25,000.00	10	12	1,000.00	25,000.00

You can maintain the following details in this screen:

Coverage Seq No

Specify the coverage sequence number.

Coverage Type

System defaults 'Insurance' as the type of coverage. However, you can edit this field by selecting the appropriate value from the adjoining option list. This list displays the values maintained for Field Type 'COVR' in the 'Static Maintenance' screen. This field is a mandatory input once you visit and add the record in the 'Coverage' screen.

Deductible Type

Specify the deductible type.

Deductible Amt.

Specify the deductible amount.

Co-insurance Percent

Specify the percentage of co-insurance.

Premium Term

System defaults the premium term as 12 in this field. However, you can edit this value.

Limit

Specify the limit.

Full Replacement Cost

Specify the full replacement cost.

3.17.3 Tracking Versions for Insurance

System stores the history of the Insurance details. All the details pertaining to the Insurance record along with the Version number is stored in the system. System increments the version number by one every time the insurance detail is modified. The version no is incremented by one for all close and open operations.

You can view the versions by clicking the 'CHANGES' button on the 'Insurance Maintenance' screen.

Insurance Details

Version No	Insurance Agent	Property Code	Settlement Seq No	Premium Amount	Premium Currency	Effective Date	Expiry Date	Next Remit Date	Audit Date	Billing Status	Pending Force Loss	Blanket
5	test agent 01	01	0	451202	USD	28-DEC-2004	28-DEC-2004	28-DEC-2004	28-DEC-2004	ESCROW	N	N
4	test agent 01	01	0	451202	USD	28-DEC-2004	28-DEC-2004	28-DEC-2004	28-DEC-2004	ESCROW	N	N
3	test agent	01	0	451202	USD	28-DEC-2004	28-DEC-2004	28-DEC-2004	28-DEC-2004	ESCROW	N	N
2	test agent	01	0	451202	USD	28-DEC-2004	28-DEC-2004	28-DEC-2004	28-DEC-2004	ESCROW	N	N
1	test agent	01	0	451202	USD	28-DEC-2004	28-DEC-2004	28-DEC-2004	28-DEC-2004	ESCROW	N	N

Notes Details

Seq No	Cross Ref No	Remarks1	Remarks2
1	CT8LBA1043630162	rem1	rem 12
2	CT8LBA1043630162	rem 2	rem22
3	CT8LBA1043630162	rem3	rem33

Coverage Details

Seq No	Coverage Type	Limit	Co insurance Percent	Deduct Amount	Deduct Type	Replacement Amount

History of maintenance modification for a given record can also be viewed using this screen.

If any notes or coverage details are modified without modifying any detail in the main insurance screen, version number of main insurance detail will be incremented with no change in the main insurance screen details.

3.17.4 Processing Bill Status

The field 'Billing Status' maintained in the 'Insurance Maintenance' screen indicates how payment for an insurance component will be made for a loan contract. This indicates if the Bank will be responsible for insurance payment on behalf of the borrower or if the borrower will take care of processing/payments. The field has the following two values

- Monitoring
- Escrow

3.17.4.1 Monitoring Process

You must maintain the Insurance/Tax details of a loan contract in Oracle FLEXCUBE. You must also maintain 'Expiry', 'Next Remit Date', and 'Payment Tracking' manually. You must then upload the required details in Insurance/Tax maintenance screen manually or through the external interface (WNC, Berkadia etc.).

3.17.4.2 Escrow Process

The Insurance and Tax details for a loan contract are maintained in Oracle FLEXCUBE and the Bank tracks the expiry/payment details for a contract. The Insurance/Tax payment schedules are maintained along with other components and the payments are done together on the respective schedule date for all components. Insurance/Tax escrows are pre-determined flat amount and are not derived based on the balance of any other components.

Escrow impounding can be applied for any loan contracts and there is no restrictions based on the billing status (escrow/monitoring) maintained for a contract. Escrow impounding is applicable only for loan contracts and not for agency/commitment contracts.

Insurance impounding, Tax impounding, and Late Payment charges all have separate interest classes with rate type 'SPECIAL' however in the payoff notice, Insurance and Tax components are shown under escrow section while the late payment charges are shown separately. To achieve this, the 'Escrow' box must be checked for Insurance and Tax interest class components and it must be un-checked for late payment charge components.



Note the following:

System validates to ensure that the 'Rate Type' should be 'SPECIAL' if the the 'Escrow Component' box is checked.

An over-ride is shown if the interest amount maintained is Null or Zero for a special component in ICCF Sub-screen under 'Contract Maintenance' screen.

You can maintain re-payment schedules for the SPECIAL components, Payment schedules for 'SPECIAL' components can be same or different with respect to other components.

System ensures that the 'Interest Amount' maintained in ICCF sub-screen for a 'Special' component matches with the total schedule amount of that component.

3.17.4.3 Processing Escrow Payments

Note the following processes for Escrow payments:

- Separate interest classes must to be maintained for Insurance and Tax components. The 'Escrow Component' box must be selected accordingly
- The Interest class(s) will be attached to the required LD product. "Accruals" parameter can be set as required.
- Loan contract will be booked using this LD product.

- In ICCF sub-screen of loan contract maintenance screen, total payable amount for a special need to be entered in “Interest Amount” field when a new loan contract is booked.
- However in case of any schedule modification done for ‘SPECIAL’ components, the “interest amount” in ICCF screen will be derived by the system. An override will be shown for each special component to display the total interest amount calculated by the system during save of contract amendment.
- Re-payment schedules need to be maintained for Insurance & Tax components along with other basic components.
- The existing manual payment screen can be used to make payment for SPECIAL components along with other components. Based on the limit date, payment schedules will be default and payment can be made.
- Liquidation order for re-payment components to be maintained at product level as required.

3.17.5 Insurance Expiry Notice

The Insurance Expiry Notice is generated as part of LD and LS batches in the End of Day batch for all active insurance records linked to loans and drawdown contracts respectively, based on the following UDF maintenance in the ‘Static Maintenance’ screen:

UDF Name	Type	Description
INSURANCE EXPIRY DAYS	Numeric	Calendar days prior to which system should generate Insurance Expiry Notice. If INSURANCE EXPIRY DAYS is 60, then system generates the Insurance Expiry Notice 60 days prior to the Insurance Expiry Date.

If ‘INSURANCE EXPIRY DAYS’ UDF is null, then system does not generate the Insurance Expiry Notice. The default value for ‘INSURANCE EXPIRY DAYS’ UDF is null. If the value of ‘INSURANCE EXPIRY DAYS’ UDF is zero, then system generates the Insurance Expiry Notice on the expiry date of the Insurance.

The Insurance Expiry Notice generation is purely based on the expiry date of the insurance maintained for the contract in the 'Insurance Maintenance' screen. This notice is generated at the property level. If a contract has multiple properties, then separate notices are generated for each property. If there are multiple insurance policies expiring on the same day for a property, then system generates only one advice containing details of all policies separated by comma in the message.

If the notice generation date is on a holiday, then system generates the notice on the previous business date. The advice format for this notice should be manually maintained and the format is common for loan/drawdown contract.

The Insurance Expiry Notice is generated during the execution of ‘INNC’ (Insurance Notice) event.

3.17.6 45 Day Flood Notice – Escrow and Non-Escrow

The 45 Days Flood Notice is generated as part of LD and LS batches in the End of Day batch for all active insurance records linked to loans and drawdown contracts respectively, based on the following UDF maintenance in the 'Static Maintenance' screen:

UDF Name	Values	Description
FLOOD INSURANCE	Yes / No	To identify whether insurance is of type FLOOD. This should be Yes only for escrow type 2 (ESC2) and has to be operationally controlled.
FLOOD NOTICE DAYS	Numeric	If FLOOD INSURANCE is Yes, then based on calendar days maintained for 'FLOOD NOTICE DAYS' system should generate '45 Day Flood Notice' prior to Flood Insurance expiry date

If the value of 'FLOOD INSURANCE' UDF is 'N', then system does not generate the 45 Flood Notice – Escrow and Non- Escrow. If the value of 'FLOOD INSURANCE' UDF is 'Yes', then you should maintain the Flood Notice days (number of days prior to Flood Insurance expiry date when system will generate 45 days Flood Notice). The default value for 'FLOOD INSURANCE' is 'No'.

If the value of 'FLOOD NOTICE DAYS' UDF is null, then system does not generate 45 Day Flood Notice – Escrow and Non-Escrow. The default value for 'FLOOD NOTICE DAYS' is null. If the value of 'FLOOD NOTICE DAYS' is zero, then system generates the notice on the expiry date of the insurance.

The 45 Day Flood Notice – Escrow and Non-Escrow generation is purely based on the expiry date of the insurance maintained for the contract in the 'Insurance Maintenance' screen. This notice is generated at the property level. If a contract has multiple properties, then separate notices are generated for each property. If there are multiple insurance policies expiring on the same day for a property, then system generates only one advice containing details of all policies separated by comma in the message.

Based on the billing status (Monitoring/ Escrow) of Insurance, system generates '45 days flood notice escrow' or '45 days flood notice non-escrow' for insurance. That is, if the Billing Status is 'Monitoring', system generates non-escrow notice; otherwise system generates escrow notice.

If the notice generation date is on a holiday, then system generates the notice on the previous business date. The advice format for this notice should be manually maintained and the format is common for loan/drawdown contract.

The 45 Day Flood Notice – Escrow and Non Escrow is generated during the execution of 'INNC' (Insurance Notice) event.

3.18 Viewing Static Details for Insurance

You can maintain static details pertaining to insurance using the 'Insurance Maintenance Summary' screen. To invoke this screen from the Application Browser, select **L&D Interface** and the **Summary** option under **Insurance Maintenance**.

You can maintain static details pertaining to tax using the 'Tax Maintenance' screen. Using this screen, you can capture tax related field details for Loans and agency contracts. The maintenance can be done for loans, drawdown and participant contract while it will be restricted for loans commitment and tranche contracts. To invoke this screen from the **Application Browser**, select **L&D Interface** and the **Detailed** option under **Tax Maintenance**.

You can maintain the following details in this screen:

Contract Ref No

Select the contract reference number from the adjacent option list. This list displays all active and authorized contracts for loans and agency modules available in the application.

Property Code

Specify the property code. The adjoining option list displays all the property codes maintained for a loan product in the 'Property Maintenance' screen. You can select the appropriate one.

Tax Type

Select an appropriate type of tax from the adjacent option list. The option list displays the field description of the tax type maintained using the 'Static Maintenance' screen. On selecting the tax type description, system displays the corresponding tax type code. The two-digit tax type is the value received in position 6 and 7 of 'Tax Authority ID' field in the incoming feed from external system LERETA.

Parcel Number

Specify the next parcel number.

Tax Details

Tax Authority ID

Select an appropriate tax Authority ID from the adjacent option list.



Note the following:

- A UDF (VENDOR) is created at customer level to indicate if the customer is also a vendor. Default value of this field will be N. The 'Tax Authority ID' option list will display all customers for which this UDF value is maintained as 'Y'.
- A UDF (TAXAUTHORITYID) is maintained in the 'Customer Information Maintenance' screen. This field is validated to check that user inputs only 9 digits. System also validates that tax authority ID is linked only to one customer. Tax Authority ID comprises of the following:

First 2 digits	State Code (The state in which the headquarters of the taxing agency is located)
Middle 3 digits	County Code (The County in which the headquarters of the taxing agency is located)
Next 2 digits	Agency Type (A unique identifier for type of tax, county, city, school, village, etc.)
Last 2 digits	Sequential Number (A unique sequential number associated with the Agency Type).

Billing Status

Select an appropriate option from the drop-down list. The options available are:

- Monitoring
- Waiting for tax bill

Next Disbursement Date

Specify the next disbursement date.

Disbursement Frequency

Select an appropriate frequency from the adjacent option list.

Prior Tax Currency

System defaults the Branch Currency in this field and you cannot modify this value.

Prior Tax Amount

Specify the prior tax amount.

Current Tax Constant

Specify the current tax consultant.

Tax Amount Due

Specify the tax amount due.

Last Bill Type

Select an appropriate value from the adjoining drop-down list. The following options are available:

- 1st Half
- 2nd Half
- FULL

Last Bill Paid Date

Specify the last tax paid date.

Vendor Name

Specify the vendor name. The adjoining option list displays the customer name maintained as a UDF at the customer level, for the selected Tax Authority ID. You can select this name as the vendor name.

Total Delinquent Amount

System displays the sum of the total base amount for the combination of Loan ID, Parcel number and Tax type as the total delinquent amount. However, you can edit this value.

Delinquent Status

Check the box to indicate delinquency status.



Any number of tax (types of tax) can be attached to a contract however only the latest insurance details will be active for users to modify. The previous details will be moved to history table for tracking purpose.

Tax Seq No.

System defaults the insurance sequence number. Logically this represents a distinct number of taxes linked to a contract.

Additional Details

Hit Code

System defaults the hit code from the incoming feed received from external system LERETA. However, you can edit this value. Expected values of this field are 1 and 2.

Lien Seq No

Specify the lien sequence number assigned by external system LERETA to identify each parcel number associated with the property.

Borrower Payment Option

Specify the borrower payment option to identify the mode of payment disbursal. You can specify the following values:

- A – Annual Tax Payment Option
- S – Semi-Annual Tax Payment Option
- Q – Quarterly Tax Payment Option

Tax Authority State

System displays the tax authority state based on the Tax Authority ID you have selected.

Tax Authority County

System displays the tax authority county based on the Tax Authority ID you have selected.

3.19.1 Tracking Versions for Tax

System stores the history of the tax details. All the details pertaining to the tax record along with the Version number is stored in the system. The version no is incremented by one for every close and open operation.

You can view the versions by clicking the 'CHANGES' button on the 'Tax Maintenance' screen.

The screenshot shows a window titled 'Changes' with the following fields:

- Contract Ref No: CT2BLD1050152001
- Property Code: P003
- Tax Type: TAX ITR2
- Parcel Number: PARCEL002

Below these fields is a section titled 'Tax Details' containing a table with the following columns:

Version No	Tax Authority ID	Prior Tax Amount	Prior Tax Currency	Tax Amount Due	Current Tax Constant	Disbursement Frequency	Next Disb Date	Last Date

History of maintenance modification for a given record can also be viewed using this screen.

3.21 Maintaining Property Details

You can maintain property details for loan/drawdown contracts using the 'Property Maintenance' screen. To invoke this screen from the **Application Browser**, select **L&D Interface** and the **Detailed** option under **Property Maintenance**.

The screenshot displays the 'Property Maintenance' application window. It is divided into several sections:

- Property Maintenance:** Contract Ref Number (CT2BCD1043661006), Property Code (STAT123).
- Address/Location:** Property Name (XXX CHILD CARE), Street Number 1 (12), Street Number 2 (34), Village (BANGALORE), County (027), State (04), Property Type (Commercial Property), Street Name 1 (FIRST CROSS), Street Name 2 (8th MAIN), City (BANGALORE), ZIP (560092).
- Management:** Property Manager (BIRLA), Management Percent Fee (12), and a checked box for 'Management Contact on Site'.
- General:** Measured In (Sq Feet), Gross SQ Feet (2400), Primary Desc (CC), Secondary Desc (CHILD CARE), Overall Condition (GOOD), Overall Rating (A), Loan Allocation (YES), Common N.R.A. (200), Resident N.R.A. (100), LIEN Position (1), and checked boxes for Lease Hold, Owner Occupied, Rent Control, and Photo on File.
- Building Information:** Building Type (New), Acquisition Cost (2500000.00), Fuel Type (WWW), Date of Construction (10-JAN-2003), Date of Acquisition (10-JAN-2004), Last Renovation Date (11-JAN-2005), No. of Stories (2), No. of Elevators (0), Construction Type (ZZZZ), Heat Type (YYYY), Elevator Type (XXXX), and a checked box for Air Conditioned.
- Footer:** Input By (MCKY1), Datetime (10/01/2005 10:16:26), Auth By (MCKY2), Datetime (10/01/2005 10:18:10), Mod No (1), and checked boxes for Open, Authorized, and Once Auth.

Specify the following details:

Property Maintenance

Contract Reference Number

Specify the contract reference number. The adjoining option list displays all contract numbers for which a value is maintained for the UDF 'Lereta Reference Number'. You can select the appropriate one.

Property Code

Specify the property code (tax service modifier).

The combination of 'Contract Reference Number' and 'Property Code' form a unique record for a property.

Address/Location**Property Name**

Specify the property name.

Property Type

Select the type of property from the adjoining drop-down list. This list displays the following values:

- Non-Commercial Property
- Commercial Property

Street Number 1

Specify the street number.

Street Number 2

Specify the street number.

Street Name 1

Specify the street name.

Street Name 2

Specify the street name.

Village

Specify the name of the village in which the property is located.

County

Select the county code from the adjoining option list. This list displays data maintained for Field Type 'CNTY' in the 'Static Maintenance' screen. You can select the appropriate one.

State

Select the state code from the adjoining option list. This list displays data maintained for Field Type 'STAT' in the 'Static Maintenance' screen. You can select the appropriate one.

City

Specify the city in which the property is located.

ZIP

Specify the ZIP code.

Management**Property Manager**

Specify the name of the property manager.

Management Percent Fee

Specify the percentage of fee given to the management.

Management Contact on Site

Check this box to indicate that the management had contacted on site for review.

General**Measured In**

Select the unit in which the property is measured, from the adjoining drop-down list. This list displays the following values:

- Units and Sq. Feet
- Sq. Feet
- Units

Gross SQ Feet

Specify the gross square feet of the property.

Primary Desc

Select the primary description of the property from the adjoining option list. This list displays the description maintained for the Field Type 'DESC' in the 'Static Maintenance' screen. You can select the appropriate one.

Secondary Desc

Specify a brief secondary description of the property.

Overall Condition

Specify the overall condition of the property.

Overall Rating

Specify the overall rating for the property.

Loan Allocation

Specify the loan allocation status for the property.

Common N.R.A

Specify the common N.R.A.

Resident N.R.A

Specify the resident N.R.A.

LIEN Position

Specify the LIEN position of the property.

Lease Hold

Check this box to indicate that that the property is on a lease agreement.

By default, this box is checked.

Owner Occupied

Check this box to indicate that the property is occupied by the owner. By default, this box is checked.

Rent Control

Check this box to indicate that the property is a normal rented property. By default, this box is checked.

Photo on File

Check this box to indicate that the photo of the property is attached in the file.

By default, this box is checked.

Building Information**Building Type**

Select the type of building from the adjoining drop-down list. This list displays the following values:

- New
- Existing

- Rehab

Acquisition Cost

Specify the acquisition cost.

Fuel Type

Specify the fuel type.

Date of Construction

Specify the date of construction. Alternatively, you can also select the date from the adjoining calendar button.

Date of Acquisition

Specify the date of acquisition. Alternatively, you can also select the date from the adjoining calendar button.

Last Renovation Date

Specify the last renovation date. Alternatively, you can also select the date from the adjoining calendar button.

No. of Stories

Specify the number of stories in the building.

No. of Elevators

Specify the number of elevators in the building.

Construction Type

Specify the construction type.

Heat Type

Specify the heat type.

Elevator Type

Specify the elevator type.

Air Conditioned

Check this box to indicate that the property is air conditioned.

Maker Id	Maker Dt Stamp	Checker Id	Checker Dt Stamp	Mod No	Authorized	Open
TEST08	10/01/2005	TEST09	10/01/2005	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

You can maintain the following details in this screen:

Named Agent

Select an appropriate named agent from the adjoining option list.

Named Agent Name

System displays the customer name of the customer you have selected as the named agent.

Email Address

Specify the path of the e-mail logo of the named agent.

If the 'Email logo path' is not maintained for the named agent, then system will not attach any logo in the outgoing e-mail messages.



Note the following:

- This logo will be attached in all outgoing e-mail messages for the participant/borrower associated with the named agent tranche/drawdown in the private label branch.

Fax Logo Path

Specify the path of the logo for the named agent. This logo will be attached in all outgoing automatic / free format fax messages for the participant/borrower associated with the named agent tranche/drawdown in Private label branch.

Expense Code

System defaults the expense code. However, you can amend the expense code/proof code.



Note the following:

- Amendment of expense code will not be allowed in the named agent maintenance, if the named agent is associated with any active tranche.
- You must ensure that only one expense code is created under private label branch for all the named agents. System will not perform any validation for multiple expense codes maintained under the private label branch.

Proof Code

System defaults the proof code. However, you can amend the expense code/proof code.



Note the following:

- Amendment of expense code/proof code will not be allowed in the named agent maintenance, if the named agent is associated with any active tranche.
- You must ensure that only one proof code is created under private label branch for all the named agents. System will not perform any validation for multiple proof codes maintained under the private label branch.

MEI Code

System displays the MEI code UDF value maintained in the Customer Maintenance screen in this field. If no MEI code is maintained for the customer, then system will not display any value.



System will not allow you to close the named agent maintenance, if any active tranches are associated with the named agent.

3.23.1 Maintaining Advice Format for Named Agents

3.23.1.1 Maintaining Templates for Automatic Messages

The UDF 'Named Agent' will be added in 'Format File Maintenance' screen to facilitate automatic messages.

The Named Agent option list of the UDF will display all the valid named agents from 'Named Agent Maintenance' screen. You can select an appropriate named agent while maintaining advice formats for a named agent.

If you amend an UDF, the amendment will be applicable only for the subsequent messages that are generated; existing messages will not be impacted.

After maintaining the details in the Format File Maintenance screen, all required message types and its related formats should be maintained for the named agent in the 'Customer Address Maintenance' screen

The 'Customer Address Maintenance' screen lists the message types and its formats for the specific named agent (formats maintained with Named Agent UDF value as the customer number), if the customer number is a named agent

If the customer is not a named agent, then system will display the message types and its formats maintained in system that are not associated with the named agents (formats maintained with Named Agent UDF value as blank).

3.23.1.2 Maintaining Templates for Free Format Messages

A new set of free format message templates should be maintained in the 'Message Format Template Maintenance' screen to generate free format messages for the tranches/drawdowns associated with the named agents

The UDF field 'Named Agent' is added in the 'Message Format Template Maintenance' screen to facilitate templates for free format messages.

The 'Named Agent' option list will display all the valid named agents from the 'Named agent Maintenance' screen and you need to select an appropriate named agent while maintaining advice formats for a named agent.

3.23.2 Generating Messages for Named Agents

During automatic or free format advice generation for tranche and drawdown, system picks up the correct advice formats for private label contracts. Private label templates will be used for Sub-agented contracts while generating the advices.

3.23.2.1 Generating Automatic Advices

While generating participant/borrower advices, system derives the appropriate advice format as detailed below:

- System validates if the tranche belongs to " agented" or " Sub-agented"
- If the named agent at tranche level is not blank, then the tranche is considered as " sub-agented", else the tranche is considered as agented
- If a tranche is sub-agented, then system derives the advice name associated with the tranche or drawdown product
- System will search for an appropriate format maintained for the combination of advice name and the named agent associated with the tranche/drawdown, in customer address maintenance.
- If a matching message type is found, then system will get the appropriate format in format file maintenance and message generation will be done accordingly
- If system fails to find the message type in customer address maintenance, then message generation will fail with message status as 'Repair', and with the exception 'Message format not found'
- If system fails to find the format in format file maintenance, then the message generation fails with message status as 'Repair' with the exception 'Message format not found'
- There should be only one advice format maintained for the combination of message type and named agent. System will not perform any validation for this.
- If you maintain more than one advice format for the combination of message type and named agent, system will pick up the first format maintained and generate the advice
- If the tranche is agented then advice is automatically generated. However, the Named agent must be blank for agented contracts in the tranche online as well as in format file maintenance screens.

3.23.2.2 Generating Free Format Messages

While generating free format messages for participant or borrower under 'LS/LD Free format Messages':

- If the borrower or participant is associated with a sub agent tranche, then system will list out the templates maintained for the named agent associated with the tranche
- If the borrower or participant is associated with the agented tranche, then system will list out all the templates that are maintained with the named agent UDF value as blank

3.23.2.3 Processing FpML Messages

The branch MEI code is replaced with the named agent MEI code for the outgoing FpML messages generated for private label branch or Named Agents.

Branch description is replaced with the named agent name in the 'PartyName' tag for agents in the outgoing FpML messages generated for private label branch.

3.23.3 Paying Agent Settlement Instructions

You can provide the instructions for settlement for a paying Agent in the 'Paying Agent Settlement Instructions' screen. To invoke this screen from the Application Browser, select **LS Maintenance** and the **Paying Agent Settlement Instruction** and **Detailed** option under it.,

	Name	Value
Instruction 1		
Instruction 2		
Instruction 3		
Instruction 4		
Instruction 5		
Instruction 6		
Instruction 7		
Instruction 8		
Instruction 9		
Instruction 10		

Maker Id: SAMPLE12 Maker Dt Stamp: 24-AUG-2012 05:57:32 Checker Id: Checker Dt Stamp: Open Authorized

Specify the following details:

Paying Agent

Select the paying agent from the adjacent list of options for maintaining settlement instructions. The LOV list all the paying agents maintained in the 'Static Maintenance' screen.



Each instruction allows you to capture field the name and values for settlement instructions.

Below operations are allowed in the above screen:

- New
- Save
- Authorize
- Unlock
- Delete - only before authorization of record.
- Open
- Close

4. Defining Products for Loan Syndication

4.1 Introduction

This chapter discusses the manner in which you can define attributes specific to products which are to be used to process loan syndication contracts, whether on the borrower side or the participant side.

A product is a specific service, scheme or utility that you make available to customers of your bank. For instance, the facility of a syndication contract between your bank and other banks or financial institutions, for the purpose of pooling funds to disburse loans is a specific service you could offer. This service can be thought of as a product.

Similarly, the facility of availing loans through a drawdown, from any of the tranches under the syndication, is another specific service that you offer to customers. This could also be thought of as a product.

4.1.1 Product Type

The first attribute of a product is the Product Type, which categorizes the product. It also indicates its nature and the kind of contracts that could be entered against the product. For instance, a borrowing line commitment contract would be entered against a borrowing line type of product.

4.1.2 Contracts

A contract is a specific agreement or transaction entered into between two or more entities. A customer who approaches your bank to avail of any of the services offered by your bank enters into a contract with your bank. In the case of a borrower facility contract, the entities involved in a contract are the borrowing customer and the participants for any tranche of the agreement. Similarly, any specific loans (drawdowns) disbursed by your bank under a tranche in the borrower facility contract are also contracts.

In Oracle FLEXCUBE, a contract is entered into the system against a product. For instance, a drawdown under a tranche in a borrower facility contract is entered into the system against a borrower leg drawdown loan product.

When Oracle FLEXCUBE processes the contract, it will apply all the attributes and specifications made for the product against which the contract was entered. You can enter more than one contract against a product.

4.2 Products for Loan Syndication

Products for borrower side contracts

When you define products for the processing of borrower tranches and drawdown loans under a borrower facility contract, you would need to do so at two levels:

- Products that contain attributes and preferences by which all commitments (and the resulting drawdown loans) under borrower tranches of borrower facility contracts will be processed.

- Product with attributes and preferences for processing the main level syndication agreement (facility) contracts with the borrowers.

Products for Participant Contracts

You also need to define products containing attributes and preferences for processing participant facility, tranche or drawdown (deposit) contracts that will be created under the related borrower facility, tranche or drawdown (loan) contracts.

4.2.1 Products for Borrower Tranches and Drawdowns

At the second level, for the borrower tranche contracts under a main borrower facility contract, you will need to define a commitment type of product for the borrowing customer.

The commitment contract for the borrower at tranche level is processed in the same manner as a normal commitment contract in Oracle FLEXCUBE. Also, for the actual borrower drawdowns in a borrower tranche under a borrower facility contract, you would need to define a loan type of product for a loan advanced to the borrowing customer (drawdown)

The loan contract at drawdown level for the borrowing customer is processed in the same manner as normal loans in Oracle FLEXCUBE. The process in which the loan is disbursed (or the borrowing customer avails the loan principal) under a borrower facility contract depends upon many factors. The most important factor is the nature of the requirement of the borrowing customer. The other factor is the identification of the participants who would share the load of funding the borrowing.

Under a syndication contract, the borrower may need to avail the loan principal in many tranches. Under each tranche, the borrower may avail the total tranche amount through a specified number of drawdown loans.

The deployment of the total syndication amount in as many tranches is done according to the requirement of the borrower. Similarly, the deployment of the tranche amount, in a specified number of drawdown loans is also decided by the requirement of the borrower. Each tranche amount as well as each drawdown loan may have different processing attributes with regard to components such as interest, fees, tax applicable and so on, and these attributes would be arranged to suit the borrower's requirement.

Accordingly, you will need to define borrower tranche products with specific attributes to process borrower tranche contracts with specific requirements. Similarly, you will need to define borrower drawdown products with specific attributes to process borrower drawdown loans with specific requirements. Consider the example given below:

Example

Facility Product

One of your customers, Mrs. Catherine Crenshaw, has approached you for a loan of 100000 USD and entered into a syndication contract with your bank. The agreement is booked on 1st June 2000, and the end date, by which all components of the borrowed amount will be repaid, to be 1st June 2001.

For the purpose of processing the syndication contract, you can create a facility product. Let us assume you have created a facility product SYN1 for this purpose, and you have entered the agreement as a contract under it.

Tranche Products

Mrs. Crenshaw proposes to avail the total loan principal in the following manner:

- Total syndicated loan principal: 100000 USD, in two tranches, with a total tenor of six months
- Portion of loan desired in the first tranche: 50000 USD
- Portion of loan desired in the next tranche: 50000 USD

To meet the borrowing requirement of the first tranche, your bank has identified the Far East Bank of Commerce and Gold Crest Bank to create a pool of funds to disburse the tranche amount. This arrangement forms the first tranche under the syndication contract.

You will need to define products for the tranche contracts of the borrower, and commitments for the two participants. You will need to define products with the specific attributes required for each tranche.

For instance, for the tranches, you would need to create products for the tranche contracts. You could create the following products:

- BSFT, for tranche borrower commitment contracts
- PSFT, for tranche borrowing line participant contracts. These products could have similar attributes as the product BSFT

To meet the borrowing requirement of the second tranche, your bank has again approached the Far East Bank of Commerce and Gold Crest Bank to create a pool of funds to disburse the tranche amount. This arrangement forms the second tranche under the syndication contract.

Drawdown Products

Let us suppose that Mrs. Crenshaw proposes to avail the actual drawdown loans from each tranche in the following pattern:

Tranche One

- 15000 USD on 30th June
- 20000 USD on 31st July
- 15000 USD on 31st August

Tranche Two

- 20000 USD on 30th September
- 20000 USD on 31st October
- 1000 USD on 30th November

You will need to define products for the drawdown loan contracts of the borrower and the participants of the tranche, and deposit contracts for the two participants. You will need to define products with the specific attributes required for each drawdown loan.

For instance, for drawdown loans under the tranches, you would need to create the following products:

- BDFT, for drawdown borrower loan contracts
- PDFT, for drawdown participant deposit contracts. These products can have similar attributes as BDFT

This pattern of product definition will enable your bank to process the different types of contracts under the facility contract with Mrs. Crenshaw.

4.2.2 Borrower Facility Product

At the first level, you must define a borrower facility product for borrower facility contracts. The example given below will illustrate this.

Example

Your bank has decided to make available the facility of entering into a loan syndication contract with customers. You can define a product for this facility. Let us assume that the product you define has been given the code SYN1. Now, any syndication facility contracts that are entered into by your bank with any borrowing customer can be processed against this product.

You can define more than one syndication facility product. For instance, you can define a general syndication product, and a special syndication product.

Let us suppose that you have entered into a syndication contract with one of your customers, Mr. John Baldwin. After identifying the participants for a tranche under this contract, you want the participants in a tranche to fulfill their commitments five days in advance, before each drawdown schedule under the tranche falls due. You could define a general syndication facility product to enter a contract of this nature, specifying the required number of notice days as five.

Your bank has also entered into an agreement with one of your corporate customers, Equinox Consultants. Let us suppose that, for this contract you do not need to notify the participants in advance of a schedule. You could define a special syndication facility product to enter agreements of this nature, with the number of notice days as zero.

4.3 Creating a Borrower Tranche/Drawdown Product

When you define a borrower facility product, you must specify the corresponding borrower tranche and drawdown products to be used for borrower tranche or drawdown contracts that will be processed under the parent borrower facility contract that uses the borrower facility product.

You must also specify the participant product that will be used to process participant contracts that will be created from borrower facility contracts that use the borrower facility product.

Therefore, it becomes necessary for you to create participant products and borrower tranche and drawdown products before creating borrower facility products.

To create a borrower tranche or drawdown loan you can specify the basic details such as the Product Code, Group, Description, and so on in the 'Loans Syndication – Borrower Product Definition' screen. To invoke this screen, click on **LS Maintenance** in the Application Browser, and then click on the option **Detailed** under **Borrower Product Definition**.

Input By	Date Time	Auth By	Date Time	Mdb No	Open	Authorised
KAMTHA01	28/12/2004 19:05:34	KAMTHA02	28/12/2004 19:19:37	40	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

For any product you create in Oracle FLEXCUBE, you can define generic attributes, such as branch, currency, and customer restrictions, interest details, etc., by clicking on the appropriate icon in the horizontal array of icons in this screen.

The icons provided in the screen are used for the following purposes:

Icons	Description
	Defining Accounting Roles and Heads for a product
	Defining Events and for maintaining Accounting Entries and Advices for each event
	Maintaining a list of allowed/disallowed branches and currencies for a product
	Maintaining a list of allowed/disallowed customer categories for a product
	Maintaining attributes specific to a product
	Maintaining MIS details
	Maintaining Interest details for a product
	Maintaining Charge details for a product

Icons	Description
	Defining Accounting Roles and Heads for a product
	Specifying fee details
	Specifying discount accrual preferences
	Making User Defined Fields (UDFs) applicable to a product
	Associating diary events with the product
	Associating party types with the product

 Only the specifications exclusive to the Tranche/Drawdown product is explained in this chapter.

For information on the generic attributes of a product, refer the following Oracle FLEXCUBE User Manuals:

- Products
- MIS
- Interest
- Charges and Fees
- Tax
- User Defined Fields and
- Settlements

For a borrower tranche/drawdown product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this section.

4.3.1.1 Defining the Borrower Product Type

You can define the generic attributes specific to a borrower tranche/drawdown product in the 'Loans Syndication – Borrower Product Definition' screen.

Type

The product type is the first attribute that you specify for a borrower tranche or drawdown product. It indicates the category under which the product can be placed, and the type of contract that will be processed against the product.

Each borrower product that you define could be placed under any of the following categories:

- Drawdown: To process the actual borrower drawdowns under a borrower tranche, you need to select the drawdown type of product
- Tranche: For processing a tranche under a facility contract, you need to define a tranche type of product

4.3.2 Specifying Preferences for Tranche/ Drawdown Products

Preferences are options that you can use to define specific attributes for a product, which will be applied automatically to contracts that are entered and processed against the product.

You set up preferences for a borrower tranche/drawdown product in the Loans Syndication –

Borrower Product Preferences screen. Invoke this screen by clicking  in the 'Loans Syndication – Borrower Product Definition' screen.

You set up the general preferences for a borrower tranche or drawdown product in the 'Loans Syndication – Borrower Product Preferences' screen in the same manner as you would for a normal commitment product or loans, depending upon the product type you have specified in the 'Loans Syndication – Borrower Product Definition' screen.

*Refer the **Loans User Manual** for a detailed description.*

In this section, we will only discuss those preferences that you will need to set specifically for borrower tranche or drawdown products under a borrower facility contract. Such preferences include the revaluation details, which you can specify in the main LS Product – Preferences screen, and also those pertaining specifically to loan syndication, which you can specify in the 'Additional Preferences for LS' screen.



To indicate Forward Processing is applicable to the borrower tranche or drawdown product during the events INIT and LIQD, select the option 'Semi-Auto' against the fields 'Initiation Mode' and 'Liquidation Mode', respectively. The system will process the two events before the scheduled date, but will hold messages till the spot date or value date. The messages will be held in the Forward Processing Queue.

For details on Forward Processing, refer to the heading titled 'Capturing Forward Event processing details' in the chapter 'Reference Information for Loan Syndication'.

Notice Days

You can indicate whether the notice days applicable for borrower drawdown contracts using the product must be defaulted from the product preferences, or from the parent tranche or facility contract.

The notice days refers to the number of days before a schedule payment date, a payment notice is to be sent to the borrowing customer, for the borrower drawdown contract. This would apply to ad-hoc fee, interest and principal schedules, defined for the contract.

4.3.2.1 Specifying Details for Drawdown Revaluation

Oracle FLEXCUBE facilitates periodic revaluation of drawdowns if the drawdown currency is different from the tranche currency. The revaluation preferences you maintain as part of additional product preferences defaults here.

For details on revaluation preferences, refer the heading titled 'Specifying revaluation preferences for drawdown products' in this chapter.

4.3.2.2 Specifying LC Fee Details

Oracle FLEXCUBE gives you the option to define LC type of drawdown products. You have to specify the following to define such a product:

LC Drawdown

You have to check this option to create an LC type of drawdown product. All drawdowns processed using the product will be referred to as an LC Drawdown.

This attribute will default to all drawdowns processed under the product. You cannot change this specification at the contract level.

LC Type

If you are defining a LC type of drawdown product, you have to specify the type of LC also. Select a type from the following available options:

- Standby LC
- Commercial LC



You can select the type of LC only if you have checked the 'LC Drawdown' option. The type you select for the product will default to all drawdowns processed with the product. However, you may change the LC type at the drawdown level, if required.

4.3.2.3 Specifying Other Preferences

Prime Loan

Oracle FLEXCUBE enables you to pay the interest applicable on the principal. This is applicable only if you select the 'Prime Loan' check box. You also need to select the 'Liquidate Interest on Prepayment' check box at the contract level (in the 'Drawdown Contract Online' screen) to liquidate the interest component.



If you do not check the 'Liquidate Interest on Prepayment' check box at the contract level, the system treats the prepayment against a Prime Loan as normal prepayment, where the principal alone is liquidated even if the interest schedules are due or overdue.

You can pay the interest component along with the principal either on the frequency-based schedule or at the time of principal prepayment. In case of the latter, interest is calculated only on the principal prepaid. On checking the 'Prime Loan' check box, Oracle FLEXCUBE will allow you to define only a bullet schedule for the principal component.



At the time of amendment of the product, you cannot change the value of the 'Prime Loan' check box.

Assignment Validations Applicable

Check this box if the assignment validations are applicable at the product level.

If this field is unchecked, then you cannot amend this field at the contract level.



Based on the product level selected, the system will default this field to the Tranche online.

Suppress Advices

Check this box to indicate advices should be suppressed for all contracts booked under this product (say for example, an LC product). If you check this box for a drawdown product, all the advices will be suppressed for contracts booked under the drawdown product. The advices being generated for the tranche contract will also be suppressed for such drawdowns.



For those products for which you have checked the box 'Suppress Advice':

- You will have to maintain settlements through internal GLs
- Forward processing will not be applicable

Int/Fee Distribution

You can indicate the method in which the interest and fee components have to be distributed among the participants when an assignment is executed before the liquidation date.

- Lender of Actuals – if you select this option, Interest and fee liquidation schedules are distributed among the participants based on the old participant ratio for the period before the Participant Ratio Amendment Date (PRAM Value Date) and the new ratio for the period after the PRAM value date.
- Lender of Records - If you select this option, the Interest and fee liquidation components are distributed among the participants based on the ratio existing at the time of liquidation.



This option is applicable to both fee and interest components.

Sighting Funds Applicable

Check this field to indicate that sighting funds is applicable for the Borrower drawdown product.



Compensatory component is not available for schedule definition. The Main interest component schedules are internally considered for the Compensatory component.

Floor/Ceiling Restricted to Base Rate

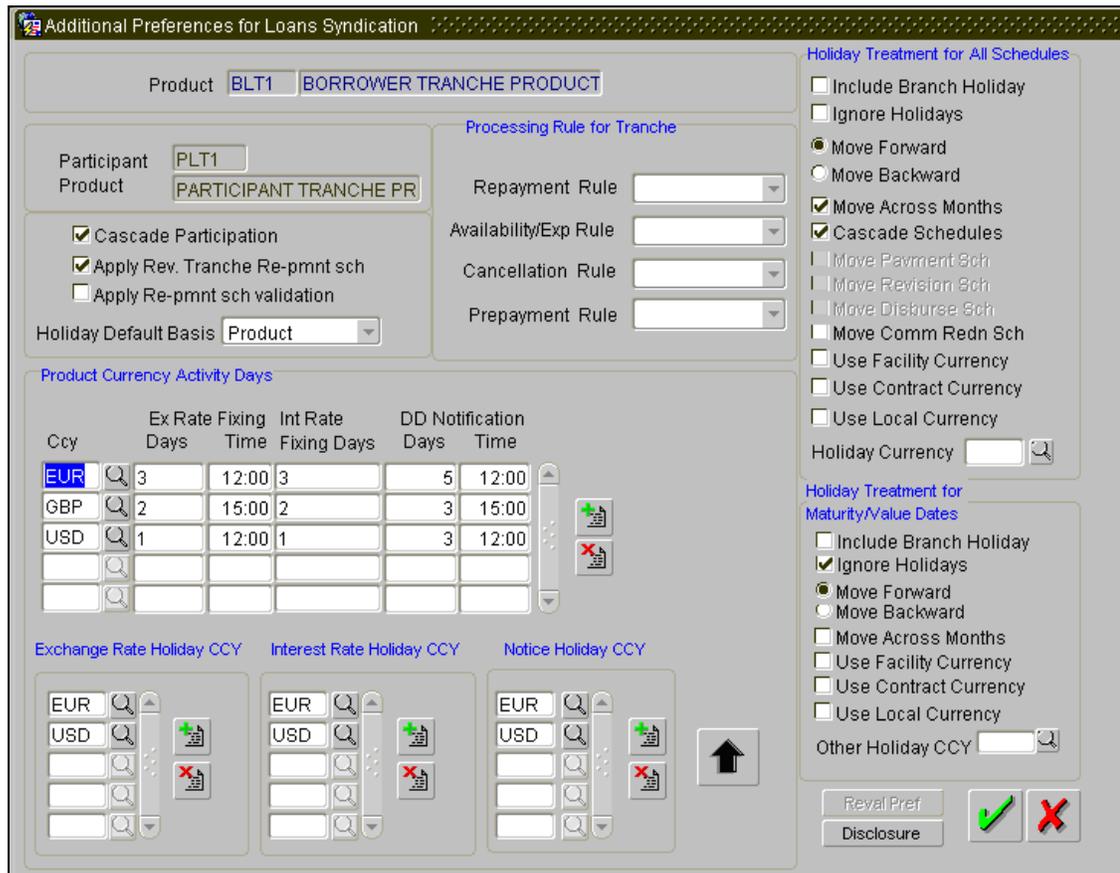
Check this box if you want to maintain floor and ceiling only for base rate.

Media Priority

Check this box to indicate that the media priority is required for the Borrower drawdown product.

4.3.2.4 Specifying Additional Preferences for Loan Syndication

You can specify the following additional details regarding syndication, for borrower tranche or drawdown products, in the 'Additional Preferences for LS' screen, which you can invoke by clicking the  button in the 'LS Product – Preferences' screen:



Ccy	Ex Rate Days	Fixing Time	Int Rate Fixing Days	DD Notification Days	Time
EUR	3	12:00	3	5	12:00
GBP	2	15:00	2	3	15:00
USD	1	12:00	1	3	12:00

Capture the following information in this screen:

Participant Product

For a borrower tranche product, the corresponding participant product to be used for participant borrowing line contracts that will be created under the borrower tranche contracts that use the product will be displayed in this screen. The linkage is established when you define the participant product.

For a borrower drawdown product, the corresponding participant drawdown to be used for participant drawdown contracts that will be created under the borrower drawdown contracts that use the product will be displayed in this screen. The linkage is established when you define the participant product.

Cascading Participation

For a borrower tranche product, you can indicate whether any changes to participants in respect of a borrower tranche contract that uses the product, must be propagated to all related active drawdown contracts.

For a borrower drawdown product, you can specify that the participants should be propagated to the contract using the product, by checking the box 'Cascade Participation'. The preference you specify for the product can be changed at the contract level.

Apply Rev. Tranche Re-prmnt sch

Check this box to indicate that prepayment on the tranche repayment schedule is applicable for revolving tranches. If this box is checked, then system enables the 'Tranche Schedules' button in the 'Tranche Online' screen for revolving tranches. If you check this box for a tranche product having active tranches, then you should define the tranche repayment schedules manually for underlying active tranche contracts



Note the following:

- By default, this box is unchecked. You can modify this box only after authorization of the tranche product definition.
- This box is applicable only for the tranche product.

Apply Re-prmnt validation

Check this box to indicate that system should validate sum of processed and unprocessed repayment schedule amounts against the transfer availability of the tranche. In addition to this, the following validations are also applicable for the tranche product:

- For revolving tranches, the tranche repayment schedules should be maintained based on the global amount.
- Future schedules should be redefined in case of value dated amendment of revolving tranches for principal amount/maturity date.

By default, this box is unchecked. You can modify this box only after product maintenance is authorized.

Holiday Default Basis

For a borrower product, you can indicate whether the holiday treatment (for schedule dates and maturity date) applicable to tranche or drawdown contracts using the product must be defaulted from the parent borrower facility product; or from the borrower tranche or drawdown product.

In the Holiday Default Basis field, select 'Facility' to indicate that the holiday treatment specified in the borrower facility product is applicable, or select 'Product' to indicate that the holiday treatment from the borrower tranche or drawdown product is applicable.

4.3.2.5 Specifying the Processing Rule for Tranche

You have to specify the processing rule for the following:

Repayment Rule

Select the repayment rule for the tranche product. You have the following options:

- FIFO
- LIFO
- PRORATA

You can change this preference for the contract.

Availability / Exp Rule

Select the expiry rule for the tranche product. You have the following options:

- FIFO
- LIFO
- PRORATA

You can change this preference for the contract.

Cancellation Rule

Select the expiry rule for the tranche product. You have the following options:

- FIFO
- LIFO
- PRORATA

You can change this preference for the contract.

Prepayment Rule

Select the expiry rule for the tranche product. You have the following options:

- FIFO
- LIFO
- PRORATA

You can change this preference for the contract.

4.3.2.6 Specifying the Product Currency Activity Days

Ccy

Select the currency for which you are defining preferences.

Exchange Rate Fixing Days and Time

For borrower tranche products, you can specify the number of days before the drawdown date (defined in the drawdown schedule), the exchange rate must be fixed, for contracts wherein the drawdown currency is different from tranche currency.

Indicating Interest Rate Fixing Days

For borrower tranche products, you can specify the number of days before the drawdown date (defined in the drawdown schedule), the interest rate must be fixed. You can specify the applicable number of days for each required currency.

DD Notification Days and Time

For borrower tranche products, you can specify the number of days before the drawdown date that the customer needs to inform the bank of a new drawdown or reset of interest rate.

Exchange Rate Holiday Currency

The holiday preferences of the currency you select here will be applied to calculate the exchange rate fixing days or date.

Interest Rate Holiday Currency

The holiday preferences of the currency you select here will be applied to calculate the interest rate fixing days or date.

Notice Holiday Currency

The holiday preferences of the currency you select here will be applied to calculate the notice rate fixing days or date.

4.3.2.7 Specifying Holiday Preferences for All Schedules

Schedule dates for a contract could fall on holidays defined for your branch or on holidays defined for the currency of the contract. In the Product Preferences, you can specify whether the system should check for schedule dates falling on holidays, and how such schedule dates must be handled. These specifications would default to any borrower facility contract using the product, and also to underlying borrower tranche or drawdown contracts that are opened under the facility contract.



You can change the holiday parameters for schedules through amendment at tranche/drawdown contract online screens, if required. You can specify that:

- Holidays must be ignored
- Checks must be made for schedule dates falling on holidays

If you specify that checks must be made, you can also specify the corresponding treatment for schedule dates falling on holidays.

4.3.2.8 Holiday Treatment Type

The Holiday Treatment Type is the parameter that defines how the system checks for schedule dates falling on holidays. You can specify one of the following options:

Include Branch Holiday

Select this option to indicate that you want the system to check whether a schedule date falls on a local holiday defined for the branch. You will not be able to specify a check for currency holidays, if you choose this option.

The system checks the holiday table for your branch. If it encounters a contract entered in your branch, with a schedule date falling on a branch holiday, the holiday is handled according to the holiday-handling preferences you specify.

Use Facility Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the currency of the facility (borrower) contract, if this currency is different from the holiday currency you have indicated.

Use Local Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the local currency, if this currency is different from the holiday currency, facility currency and contract currency you have indicated.

Holiday Ccy

If the system must check whether the schedule date falls on a holiday defined for the currency of the contract, you must specify the code of the holiday currency.

Further, you have the following options to specify the specific currency for which the check must be done:

- Facility Currency
- Local Currency

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a schedule date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

4.3.2.9 Holiday-handling Preferences for Schedule Dates

If you have specified that the system check for schedule dates falling on holidays, you must also specify the treatment for schedule dates encountered by the system that do fall on holidays. The following preferences can be set:

Moving the Schedule Date Backward or Forward

You can indicate whether the schedule date falling on a holiday must be moved forward to the next working day, or backward to the previous one.

Moving Across Months

If you have indicated either forward or backward movement, and the moved schedule date crosses over into a different month, you can indicate whether such movement is allowable; it will be allowable only if you indicate so in the 'Move Across Months' field.

Cascading Schedules

If one schedule has been moved backward or forward in view of a holiday, cascading schedules would mean that the other schedules are accordingly shifted. If you do not want to cascade schedules, then only the schedule falling on a holiday is shifted, as specified, and the others remain as they were.

4.3.2.10 Holiday Processing on Commitment Reduction Schedules

Check the option 'Move Comm Redn Sch' to indicate the holiday processing rule should be applied on commitment schedules. This will be applicable only to tranche products.

4.3.2.11 Holiday Processing on Repayment Schedules

Check the option 'Move Payment Sch' to indicate the holiday processing rule should be applied on repayment schedules. This will be applicable only to drawdown products.

4.3.2.12 Holiday Processing on Interest Rate Revision Schedules

Check the option 'Move Revision Sch' to indicate the holiday processing rule should be applied interest rate revision schedules. This will be applicable only to drawdown products.

4.3.2.13 Specifying Holiday Preferences for Maturity and Value Dates

The maturity date for a contract could fall on holidays defined for your branch. In the Product Preferences, you can specify whether the system should check for maturity dates falling on holidays, and how such dates must be handled. These specifications would default to any borrower facility contract using the product, and also to underlying borrower tranche or drawdown contracts that are opened under the facility contract. You can specify that:

- Holidays must be ignored OR
- The maturity date falling on a holiday must be moved according to the holiday-handling preferences that you specify

4.3.2.14 Holiday Treatment Type

The Holiday Treatment Type is the parameter that defines how the system checks for maturity dates falling on holidays. You can specify one of the following options:

Include Branch Holiday

Select this option to indicate that you want the system to check whether a maturity date falls on a local holiday defined for the branch. You will not be able to specify a check for currency holidays, if you choose this option.

The system checks the holiday table for your branch. If it encounters a contract entered in your branch, with a maturity date falling on a branch holiday, the holiday is handled according to the holiday-handling preferences you specify.

Use Facility Currency

If you choose this option, the system checks whether the maturity date falls on a holiday defined for the currency of the facility (borrower) contract, if this currency is different from the holiday currency you have indicated.

Use Local Currency

If you choose this option, the system checks whether the maturity date falls on a holiday defined for the local currency, if this currency is different from the holiday currency, facility currency and contract currency you have indicated.

Holiday Ccy

If the system must check whether the maturity date falls on a holiday defined for the currency of the contract, you must specify the code of the holiday currency. Further, you have the following options to specify the specific currency for which the check must be done:

- Facility Currency
- Local Currency

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a maturity date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

4.3.2.15 Holiday-handling Preferences for Maturity Dates

If you have specified that the system check for maturity dates falling on holidays, you must also specify the treatment for maturity dates encountered by the system that do fall on holidays.

The following preferences can be set:

Moving the Maturity Date Backward or Forward

You can indicate whether the maturity date falling on a holiday must be moved forward to the next working day, or backward to the previous one.

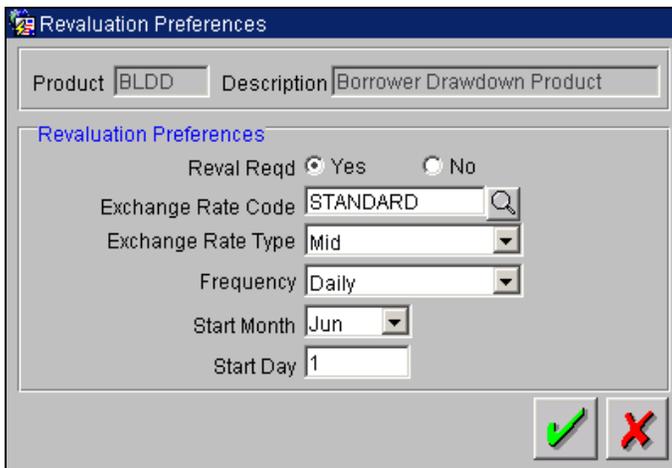
Moving across months

If you have indicated either forward or backward movement, and the moved maturity date crosses over into a different month, you can indicate whether such movement is allowable; it will be allowable only if you indicate so in the 'Move Across Months' field.

4.3.2.16 Specifying Revaluation Preferences for Drawdown Products

Oracle FLEXCUBE facilitates periodic revaluation of drawdowns based on the preferences you maintain here and this will be applicable only if the drawdown currency is different from the tranche currency. The new exchange rate, post revaluation, will be used to convert the transaction amount from the drawdown currency into its equivalent in the tranche currency.

You can specify revaluation preferences in the 'Revaluation Preferences' screen. To access this screen, click  button in the 'Additional Preferences for Loans Syndication' screen.



The product code and description is displayed in this screen. You can specify the following revaluation preferences:

Reval Reqd

By default, revaluation is applicable for a drawdown product and the option 'Yes' is selected. In this case, you have to specify the following additional preferences as mandatory information:

Exchange Rate Code

You must select the code for the exchange rate that must be used to convert the drawdown amount from the drawdown currency to its equivalent in the tranche currency. The option list displays the rate codes maintained in the 'Currency Rates Maintenance' screen.

By default, the rate code you select here will be applicable to all drawdowns. At the time of capturing drawdown details, if the drawdown currency is different from the tranche currency and the default 'Exchange Rate Code' is not maintained for the currency pair involved, system will display an error message.

Exchange Rate Type

You must also specify the type of exchange rate that must be used to convert the drawdown amount from the drawdown currency to the tranche currency. The options available are:

- Buy
- Mid
- Sell

On the revaluation schedule dates, arrived at abased on the Frequency, Start Month and Start Day, Oracle FLEXCUBE will pick up the exchange rate defined for the selected 'Exchange Rate Code' and 'Exchange Rate Type' combination, corresponding to the currency pair involved in the conversion, to convert the amount in the drawdown currency into its equivalent in the tranche currency.

Frequency

This refers to the frequency or periodicity of revaluation. The options available are:

- Daily
- Monthly
- Half-Yearly
- Quarterly
- Yearly

Start Month and Start Day

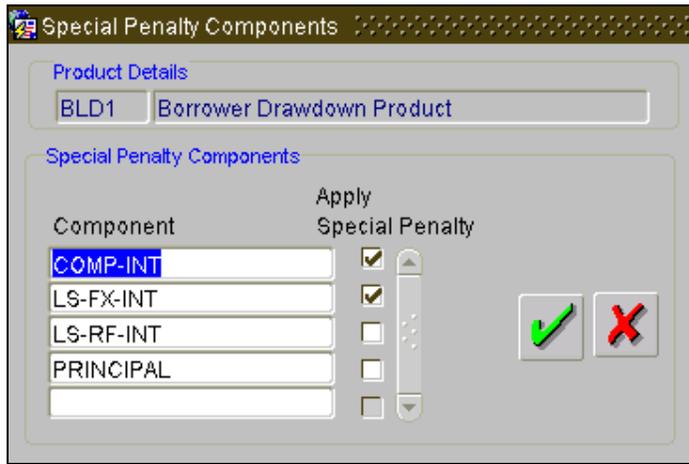
For the frequency you select, you must also specify the month and the date for commencing the revaluation process.

 If Reval Required is 'Yes' for the drawdown product, the same will default to all drawdowns processed with the product. You can, however, change the preferences at individual drawdown levels. But, if 'Reval Required' is 'No' for the product, you cannot change it to 'Yes' at the drawdown level and revaluation will not be applicable for cross currency drawdowns.

For details on specifying revaluation preferences for a drawdown, refer the heading titled 'Capturing details in the 'CONTRACT' tab' in the 'Loan Syndication Contracts' chapter of this User Manual.

4.3.2.17 Specifying the Special Penalty Components

You can select components to which late payment charges are applicable using the 'Special Penalty Components' screen. To invoke this screen, click the  button in 'Loans and Deposits – Product Preferences' screen.



Specify the following details:

Product Details

System displays the product code and a brief description of the product.

Component

By default, system displays all components defined in the 'Interest' screen for the loan product. For commitment products, system defaults all components defined in the 'Interest' and 'Fee' screens (with exception of the generic component 'PRINCIPAL'). However, you can specify the components and check the 'Apply Special Penalty' box for which late payment charges are applicable.

You can amend the components list for a product by unlocking the product maintenance. This amendment does not impact the list of late payment charge components defined for existing contracts under this product. The change will also not impact late payment charges already calculated based on the list of components defined at contract level.

While calculating the basis amount for late payment charges, system does not consider the excluded components even if they remain unpaid after expiry of grace period.

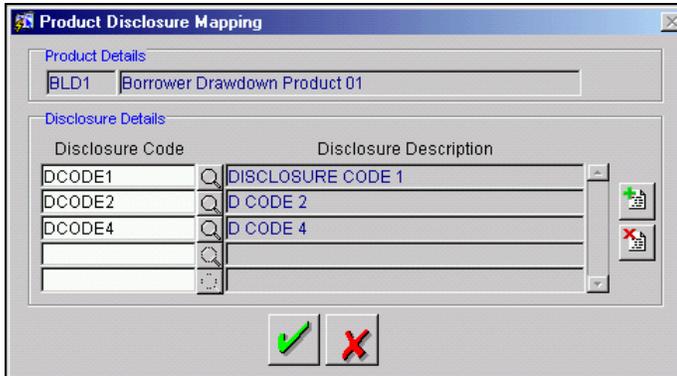
If you recalculate the already calculated late payment charges due to back value dated change of interest rate or principal, then during recalculation system considers the latest late payment charge components at the contract level. Therefore, the late payment charges are recalculated considering the changed rate but not the changed list of components at the product level.

Apply Special Penalty

Check this box to indicate that system should apply special charges to the penalty component.

4.3.3 Mapping the Disclosure Code to a Product

Once you have defined the disclosure codes, you can specify the codes applicable to each product using the 'Product Disclosure Mapping' screen. To access this screen, click  button in the 'Additional Preferences to Loan Syndication' screen.



On invoking this screen, system displays the product details. If you have opened the above screen from a drawdown, system will display details of the drawdown product.

Disclosure Code

You can select the disclosure code that you want to map to the product from the list of values.

Disclosure Description

On selecting the disclosure code, the corresponding description is displayed. This will default from the 'Disclosure Maintenance' screen.

To add or delete a disclosure code from the list, click  or  buttons, respectively. Once you add a disclosure code, it can be associated with all future contracts booked with a product.



You can delete a disclosure code only if it is not linked to any contracts within the product.

For more information on maintaining Disclosure Codes, refer the section 'Maintaining Reporting Requirements' in the chapter titled 'Reference Information for Loan Syndication'.

4.3.4 Specifying Generic Attributes for a Tranche/Drawdown Product

After specifying all the basic details of a borrower tranche/drawdown product, you can indicate certain specific attributes for the product. Each of these attributes can be defined in the corresponding screen that you can invoke from the Tranche / Drawdown Product Definition main screen, by clicking the appropriate icons. Attributes with common characteristics are grouped together in common screens, simplifying the process of defining them.

For further information on the generic attributes that you can define for a product, please refer the following Oracle FLEXCUBE User Manuals:

- Products
- Interest
- Charges and Fees
- Tax
- User Defined Fields
- Settlements

4.3.5 Defining Interest Components for Borrower Tranche/Drawdown Products

You must indicate the applicability of interest components, for borrower contracts using the product. You can use the Interest Definition screen for this. Click  in the Tranche/Drawdown Product Definition screen to invoke the 'Interest Definition' screen.

The screenshot shows the 'Interest Definition' screen with the following sections and fields:

- Product Code** and **Product Description** (text fields)
- Default from Class** (dropdown)
- Class Code** and **Compensatory Component** (text fields)
- Checkboxes: Stop Association, Main Component, Rate Fixing Required, Propagation Req, PIK Component, SLC Component, Amortization Constant Component
- Event For Association** (text field)
- Basis Amount Tag** (text field)
- Amount Category** (text field)
- Penalty Start Date Basis** (text field)
- Accrual Required
- Rate Details** section:
 - Rate Type**: FIXED (dropdown)
 - Special Rate Type** (dropdown)
 - Fixed Rate Type**: User Input (dropdown)
 - Floating Rate Type** (dropdown)
 - Interest Computation**: Simple (dropdown)
 - Fixed Rate Code** and **Floating Rate Code** (text fields)
 - Reset Tenor** (text field)
 - Borrow Lend Ind** (dropdown)
 - Rate Calc Type** (dropdown)
 - Checkboxes: Default Waiver, Consider as Discount, Special Penalty Component, Compounding on Holidays
- Prepayment Details** section:
 - No Interest On Premature Withdrawal
 - On Prepayment
 - On Outstanding Balance
 - Reapply Interest Rate
- Billing Notice Preferences** section:
 - Billing Notice Required
 - No of Days (text field)
- Rule Id** (text field)
- Settlement Ccy** (text field)
- Original Comp** (text field)
- Allow Amendment
- Refinance Required
- Margin** table:

Seq No	Margin Component	Description	Margin Basis	Basis Amount Tag	Default Margin Rate

In this screen, you associate interest components in the same manner as you would for a normal commitment or loans product. Only information specific to the LS Module will be explained here.

Rate Fixing Required

You can fix the interest rate for a component if you check this option. The system will arrive at the Interest rate fixing date for the drawdown currency based on the Interest rate fixing days maintained at the tranche level and the holiday validation currencies specified for the drawdown currency.



Rate fixing will be applicable for an interest component with the following attributes:

- Rate Type: Fixed
- Fixed Rate type: User input

This is done through the 'Rate Fixing Details' sub-screen invoked from the 'ICCF Details' screen of the 'Drawdown Contract Online' screen.

PIK Component

This value defaults from the associated interest class. You can modify this, if required.

If you select this option, you need to specify the Rate Type as 'Fixed' and Fixed Rate Type as 'User Input'.



Note the following:

- You can link only a PIK margin component to the PIK interest component and only one PIK interest component will be allowed to be linked at the drawdown product level
- You can specify only bullet schedule for PIK interest component
- You can not select the main interest component as the PIK component
- Basis amount category can not be overdue for a PIK component

For more details on this screen, refer the heading titled 'Fixing interest rate for the drawdown' in the 'Loan Syndication Contracts' chapter of this User Manual.

Compensatory Component

Specify the name and description of the compensatory component.



Note the following:

- You are allowed to specify compensatory name and description only if 'Sighting Funds Applicable' field is checked at 'Loans Syndication – Borrower Product Preferences' screen. And this is enabled only for the main interest component.
- On specifying this, system will internally create the compensatory component by defaulting all the parameters from the main interest component except 'Propagation required' which is defaulted as 'No'. The compensatory component will be computed independently at the borrower and investor levels. Hence the 'Propagation required' is set to 'No' for this component.

- The compensatory component is available at the participant product even though 'Propagation Required' is set to No.

SLC Component

Check this field to default schedules for SLC component from the main interest component. The base rate is SLC fee rate and you can modify this rate as part of value dated amendment, if required.

The margin and spread sub components from the main interest components are defaulted to SLC component as well.



Note the following:

- SLC fee component has to be maintained as another interest component at the DD product level.
- The Final ALL In Rate for the SLC Interest component will be SLC FEE Rate + (Margin + Spread) from the Main Interest
- SLC fee component will not be settled on participant side, However it will be available to facilitate Tax amount
- For enabling 'SLC Component', it is mandatory that you have to check the field; 'Propagation Req'd' and upon checking 'SLC Component', the system disables the following fields.
 - Main component
 - Rate Fixing Req'd
 - PIK Component

Amortization Constant Component

Check this box to indicate that the component is amortization constant component.

You can check this flag only if the schedule type is 'Amortization' and user input installment flag is checked. For main interest component, this flag is checked and disabled for products with schedule type 'Amortization' and user input installment flag checked.

For Amortization Constant, along with the Main Interest component and the Principal, the below components will also be considered:

INS_COMP1 -- Insurance component (Escrow Impounding component)

TAX_COMP1 - Tax component(Escrow Impounding component)

SERVFEE – Servicer Fee – applicable only for Agency (Interest component for Servicer Fee)

ESCROW 3 – An escrow impounding component (Escrow Impounding component)

4.3.5.1 Specifying Billing Notice Preferences

You can specify the following billing preferences for the interest component in this screen:

Billing Notice Required

Check this box to indicate that you would like to send a billing notice for the interest component.

No of Days

Specify the number of days prior to the billing date that the billing notice needs to be sent.

4.3.5.2 Defining Margin Components

You can also associate margin components with an interest component here. Select the margin component from the option list which will contain margin components you have defined through the 'Margin Definition' screen. Once you select a margin component, the Description, Margin Basis and Basis Amount Tag will be displayed.

You will be allowed to enter a default margin rate if the 'Margin Basis' is 'Drawdown'.

*For details about associating interest components for a product, refer the **Interest** manual. The preferences specific to borrower tranche or drawdown products are explained in this section.*

4.3.5.3 Indicating Propagation of Interest Components to Participant Contracts

Interest component classes for specific application to borrower tranche or drawdown contracts can be propagated to participant contracts resulting from the borrower contracts. You can build this preference into interest classes that you define specifically for borrower tranche or drawdown products. During definition of the class, this preference can be indicated, by checking the Propagation Req'd checkbox in the Interest Class Definition screen.

Interest Class Definition

Class Code: MM_TINT
Description: MM PRECONVERSION PRODUCT
Module: MM Money Market

Coupon Interest

Liquidity Premium Component Primary Interest Propagation Reqd Consider as Discount PIK Component

Event For Association: BOOK Booking of contract
Basis Amount Tag: PRINCIPAL Principal Amount
Amount Category: EXPECTED Penalty Start Date Basis: Due Date Accrual Required

Rate Details

Rate Type: FIXED
Special Rate Type:
Fixed Rate Type: USER INPUT
Floating Rate Type:
Rate Revision Method:
Interest Computation:
Default Fixed Rate Code:
Default Floating Rate Code:
Prepayment Penalty Rate Code:
Auto Rate Code:
Reset Tenor:
Borrow Lend Ind:
Rate Calc Type:
Liquidity Prem Borne By:
 Special Penalty Comp
 ESCROW Component
 Compounding on Holidays

Interest Type

No Interest on Premature Withdrawal On Prepaid Amount On Outstanding Amount

Reapply Interest

Rule Id: MM_INT
Settlement CCY:
Rates

Margin Application: NONE Original Component:
Margin Basis:
 Refinance Required
 Amend after association

Input By: UJB1 Input Date Time: 01/02/2002 08:58:26 Auth By: UJB1 Auth Date Time: 01/02/2002 09:01:48 Mod No: 1 Open Authorised

 This check box is active only for interest components of the LS module. For all other modules the box is deactivated.

Click the PIK Component check box to indicate that you want to calculate the interest based on the PIK margin.

In the product Interest Definition screen, when you are associating the interest components for the borrower tranche or drawdown product, you can choose an interest class for which the propagation to participants option has been indicated in the class definition, if required. If so, the Propagation Reqd box will be checked.

You can change this specification and uncheck the Propagation Reqd box, if you wish to indicate that interest class propagation to participants is not applicable. Alternatively, if you have chosen an interest class for which propagation to participants has not been indicated, you can check the Propagation Reqd box to indicate propagation of interest class to participants, if required.

4.3.5.4 Escrow Impounding of Insurance/Tax Enhancements

The 'ESCROW Component' box is used to identify escrow components which are captured under 'ESCROW' section of the payoff notice.

Insurance impounding, Tax impounding, and Late Payment charges all have separate interest classes with rate type 'SPECIAL' however in the payoff notice, Insurance and Tax components are shown under escrow section while the late payment charges are shown separately. To achieve this, the 'Escrow' box must be checked for Insurance and Tax interest class components and it must be un-checked for late payment charge components.

The 'Rate Type' must be 'SPECIAL' if the 'Escrow Component' box is checked.

Based on the UDF 'Escrow Type' in the 'Interest Class Definition' screen, the escrow impounding component is identified. The possible values for this UDF are ESC1, ESC2, ESC3 or Null. It is mandatory to specify a value for this UDF if the 'ESCROW Component' box is checked.

4.3.6 Charge Components for Borrower Tranche/ Drawdown Products

You must indicate the applicability of charge components, for borrower contracts using the product. You can use the Charge Definition screen for this. Click  in the Tranche / Drawdown Product Definition screen to invoke the Charge Definition screen.

The screenshot shows the 'Charge Definition' window with the following details:

- Product Code: COL1, Product Description: COMMITMENT LEAD AGENT
- Default from Class: LPCHAR1, Module: LP
- Charge Type: Counterparty, Third Party Type: (empty), Debit/Credit: Debit Type
- Event for Association: BOOK (Booking of contract)
- Event for Application: BOOK (Booking of contract)
- Event for Liquidation: BOOK (Booking of contract)
- Basis Amount Tag: PRINCIPAL (Principal Amount)
- Rule: FAXCHG (Courier Charges)
- Settlement Ccy: USD
- Charge Mode: Online
- Checkboxes: Allow Rule Amendment, Allow Amount Amendment, Amend after Association, Amend after Application, Consider as Discount, Accrual Required.

In this screen, you associate charge components in the same manner as you would for a normal commitment or loans product.

*For details about associating charge components for a product, refer the **Charges and Fees** manual. The preferences specific to borrower tranche or drawdown products are explained in this section.*

4.3.6.1 Indicating Propagation of Charge Components to Participant Contracts

When you collect the charges from the borrower, you can choose to pass the charges to the participants of the tranche or drawdown contract. To indicate this you have to click the Propagation Required check box in the Charge Class Maintenance.

Charge Class Maintenance

Class Code: LSCHAR1 Description: charge on booking
 Module: LS | Syndication Loans and Commitments

Charge Type: Counter Party Third Party Type: [Search] Debit / Credit: Debit Type

Propagation Required Net consideration Add / Subtract: [Dropdown]

Association Event: BOOK | Booking of contract
 Application Event: BOOK | Booking of contract
 Liquidation Event: BOOK | Booking of contract
 Basis Amount Tag: PRINCIPAL | Principal Amount

SWIFT Qualifier: [Search]
 SWIFT Charge Details: SWIFT Repair

Derivation of Charge Rule
 Reset Frequency: [Dropdown] Reset Basis Month: [Dropdown]
 Charge Rule: FAXCHG | Courier Charges
 Settlement Ccy: USD | USA DOLLAR

Allow Rule Amendment Allow Amount Amendment Default Waiver Accrual Required
 Amend after Association Amend after Application Consider for Discount Accrual

Charge Details
 Charge Mode: Online Charge Class Priority: [Search] Frequency: [Dropdown]
 Liquidation Day: [Dropdown] Liquidation Value Day: [Dropdown] Basis Month: [Dropdown]
 Consolidation Type: [Dropdown] Consolidation Basis: [Dropdown] Charge Statement

Accounting Details
 Role to Head Class: [Search] Event Class: [Search] MIS Group: [Search]
 Rate Type: [Search] Rate Code: Sell

Input By: RUPESH Input Date Time: 01/02/2002 15:01:23 Auth By: RUPESHAU Auth Date Time: 01/02/2002 15:04:01 Mod No: 2 Open Authorised

STOP This check box is active only for charge components of the LS module. For all other modules the box is deactivated.

Refer the Charges and Fees manual for further details on this screen.

In the product Charge Definition screen, when you are associating the interest components for the borrower tranche or drawdown product, you can choose a charge class for which the propagation to participants option has been indicated in the class definition, if required. If so, the Propagation Reqd box will be checked.

You can change this specification and uncheck the Propagation Reqd box, if you wish to indicate that charge class propagation to participants is not applicable. Alternatively, if you have chosen a charge class for which propagation to participants has not been indicated, you can check the Propagation Reqd box to indicate propagation of charge class to participants, if required.

4.3.7 **Specifying Fee Components for a Borrower Product**

You must indicate the applicability of fee components for borrower contracts. You can use the Fee Definition screen for this. Click the  button in the 'Tranche/Drawdown - Product Definition' screen to invoke the 'Borrower Product- Fee Details' screen.

STOP The fee will be applicable to borrowers only.

You have the option of associating a Fee Class to the components, in which case, the attributes of the class will be defaulted to the component. To do the same, click the  button. The 'Default From Fee Class' screen will be invoked, where you can select the Fee Class. The option list will include all the Fee Classes that you have maintained through the 'Fee Class' screen.

System defaults the parameters of the selected fee component. However, you can change the parameters according to your requirements.

In this screen, you associate fee components applicable for the product you are defining. Specify the following in this screen:

Component

Enter the fee component you are maintaining details for.

Description

Enter a description for the fee component.

Basis Amount Tag

When defining fees, you can select the applicable amount tag on which the fee is to be calculated from the option list given.

The following amount tags are available for a Tranche product:

- User Input – adhoc fee
- Outstanding – to collect fee on the outstanding portion of the tranche
- COMMERCIAL_LCOS – to collect fee as a percentage of the outstanding amount of all the 'Commercial LC' type of drawdowns linked to the tranche.
- STANDBY_LCOS - to collect fee as a percentage of the outstanding amount of all the 'Standby LC' type of drawdowns linked to the tranche.
- ISSUER1_LCOS up to ISSUER10_LCOS – to compute fee on the outstanding amount of all the LC drawdowns for a given issuer. This fee, referred to as the issuance fee, will be paid only to the bank that issues the LC. You have to define an LC Issuance Fee component to be associated with each of these ten basis amount tags.



Since issuance fee is not distributed across all the participants, the same will not be displayed in the 'Participant Ratio Details' screen. The participant who is identified as the issuer of the LC will be entitled to 100% of this fee.

- Utilized – to collect fee on the utilized portion of the tranche
- Unutil – to collect fee on the unutilized portion of the tranche

The following example illustrates the difference between utilized and unutilized basis amount tags with reference to 'Revolving' and 'Non-Revolving' tranches:

Example

Non-Revolving Tranche

In the case of a non-revolving tranche, the unutilized amount does not take into consideration the repayments made by the customer under any of the draw-downs under the tranche.

A customer has three draw-downs of USD 100,000 each, under a tranche of USD 500,000 of which:

- Draw-down 1 has been repaid
- Draw-down 2 has a total outstanding of USD 72,500
- Draw-down 3 has no repayments

In this case:

Outstanding amount : USD 172,500 (DD2-72500; DD3-100,000)

Utilization amount : USD 300,000

Non-utilization amount : USD 200,000

Revolving Tranche

In the case of a revolving tranche, the utilization or non-utilization amount takes into consideration the repayments made by the customer under any of the draw-downs under the tranche.

Considering the same example as above, in this case:

Outstanding amount is : USD 172,500 (DD2-72500; DD3-100,000)

Utilization amount is : USD 172,500

Non-Utilization amount is : USD 327,500 (500,000 – 172,500)

Agency Fee

If, for the fee component that you have selected, you have checked the box 'Agency Fee', the income on the component will be meant for the leading agent alone. It will not get propagated to the participants.



If you check the box Agency Fee, the box 'Participant Propagation Required' will be disabled.

FAS91 Fee

Check this box to perform FAS91 computations. The system will validate if:

- The 'Agency Fee' check box is selected
- The 'Basis Amount Tag' is maintained as USER INPUT
- The 'Fee Collection Mode' is ADVANCE
- The 'Accrual Required' box is checked

Participant Driven Fee

If you check this box, system will allow you to define an individual fee amount for each participant.



Note the following:

- If you check this option, you will not be allowed to select the 'Agency Fee' option
- System will perform the following validations on checking the 'Participant Driven Fee' box:
 - The 'Basis Amount Tag' is maintained as USER INPUT
 - The 'Fee Collection Mode' is ADVANCE
 - It is mandatory to check the 'Participant Propagation' check box at the product level
 - The Accrual Parameters will be disabled

Fee Rule Type

Select the Fee Rule Type applicable from the option list. You have the options ICCF and Margin. The rules will be applicable depending on the rule type you select.

Fee Rule

Select the rule applicable from the option list given. The option list includes Fee Rules that you have defined in the Fee Rule Maintenance screen.

Fee Basis

The Fee Basis indicates the method in which a given fee schedule amount has to be calculated. The values in the drop-down list are:

- 30(Euro)/360
- 30(US)/360
- Actual/360
- 30(Euro)/365
- 30(US)/365
- Actual/365
- 30(Euro)/Actual
- 30(US)/Actual
- Actual/Actual

Fee Collection Mode

While defining fees, you can specify whether the fee is to be collected in advance or in arrears.

Payment Type

The system displays the payment type.

Fee BPS Rate Applicable

Check this box to indicate that BPS rate is applicable to the payment type.



'Payment Type' and 'Fee BPS Rate Applicable' options will be enabled only if 'Basis Amount Tag' is 'USERINPUT'.

Following are the Accounting Roles and Amount Tags when the fee is collected in advance:

At Fee Collection (FLIQ)

	Dr/Cr	Accounting Role	Amount tag	Amount
--	-------	-----------------	------------	--------

As of the Fee Inception Date (FLIQ)	Dr	Customer	<COMPONENT>_LIQD (Advance fee component)	Balance for the fee basis amount tag* Fee Rate * Accrual Basis * No. of. Days
	Cr	Fee In Advance	<COMPONENT>_LIQD (Advance fee component)	Balance for the fee basis amount tag * Fee Rate * Accrual Basis * No. of. Days

At Fee Accrual (FACR)

	Dr/Cr	Accounting Role	Amount tag	Amount
Daily Accrual (FACR)	Dr	Fee In Advance	<COMPONENT>_ACCR	Liquidated Fee Amount / No.of.Days
	Cr	Income	<COMPONENT>_ACCR	Liquidated Fee Amount / No.of.Days

Description of the Amount Tags

The following table gives the description of the amount tags:

Amount Tag	Description
CUSTOMER	Borrower
<COMPONENT>_LIQD	Advance Fee Component Liquidated
<COMPONENT>_ACCR	Advance Fee Component Accrued

Following are the Accounting Roles and Amount Tags when the fee is collected in arrears:

At Fee Accrual (FACR):

Accounting Role	Dr. / Cr.	Amount Tag
Component_REC	Dr.	Component_FACR
Component_INC	Cr.	Component_FACR

At Fee Collection (FLIQ):

Accounting Role	Dr. / Cr.	Amount Tag
CUSTOMER	Dr.	Component_LIQD

Accounting Role	Dr. / Cr.	Amount Tag
Component_REC	Cr.	Component_LIQD

Description of the amount tags

The following table gives the description of the amount tags

Amount Tag	Description
Component_REC	Fee Component Receivable
Component_INC	Fee Component Income
CUSTOMER	Borrower
Component_LIQD	Fee Component Liquidated
Component_FACR	Fee Component Accrued

4.3.7.1 Specifying Liquidation Preferences

Liquidation Mode

Select the liquidation mode for the fee components under this fee class. You have the following options:

- Auto Liquidation - Select this option to indicate the fee is to be liquidated automatically
- Deferred Auto Liquidation - Select this option to indicate the fee is to be liquidated automatically, but the automatic liquidation is to be deferred. You can specify the number of days after the Schedule Date that the fee is to be liquidated in the field 'No. of Days' in this screen.
- Manual Liquidation - Select this option to indicate the fee is to be liquidated manually
- Semi-Auto – Select this option to indicate the fee is to be liquidated semi-automatically. If you select this option, forward processing will be applicable to this fee. The fee liquidation event will be processed, but the message will be held in the Forward Processing Queue. Forward Processing has been explained in the chapter Reference Information for Loan Syndication. Refer to the same for more information.

No of Days

If you have selected the option 'Deferred Auto Liquidation', you will have to specify the number of days by which the liquidation is to be deferred, in this field.

4.3.7.2 Billing Notice Preferences

Billing Notice Required

When liquidation is due, you can choose whether or not you would like to send a notice to the concerned customer. Check this box to indicate you would like to send a notice.

No. of Days

Enter the number of days prior to liquidation that the notice is to be sent out.

4.3.7.3 Accruals Preferences

Accrual Required

Check this box to indicate accrual is required.

Accrual Method

If you have checked the box 'Accrual Required', you will have to select the accrual method. You can accrue a fee using the straight line or discount accrual method.

Accrual Frequency

Specify the accrual frequency. The frequency can be one of the following:

- Daily
- Monthly
- Quarterly
- Half yearly
- Yearly

Accrual Frequency Units

Specify the units of accrual frequency here. If, for example, you select the frequency of accrual as 'Monthly', and specify the frequency units as '5', the accrual will once in five months.

4.3.7.4 Other Preferences

Allow Rule Amendment

Check this box to indicate the fee rule can be amended.

Allow Amount Amendment

Check this box to indicate the user at the transaction level, based on the margin or ICCF rule linked to the fee class can amend the fee amount calculated. This field is applicable only for advance types of fee collection.

Stop Association

Check this box to indicate the fee component should not be associated with the product henceforth.

Participation Propagation Reqd

While entering fee details, you have the option of passing the fee collected from the borrower to the participant of a facility, tranche or drawdown contract.

Check the box 'Participant Propagation Req'd', if you want to transfer the fee to the participant. If you do not check this box, fees collected from the borrower will not be passed to the participant.

4.3.7.5 Date Preferences

Allow End Date Input

If you check this box, you can enter the date on which the system has to stop the accrual of fee amount, in the LS Contract Online screen.

This date can be lesser than, or equal to the Maturity Date. If you do not check this box, the Maturity Date of the contract will be defaulted as the end date for accrual.

Allow Start Date Input

If you check this box, you can enter the date on which the system has to start the accrual of fee amount, in the LS Contract Online screen.

This date can be greater than, or equal to the Value Date. If you do not check this box, the Value Date of the contract will be defaulted as the start date for accrual.

4.3.8 Defining Discount Accrual Preference

After building discount accrual fee classes you can associate the class with loans or bills products. Click the  button in the Product Definition screen. The Discount Accrual Preference Association screen is invoked.

Discount Accrual Preference Association

Product Code Description

Default from
Class

Class Code

Accrual Preference

Discount Accrual Required

Accrual Frequency

Handling of fore closure

Acquisition Type

Day Count Method

Ccy Code	Currency Name	Numerator Method	Denominator Method
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

To associate discount accrual fee class with a product, click the  button in the Discount Accrual Preference Association screen. Select the appropriate discount accrual fee class from the list of classes that you would have maintained through the Discount Accrual Preference Class Maintenance.

For further information on the Discount Accrual Preference Class Maintenance screen, refer to the chapter Defining Discount Accrual Fee Classes in the Loans User Manual.

The attributes defined for the discount accrual fee class defaults to the product. You have the option to modify the attributes defined for the class, to suit the requirement of the product you are creating.

Alternatively, you can choose to define the discount accrual details for the product.



Note the following:

- (If the Acquisition type is different from what is maintained at Discount Accrual Class level then system will give an error and contract will not save.)
- You will be allowed to change acquisition type during the life cycle of the contract on the basis of the maintenance done at the product level

4.3.9 Associating Parties

You can also specify the different types of entities or parties that would be applicable for the borrower tranche or drawdown product in the Party Association screen. Click  in the **Tranche/Drawdown Product Definition** screen to invoke the Party Association screen.

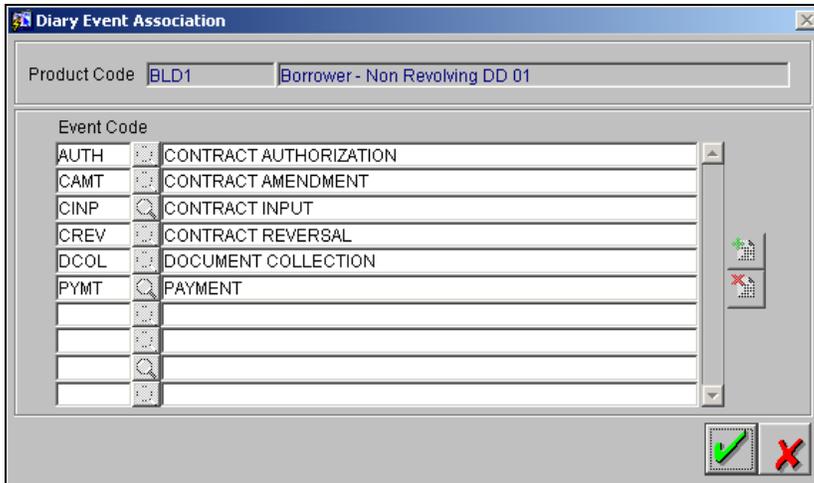
Party Type	Party Description	Multiple Party Allow ?	Mandatory ?
LEAD-AGY	Lead Agency	No	No

For each party type that you associate in this screen, you can specify:

- Whether more than one party belonging to the associated type may be specified for contracts using the product
- Whether specification of at least one party belonging to the product is mandatory for contracts using the product

4.3.10 Associating Diary Events

In the Diary Event Association screen, you can also specify the different diary events that would need to be processed for borrower tranche or drawdown contracts using the borrower tranche or drawdown product. Click  in the Tranche / Drawdown Product Definition screen to invoke the Diary Event Association screen.

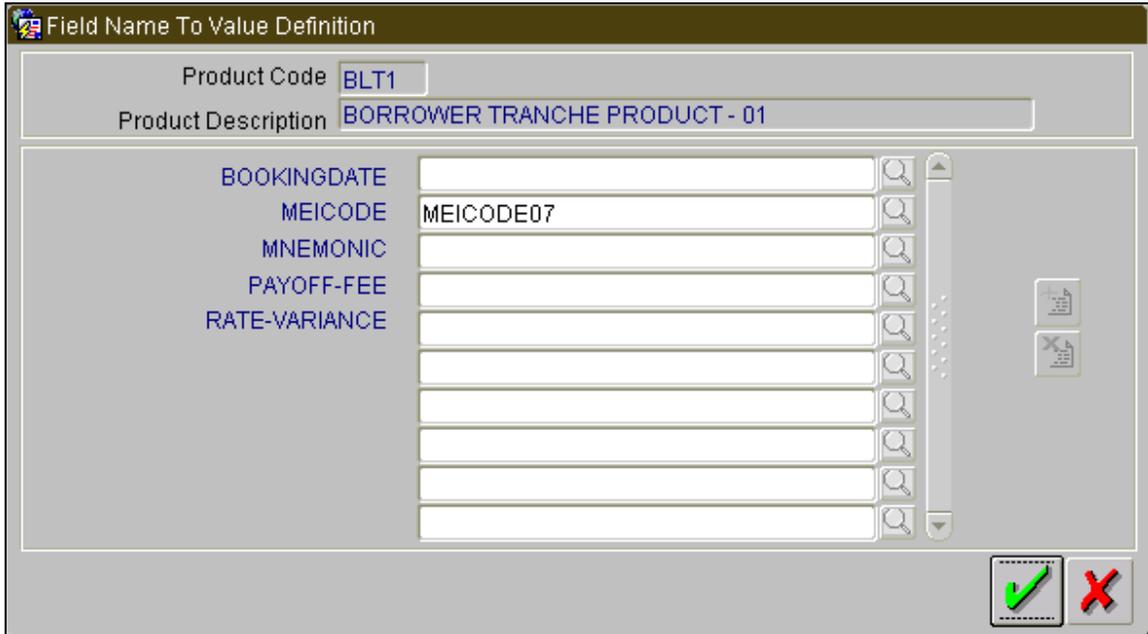


Event Code	
<input type="checkbox"/>	AUTH CONTRACT AUTHORIZATION
<input type="checkbox"/>	CAMT CONTRACT AMENDMENT
<input type="checkbox"/>	CINP CONTRACT INPUT
<input type="checkbox"/>	CREV CONTRACT REVERSAL
<input type="checkbox"/>	DCOL DOCUMENT COLLECTION
<input type="checkbox"/>	PYMT PAYMENT
<input type="checkbox"/>	

In this screen, select the code of the diary event that you wish to associate with the product, in the Event Code field.

4.3.11 Maintaining UDFs

You can maintain the UDFs pertaining to the loan using the 'Field Name to Value Definition' screen. To invoke this screen, click the  button on the Application toolbar of the 'Borrower Product Definition' screen.



Field Name	Value
BOOKINGDATE	
MEICODE	MEICODE07
MNEMONIC	
PAYOFF-FEE	
RATE-VARIANCE	

In this screen, you can maintain the UDF 'PAYOFF-FEE' attached to tranche/drawdown products which is used to determine the flat fee amount.

4.4 Creating Borrower Facility Products

After you have created products to process borrower side contracts in respect of a syndication agreement, such as borrower tranches and drawdowns, as well as products for participant side contracts, you must define products that would be used to process the main syndication agreement (facility) contract with the borrower. Such products are called borrower facility products.

To create a borrower facility product, you can specify the basic details such as the Product Code, Group, Description, and so on in the Loan Syndication – Facility Product Definition screen. You can then use the other product definition screens to set up preferences for the product. To invoke this screen, click on **LS Maintenance** in the Application Browser, and then click on the option **Detailed** under **Facility Product Definition**.

Input By	Date Time	Auth By	Date Time	Mod No
SOORAJ02	28/12/2004 14:38:49	SOORAJ01	28/12/2004 14:39:55	Open Authorised

You can specify the basic details for the product, such as the Product Code, Description, Group and life-span, in the same manner as you specified for the tranche/drawdown product.

4.4.1 **Defining Generic Attributes of a Loan Syndication Product**

After specifying all the basic details of a product, you can indicate certain specific attributes for the product. Each of these attributes can be defined in the corresponding screen that you can invoke from the Loan Syndication Product Definition main screen, by clicking the appropriate icons. Attributes with common characteristics are grouped together in common screens, simplifying the process of defining them.

You can define generic attributes, such as branch, currency, and customer restrictions by clicking on the appropriate icon in the horizontal array of icons in this screen. For a borrower facility product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in the following sections.

For further information on the generic attributes that you can define for a product, please refer the following Oracle FLEXCUBE User Manuals:

- Products
- User Defined Fields
- Settlements

4.5 Creating Participant Products

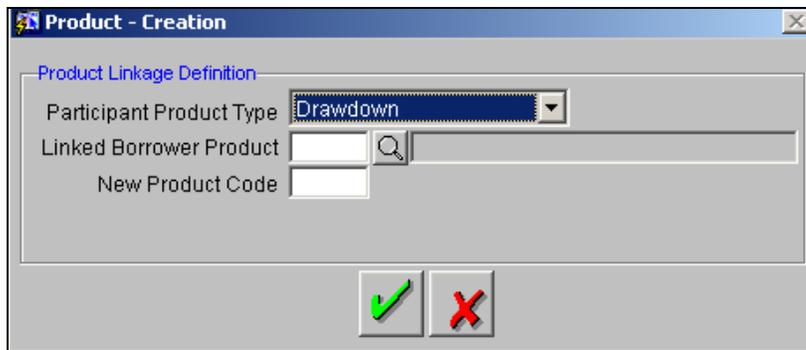
You can create participant products only after you have defined the borrower products (for processing borrower facility, tranche and drawdown contracts).

Subsequently, when you define a borrower facility product for processing borrower facility contracts, you have to associate the borrower tranche product and the borrower drawdown product participant tranche product and the participant drawdown product to be used for processing the corresponding participant contracts that would be created under the borrower facility contracts.

You must define the products to be used for participant facility, tranche and drawdown contracts that will be created for participants under a borrower facility contract. This can be done through the Product – Creation screen.

To invoke this screen, select the option **LS Maintenance** in the Application Browser, and then click on option **Detailed** under **Participant Product Definition**. The 'Loans Syndication –

Participant Product Definition' screen is invoked. Then click the  button in the toolbar. The following screen will be displayed:



In the 'Product – Creation', you have to specify the following details:

Participant Product Type

Select the product type of the participant product you are creating, from the option list. The options available are:

- Facility
- Tranche
- Drawdown

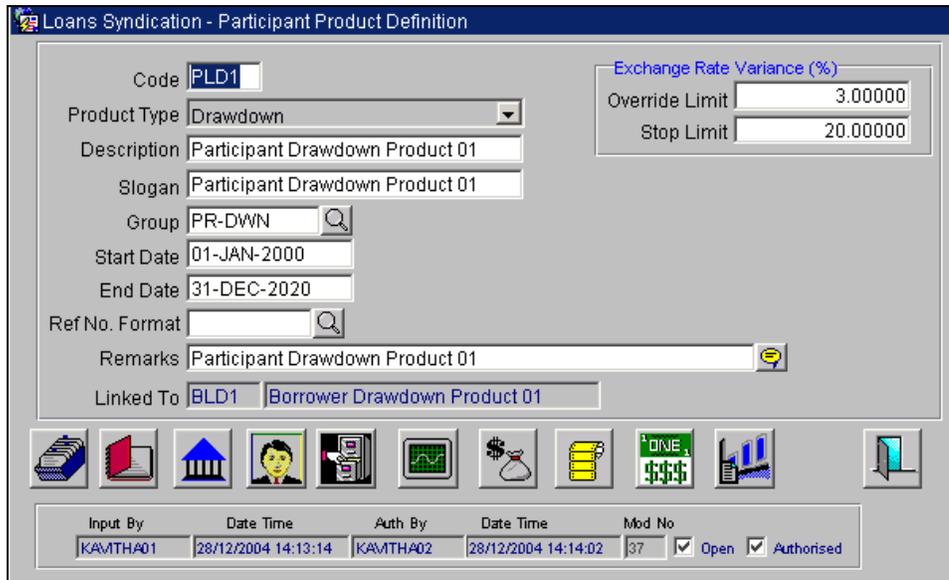
Linked Borrower Product

Select the borrower product with which you to want to link the participant product being created.

New Product Code

Give the participant product a unique code by which it can be easily identified. The code can be combination of alphabets and numbers and should consist of atleast one alphabet.

Click  button to proceed with product creation. The 'Loans Syndication – Participant Product Definition' screen will be displayed, as shown below:



Input By	Date Time	Auth By	Date Time	Mod No		
KAMTHA01	28/12/2004 14:13:14	KAMTHA02	28/12/2004 14:14:02	37	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

4.5.1 Defining Generic Attributes of a Participant Product

After specifying all the basic details of a participant product, you can indicate certain specific attributes for the product. Each of these attributes can be defined in the corresponding screen that you can invoke from the Loan Syndication – Participant Product Definition main screen, by clicking the appropriate icons. Attributes with common characteristics are grouped together in common screens, simplifying the process of defining them.

You can define generic attributes, such as branch, currency, and customer restrictions by clicking on the appropriate icon in the horizontal array of icons in this screen. For a participant product, in addition to these generic attributes, you can specifically define other attributes. These attributes are discussed in detail in this section.

For further information on the generic attributes that you can define for a product, please refer the following Oracle FLEXCUBE User Manuals:

- Products
- User Defined Fields
- Settlements

4.5.2 Specifying the Product Type

The product type is the first attribute that you specify for a participant product. It indicates the category under which the product can be placed, and the type of contract that will be processed against the product.

Each participant-level product that you define could be used to process any of the following types of contracts that are created under a corresponding borrower contract, as applicable at each level:

- Facility products, for processing participant facility contracts that are created under corresponding borrower facility contracts
- Tranche products, for processing participant tranche contracts that are created under corresponding borrower tranche contracts
- Drawdown products, for processing participant drawdown contracts that are created under corresponding borrower drawdown contracts
- Collateral Online, for creating and posting collateral online contract for each tranche
- Collateral Settlements, for creating and posting collateral settlement contract for each tranche

You can select the required product type in the Product Type field, in the Loan Syndication – Participant Product Definition screen.

 If you have selected the product type as ‘Collateral Online’ or ‘Collateral Settlements’, the following will be disabled:

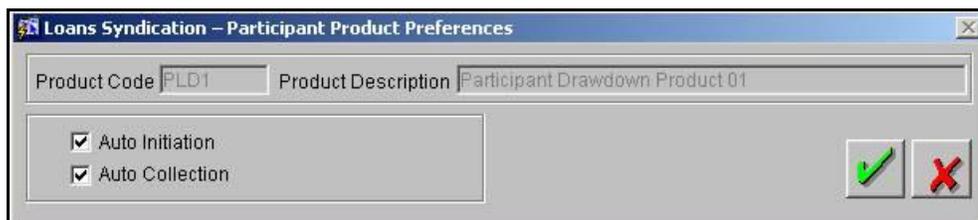
- Override Limit and Stop Limit fields
- Preference, ICCF, Fee, Tax and Dairy Event buttons

4.6 Setting Preferences for Participant Products

Preferences are those options you can use to specify attributes for a product. These attributes will be picked up and applied automatically to any contracts involving the product.

For instance, for participant contracts using a participant facility product, you can define whether collection from the participants towards a drawdown must be initiated automatically; or whether the amount repaid by the borrower must be disbursed automatically to participants.

Click  to specify certain preferences unique to the product. The ‘Loans Syndication - Participant Product Preferences’ screen is invoked, where you can specify your preferences.



You can capture the following information in this screen:

Auto Initiation

You can indicate whether collection from the participants towards a borrower drawdown must be initiated automatically. Your specification is inherited by all participant contracts using the participant product.

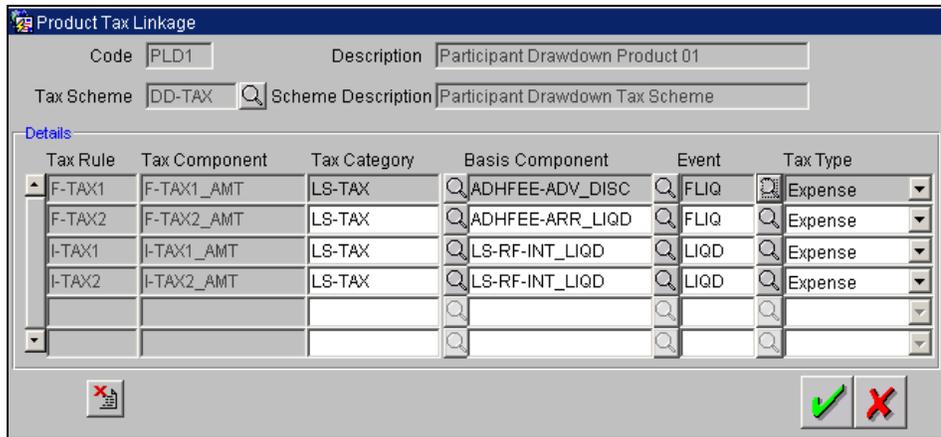
Auto Collection

You can indicate whether the amount repaid by the borrower must be disbursed automatically to the respective participants. Your specification is inherited by all participant contracts using this product.

 If you have selected the product type as 'Collateral Online' or 'Collateral Settlements',  button will be disabled.

4.6.1 Specifying Tax Details for a Participant Product

Click  button to link tax components with the participant product. The following screen will be invoked:



The screenshot shows the 'Product Tax Linkage' window. It has a title bar and several input fields: 'Code' (PLD1), 'Description' (Participant Drawdown Product 01), 'Tax Scheme' (DD-TAX), and 'Scheme Description' (Participant Drawdown Tax Scheme). Below these is a 'Details' section with a table. The table has columns for Tax Rule, Tax Component, Tax Category, Basis Component, Event, and Tax Type. There are four rows of data, each with a search icon in the Basis Component column. At the bottom right, there are green checkmark and red X buttons.

Tax Rule	Tax Component	Tax Category	Basis Component	Event	Tax Type
F-TAX1	F-TAX1_AMT	LS-TAX	ADHFEE-ADV_DISC	FLIQ	Expense
F-TAX2	F-TAX2_AMT	LS-TAX	ADHFEE-ARR_LIQD	FLIQ	Expense
I-TAX1	I-TAX1_AMT	LS-TAX	LS-RF-INT_LIQD	LIQD	Expense
I-TAX2	I-TAX2_AMT	LS-TAX	LS-RF-INT_LIQD	LIQD	Expense

Specify the following details in this screen:

Tax Scheme

A tax scheme is made applicable to a product when it is linked to the product. Select the applicable scheme from the list. The tax schemes maintained through the 'Tax Scheme Maintenance' screen will be available in the option list provided.

When you select a scheme, the following will default:

- Tax Rules linked to the scheme
- Tax component for each rule

Tax Category

You can specify tax category for each tax rule that is linked to a tax scheme. The categories defined through the 'Tax Category Maintenance' will be available in the option list provided. Select the appropriate one from this list.

Basis Component

Tax can be applied on the basis of any component that is taxable according to the laws in your country. This component is called the Basis Component. The method of tax application defined for the Tax Rule will be applied on this component.

Event

You should specify the event upon which the tax is to be applied. For instance, if you specify that the tax be to be applied at the time the fess is collected from the customer, then the entries for tax will be passed when the fee component is liquidated.

Tax Type

The type of tax, decides the bearer of the tax. It could be the bank or the customer. A customer bears withholding type of tax and the tax component is debited to the customer's account. The bank bears an expense type of tax and the tax component is booked to a tax expense account.



If you have selected the product type as 'Collateral Online' or 'Collateral Settlements',  button will be disabled.



4.7 Specifying Preferences for Syndication Products

Preferences are those options you can use to specify attributes for a product. These attributes will be picked up and applied automatically to any contracts involving the product. For instance, for contracts under a borrower facility syndication product, you can define when intimation must be sent to participants to fulfill their commitments towards a scheduled drawdown.



Click  to specify certain preferences unique to the product. The Borrower Facility Product - Preferences screen is invoked, where you can specify your preferences.

Loans Syndication - Facility Product Preferences

Product Code: SYN1 SYNDICATION PRODUCT

Offset Participant Product: PTF1

Borrower Tranche Linkages

Product	Description	Participant Product	Description
BWC1	Borrower commitment	PTTT	tranche product

Borrower Drawdown Linkages

Product	Description	Participant Product	Description
BWL1	Borrower Loan	PTD1	Participant DRAW DOWN

Rekey Fields

SGEN Required

Syndication Amount Start Date
 Currency End Date
 Counterparty

Disclosure

Holiday Treatment For Schedules

Ignore Holidays Include Branch Holiday
 Move Forward Move Backward
 Move Across Months Cascade Schedules
 Use Facility Currency Use Local Currency

Holiday Ccy:

Holiday Treatment For Maturity Date

Ignore Holidays Include Branch Holiday
 Move Forward Move Backward
 Move Across Months
 Use Facility currency Use Local currency

Holiday Ccy:

Green checkmark icon and Red X icon.

4.7.1 Mapping Products for Borrower and Participant Contracts

You can associate several tranche products to a facility product. To each of the tranche products, you can associate several drawdown products. Each time you initiate a borrower tranche or drawdown contract under the Facility contract, you will have the option of selecting one of the tranche or drawdown products you have associated with the facility product under which you have booked a contract. The system will then default the attributes of the product to the contract.



This feature allows you to associate any LC product (which can be treated like a drawdown product) with other drawdown products under a tranche. The participant product that is linked to the borrower facility product while defining the participant product will be displayed as the 'Offset Participant Product'.

Example

Let us assume that you are maintaining a borrower facility product called SYN2. You have associated the following products with this product:

Tranche Products

- Borrower tranche product - BT02
- Participant facility product – PT02

Drawdown products

- Borrower drawdown (loan) product - BD02

You are initiating a borrower tranche contract under a main syndication contract involving the syndication product SYN2. Automatically, the system will default the product codes and attributes of:

- BT02 for the borrower tranche contract
- PT02 for the participant tranche contract

Similarly, the product codes and attributes of BD02 and PT02 will be defaulted for the corresponding drawdown contracts under each tranche.

4.7.2 Specifying Whether SGEN is Required

Check this box to indicate that the generation of messages is required.

The SGEN event is for the generation of messages notifying your customer that payment is due before SGEN number of days. If this box is unchecked, this event is not fired and no such notification messages get generated by Oracle FLEXCUBE.

4.7.3 Specifying the Rekey Options

You can specify those values in a borrower facility contract that must be keyed in when a user is authorizing it.

You can use the rekey feature to ensure that the right contract is being authorized. It requires the authorizer to key in the values of certain fields during authorization. You can select the fields for which the values must be entered, in the Auth Rekey Fields option in the Loan Syndication Product Preferences screen.

The user that authorizes a contract cannot be the same user that entered the contract.

All operations on a syndication contract, as well as the tranche contracts and the drawdown loan contracts under a tranche of the agreement contract, must be authorized before the End of Day procedures are begun at the branch.

Click  in the 'Loans Syndication - Facility Product Preferences' to invoke the 'Product Disclosure Mapping' screen.

For more information on Product Disclosure Mapping, refer the section 'Mapping the Disclosure Code to a Product' in this manual.

4.7.4 Specifying How Schedules Falling on Holidays must be Handled

Schedule dates for a contract could fall on holidays defined for your branch or on holidays defined for the currency of the contract. In the Product Preferences, you can specify whether the system should check for schedule dates falling on holidays, and how such schedule dates must be handled. These specifications would default to any borrower facility contract using the product, and also to underlying borrower tranche or drawdown contracts that are opened under the facility contract.

You can specify that:

- Holidays must be ignored
- Checks must be made for schedule dates falling on holidays

If you specify that checks must be made, you can also specify the corresponding treatment for schedule dates falling on holidays.

4.7.4.1 Holiday Treatment Type

The Holiday Treatment Type is the parameter that defines how the system checks for schedule dates falling on holidays. You can specify one of the following options:

Include Branch Holiday

Select this option to indicate that you want the system to check whether a schedule date falls on a local holiday defined for the branch. You will not be able to specify a check for currency holidays, if you choose this option.

The system checks the holiday table for your branch. If it encounters a contract entered in your branch, with a schedule date falling on a branch holiday, the holiday is handled according to the holiday-handling preferences you specify.

Use Facility Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the currency of the facility (borrower) contract, if this currency is different from the holiday currency you have indicated.

Use Local Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the local currency, if this currency is different from the holiday currency, facility currency and contract currency you have indicated.

Holiday Ccy

If the system must check whether the schedule date falls on a holiday defined for the currency of the contract, you must specify the code of the holiday currency. Further, you have the following options to specify the specific currency for which the check must be done:

- Facility Currency
- Local Currency

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a schedule date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

4.7.4.2 Holiday-handling Preferences for Schedule Dates

If you have specified that the system check for schedule dates falling on holidays, you must also specify the treatment for schedule dates encountered by the system that do fall on holidays.

The following preferences can be set:

Moving the Schedule Date Backward or Forward

You can indicate whether the schedule date falling on a holiday must be moved forward to the next working day, or backward to the previous one.

Moving Across Months

If you have indicated either forward or backward movement, and the moved schedule date crosses over into a different month, you can indicate whether such movement is allowable; it will be allowable only if you indicate so in the 'Move Across Months' field.

Cascading Schedules

If one schedule has been moved backward or forward in view of a holiday, cascading schedules would mean that the other schedules are accordingly shifted. If you do not want to cascade schedules, then only the schedule falling on a holiday is shifted, as specified, and the others remain as they were.

4.7.5 Specifying How Maturity Dates Falling on Holidays must be Handled

The maturity date for a contract could fall on holidays defined for your branch. In the Product Preferences, you can specify whether the system should check for maturity dates falling on holidays, and how such dates must be handled. These specifications would default to any borrower facility contract using the product, and also to underlying borrower tranche or drawdown contracts that are opened under the facility contract.

You can specify that:

- Holidays must be ignored OR
- The maturity date falling on a holiday must be moved according to the holiday-handling preferences that you specify

4.7.5.1 Holiday Treatment Type

The Holiday Treatment Type is the parameter that defines how the system checks for maturity dates falling on holidays. You can specify one of the following options:

Include Branch Holiday

Select this option to indicate that you want the system to check whether a maturity date falls on a local holiday defined for the branch. You will not be able to specify a check for currency holidays, if you choose this option.

The system checks the holiday table for your branch. If it encounters a contract entered in your branch, with a maturity date falling on a branch holiday, the holiday is handled according to the holiday-handling preferences you specify.

Use Facility Currency

If you choose this option, the system checks whether the maturity date falls on a holiday defined for the currency of the facility (borrower) contract, if this currency is different from the holiday currency you have indicated.

Use Local Currency

If you choose this option, the system checks whether the maturity date falls on a holiday defined for the local currency, if this currency is different from the holiday currency, facility currency and contract currency you have indicated.

Holiday Ccy

If the system must check whether the maturity date falls on a holiday defined for the currency of the contract, you must specify the code of the holiday currency. Further, you have the following options to specify the specific currency for which the check must be done:

- Facility Currency
- Local Currency

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a maturity date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

4.7.5.2 Holiday-handling Preferences for Maturity Dates

If you have specified that the system check for maturity dates falling on holidays, you must also specify the treatment for maturity dates encountered by the system that do fall on holidays. The following preferences can be set:

Moving the Maturity Date Backward or Forward

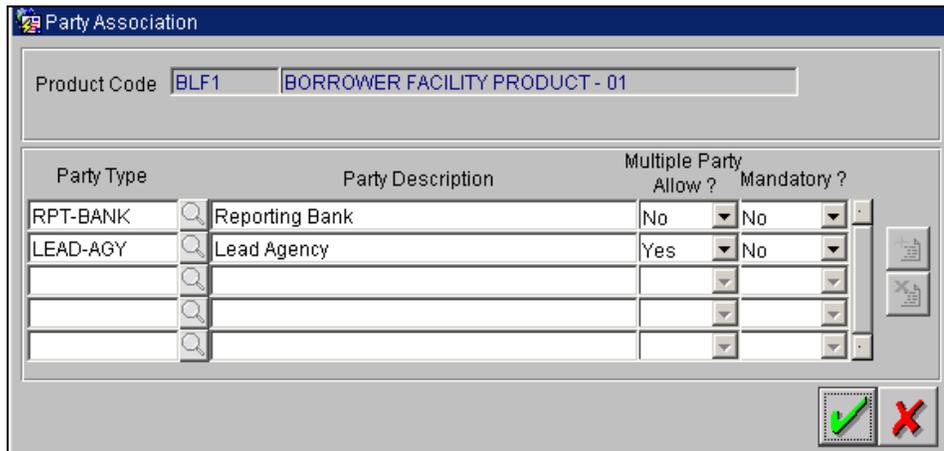
You can indicate whether the maturity date falling on a holiday must be moved forward to the next working day, or backward to the previous one.

Moving Across Months

If you have indicated either forward or backward movement, and the moved maturity date crosses over into a different month, you can indicate whether such movement is allowable; it will be allowable only if you indicate so in the 'Move Across Months' field.

4.7.6 Associating Appropriate Party Types for Borrower Facility Products

You can also specify the different types of entities or parties that would be applicable for the borrower facility product in the Party Association screen. Click  in the Facility Product Definition screen to invoke the Party Association screen.



Party Type	Party Description	Multiple Party Allow ?	Mandatory ?
RPT-BANK	Reporting Bank	No	No
LEAD-AGY	Lead Agency	Yes	No

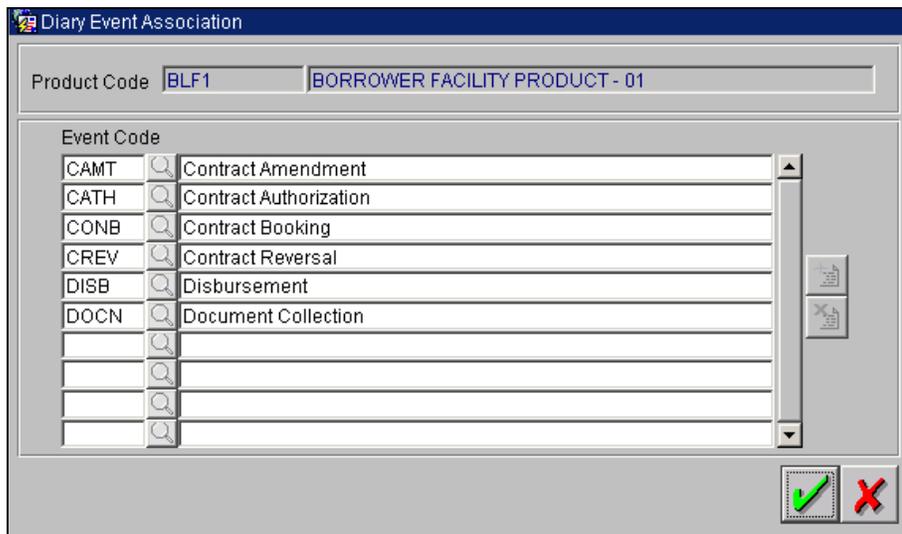
For each party type that you associate in this screen, you can specify:

- Whether more than one party belonging to the associated type may be specified for contracts using the product
- Whether specification of at least one party belonging to the product is mandatory for contracts using the product

4.7.7 Associating Diary Events for Borrower Facility Products

In the Diary Event Association screen, you can also specify the different diary events that would need to be processed for borrower facility contracts using the borrower facility product.

Click  in the Facility Product Definition screen to invoke the Diary Event Association screen.



Event Code	Description
CAMT	Contract Amendment
CATH	Contract Authorization
CONB	Contract Booking
CREV	Contract Reversal
DISB	Disbursement
DOCN	Document Collection

In this screen, select the code of the diary event that you wish to associate with the product, in the Event Code field.

 If you have selected the product type as 'Collateral Online' or 'Collateral Settlements',  button will be disabled.

4.8 Saving a Loan Syndication Product

After you have specified all the mandatory information required for the product in the product definition screens, you could save the product. You will not be allowed to save the product until you have specified all the mandatory information.

When you save the product, the following information is updated and displayed in the status bar of the Product Definition main screen:

- Your User ID in the Input By field
- The date and time at which you entered the product, in the Date Time field

Also, the status of the product is updated as Open and Unauthorized. Another user with authorization rights must authorize it, before you can begin to use it.

4.8.1 Amortize Product Schedule types for Drawdown Contracts

Oracle FLEXCUBE supports amortization schedule type products for Drawdown contracts with multiple investors.

You can perform the following set ups for the product schedule type as 'Amortize'.

In the 'Loan Syndication –Borrower Product Preference' screen, select the 'Schedule Type' of the product as 'Amortize' and check the 'Allow user input Installment' and 'Allow Re-amortization' option selected. During the contract maintenance, you can maintain installment amount for an amortized contract only if this flag at product level is enabled.

The following flags are not allowed to be checked for amortize schedule type products:

- Liqd of int on Prepaid Principal
- Allow Rollover
- Sighting Funds Applicable
- Partial Prepayment allowed

Also, you need to maintain the default schedules for the component 'Amortise' in the 'Product Default Schedules' screen.

5. Loan Syndication Contracts - Part 1

5.1 Introduction

A contract is a specific agreement or transaction entered into between two or more entities. A customer who approaches your bank to avail of any of the services offered by your bank enters into a contract with your bank.

In the case of a syndication facility contract, the entities involved in a contract are the borrowing customers and the participants for any tranche of the agreement.

Similarly, any specific loans (drawdowns) disbursed by your bank under a tranche in the facility contract are also contracts.

5.2 A Borrower Facility Contract under Syndication Agreement

A facility contract is reached between a borrowing customer and a bank (or financial institution), which arranges or provides facility for the syndication. The arranger bank identifies one or more participants who pool funds to meet the borrowing requirements. The arranger bank disburses the loan, after receiving the contributions of the other participants. The participants share the interest and other income accruing from the loan, in the ratio of their participation that was agreed upon at the time of entering the tranche.

The syndication agreement with the borrowing customer is known as a borrower facility contract.

In a borrower facility contract, the borrowing customers receive loans from any of the arms or **tranches**. Each of the arms would have a set of participants, who would pool in their contributions toward the borrowing requirement in a mutually agreed ratio. The borrowing customer could receive loans towards the borrowing requirement as 'drawdowns' from a tranche. Therefore, a single tranche would have a specified number of drawdowns.

Each of the players in a tranche (i.e., the borrowing customer and the participants) enters into a commitment contract. The individual loans (drawdowns) under each tranche are loan contracts.

Therefore, a borrower facility contract under a syndication agreement involves the following contracts:

1. The main borrower facility contract between the borrowing customers and the facilitating bank. The contract officialises the agreement and makes the terms binding by law on all parties entering into it. (For the main borrower facility contract, contracts are drawn up for each of the participants to mirror the borrower facility contract)
2. The commitment contracts at the level of a tranche opened under the main borrower facility contract, for each of the entities – the borrower and the participants.

3. The actual loans disbursed to the borrowing customer as drawdowns under a tranche of the main borrower facility contract

The example given below illustrates the concept of syndication and the contracts involved. *This example will be referred throughout this chapter as a reference contract to illustrate the concept of the contracts.*

Example

The main syndication facility contract

One of your customers, Mr. Robert Carr, has approached you for a loan of 100000 USD on 1st January 2000. You enter into a syndicated contract with him on the same date, with a view to meeting his funding requirement by identifying other banks or institutions that can share the load of funding. The agreement is booked on 1st January 2000, and the end date, by which all components of the borrowed amount will be repaid, to be 1st January 2001.

The main borrower facility contract is the one under which all subsequent tranche / drawdown contracts will be processed. When you enter this contract (with Mr. Robert Carr) into the system, it saves the contract and generates a unique identifier for it, known as the Facility Contract Reference Number. (i.e., the Contract Reference Number of the main borrower facility contract). Let us suppose the Facility Contract Reference Number assigned to this contract is 000SNEW000010001. Whenever you enter a tranche or drawdown contract against this main borrower facility contract, you will have to specify this number as reference information.

Getting back to Mr. Robert Carr's borrowing requirement, let us suppose that he wants to avail of the total loan principal in the following manner:

- Total syndicated loan principal: 100000 USD, in two tranches, with a total tenor of six months.
- Portion of loan desired in the first tranche: 50000 USD. Mr. Carr desires to completely avail of this amount in this first tranche in the following drawdown pattern:
 - 20000 USD on 30th January
 - 15000 USD on 29th February
 - 15000 USD on 31st March
- Portion of loan desired in the second tranche: 50000 USD. Mr. Carr desires to completely avail of this amount in the second tranche in the following drawdown pattern:
 - 20000 USD on 30th April
 - 15000 USD on 31st May
 - 15000 USD on 30th June

Tranche contracts

Mr. Robert Carr's total syndicated loan principal is therefore required to be disbursed in two different sets of tranches, as seen above.

The tranche involves a 'commitment' from Mr. Robert Carr as the borrowing customer, as well as a commitment from your bank, as the arranger bank in the contract, to disburse the loan after pooling together resources from any willing participants. Each of the participants enters into a commitment contract, committing to provide the funds as agreed.

For the first tranche, wherein a principal of 50000 USD is to be disbursed, your bank has now identified Brinsley Bank and Dayton Commercial Bank as potential sources from whom funding may be obtained, to meet Mr. Carr's borrowing requirement. The funding load is proposed to be shared in the following pattern, which is known as the ratio of participation:

- Your bank (Participant) : 10000 USD
- Brinsley Bank (Participant) : 20000 USD
- Dayton Commercial Bank (Participant): 20000 USD

When you open the tranche in the system, you input a borrower commitment for Mr. Robert Carr. When the BOOK event is triggered for the borrower commitment contract, the system creates commitment contracts for your bank and for Brinsley Bank and Dayton Commercial Bank, based on the borrower commitment contract.

Let us suppose that the first tranche is booked on 15th January. Let us suppose that the following Contract Reference Numbers are generated by the system for the contracts:

- Borrower (Mr. Carr) Commitment: 000SNBC000150001. You enter this contract into the system after specifying the Facility Contract Reference Number of the main facility contract against which the first tranche is being opened, which is 000SNEW000010001.
- Participant (Your Bank) Commitment: 000SNPC000150001. This contract is created by the system when you the BOOK event is triggered for the borrower commitment contract 000SNBC000150001.
- Participant (Brinsley Bank) Commitment: 000SNPC000150001. This contract is created by the system when the BOOK event is triggered for the borrower commitment contract 000SNBC000150001.
- Participant (Dayton Commercial Bank) Commitment: 000SNPC000150002. This contract is created by the system when the BOOK event is triggered for the borrower commitment contract 000SNBC000150001.

For the second tranche, wherein a principal of 50000 USD is to be disbursed, your bank has identified South American Overseas Bank and Banco Milan as funding partners. The ratio of participation is finalized as follows:

- Your bank 10000 USD
- South American Overseas Bank 25000 USD
- Banco Milan 15000 USD

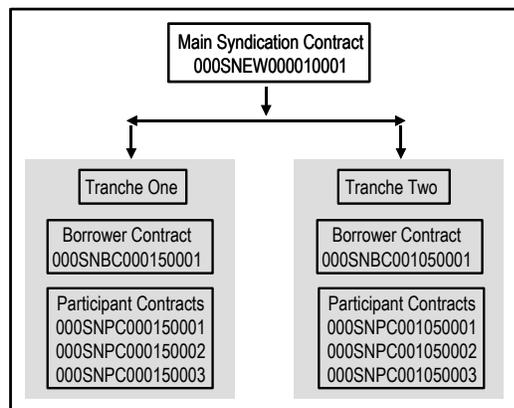
When you open the tranche in the system, you input a borrower commitment for Mr. Robert Carr. When the BOOK event is triggered for the borrower commitment contract, the system then creates commitment contracts for your bank and for South American Overseas Bank and Banco Milan based on the borrower commitment contract.

Let us suppose that the second tranche is booked on 15th April. Let us suppose that the following Contract Reference Numbers are generated by the system for the contracts:

- Borrower (Mr. Carr) Commitment: 000SNBC001050001. You enter this contract into the system after specifying the Facility Contract Reference Number of the main facility contract against which the first tranche is being opened, which is 000SNEW000010001.
- Participant (Your Bank) Commitment: 000SNPC001050001. This contract is created by the system when the BOOK event is triggered for the borrower commitment contract 000SNBC001050001.
- Participant (South American Overseas Bank) Commitment: 000SNPC001050002. This contract is created by the system when the BOOK event is triggered for the borrower commitment contract 000SNBC001050001.
- Participant (Banco Milan) Commitment: 000SNPC001050003. This contract is created by the system when the BOOK event is triggered for the borrower commitment contract 000SNBC001050001.

Since the principal amount in each tranche is scheduled to be made available during a fixed period - between 1st January and 31st March for the first tranche, and between 1st April and 30th June for the second, the participants are reminded to fulfill their commitments just before each schedule is due. This would mean that the approved contributions from each participant would be credited into a common syndication pool before each schedule is due. The schedule dates, according to the agreement, are 30th January, 29th February and 31st March for the first tranche, and 30th April, 31st May and 30th June for the second.

Therefore, the relationship of the tranche contracts under a main facility contract can be seen below, using our example:



Drawdown Contracts

On any date including and following the 31st of January, Mr. Robert Carr can avail of his first drawdown loan of 20000 USD, under the first tranche. Similarly, on any date including and following the 30th of April, Mr. Robert Carr can avail of his first drawdown loan of 20000 USD, under the second tranche.

Accordingly, you have drawn up a drawdown schedule for disbursing the loans, where you have defined details such as the start date of the drawdown, the maturity date, currency, interest rate and amount. These details are defaulted to the drawdown contract and you cannot change any of them when you enter a drawdown loan on the drawdown date. The drawdown loans are disbursed according to the drawdown schedule.

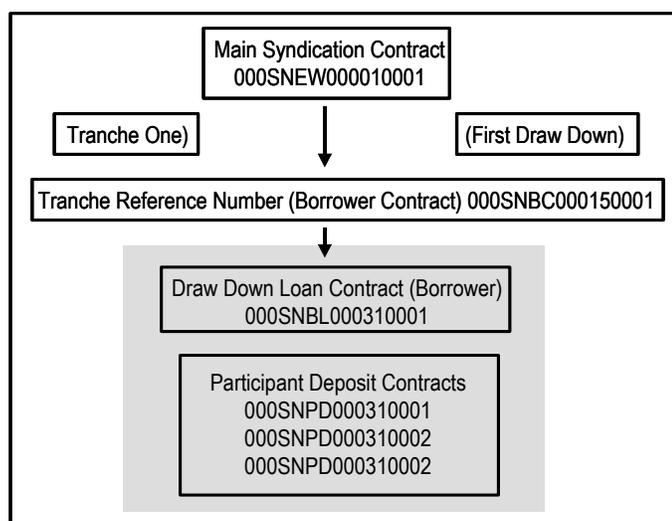
You can enter each of Mr. Carr's drawdown loans into the system. The system saves the loan contract with a unique reference number. When the BOOK event for each of the loans is triggered, the system initiates deposit contracts for the participants of the tranche, based on the drawdown loan reference number.

Let us suppose that the following Contract Reference Numbers are generated for the loans and the contracts for the participants:

Tranche One, First Drawdown Loan (31st January)

- Borrower (Mr. Carr) Drawdown Loan: 000SNBL000310001. You enter this contract into the system after specifying the Facility Contract Reference Number of the main borrower facility contract against which the tranche was being opened, which is 000SNEW000010001, as well as the Contract Reference Number of the borrower tranche contract against which the drawdown loan is being entered, which is 000SNBC000150001.
- Participant (Your Bank) Deposit: 000SNPD000310001. This contract is created by the system when the BOOK event is triggered for the drawdown loan contract 000SNBL000310001.
- Participant (Brinsley Bank) Deposit: 000SNPD000310002. This contract is created by the system when the BOOK event is triggered for the drawdown loan contract 000SNBL000310001.
- Participant (Dayton Commercial Bank) Deposit: 000SNPD000310003. This contract is created by the system when the BOOK event is triggered for the drawdown loan contract 000SNBL000310001.

Therefore, the relationship of the drawdown contracts under the first tranche can be seen below, using our example:



The relationship of the drawdown contracts in each drawdown would be similar to the structure depicted above, with the appropriate tranche reference numbers and the drawdown contract numbers.

Tranche One, Second Drawdown Loan (28th February)

- Borrower (Mr. Carr) Drawdown Loan: 000SNBL000590001. You enter this contract into the system after specifying the Facility Contract Reference Number of the main facility contract against which the tranche was being opened, which is 000SNEW000010001, as well as the Contract Reference Number of the borrower tranche contract against which the drawdown loan is being entered, which is 000SNBC000150001.
- Participant (Your Bank) Deposit: 000SNPD000590001. This contract is created by the system when the BOOK event is triggered for the drawdown loan contract 000SNBL000590001.
- Participant (Brinsley Bank) Deposit: 000SNPD000590002. This contract is created by the system when the BOOK event is triggered for the drawdown loan contract 000SNBL000590001.
- Participant (Dayton Commercial Bank) Deposit: 000SNPD000590003. This contract is created by the system when the BOOK event is triggered for the drawdown loan contract 000SNBL000590001.

Tranche One, Last Drawdown Loan (31st March)

- Borrower (Mr. Carr) Drawdown Loan : 000SNBL000900001 (As explained earlier)
- Participant (Your Bank) Deposit: 000SNPD000900001. (As explained earlier)
- Participant (Brinsley Bank) Deposit: 000SNPD000900002. (As explained earlier)
- Participant (Dayton Commercial Bank) Deposit: 000SNPD000900003. (As explained earlier)

Tranche Two, First Drawdown Loan (30th April)

- Borrower (Mr. Carr) Drawdown Loan : 000SNBL001200001 (As explained earlier for tranche two)
- Participant (Your Bank) Deposit: 000SNPD001200001. (As explained earlier).
- Participant (South American Overseas Bank) Deposit: 000SNPD001200002. (As explained earlier)
- Participant (Banco Milan) Deposit: 000SNPD001200003. (As explained earlier)

Tranche Two, Second Drawdown Loan (31st May)

- Borrower (Mr. Carr) Drawdown Loan : 000SNBL001510001 (As explained earlier for tranche two)
- Participant (Your Bank) Deposit: 000SNPD001510001. (As explained earlier).
- Participant (South American Overseas Bank) Deposit: 000SNPD001510002. (As explained earlier)
- Participant (Banco Milan) Deposit: 000SNPD001510003. (As explained earlier)

Tranche Two, Last Drawdown Loan (30th June)

- Borrower (Mr. Carr) Drawdown Loan : 000SNBL001810001 (As explained earlier for tranche two)
- Participant (Your Bank) Deposit: 000SNPD001810001. (As explained earlier).
- Participant (South American Overseas Bank) Deposit: 000SNPD001810002. (As explained earlier)
- Participant (Banco Milan) Deposit: 000SNPD001810003. (As explained earlier)

5.1 Products for Loan Syndication Contracts

A product is a specific service, scheme or facility that you make available to customers.

For instance, the facility of a syndication agreement between your bank and other banks or financial institutions, for the purpose of pooling funds to disburse loans is a specific service you could offer. This service can be thought of as a product.

Similarly, the facility of availing loans through a drawdown, from any of the tranches under the borrower facility contract, is another specific service that you offer to customers. This could also be thought of as a product.

In Oracle FLEXCUBE, a contract is entered into the system against a product, and is specific to a customer. For instance, a drawdown loan for a borrowing customer under a tranche of a borrower facility contract is entered into the system against a borrower leg drawdown loan product.

Defining a product simplifies the process of entering a contract, since you can define certain attributes for a product that will be applied to all contracts entered against the product automatically, saving your effort to specify them afresh each time you input a contract. When Oracle FLEXCUBE processes the contract, it will apply all the attributes and specifications made for the product against which the contract was entered.

You can enter more than one contract against a product.

Before you enter any contracts for a facility contract, whether the main contracts or the commitments or loan contracts, you should have already defined the following products:

1. A borrower facility product for borrower facility contracts. Also, participant facility products for the resultant participant facility contracts.
2. Tranche-level commitment type of products for borrowing customers, and participants
3. Loan products for the borrowing customers for drawdowns under a tranche, as well as deposit products for the participants.

*The definition of these products is explained in detail in the chapter **Defining Products for Loan Syndication** in this user manual.*

5.2 Processing a Borrower Facility

You can capture details for a borrower facility in the 'Loan Syndication – Facility Contract Online' screen. To invoke this screen from the Application Browser, click on **LS Operations**, choose **Borrower Facility Input** and then click on the **Detailed** option under it. The screen will be displayed with details of an existing facility, as shown below:

The screenshot shows the 'Loans Syndication - Facility Contract Online' application window. The interface is divided into several sections:

- Header:** Template, Contract Ref No. (001BFP1120870001), Product (BFP1), User Ref No. (001BFP1120870001), Product Type (Syndication), Custom Ref No. (12001085), Branch (001), Department (702), Treasury.
- Contract Details:** Customer (018600), Currency (USD), Amount (1,000,000.00 USD), Facility Start Date (27-MAR-2012), Facility End Date (27-MAR-2015), Internal Agency Id (018600), Cusip No (FPMLCUS1).
- Tranche Details:** Start Date (27-MAR-2012), End Date (27-MAR-2015), Min Amount (1.00 USD), Max Amount (1,000,000.00 USD).
- Holiday Treatment For Schedules:** Includes options for Ignore Holidays, Move Forward, Move Across Months, Use Facility Currency, Include Branch Holiday, Move Backward, Cascade Schedules, Use Local Currency, and Holiday Ccy (GBP).
- Holiday Treatment For Maturity Date:** Includes options for Ignore Holidays, Move Forward, Move Across Months, Use Facility Currency, Include Branch Holiday, Move Backward, Use Local Currency, and Holiday Ccy.
- Named Agent:** Primary Administrator (0300, RHEA REID), Secondary Administrator (0301, KERRY KEARNEY), Agreement Title (FPML Test), Internal Remarks.
- Status Control:** User Defined Status (NORM), Agency Type (Lead, Participation), Agent CIF.
- Watch List Details:** Watch List Facility, Watch List Remarks.
- Footer Table:**

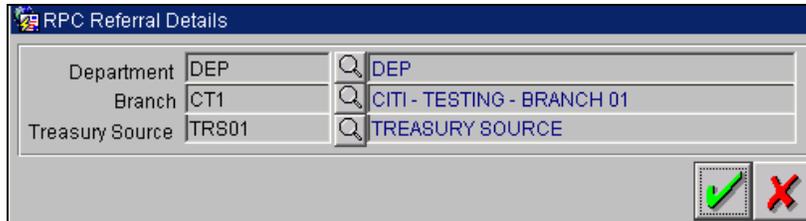
Entry by	Entry Time	Auth By	Auth Time	Contract Status	Auth Status	Participant Processing Status
MCKY4	27-MAR-2012 15:08:54	MCKY3	27-MAR-2012 15:09:35	Active	Authorized	Processed

 Throughout our discussion of how borrower a facility is entered, in this chapter, we will be referring to the example given at the beginning of the chapter.

To capture a new facility, click the new button  in the toolbar of the screen or select **New** from the **Actions** Menu.

5.2.1 Capturing the RPC Details

When you click on the new button  the 'RPC Referral Details' screen will be displayed:



Department	DEP	Q	DEP
Branch	CT1	Q	CITI - TESTING - BRANCH 01
Treasury Source	TRS01	Q	TREASURY SOURCE

In this screen, you have to select the following details:

- Department under which the facility is being processed
- Branch for which the facility is processed. You can process inter-branch facilities too. When you select the branch, the applicable 'Treasury Source' will also default.

Click the  button to accept the details. The selected details will default to the facility.

5.2.2 Entering the Facility Details

You can choose to enter the details of a facility either by:

- Selecting a template that has been created earlier. If you do so, the details that have been stored in the template will be displayed for the facility. You can change the values in any of the fields except the following:
 - Product
 - Contract Reference Number
- Copying an existing facility and changing only the details that are different for the facility you are entering.
- Using your keyboard and the option-lists that are provided at the various fields, to enter the details of the facility afresh.

5.2.2.1 Using a Template to enter a Facility

A template is a sample borrower facility, with details similar to that of many contracts under a category or involving a particular facility product. When a template is created, it can be re-used while entering other contracts and only those options specific to the contract need to be changed. Therefore, the process of specifying all the details for a contract is faster and easier.

To associate a template, you have to select the 'Template' from the option-list. The details that have been stored for the template will be displayed. A new reference number will be automatically generated for the contract. After you have changed the values that need to be changed, click  button to store the details in the system. Alternatively, you may also select the **Save** from the **Actions** Menu for this purpose.

5.2.3 A description of the 'Facility Contract Online' Screen

In the 'Loans Syndication - Facility Contract Online' screen, you can capture the following details:

- The main borrower facility product under which the contract is being entered
- A unique reference number for the contract
- The counterparty (customer) with whom the borrower facility contract has been finalized
- The currency associated with the customer
- The date of value of the contract
- The date on which the contract matures
- The amount being transacted in the contract
- The purpose for the borrower facility contract
- Any narrative regarding the contract (remarks)

In addition, a vertical toolbar is also provided in the screen. These buttons are used to invoke other sub-systems meant to capture important information for processing a facility contract. These buttons have been described briefly below:

Buttons	Description
	Click on this button to invoke the 'Currency Details' screen. In this screen, you can maintain an allowable list of currencies for the contract. Short Cut Key: Alt + Y (the alphabet that is underlined)to access the screen.
	Click on this button to specify the details pertaining to the borrowers of the facility contract. Short Cut Key: Alt + B
	This button will invoke the 'Participant Ratio Details' screen. Short Cut Key: Alt + P
	This button will display the 'Fee Components' screen where you can view the default fee details for the contract. Short Cut Key: Alt + F
	Click on this button to view the 'Fee Schedules' screen. This will display the payment schedules for the various fee components.

Buttons	Description
	Click on this button to view the 'Participant Tax Details' screen. Short Cut Key: Alt + T
	Click this button to view the 'Settlement Message Details' screen. Short Cut Key: Alt + S
	Click this button to define MIS details for the contract. Short Cut Key: Alt + M
	Click here to invoke the 'Party Details' screen. In this screen you can specify the different types of entities or parties that would be applicable for the contract.
	This button will invoke the 'Diary Contracts – Summary' screen where you can view the event details for the contract.
	Click on this button to invoke the 'Participant Facility Contract Summary' screen. In this screen, you can view the underlying Tranche and Drawdown contracts for the Facility contract.
	Click on this button to invoke the 'Event Log Details' screen. Here, you can view the accounting entries for each event and the overrides encountered, if any. Short Cut Key: Alt + E

 Only the specifications exclusive to processing Loans Syndication contracts is explained in this chapter. For information on the generic functionality of the above sub-systems, refer the following Oracle FLEXCUBE User Manuals:

- Products
- MIS
- Interest
- Charges and Fees
- Tax
- User Defined Fields and
- Settlements

5.3 Capturing Facility Details

The following section explains the procedure for capturing the contract by associating it with a facility product. This will facilitate quick input. Based on the product code you choose, many of the fields will be defaulted. You can over write some of these defaults to suit your requirements.

Product

You have to select the appropriate facility product from the option list provided. All authorized products maintained in the 'Facility Product Definition' screen will be available in the option list provided. After you select a product, the following details will default to the contract:

- Product Type
- Branch
- Department

When you click on the 'Tab' key on the keyboard, the system automatically generates the following reference numbers

Contract Reference Number

The Contract Reference Number uniquely identifies the borrower facility contract in the system. It is generated by the system automatically for every borrower facility contract.

The system combines the following elements to form the Contract Reference Number:

- The branch code (3-digit code)
- The product code (4-digit code)
- The value date of the borrower facility contract (in 5-digit Julian format)
- A running serial number for the booking date (4-digits)

Example

For instance, if you are entering the facility contract with Mr. Robert Carr, as in our previous example, the Contract Reference Number generated by the system was 000SNEW000010001.

- The first three digits are the code of the branch of your bank where the contract was entered into the system.
- SNEW is the code of the borrower facility product that you have set up against which you are entering your facility contract with Mr. Robert Carr.
- 00001 refers to January 1, 2000 (in Julian format) when the contract was booked. (see example given below to understand how the Julian date is interpreted)
- 0001 is a running serial number, incremented by 1 for each contract entered on the booking date for the product code and the booking date combination.

The Julian date is expressed in the following format - YYDDD

Here, YY represents the last two numerals of the year, and DDD, the number of elapsed days in the year.

Example

For instance, 00059, in Julian format, would mean the 28th of February 2000. Here, 00 stands for the year 2000, and 059 would stand for number of elapsed days in the year 2000. The number of elapsed days in January would be 31, followed by 59-31 days in February, which computes to 28.

User Reference Number

The reference number is the identification that you specify for the borrower facility contract. You can specify any identification number. In addition to the Contract Reference Number that the system generates, this number will also be used to retrieve information about the contract.

By default, the Contract Reference Number generated by the system is considered to be the User Reference Number for the contract.

You can use the User Reference Number to uniquely identify as well as classify the borrower facility contract for the internal purposes of the bank. For instance, you may want to identify all facility contracts entered into with all customers (borrowers) of a certain net worth; or all customers in a particular nationality, or a particular industry, and so on. In such a case, you can supply a unique prefix to the user reference number to identify and classify the contract.

Custom Ref No

You can capture a unique reference number for the facility. This number will be used to identify the facility in the system. You can also query the facility based on this number. The reference number can consist of a maximum of 16 alphanumeric characters. You have to capture the custom reference number as mandatory information for the facility.

5.3.1.1 Specifying Contract Details

In the 'Contract Details' section of the screen, you have to specify the following:

Customer

You must specify the customer with whom the facility contract has been finalized. This, typically, is the borrowing customer.

The customers allowed to be counterparty to a facility contract are defined at the facility product level. The customers allowed for the contract are displayed in the option list provided. Select the customer from this list.



A primary entity must be defined for every customer who is allowed to be a borrower of the facility contract, in the 'Borrower Details' screen.

Example

When you are entering a borrower facility contract that we saw in the first example, with Mr. Robert Carr, you can select the code assigned to Mr. Carr, in the system, from the option list.

You must also designate a Primary Entity to whom advices and notices related to the contract would be sent.

Currency

You have to specify the currency of the borrower facility contract. The currencies allowed for the facility product are available in the option list provided. Select the currency from this list. This is the currency in which the contract amount is expressed.

Amount

Specify the total principal that is to be lent to the borrowing customer through the borrower facility contract. The value you enter here is taken to be in the currency specified for the borrower facility contract. You can specify T or M to signify thousand or million, respectively. For instance, 10T would mean ten thousand and 5M, five million.

When you specify the contract amount, the system computes and displays the facility amount in reporting currency using the exchange rate maintained between the two currencies (Contract Ccy and Reporting Ccy) for the branch. This is displayed in the 'Reporting Details' section of the screen.

Facility Start Date

This is the date on which the contract becomes effective in the system. On any date following this, you can capture the tranche-level commitment contracts and the individual drawdown loans in the system. By default, the current date is displayed here.

However, you can change this date to any one of the following:

- A past date
- The application date
- A future date

To change the date, click on the calendar button . The system will then display the following message to seek confirmation for the change:

'Facility Start Date and Tranche Start Date are defaulted to System Date, Continue?'

Click 'OK' in the message window to proceed with the change.



Note the following:

- The facility start date must be later than the 'Start Date' defined for the product involving the contract and earlier than the 'End Date' of the product.
- All tranche contracts and drawdown loan contracts must be value dated later than the Facility Start Date

Example

For instance, when you enter the borrower facility contract with Mr. Robert Carr, you must enter 1st January 2000 as the Value Date.

The application date on the day you enter the contract could be earlier, later or the same as this value date. For instance, Mr. Robert Carr could approach you on 15th January 2000 and enter into a contract with your bank, wishing that the contract to come into effect on 1st January. The value date in this case is 1st January 2000, and the contract would be backdated.

For backdated contracts, you can enter backdated tranches and drawdowns.

Alternatively, Mr. Robert Carr could approach you on 15th December 1999, and enter into a contract with your bank, wishing that the contract must come into effect on 1st January 2000. This is the value date, and the contract would be future dated.

For future dated contracts, you cannot enter tranches before the contract actually comes into effect (i.e., before the value date).

Facility End Date

This is the date on or before which all tranches and drawdowns under the borrower facility contract mature.

You can enter any future date as the facility end date. It must be later than the 'Start Date' defined for the product involving the borrower facility contract, and earlier than the 'End Date' of the same product.

The 'Facility End Date' must be later than the 'Facility Start Date' defined for the contract.

Example

For instance, when you enter the borrower facility contract with Mr. Robert Carr, the customer indicates that the tenor of the contract must be a year, i.e., the maturity date of the facility contract must be 1st January 2001. This means that all tranches and drawdowns entered must mature on or before that date.

Internal Agency ID

Select the CIF Id of a bank or its entity to play the role of a self participant in the syndicated loan. The id you select for the facility is propagated to the tranche and drawdowns created under it. During STP from LS module to LD module, the id selected here becomes the settlement party of the corresponding commitment/loan contract.

For details on STP, refer to the 'Straight Through Processing (STP)' chapter of this User Manual.

5.3.1.2 Specifying Details for Tranches

You need to specify the following details for tranches borrower facility contract:

Start Date

You have to capture the date on which the tranches created under the facility contract become effective in the system. By default, the current date is displayed here. However, you can change this date provided the new date is not earlier than the facility start date and later than the facility end date.

End Date

Similarly, you have to specify the date on which the tranche contracts processed under the facility contract should mature. You can enter any date as the facility end date provided:

- The new date is not earlier than the facility start date and later than the facility end date
- The new date is not equal to or earlier than the start date specified for the tranche

Minimum Amount

You can specify the minimum amount that must be disbursed through the tranche contracts under the borrower facility contract. This amount will be considered in the borrower facility contract currency.

When you enter a borrower tranche contract under the borrower facility contract, you have to specify the drawdown schedules. The system will validate that the schedule amount is not be less than the minimum amount you specify here. If the tranche currency is different from the borrower facility contract currency, the amount is converted using the standard exchange rate, for the purpose of validation.

Maximum Amount

Similarly, you have to specify the maximum amount that must be disbursed through the tranche contracts under the borrower facility contract. This amount will also be considered in the borrower facility contract currency.

When you enter a borrower tranche contract under the borrower facility contract, the system will validate that the schedule amount does not exceed the maximum amount you specify here. If the tranche currency is different from the borrower facility contract currency, the amount is converted using the standard exchange rate, for the purpose of validation.

5.3.1.3 Specifying Holiday Handling Preferences for Schedules

Schedule dates for a contract could fall on holidays defined for your branch or on holidays defined for the currency of the contract. The holiday handling preferences are defined as part of maintaining preferences for a facility product. These specifications will default to any borrower facility contract using the product, and also to underlying borrower tranche or drawdown contracts that are opened under the facility contract.

You can make changes to the specifications defaulted from the borrower facility product.

Ignore Holidays

You have to check this option to instruct the system to ignore the holiday. Payment schedules will be processed as per the due date even if the schedule falls due on a holiday.

Include Branch Holiday

If you select this option, the system will consider the branch holidays also for handling schedule dates falling due on holidays.

Move Backward or Forward

You can indicate whether the schedule date falling on a holiday must be moved forward to the next working day, or backward to the previous working day.

Move Across Months

If you have indicated either 'Forward' or 'Backward' movement of a schedule date falling due on a holiday, and the moved schedule date crosses over into a different month, you can indicate whether such movement is allowable; it will be allowable only if you check this option.

Cascade Schedules

If one schedule has been moved backward or forward in view of a holiday, cascading schedules would mean that the other schedules are accordingly shifted. If you do not want to cascade schedules, then only the schedule falling on a holiday is shifted, as specified. The other schedules remain unaltered.

Use Facility Currency

If you choose this option, the system will check whether the schedule date falls on a holiday defined for the currency of the facility (borrower) contract. This is applicable if the currency is different from the holiday currency you specify.

Use Local Currency

If you choose this option, the system will check whether the schedule date falls on a holiday defined for the local currency, provided this currency is different from the holiday currency and facility currency you have indicated.

Holiday Ccy

By default, the system will check the holiday calendar maintained for the facility currency before arriving at the schedule due date. However, if required, you can include another currency for a similar check.

If you specify another currency, the system will check the holiday calendar for both the facility currency as well as the currency you select here.

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a schedule date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

5.3.1.4 Specifying Holiday Handling Preferences for Maturity Date

Just as you maintain holiday handling preferences for schedules of the facility contract, so also you should maintain the preferences for handling maturity dates falling due on holidays. The preferences available are similar to the ones available for the schedules.

5.3.1.5 Specifying Status Control

For a new contract, the default status is 'NORM' (Normal). It may be required that you change the default status of a contract. To change the status, select the appropriate status from option list provided. The statuses defined for the facility product through the 'Status Maintenance' screen will be available in this list.

For details on the 'Status Maintenance' screen, refer the heading 'Maintaining statuses for a syndication product' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

5.3.1.6 Indicating Agency Type

You can indicate the agency type of the transaction from the following options.

- Lead - Your bank is the lead agent for the syndication transaction.
- Participation - Your bank is one of participant in the syndication transaction.



You can indicate the agency type during the facility booking and you are not allowed to do any amendments to this at a later stage for this transaction.

5.3.1.7 Specifying Other Details

You have to capture the following detail also for the facility contract:

Named Agent

Select an appropriate named agent from the adjoining option list. The list displays all valid named agents from 'Named Agent Maintenance' screen, who are mapped with the proof code that is the same as the department code under which the facility is being booked.



Note the following:

- You must maintain same values for department and proof codes.
- You cannot amend a named agent if any active tranches are associated with the facility.

Primary and Secondary administrators

You have to identify the officer assigned to be the primary and secondary administrator for the borrower facility contract. The administrators maintained through the 'Administrator Details' screen are available for selection. Upon selection of the code, the name of the administrator is displayed alongside.

For more details, refer the heading titled 'Maintaining administrators' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

Agreement Title

A borrowing customer may avail a syndicated loan arrangement for a specific purpose, such as beginning a new venture, or a personal business project. You can capture this information as part of the facility contract.

You can also specify the agreement title in Chinese up to eighty five characters and the same will be displayed in the 'Loans Syndication : Draft - Tranche' and 'LS Tranche Contract Online' screens.

Internal Remarks

You can specify information about the facility contract to be used for reference, within your bank. It will not be printed on any correspondence with customers, but will be displayed when the details of the contract are displayed or printed.

You can also specify the internal remarks in Chinese up to eighty five characters and the same will be displayed in the 'Loans Syndication : Draft - Tranche' and 'LS Tranche Contract Online' screens.

5.3.1.8 Specifying Watch List Details

You can specify whether you want to keep the facility under watch. The following details related to the watch list can be specified here:

Watch List Facility

Select this check box to indicate that you would like to keep the facility under watch.

Watch List Remarks

Select the reason for including the facility under watch list from the option list available.



This field will be enabled only if you select the 'Watch List' check box.

The standard reasons for watch list are maintained in the 'Static Maintenance -Detail' screen.

The system displays the following override message when you try to perform any activity on existing tranches or drawdowns, or when you enter new tranches or drawdowns under a facility with Watch list. The override message will display the reason for the facility being under Watch List.

The underlying facility is under Watch List, reason being 'Facility under Watch'

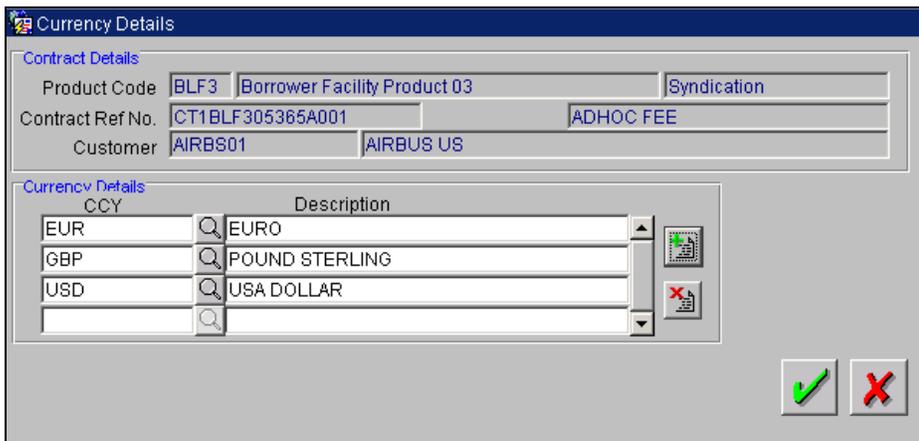
Do you want to continue?

For more details, refer the section titled 'Maintaining Watch List Details' in the 'Reference Information for Loan Syndication' chapter of this user manual

Each of the vertical buttons in the screen is explained below in detail.

5.3.2 Specifying Allowable Currencies

You can specify the different currencies that are allowable for the borrower facility contract, for tranches and drawdowns created under it. It is mandatory to include the facility currency in this list. To specify the allowable currencies, click  button in the 'Facility Contract Online' screen. The 'Currency Details' sub-screen will be displayed, where you can specify the required currency list.



CCY	Description
EUR	EURO
GBP	POUND STERLING
USD	USA DOLLAR

To maintain the allowable list of currencies, do the following:

4. Select the currency from the option list provided. The description of the currency will be displayed when you select the currency.
5. Click  button to insert a row and then select the next allowable currency. Continue this procedure until the required currencies are selected.
6. To remove a currency from the allowable list, click the  button.
7. Click the  button to save the list and return to the main screen.

When you enter a tranche or a drawdown under the facility contract, the allowable currencies are those defined in this list.



It is mandatory to maintain the allowable list of currencies for the facility before you invoke any of the other sub-screens. If not maintained, the system will display the following alert message when you attempt to invoke the other sub-screens:

Currencies are not entered.

5.3.3 Specifying Borrowers for the Facility

You must specify the borrowers for the facility contract, who will actually be availing the drawdown loans under the facility contract. Click the  button screen to invoke the 'Borrower Details' sub screen.

Borrower Details

Contract Detail
 Product Code: BLT1 BORROWER TRANCHE PRODUCT - 01 Tranche
 Contract Ref No: CT2BLT1043640002 User Ref No: T-1-2
 Customer: VODAF02 VODAFONE
 Facility Name: A

Borrower	Borrower Name	SSI Counterparty	Counterparty Name	Nature of SSI	Netting Preferences	Blocked
VODAF02	VODAFONE	VODAF02	VODAFONE	Contractual	None	<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

Drawdown Products for VODAF02

Limit Type	DD Product	DD Product Description
Sublimit	ALL	All Products
All LC	ALL	All Products

Currencywise Drawing Limit for Product ALL

Currency	Currency Description	Limit Amount
EUR	EURO	1,200.00
GBP	POUND STERLING	1,300.00
USD	USA DOLLAR	1,500.00

By default, the customer of the facility contract is the borrowing customer. The following details of this customer are displayed in this screen:

- Borrower Code
- Borrower Name
- SSI Counterparty
- Counterparty Name (same as the borrower's name)
- Entity details of the customer



You can specify more than one borrower for a facility contract.

To add another borrower, do the following:

8. Click  button to select a borrower. System will display a message to indicate that the SSI Mnemonic maintained for the counterparty and contract currency will become applicable for the new borrowers as well. Click 'OK' in the message window to continue.
9. Select the borrower from the option list provided. The 'Borrower Name, SSI Counterparty, Counterparty Name and Entity Name' will be displayed when you select the borrower.
10. Repeat steps 1 and 2 to add the required number of borrowers for the contract. To remove a borrower from the facility, click the  button.



You can specify the SSI and Netting Preferences at the tranche level.

The details to be captured for a borrower of the facility contract are discussed below:

5.3.3.1 Specifying Currency Mnemonic Details

The list of allowable currencies maintained through the 'Currency details' screen will be displayed in the 'Currency' column for each borrower. Here, you are not allowed to add a currency to the list. However, you may specify an SSI (Standard Settlement Instructions) Mnemonic for each of the allowable currency. The SSI selected for the facility contract will become applicable to the tranches and drawdowns processed under it.

SSI Mnemonic

SSI Mnemonics are maintained in the 'Settlement Instructions' screen for a Counterparty, Module, Currency, Product and Branch combination. The same will be available for the counterparty/borrower of the facility contract. The option list provided will display the following details:

- SSI Mnemonic
- Currency (only SSI applicable for the contract currency/ALL will be displayed)
- Counterparty ID and Name
- Debit Account Branch, Currency, and Account
- Credit Account Branch, Currency, and Account
- Sequence Number

The Mnemonics selected here will obtain the settlement details for the borrower of the contract.



If you do not associate a Mnemonic with the currencies, the system will default the SSI Mnemonic for the counterparty and contract currency when you exit the 'Borrower Details' screen. The settlement instructions maintained for the counterparty will become applicable for all the borrowers of the contract.

To return to the 'Borrower Details' section of the screen, you have to click  button.

5.3.3.2 Maintaining Entity Details for a Borrower

The entities maintained for the counterparty through the 'Customer Entity Details' screen will default to the contract.

Primary Entity

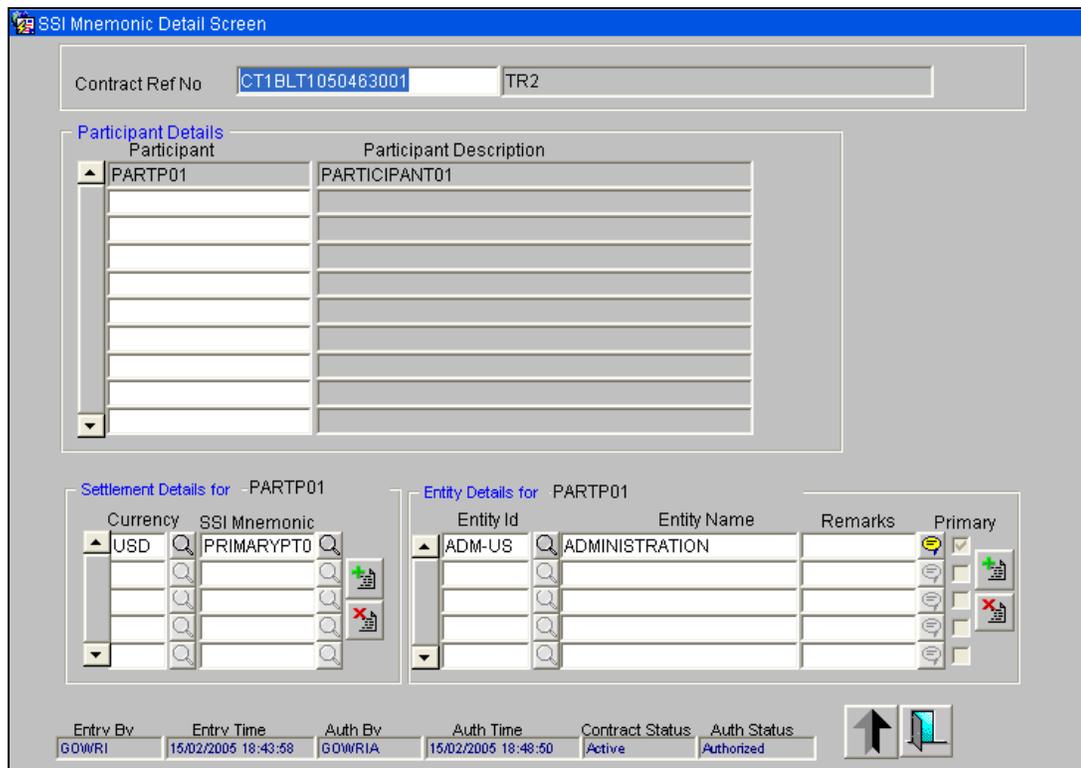
From the list of entities, you can designate one of them as the 'Primary' entity. The primary entity will be the recipient of notices and messages for the borrower.

 A primary entity must be designated for every customer who is allowed to be a borrower of the facility contract. If not specified, you will not be allowed to save the details.

To return to the 'Borrower Details' section of the screen, you have to click  button.

5.3.3.3 Viewing of Settlement Amendment Screen

Oracle FLEXCUBE allows you to view the tranche details using the 'SSI Mnemonic Detail' screen. To invoke this screen from the Application Browser, click on **LS Operations**, choose **SSI Mnemonic** and then click on the **Detailed** option under it. In this screen, you can view the details of the participant.



The screenshot displays the 'SSI Mnemonic Detail Screen' with the following data:

Contract Ref No: CT1BLT1050463001 TR2

Participant	Participant Description
▲ PARTP01	PARTICIPANT01

Settlement Details for -PARTP01	
Currency	SSI Mnemonic
▲ USD	PRIMARYPT0

Entity Details for PARTP01			
Entity Id	Entity Name	Remarks	Primary
▲ ADM-US	ADMINISTRATION		<input checked="" type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>

Summary Information:

Entrv By: GOWRI	Entrv Time: 15/02/2005 18:43:58	Auth By: GOWRIA	Auth Time: 15/02/2005 18:48:50	Contract Status: Active	Auth Status: Authorized
-----------------	---------------------------------	-----------------	--------------------------------	-------------------------	-------------------------

Navigation icons: Up arrow, Refresh, Print, Close.

You can view the details of the borrower in the 'Borrower SSI Mnemonic Detail Screen'. To invoke this screen click on **LS Operations**, choose **SSI Mnemonic** and then click on the **Borrower Mnemonic** option under it.

Borrower SSI Mnemonic Detail Screen

Contract Ref No: CT1BLT1050463001 TR2

Borrower Details

Borrower	Borrower Name
DELLC01	DELL US

Settlement Details

Currency	SSI Mnemonic
USD	PRIMARY

Entity Details

Entity	Entity Name	Primary
ADM-UK	Administration	<input checked="" type="checkbox"/>
ADM-US	Administration	<input type="checkbox"/>
FIN-UK	Finance	<input type="checkbox"/>
FIN-US	Finance	<input type="checkbox"/>
SAL-UK	Sales	<input type="checkbox"/>

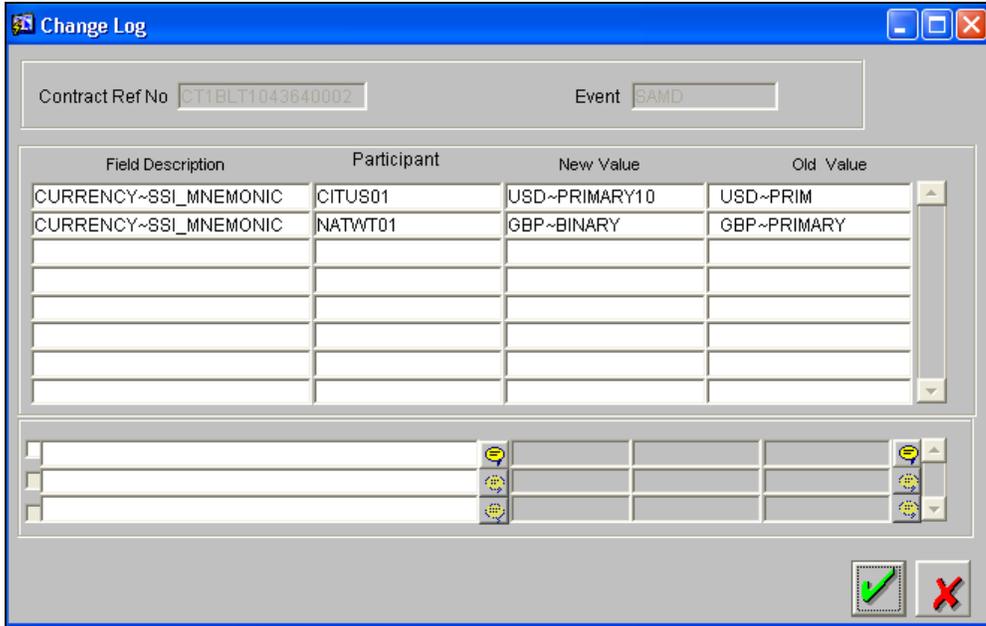
Entry By: GOWRI | Entry Time: 15/02/2005 18:41:53 | Auth By: GOWRIA | Auth Time: 15/02/2005 18:42:41 | Contract Status: Active | Auth Status: Authorized

You can view the following details in the above screens:

- Contract Ref Number
- Participant Details
- Borrower Details
- SSI Mnemonic
- Entity Details
- Settlement Details

 You can click the unlock  button and edit the SSI Mnemonic details

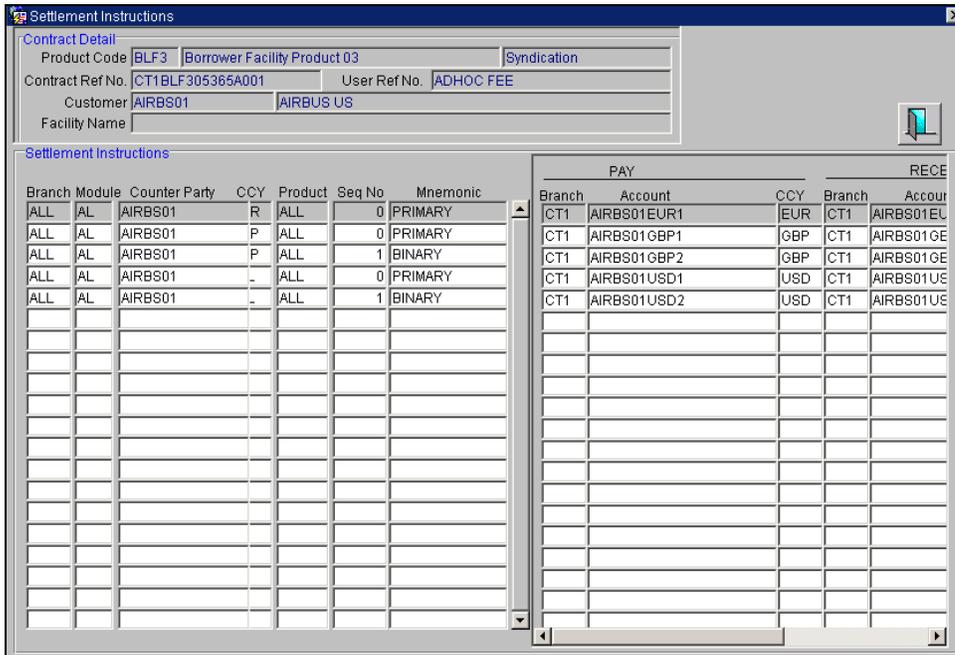
In Oracle FLEXCUBE, you can amend the values of both borrower and participant sides made on Loan contracts through the 'SSI Mnemonic Detail' screen and then authorize the changes. On authorizing, the system will display the Change Log details along with the old values and new values.



 You can click on the unlock  button and edit the SSI Mnemonic details for a particular participant.

5.3.3.4 Viewing Standard Settlement Instructions for Borrowers

At the facility level, you can view the summary of the standard settlement instructions (SSI) maintained for the borrower and currency combination. Select the borrower whose SSI details you want to view and click the  button. The details are displayed in the 'Settlement Instructions' screen as shown below:



The screenshot shows a window titled "Settlement Instructions" with a "Contract Detail" section at the top. Below this, there are two main tables. The left table lists settlement instructions with columns for Branch, Module, Counter Party, CCY, Product, Seq No, and Mnemonic. The right table is split into "PAY" and "RECE" sections, showing Branch, Account, and CCY for each entry.

Contract Detail						
Product Code	BLF3	Borrower Facility Product 03	Syndication			
Contract Ref No.	CT1BLF305365A001	User Ref No.		ADHOC FEE		
Customer	AIRBS01	AIRBUS US				
Facility Name						

Settlement Instructions						
Branch	Module	Counter Party	CCY	Product	Seq No	Mnemonic
ALL	AL	AIRBS01	R	ALL	0	PRIMARY
ALL	AL	AIRBS01	P	ALL	0	PRIMARY
ALL	AL	AIRBS01	P	ALL	1	BINARY
ALL	AL	AIRBS01	-	ALL	0	PRIMARY
ALL	AL	AIRBS01	-	ALL	1	BINARY

PAY				RECE	
Branch	Account	CCY	Branch	Account	CCY
CT1	AIRBS01EUR1	EUR	CT1	AIRBS01EU	
CT1	AIRBS01GBP1	GBP	CT1	AIRBS01GE	
CT1	AIRBS01GBP2	GBP	CT1	AIRBS01GE	
CT1	AIRBS01USD1	USD	CT1	AIRBS01UE	
CT1	AIRBS01USD2	USD	CT1	AIRBS01UE	

You have to click  button to exit and return to the 'Borrower Details' screen. Then, click the  button to save the borrower details and return to the main screen.

5.3.4 Specifying Participants for the Facility

You must also identify the participants who contribute to the syndication agreement for the borrower facility contract. You can do this through the 'Participant Ratio Details' screen. To invoke this screen, click the **Participants** button in 'Facility Contract Online' screen.

The screenshot displays the 'Participant Ratio Details' window. At the top, 'Contract Details' are shown: Product Code (BLT1 BORROWER TRANCHE PRODUCT - 01), Contract Ref No. (CT1BLT105060B1JU), Customer (ABNUS01), and Facility Name (CT1BLT105060B1JU). A 'Participant Selection' section includes 'Download To File' and 'Upload From File' buttons.

Participant Name	Participant Code	Asset Amount	Current Participation	Asset Ratio	Fee ADHIFEE-APR	Charge ADMIL-CHG	C BO
CITIBANK US	CITUS01	400,000.00	400,000.00	040.0000000000	040.0000000000	040.0000000000	
ZIONS BANK - NY	ZONNY03	600,000.00	600,000.00	060.0000000000	060.0000000000	060.0000000000	
		1,000,000.00	1,000,000.00	100.0000000000	100.0000000000	100.0000000000	100.0000000000

Below the table are three configuration sections: 'Participant Preferences for ZONNY03 PI' (with 'Self Participant' checked and 'Participant Type' set to 'Lender'), 'Settlement Details for ZONNY03 PI' (with 'Currency' as 'USD' and 'SSI Mnemonic' as 'PRIMARY.Z001'), and 'Entity Details for ZONNY03 PI' (with 'Entity Id' as 'ADM-US' and 'Entity Name' as 'ADMINISTRATION').

The following details are displayed in this screen:

- Product Code
- Contract Reference Number
- Customer of the contract
- Participant Name and Code
- Fee components associated with the product (only if the 'Participant Propagation Required' option is checked for the component in the Borrower Product – FEE Details' screen).

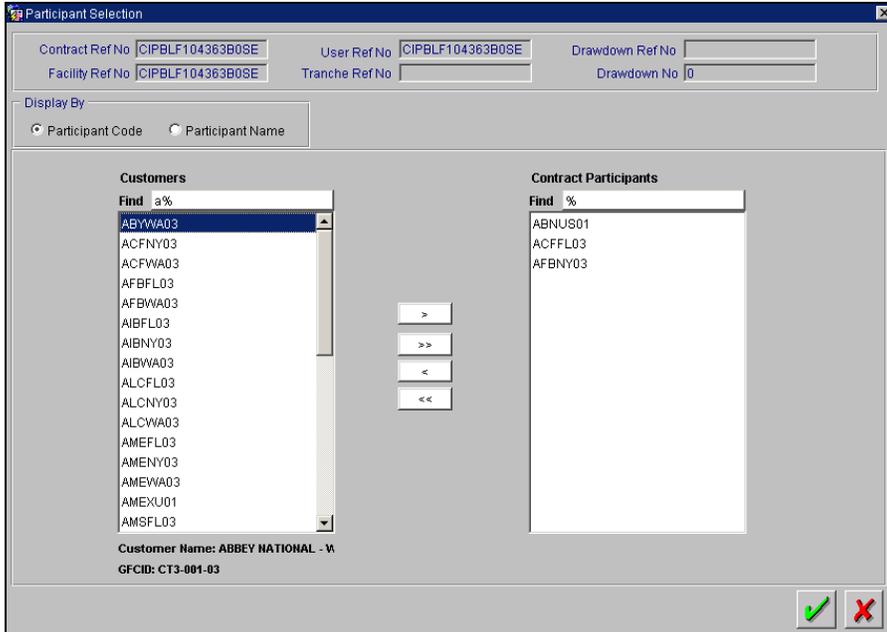
Through this screen, you can do the following:

- Select participant details for the contract
- Upload the participant details through the 'Upload From File' option
- Download the participant details through the 'Download From File' option

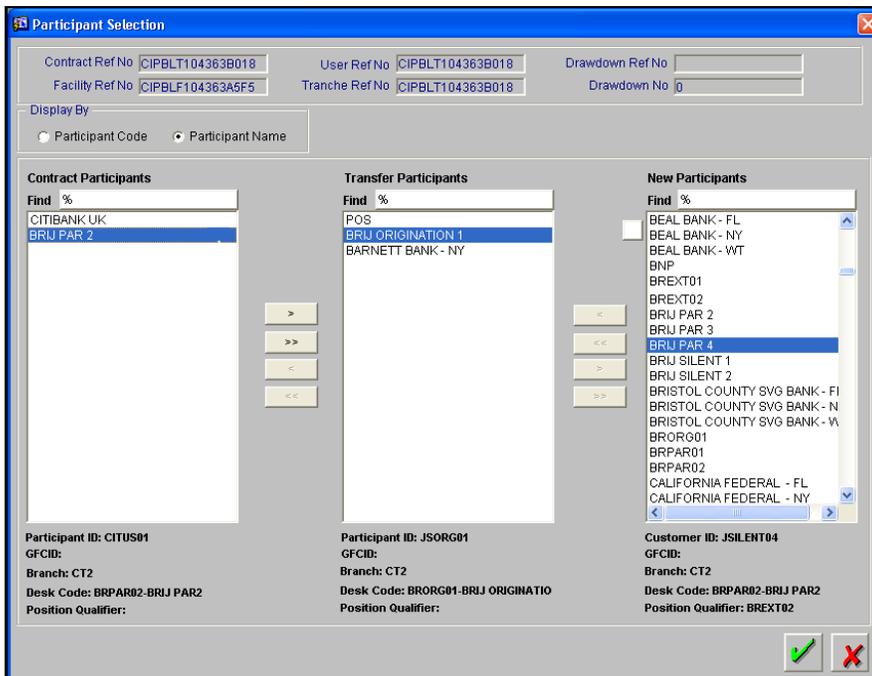
Each of the above procedures is discussed below:

5.3.4.1 Selecting Participants for the Facility

You can select the participants for the contract through the 'Participant Selection' screen. To invoke this screen, click  button.



In this screen, you can view the list of customers maintained for the branch. By default, the customers are displayed based on the 'Participant Code'. However, you also have the option to display them based on the 'Participant Name'.



When you select a customer from the list, depending on the 'Display By' option chosen, participant name (if displayed by 'Participant Code') or code (if displayed by 'Participant Name') and the Global Financial Customer ID (GFCID) will be displayed at the bottom of the column.



GFCID is specified at the time of maintaining customer details in the 'Customer Information Maintenance' screen.

To maintain a list participants for the contract, do the following:

11. Select a customer from the 'Customers' list and click the  button to move it under the 'Contract Participants' list. Alternatively, you can also double click the selected customer to move it under the 'Contract Participants' list.
12. Repeat step 1 till you select the required number of participants for the contract. To move all the customers under the 'Contract Participants' list, click the  button.
13. To remove a customer from the list, select the same and click the  button. To move all customers back to the 'Existing Participants' list, click the  button.

After maintaining the list of participants for the contract, click  button to save and exit the screen.

In the 'Participant Ration Details' screen, you can specify the proportion of income from the interest, charge and ad-hoc fee components (if applicable), which is due to each participant. This is expressed in percentage. System will display the component wise 'Total' in the last row.



The component wise total ratio should be 100%. The system will display an error message if the total exceeds or is less than this value.

Additionally, you have to specify the following details for each participant:

5.3.4.2 Maintaining Preferences for the Participant

The following preferences can be defined for a participant:

Self Participant

Check this box to indicate that the participant is a Self Participant. A self participant is one who is leading the loan contract.

Originator

Check this box to indicate that the Self Participant is the originator. This is enabled only if the 'Self Participant' check box is selected.

You can mark only one self participant as the originator.

SSI Mnemonic

The SSI Mnemonics maintained in the 'Settlement Instructions' screen for the Counterparty, Module, Currency, Product and Branch combination involved in the contract, will be displayed in the option list provided. You can select the required value from this list. The value selected here will obtain the settlement details for the participants of the contract.

If you do not specify the SSI Mnemonic for all the participants, system will display the following message:

SSI mnemonics for some/all participants have not been entered. It will be defaulted.



You also have the option to select component wise SSI Mnemonic for each participant of the tranche.

For more details on selecting component wise SSIs, refer the heading 'Changing the SSI for a component' in this chapter.

Participant Type

Select the type of participant from the drop-down list. Following are the options available in the drop-down list:

- Lender
- Affiliate
- Borrower consent
- Agent consent



The participant type detail should be at the Tranche level.

Entity ID

For each participant, you have to associate an entity(s) to whom copies of the advices related to the contract will be sent. The entities maintained for the participants through the 'Customer Entity Details' screen will default to the contract.

From the list of entities, you can designate one of them as the 'Primary' entity. The primary entity will be the recipient of notices and messages for the participant.



A primary entity must be designated for every customer who is allowed to be a participant of the facility contract. If not specified, you will not be allowed to save the details.

Remarks

You can specify remarks for each entity associated with the participant here. A maximum of 105 characters is allowed.

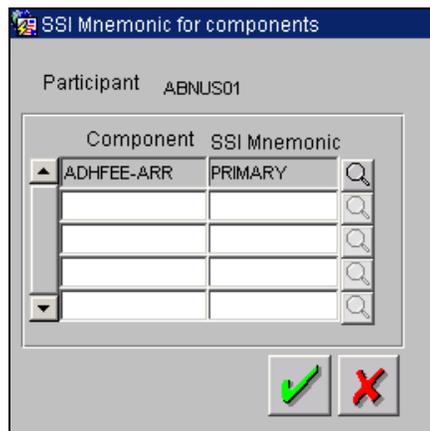
To select the next participant, click  button.

5.3.4.3 Changing the SSI for a Component

The 'SSI Mnemonic' selected for the participant will be applicable for all the components associated with the contract. However, you have the option to change the mnemonic at the component level.

To do this, follow the steps given below:

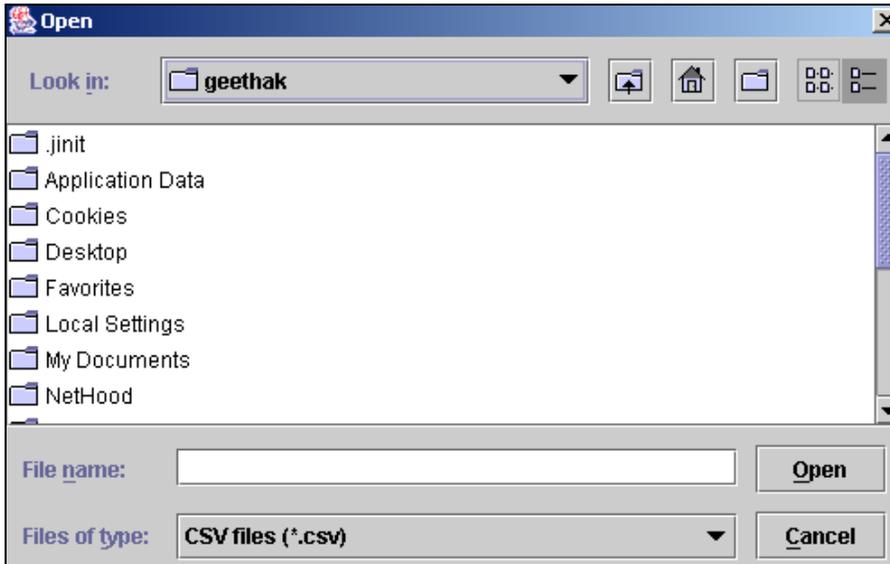
14. Highlight the participant (in the 'Participant Ratio Details' screen) and click the  button at the end of the record.
15. The SSI mnemonic selected for the contract will be displayed. All the components will have the same mnemonic as shown in the screen below:



16. Select the component and click on the  button to view the SSI mnemonics for the counterparty and currency combination. Choose a value from this list. The component level SSI value will take precedence over the one defined for the contract.
17. Click the  button to save the change and exit the screen.

5.3.4.4 Uploading Participant Details

To upload the participant details from a file, click the **Inload From File** button. The browser window opens up from where you can select the .CSV file to be uploaded.

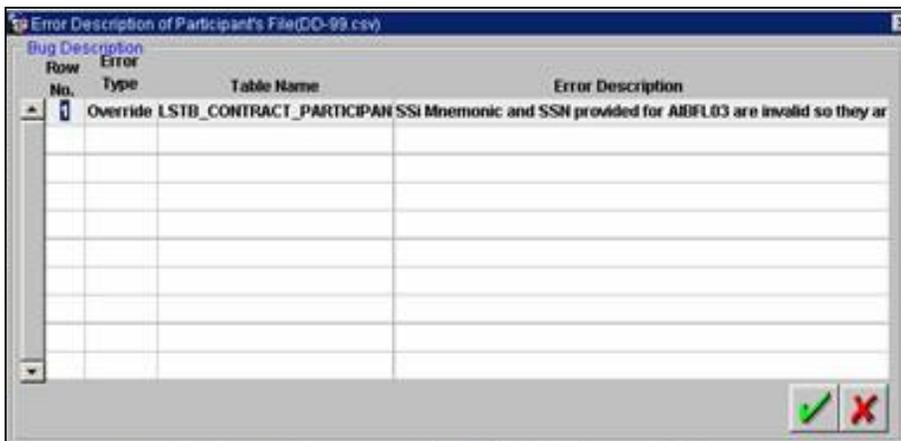


Oracle FLEXCUBE picks up the transactions from the selected upload file clicking the **Open** button. Data is picked up in a predefined format (comma separated). The details are uploaded and displayed in the screen.

The system will check for the following during the upload process:

- New participants are not included at the tranche and drawdown level
- The SSI Mnemonic setup at the contract level is same as the value mentioned in the file

If any of the above checks fail, the system will display an error message in the following format:

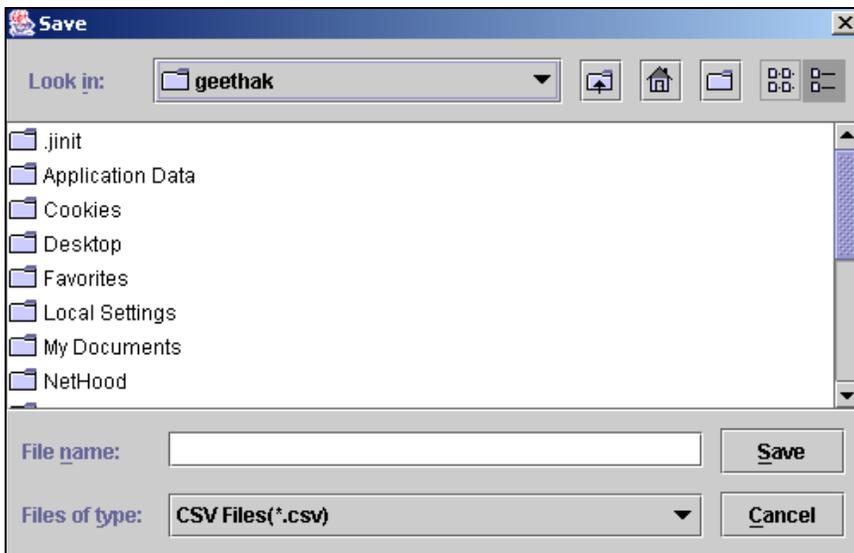


The screen will display the:

- Error Type: Override or Error
- Table where the error is logged
- Error Description

5.3.4.5 Downloading Participant Details

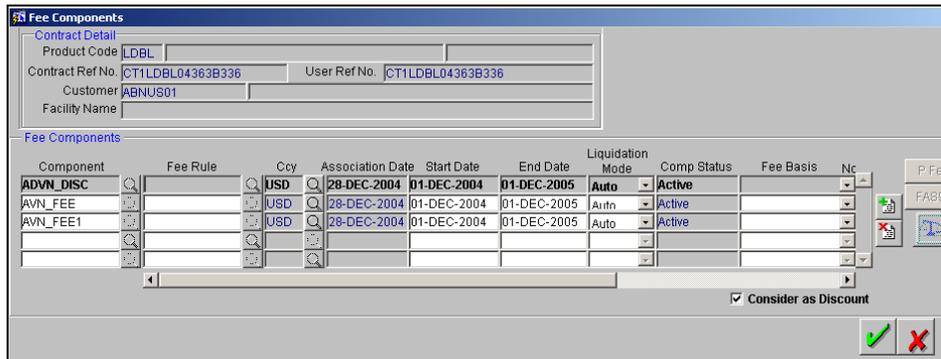
Typically, you would employ this option when you want to use same list of participants for other contracts. To download the participant details to a file, click the **Download To File** option. The browser window opens up where you can specify the file name and select the location to save the file.



After specifying the required participant details, click the  button to save and return to the main screen.

5.3.5 Specifying Facility Fee Details

The fee components defined for the underlying facility product will become applicable to the contract. To view the fee details, click  button.



The screenshot shows the 'Fee Components' window with the following details:

Component	Fee Rule	Ccy	Association Date	Start Date	End Date	Liquidation Mode	Comp Status	Fee Basis	Nc
ADVN_DISC		USD	28-DEC-2004	01-DEC-2004	01-DEC-2005	Auto	Active		
AVN_FEE		USD	28-DEC-2004	01-DEC-2004	01-DEC-2005	Artn	Active		
AVN_FEE1		USD	28-DEC-2004	01-DEC-2004	01-DEC-2005	Auto	Active		

Contract Detail:
Product Code: LDBL
Contract Ref No: CT1LDBL04363B336
User Ref No: CT1LDBL04363B336
Customer: ABNUSD1
Facility Name:

Consider as Discount:

The following details of the components are displayed based on the product used:

- Component name
- Fee Rule, if applicable
- Fee Currency
- Date of Association of the component with the contract. This is equal to the current system date.
- Component Start Date
- Component End Date
- Mode of liquidation, whether 'Auto' or 'Manual'
- Status of the component. On the schedule start date, the status will be 'Active'. The system will automatically update the status to 'Liquidated' when the all the schedules of the component is liquidated.
- The fee basis to calculate the fee amount for schedules. This is defaulted from the product level.
- Whether Billing Notice should be generated for the contract
- Billing notice days required
- Whether this FEE component should be considered for Discount Accrual.
- If the fee end date is less than the current business date, then the 'Fee Reversed' box will be checked automatically



The Fee Basis defaults from the product level. However, the system allows you to amend the default value on saving the contract for the first time. Once the contract is authorized, you cannot make any further amendments to the fee basis.

You can modify the following details only:

Start Date

By default, the start date will be equal to the 'Facility Start Date'. This is the date on which the ad-hoc fee component will become applicable for the facility. You can change the date only if the 'Allow Start Date Input' is checked for the component (in the 'Borrower Product – FEE Details' screen). If allowed to modify, the new date should be:

- Within the facility start date and end date
- Within the start and end date of the facility product

End Date

By default, the end date will be equal to the 'Facility End Date'. This date marks the end of the component association period for the facility. You can change this date only if the 'Allow End Date Input' is checked for the component (in the 'Borrower Product – FEE Details' screen). If allowed to modify, the new date should be:

- Later than the facility start date
- Within the start and end date of the facility product

For more information on 'Borrower Product – FEE Details' screen, refer the heading 'Specifying fee components for a borrower product' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

Liquidation Mode

You can opt to liquidate the components in one of the following ways:

- Auto: The system will automatically liquidate the schedule during EOD on the schedule due date of the component
- Manual: If you select this mode, you have to liquidate the fee components through the 'Fee Liquidation' screen

Billing Notice Reqd

This value defaults from the product level and indicates whether you wish to generate a billing notice for the associated component. You can amend this option, if required.



If the 'Billing Notice Required' option is not checked for the product, you can not opt for the same at the contract level. Billing notice will not be generated for such contracts.

Billing Notice Days

The billing notice days get defaulted from the product level. You can amend this value if required.



Note the following:

- The individual participant's fee amount should be greater than or equal to zero
- The Total fee amount should be greater than zero
- As the participants' ratio is calculated based on the fee amount, you cannot change the participant's ratio
- You can change the participant's fee amount for any un-liquidated or overdue schedules during fee amendment
- You can add or remove participants before a schedule is liquidated. This can be done during fee amendment



After changing the details, click the  button to save and exit screen.

5.3.5.2 Computing FAS91 Fee Details

In the Fee Components screen, you can capture the FAS91 fee details.

Fee Components

Contract Detail

Product Code: BLF1 BORROWER FACILITY PRODUCT - 01 Syndication

Contract Ref No. CT1BLF1043661001 User Ref No. FACFT-01

Customer MITST01 MITTAL STEELS

Facility Name

Fee Components

Component	Fee Rule	Ccy	Association Date	Start Date	End Date	Liquidation Mode	Comp Status	Fee Basis	Ni	P Fee
ADHFEE-ARR		GBP	31-DEC-2004	01-OCT-2004	31-DEC-2007	Auto	Active	30(US)/365		
AGYFEE-ADV		GBP	31-DEC-2004	01-OCT-2004	31-DEC-2007	Auto	Active	30(US)/365		
AGYFEE-ARR		GBP	31-DEC-2004	01-OCT-2004	31-DEC-2007	Auto	Active	30(US)/365		
BRKG-FEE		GBP	31-DEC-2004	01-OCT-2004	31-DEC-2007	Auto	Active	30(US)/365		
FAS91F		GBP	31-DEC-2004	01-OCT-2004	31-DEC-2007	Auto	Active			

- Others

It is mandatory to specify a type for each participant. However, no validation would be performed on the basis of the participant type.

Facility Amount

Specify the facility amount for each participant. This amount will be used to calculate the weighted average yield for each participant.

Mgmt Component

Specify the management component of the fees. The value you specify here will be used to calculate the Weighted Average Yield. If you do not specify any value, system will default it to zero.

Yield Adj Component

Specify the yield adjustment component of the fees. The value you specify here will be used to calculate the Weighted Average Yield. If you do not specify any value, system will default it to zero. System will validate to ensure that the sum of Mgmt Component and Yield Adj Component does not exceed the facility amount.

Self Participant

Check this box to indicate that a participant is a self participant.

Once you specify the above details, click in the 'FAS91 Computation Details' screen. System will compute and display values for the following fields:

Total Bank Fees

This is the sum of the Mgmt Component and Yield Adj Component for all participants for which the 'Self Participant' check box was not selected.

Weighted Avg Yield of Part

System displays the weighted average yield of the participant. This is calculated as follows:

$$\text{Sum (Yield Adjustment Component across all Participants which are not Leaders/Co Leaders and not Self Participant) / Sum (Facility amount across all Participants which are not Leaders/Co Leaders and not Self Participant)}$$

Fees to be Amortized

System displays the fees to be amortized. This is calculated as follows:

$$\text{Sum (Facility Amount for all self participants) * Weighted Average Yield}$$

Fees to be Recognized

System displays the fees to be realized. This is calculated as follows:

Sum (Mgmt Component + Yield Adj Component of self participants) – (Fees to be amortized)

Pass FAS91 Accounting Entry

Check this box to indicate that you can pass accounting entries for FAS91.



You can liquidate FAS91 fees with other fee components.

5.3.5.3 Specifying the FAS91 Fee Sharing Details

You can specify the income sharing between the legal entities for each FAS91 fee using the 'FAS91 Fee Sharing Details' screen. Using this screen, you can also capture the branch or legal entity details and the expense code for FAS91 fees.

To invoke the 'FAS91 Fee Sharing Details' screen, click  in the 'FAS91 Computation Details' screen.

Branch/LegalEntity	Account Number	Expense Code	Ratio
CIP	N9999001	EXP-01	060.0000000000
CT1	N9999000	EXP-02	040.0000000000
			100.0000000000

Fee Component

System displays the fee for which the fee sharing ratio is calculated. If there are more than one FAS91 fees, system will capture the fee sharing ratio for each component.

Branch/Legal Entity

Select the branch or legal entity from the list of options. System will display a list of all the branches maintained in the system in the option list.

Account No.

Select the GL account into which you want to post an entry. System will display a list of all GL leaves for the branch code will be displayed in the option list.

Expense Code

Specify the Expense code with which you want to post an entry. System will display a list of all valid MIS codes in the option list.

Ratio

This is the ratio in which the 'Fee to be Recognized' is to be split. For example, if the 'Fee to be Recognized' is 100,000 out of which 40,000 is to be posted to the Branch, GL, Expense Code, you need to specify 40 in this field.

System will validate to ensure that the total ratio is always 100.

Originator

If you have checked the 'Self Participant' and 'Originator' check boxes against a participant in the Participant Ratio Details screen, the name of the participant is defaulted here.

Expense Code

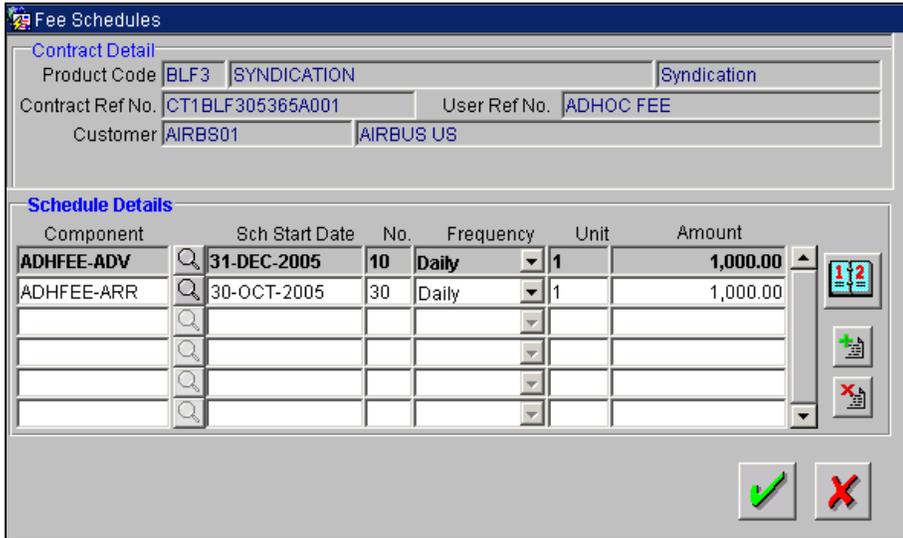
Select an Expense code of the originator self participant from the option list. System will display a list of all valid Expense Codes in the Branch of the Self Participant. This expense code will be used while passing the accounting entries for the Fees to be amortized.

On clicking  system performs the following validations:

- The total ratio should always be 100.
- You can specify the ratio for a branch/legal entity only once.
- You can amend the fee sharing ratio till liquidation of the fee component.

5.3.6 Maintaining Facility Fee Schedules

You can specify schedules for fee components through the 'Fee Schedules' screen. To invoke this screen, click the  button in the 'Facility Contract Online' screen.



The screenshot shows the 'Fee Schedules' application window. It is divided into two main sections: 'Contract Detail' and 'Schedule Details'.

Contract Detail:

- Product Code: BLF3 SYNDICATION Syndication
- Contract Ref No.: CT1BLF305365A001 User Ref No.: ADHOC FEE
- Customer: AIRBS01 AIRBUS US

Schedule Details:

Component	Sch Start Date	No.	Frequency	Unit	Amount
ADHFEE-ADV	31-DEC-2005	10	Daily	1	1,000.00
ADHFEE-ARR	30-OCT-2005	30	Daily	1	1,000.00

At the bottom right of the window, there are two buttons: a green checkmark and a red 'X'.

Capture the following details in this screen:

Component

The fee components that have been associated with the product will be available in the option list. Select a component from this list. Upon selection of the component, the 'Schedule Start Date, Frequency and Unit' are also displayed. You can change the default values.

Sch Start Date

This is the date on which the schedule for the fee component for the borrower facility begins. By default, this is equal to the fee 'Association Date'. The first schedule would fall due on this date. You can change the date to any date that falls between the 'Association Date' and the 'Facility End Date'.

No.

You must specify the number of schedules that would apply to the fee component of the borrower contract.

If you define a single schedule (i.e., the number of schedules is one), Oracle FLEXCUBE initiates one schedule on the start date mentioned, not taking into account the frequency and the frequency unit.



The Start Date for a single schedule will be:

- The Maturity Date if the Fee Collection Mode is 'ARREAR'
- System date if the Fee Collection Mode is 'ADVANCE'

If you define more than one schedule, Oracle FLEXCUBE initiates the first schedule on the start date mentioned, and subsequent schedules based on the frequency and the frequency unit specified.

Frequency

Select the periodicity at which the schedules must be initiated, with the first schedule on the start date mentioned. The options available are

- Daily
- Monthly
- Yearly
- Bullet

Unit

You can specify the units in which the specified frequency will be reckoned. For instance, consider a contract with the following details:

- Frequency: Monthly
- No: 2
- Unit: 5

This means that the contract will have two schedules, initiated once in five months.

Amount

If the 'Basis Amount Tag' of the fee component is 'User Input' (as specified in the Borrower Product – Fee Details' screen), you can capture the amount to be liquidated towards the fee component on the schedule date.

For all other 'Basis Amount Tags', the system will compute the fee amount based on utilization.

For more details on defining fee components, refer the heading 'Associating a Fee Class or Fee Rule with a product' in the 'Processing Charges and Fees' chapter of this User Manual.



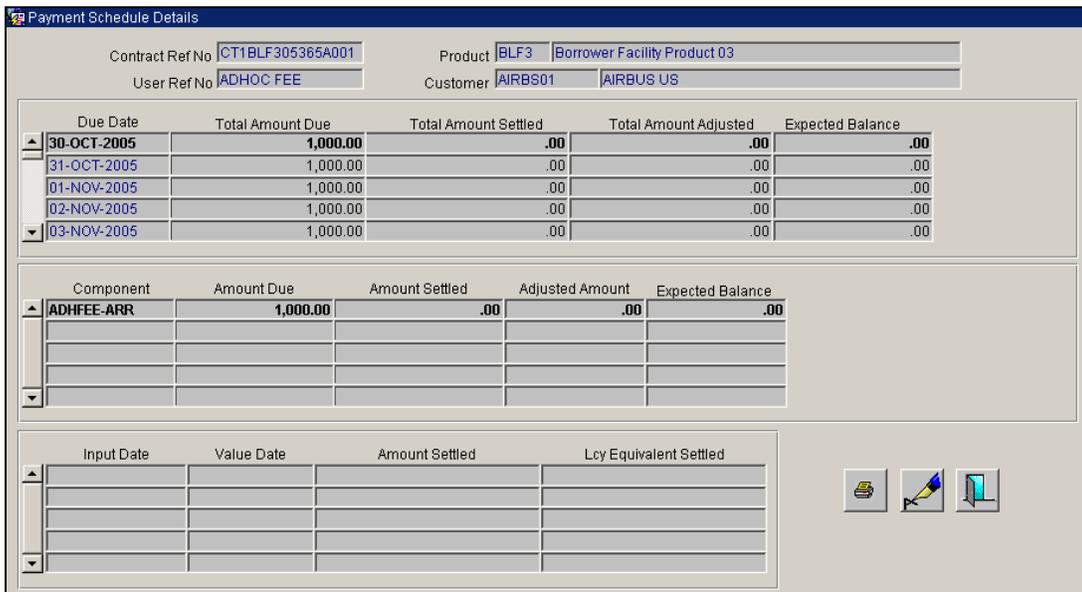
Note the following:

- For 'Participant Driven Fee', only bullet schedules are allowed
- The total fee amount specified in 'Participant Fee Amount' is displayed in the 'Fee Schedules' screen. You cannot amend the same here. However, you can change the fee amount only in the 'Participant Fee Details' screen.
- If an un-liquidated schedule is deleted, the fee amount in the 'Participant Fee Amount' screen is also deleted.
- If you change the schedule date of an un-liquidated fee schedule, the fee amount in the 'Participant Fee Amount' screen will be remapped to the new schedule date.
- For participant fee components, there cannot be more than one un-liquidated schedule

5.3.6.1 Viewing the Payment Schedules

After capturing the schedules for the fee components, you can view the payment schedule details for the contract. To view the details, click the  button.

The 'Schedule Payment Details' screen is displayed as shown below:



The screenshot shows the 'Payment Schedule Details' window with the following data:

Contract Ref No: CT1BLF305365A001 Product: BLF3 Borrower Facility Product 03
 User Ref No: ADHOC FEE Customer: AIRBS01 AIRBUS US

Due Date	Total Amount Due	Total Amount Settled	Total Amount Adjusted	Expected Balance
30-OCT-2005	1,000.00	.00	.00	.00
31-OCT-2005	1,000.00	.00	.00	.00
01-NOV-2005	1,000.00	.00	.00	.00
02-NOV-2005	1,000.00	.00	.00	.00
03-NOV-2005	1,000.00	.00	.00	.00

Component	Amount Due	Amount Settled	Adjusted Amount	Expected Balance
ADHFEE-ARR	1,000.00	.00	.00	.00

Input Date	Value Date	Amount Settled	Lcy Equivalent Settled

The following details will be displayed in this screen:

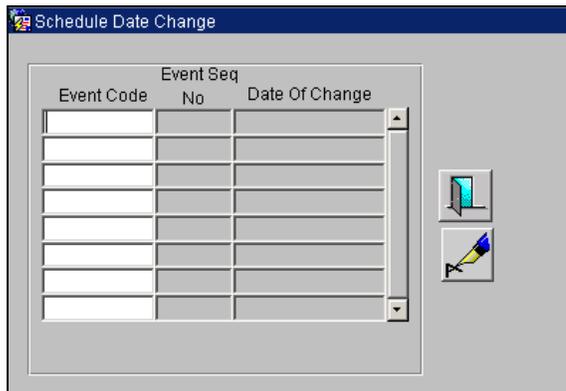
- Due Date of the fee
- Total Amount Due
- Components due
- Amount due against each component

- As and when settlements are made, the system will update this screen with the following details:
Total Amount Settled on the due date
- Total Amount Adjusted, if any
- Expected Balance

For each component, it will update the following details:

- Amount Due
- Amount Settled
- Adjusted Amount
- Expected Balance
- Input Date
- Value Date
- LCY Equivalent

Click  in the 'Payment Schedule Details' screen to view the schedule date changes, if any. The following screen will be displayed:



Event Code	Event Seq No	Date Of Change

To view the history of the schedules, click the  button in the above screen. Schedule history details are displayed as shown below:

Due Date	Total Amount Due	Total Amount Settled	Total Adjusted Amount
15-MAR-2005	850	850	0

Component	Amount Due	Amount Settled	Adjusted Amount
ADHFEE-ADV	300	300	0
ADHFEE-ARR	550	550	0

5.3.7 Viewing Tax Details for the Facility

You can collect withholding tax from participants on fee components. If you have associated tax rules with the participant product linked with the underlying facility product, the same will become applicable to the facility. You can view the tax details for the contract in the 'Participant Tax

Details' screen. Click the  button to invoke the screen.

Contract Detail	
Product Code	BLF3 Borrower Facility Product 03 Syndication
Contract Ref No.	CT1BLF305365A001 User Ref No. ADHOC FEE
Customer	AIRBS01 AIRBUS US
Facility Name	

Contract Participants		Tax Rules	
Participant	Participant Name	Tax Rule	Waive
CITUK02	CITIBANK UK	F-TAX1	<input type="checkbox"/>
SCOTI02	SCOTIA BANK	F-TAX2	<input type="checkbox"/>
			<input type="checkbox"/>

This screen will display the list of participants for the contract and the tax rules associated the contract, if any. This will default from the facility product. If required, you may cancel the application of tax rule(s) for a participant. To do this, check the 'Waive' option against the selected tax rule.

The system will pass the entries for tax based on the event you specify in the 'Product Tax Linkage' screen. Typically, tax on fee will be calculated upon liquidation of the fee (event 'FLIQ' will be associated with the rule)

You can view the position identifier description in case the participant is Self Participant.

For details on associating tax with a product, refer the heading titled 'Specifying tax details for a participant product' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

For more information on the Tax sub-system of Oracle FLEXCUBE, refer the Tax User Manual.

5.3.8 Specifying Settlement Instructions

You can view the settlement instructions for each borrower of the contract. You can use the 'Settlement Message Details' screen to do this. Click **Settlements** button in the 'Facility Contract Online' screen to access it.

Contract Reference Number: CT1BLF305365A001 Component: ADHFEE-ADV_LIQD

Acct Details | Msg Details | Pay Parties | Recv. Notice | DD Parties | Clearing

Gen Msg	Gen Recv	Gen DD	Component	CCY	SSI Mnemonic	Branch	Account	A/c CCY	Acct
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADHFEE-ARR_LIQD	USD	PRIMARY	CT1	AIRBS01USD1	USD	AIRBS01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADHFEE-ADV_LIQD	USD	PRIMARY	CT1	AIRBS01USD1	USD	AIRBS01
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							

Settlement Direction: P - Pay, R - Receive

Account Desc: AIRBS USD ACCOUNT 01

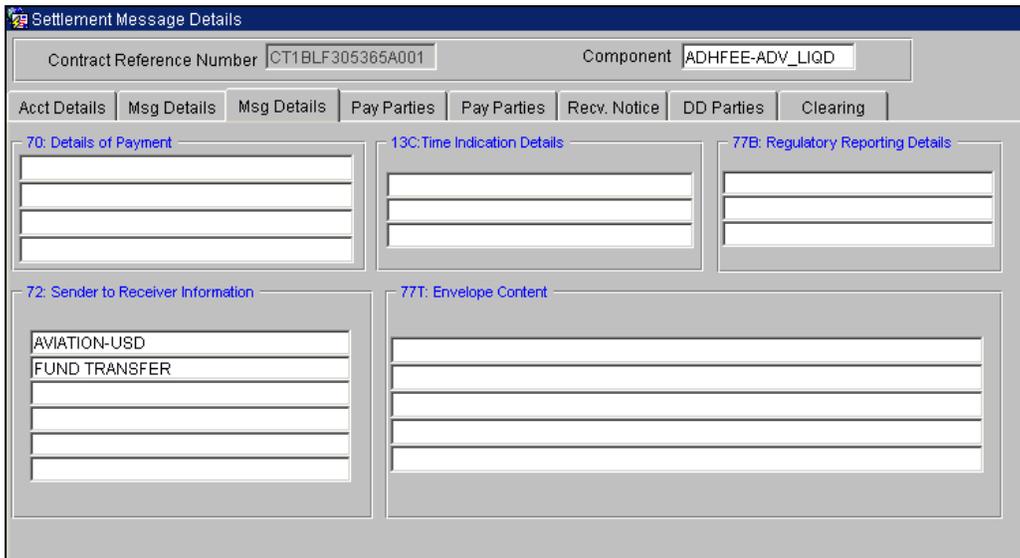
IBAN A/C Number: []

SV GI [Green Checkmark] [Red X]

The system obtains the settlement details based on the SSI Mnemonic for each borrower.



When you are entering a contract in the 'Facility Contract Online' screen, and you click the  button to invoke the 'Settlement Message Details' screen, the first line in Field 72 of the message generated will be replaced by the name of the customer (or borrower) involved in the contract. The second line will be replaced by the 'User Reference Number' of the tranche contract. Once the SWIFT message is generated, the customer name and the user reference number will be displayed in the section titled '72: Sender to Receiver Information' in the second 'Msg Details' tab. This is shown below:



If the 'Chinese Characters in Payment' box is checked in the 'Loan syndication- Branch Parameters' screen, then only you can enter the Chinese characters in the field 57, 59, and 70 for foreign currency and local currency settlement instructions / accounts and there will not be any validations in the system. You need to operationally control it.

You are allowed to enter the information in Chinese or English or a combination of both in this field. If it is a combination, then the system will consider it as Chinese and allow up to 35 characters.



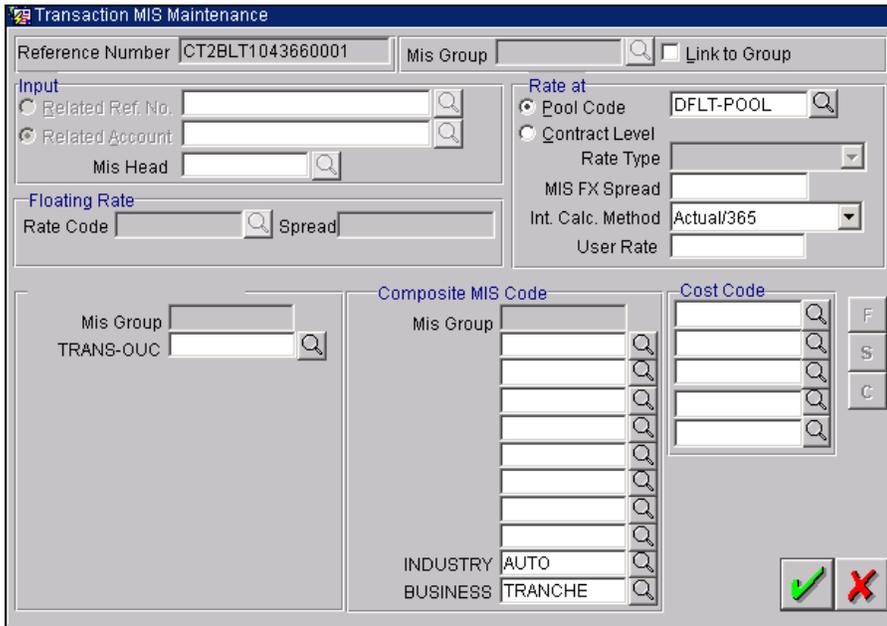
This is applicable only for ASPAC region.

For more details about the 'Settlement Message Details' screen, refer the Settlements User Manual.

Click the  button to exit the screen.

5.3.9 Viewing the MIS Details

You can view the MIS (Management Information System) details in the 'MIS Details' screen. To invoke this screen, click the  button in the 'Facility Contract Online' screen.



For details on the 'Transaction MIS Details' screen, refer the MIS User Manual.

5.3.9.1 Validating Expense and Proof Codes

While booking a new facility, upon selection of named agent, system will default expense code and proof code in Transaction MIS maintenance sub-screen in facility contract online screen.

While booking a new tranche, Expense code and proof code from facility contract will be defaulted in MIS sub-screen in tranche online screen

Similarly, while booking a new Drawdown, Expense code and proof code from tranche contract will be defaulted in MIS sub-screen in Drawdown online screen

System allows you to change the values of the expense code and proof code in the MIS screen, while booking a facility, tranche, or a drawdown. However, if the validation fails, system displays appropriate error messages if the following validations are not met:

- The proof and expense codes must have proper mapping in named agent maintenance screen for the named agent associated in facility, tranche, and drawdown.
- The named agent at facility, tranche, or drawdown level should be the same as the named agent mapped for the expense code / proof code being selected
- Tranche contract proof code / expense code must be same as the proof code / expense code of the associated facility

- Similarly, the Drawdown contract proof code / expense code should be same as the proof code / expense code of the tranche
- Proof code or expense code should not be blank for the named agent facility, tranche, and drawdown contracts
- System allows you to book a tranche with expense code / proof code values different from the expense code / proof code of the underlying facility. The expense code and proof code for the tranche / drawdown will be same as facility if the facility is for a named agent. System will default the expense code / proof code from the facility while booking the tranche and defaults from tranche while booking the Drawdown.



Note the following:

- You must ensure that the values for the Department Code and Proof Code maintained in the system are the same.
- You cannot amend the proof code and expense code in the respective MIS screens after the tranche/drawdown is authorized.

5.3.10 Specifying Parties for the Facility

You can also specify the different types of parties that would be applicable for the borrower facility contract, as well as the applicable parties belonging to the selected type, in the 'Party Details' screen.

To invoke the 'Party Details' screen, click **Party Type** button in the 'Facility Contract Online' screen.

The screenshot shows the 'Party Details' window with the following data:

Contract Detail		
Product Code	BLF3	Borrower Facility Product 03
Contract Ref No.	CT1BLF305365A001	User Ref No. ADHOC FEE
Customer	AIRBS01	AIRBUS US
Syndication		

Party Details		
Party Type	Party ID	Party Name
LEAD-AGY	CITUK02	CITIBANK UK

Capture the following in this screen:

Party Type

The party types associated with the borrower facility product will be applicable for the contract. The option list will display the same. Select a type from this list.

Party ID

For the chosen party type, you have to select a party from the option list. This list will display all the customers maintained in the system. Upon selection of the ID, the 'Party Name' will be displayed alongside.



Note the following:

- You can specify multiple parties for a selected 'Party Type', if the option 'Repeating' is set to 'Yes' at the product level. If multiple parties are not allowed, you can specify only one party for the selected type.
- If a 'Party Type' is set as 'Mandatory', you must specify at least one party for the party type at the contract level

For more details on this, refer the heading 'Associating appropriate party types for borrower facility products' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.3.11 Saving the Facility

After capturing the required details, you have to save the contract and have it authorized by your supervisor.

For more details on 'Save' and 'Authorization', refer the Common Procedures User Manual.

After the facility is saved and authorized, the following details will be displayed in the audit trail section at the bottom of the screen:

- Entry By: Login ID of the person who has performed the save operation
- Entry Time: The date and time when the facility was saved in the system
- Auth By: Login ID of the person who authorized the facility
- Auth Time: The date and time when the facility was authorized in the system
- Contract Status: Active
- Auth Status: Authorized
- Participant Processing Status: Processed

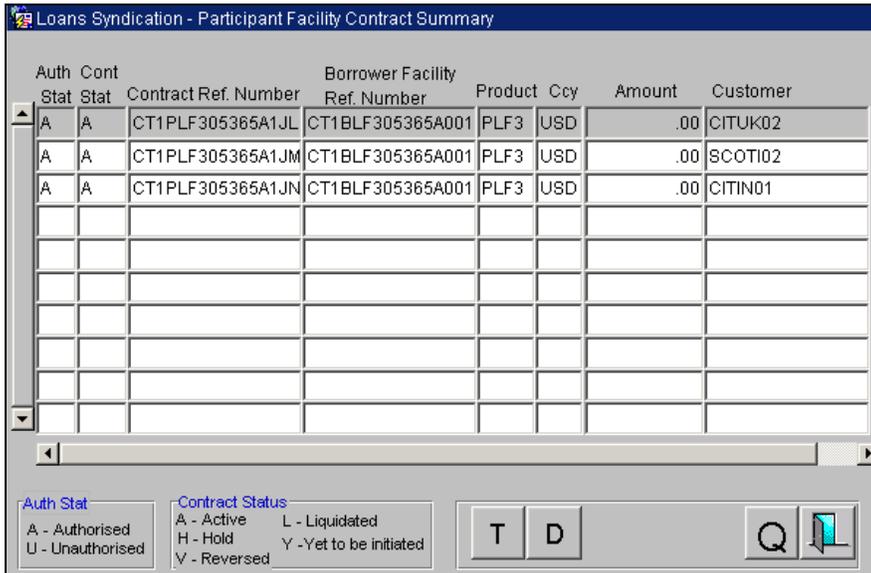
After you save the contract, you can view the following details of the contract:

- Diary Events for the contract
- Participant Summary details
- Events

These details are discussed below.

5.3.13 Viewing Participant Summary Details

The 'Participant Facility Contract Summary' screen will give you a summary of the participant facility contracts created under a facility contract. To view the details, click the  button.



Auth Stat	Cont Stat	Contract Ref. Number	Borrower Facility Ref. Number	Product	Ccy	Amount	Customer
A	A	CT1PLF305365A1JL	CT1BLF305365A001	PLF3	USD	.00	CITUK02
A	A	CT1PLF305365A1JM	CT1BLF305365A001	PLF3	USD	.00	SCOTI02
A	A	CT1PLF305365A1JN	CT1BLF305365A001	PLF3	USD	.00	CITIN01

Auth Stat
A - Authorised
U - Unauthorised

Contract Status
A - Active L - Liquidated
H - Hold Y - Yet to be initiated
V - Reversed

T D Q 

In this screen, the following details will be displayed:

- Authorization status of the contract: The possible values are:
 - A – Authorized
 - U – Unauthorized)
- Contract Status: The possible values are:
 - A – active
 - L – Liquidated
 - H – Hold
 - Y – Yet to be initiated
 - V – Reversed
- Contract Reference Number: The reference number of the participant contracts created under the facility contract
- Reference Number of the Borrower Facility Contract
- Product used to create the participant contract: The system picks the offset participant facility product maintained for the facility product (in the 'Facility Product Preferences' screen) for the resultant participant facility, tranche and drawdown contracts.
- Currency: The currency for each participant contract will be same as that of the facility contract.
- Customer: The participants selected for the facility contract

5.3.13.1 Viewing Participant Tranches under a Participant Facility Contract

From the 'Participant Facility Contract Summary' screen, you can also view the participant tranches created under a participant facility contract. Click the **T** button to invoke the screen.

5.3.13.2 Viewing Participant Facility Contract Details

To view a participant facility contract from the grid, simply double click it or select it and click the **D** button. The 'Loans Syndication – Participant Contract Online' screen will be displayed, as shown below.

The screenshot displays the 'Loans Syndication - Participant Contract Online' window for 'ABUDHABI INT - WA'. The interface includes the following fields and sections:

- Header:** Product: PLF3 Participant Facility Product 03; Contract Ref No.: CT1PLF305181B5EH; Branch Name: CT1; Department: DEP; Treasury: [blank]; User Ref No.: CT1PLF305181B5EH; Custom Ref No.: [blank].
- Contract Details:** Customer: AIBWA03 ABUDHABI INT - WA; Currency: GBP POUND STERLING; Amount: [blank].00; Booking Date: 30-JUN-2005; Value Date: 15-MAR-2005; Maturity Date: 15-MAR-2006. Checkboxes for 'Auto Collection' and 'Auto Disbursement' are checked.
- Reporting Details:** Facility Ref No.: CT1BLF305181C001; Tranche Ref No.: [blank]; Drawdown No.: 0.
- Remarks:** [blank text area].
- Footer Table:**

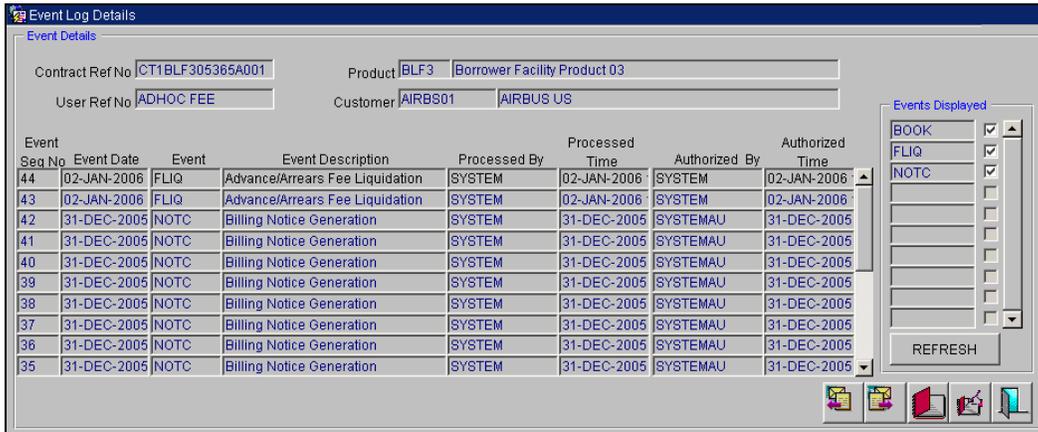
Entry By	Entry Time	Auth By	Auth Time	Contract Status	Auth Status
PRASANN#01	30-JUN-05	PRASANN#02	30-JUN-05	Active	Authorized
- Right Panel:** A vertical menu with buttons for Entity, Settlements, MIS, UDF, Tax, Pmt. Sch., Diary, Events, and LS.

For more details on this screen, refer the heading 'Viewing Participant Contracts' in this chapter.

5.3.14 Viewing Events for the Facility

You can view the events triggered during the contract life cycle in the 'Event Log Details' screen.

To invoke this screen, click the  button in the 'Facility Contract Online' screen. The events defined for the facility product will be triggered for the contract.

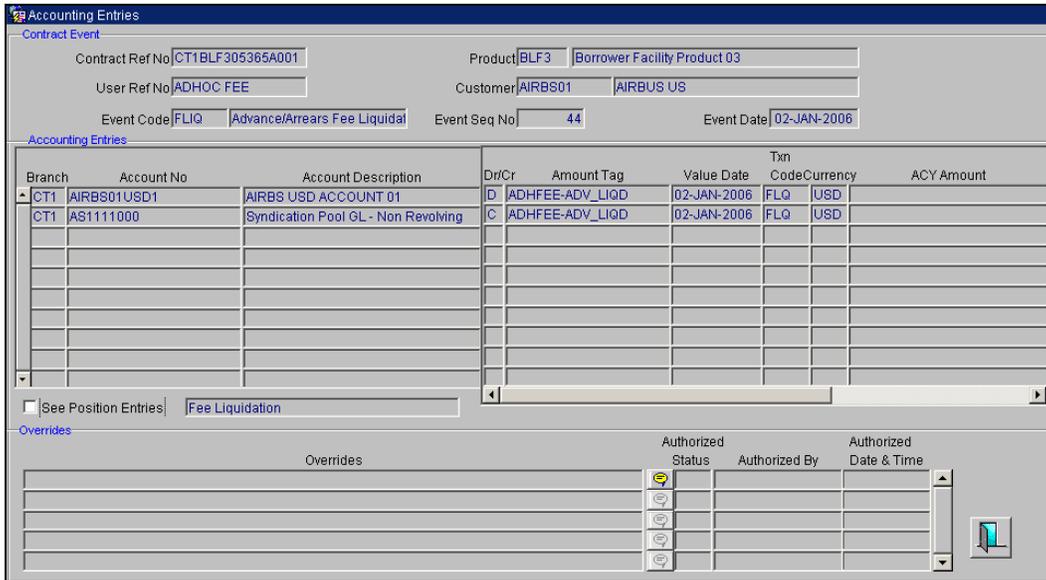


The following details are displayed in this screen:

- Event Sequence Number
- Date on which the event is triggered
- Name of the event
- User id of the person who processed the event and the time at which the same was processed
- User id of the person who authorized the event and the time at which the same was authorized
- The position identifier description in case the participant is self participant.

5.3.14.1 Viewing Event-wise Accounting Entries

To view the event wise accounting entries, select the event and click  button.



This screen will display the details of accounting entries passed for the selected event and the overrides encountered during the event, if any.

Click  button to exit the screen. You will return to the 'Event Log Details' screen.

To view the revaluation accounting entries, you have to click  button in the 'Event Log Details' screen. If revaluation is not applicable for the transaction, the system will display the following message:

There is no reval entry passed for this transaction

5.3.14.2 Viewing Outgoing and Incoming Messages for the Event

You also have the option to view the messages/advices received (IN) or fired (OUT) during the event.

To view the (**Outgoing**) messages sent out to customers (such as a notification for a payment due), click  button. The 'Message Details' screen will be displayed, as shown below:

Outgoing / Archival	Message type	Receiver	Entity	Ccy	Amount	Status
OUTGOING	DD_NOTC_FPML	CITUS01	ADM-UK	USD		HANDOFF
OUTGOING	PART_DDOWN_NOTC	CITUS01	ADM-UK	USD		HANDOFF

Name: CITIBANK US
 Location: CIF
 Media: FPML
 Address: CITIBANK US
 USA
 5765655567

Exception

View
Print / Spool

The name, location, address of the customer and the media used for sending the message get displayed in this screen along with the message details.

For FpML messages, the value of 'Media' gets displayed as 'FPML'.

If you have not attached any messages to the event, the system will display the following message:

No messages for this event

To view the format of the message generated, click  button in the above screen.

The message format will be displayed, as shown below:

```

TRANCHE REF      : CT1BLT105365D669
CUSIP NO        :
CUSTOMER        : DELLCO1   ( DELL US   )

DRAWDOWN REF    : CT1BRL4053650001
MATURITY DATE   : 01-JAN-06
DRAWDOWN CURRENCY : USD
USER REF        : CONSOL-DD1
DRAWDOWN AMOUNT : 5000000
ROLOVER OPTION  : I
ROLOVER AMOUNT  : 1001397.26
DRAWDOWN REF    : CT1BRL4053650002
MATURITY DATE   : 01-JAN-06
  
```

Section 1 Of 1

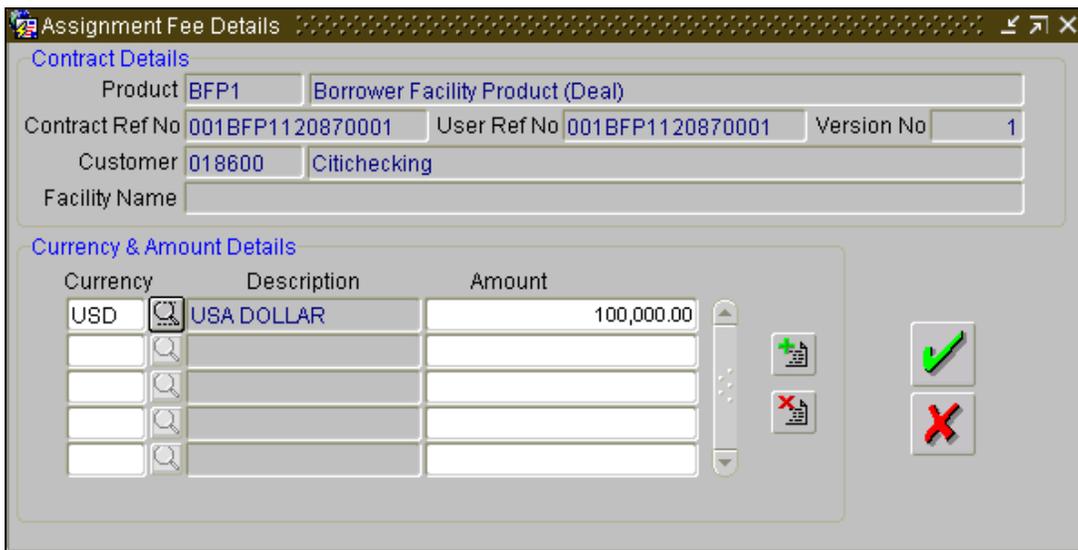
To view the **(Incoming)** messages received from customers (such as a confirmation advice for a payment due), click  button. Message details will be displayed in the same format as that of the outgoing messages.

You can click  button in the 'Event Log Details' screen to update/refresh the event details in the screen.

After you save and authorize the facility contract, you can process tranches under the facility.

5.3.15 Specifying Assignment Fee Details

You can specify the assignment fee details through the 'Assignment Fee Details' screen. You can invoke this screen by clicking the  button screen in the 'Facility Contract Online' screen.



Currency	Description	Amount
USD	USA DOLLAR	100,000.00

In this screen, system displays the following details:

- Product
- Contract Ref No
- User Ref no
- Version No
- Customer
- Facility Name

Specify the following details:

Currency & Amount Details

Currency

Select the assignment fee currency from the adjoining option list. This list displays all currency codes applicable for the selected facility/product.

Description

System displays a brief description of selected currency code.

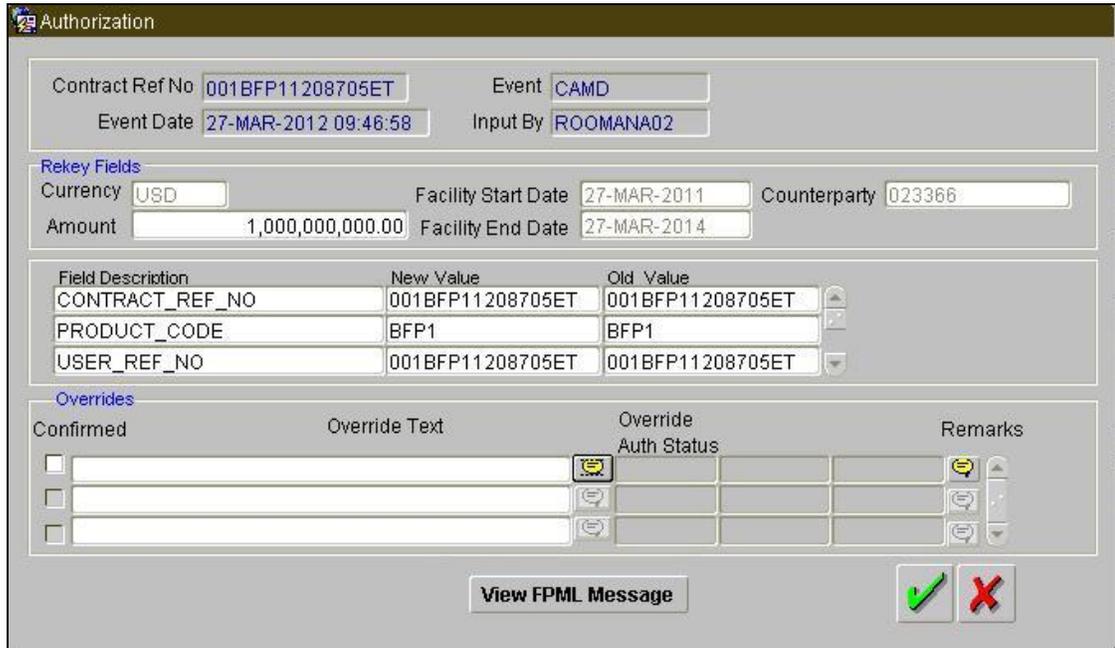
Amount

Specify the assignment fee amount for the selected facility/product.

 You can capture assignment fee currency and amount during new facility/deal booking and amendment.

5.3.16 Authorizing Facility Contracts

You can authorize the tranche contract using the 'Authorization' screen. You can invoke this screen by selecting **Authorize** from the **Actions** Menu.



The screenshot shows the 'Authorization' screen with the following details:

- Contract Ref No: 001BFP11208705ET
- Event: CAMD
- Event Date: 27-MAR-2012 09:46:58
- Input By: ROOMANA02

Rekey Fields

Currency	USD	Facility Start Date	27-MAR-2011	Counterparty	023366
Amount	1,000,000,000.00	Facility End Date	27-MAR-2014		

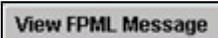
Field Changes

Field Description	New Value	Old Value
CONTRACT_REF_NO	001BFP11208705ET	001BFP11208705ET
PRODUCT_CODE	BFP1	BFP1
USER_REF_NO	001BFP11208705ET	001BFP11208705ET

Overrides

Confirmed	Override Text	Override Auth Status	Remarks
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

Buttons: View FPML Message, , 

In this screen, you can click the  button to view the FPML messages.

5.4 Viewing Facility Details

You can view the Facility details summary on the 'Syndication Contract Summary' screen. To invoke this screen from the application browser, click **LS Operations**, and then click **Summary** below **Borrower Facility Input**.

The screenshot shows a window titled 'Syndication Contract Summary'. It contains a table with the following columns: Auth Stat, Cont Stat, Facility Ref. No, Short Name, Customer, and Amount. The table lists 11 rows of facility data. Below the table, there are two legend boxes: 'Auth Stat' with 'A - Authorised' and 'U - Unauthorised'; and 'Contract Status' with 'A - Active', 'L - Liquidated', 'H - Hold', 'Y - Yet to be initiated', and 'V - Reversed'. To the right of these legends are three buttons: 'D', 'Q', and a button with a magnifying glass icon.

Auth Stat	Cont Stat	Facility Ref. No	Short Name	Customer	Amount
A	A	CT5BLF1043660002	SLT	CITLT12	1,000,000,0
A	A	CT2BLF1050890002	BOROW01	BOROW01	100,000,0
U	A	CT2BLF1050890001	BOROW01	BOROW01	100,000,0
A	A	CT2BLF1050461004	BOROW01	BOROW01	10,0
A	A	CT2BLF1050461001	BOROW01	BOROW01	100,000,0
A	A	CT2BLF1050460003	BOROW01	BOROW01	100,000,0
A	A	CT2BLF1050460001	BOROW01	BOROW01	100,000,0
A	A	CT2BLF1050156002	BOROW01	BOROW01	20,000,0
A	A	CT2BLF1050155001	BOROW01	BOROW01	1,000,000,0
A	A	CT2BLF1050154003	BOROW01	BOROW01	100,000,0

The system allows you to perform a case-independent query (upper, lower, or mixed case) using the following fields:

- Facility Ref No
- Short Name
- Customer
- Product
- Ccy
- Branch Code



You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

5.5 Processing Loan Syndication Contracts

After you enter a borrower facility contract into Oracle FLEXCUBE, you need to:

18. Open a tranche for the borrower
19. Create a drawdown for the borrower when a drawdown is requested, and as soon as intimation is received from the participants, indicating that their commitment has been fulfilled and the funds have been credited to the nostro account of the arranger (your bank).

A drawdown loan can be entered for the borrowing customer on each of the schedule dates that are specified according to the borrower's requirement. The arranger bank typically checks to ensure that all the necessary formalities have been completed, and any necessary documents required to be furnished by the borrower have been received, before entering a drawdown loan.

The participants make their contributions available in their vostro accounts, from where the funds are drawn into the common syndication pool, and then to the account of the borrower, when a drawdown loan is entered.

The system therefore processes the borrower facility contract in two stages:

20. Processing the tranches
21. Processing the drawdowns

The system also processes two different types of contracts when it processes a borrower facility contract:

22. Those related to the borrower. These include the main syndication agreement facility contract, the borrower commitment that you enter when you open a tranche, and any borrower drawdown loan that you enter under a tranche. These contracts constitute the borrower leg of the borrower facility contract.
23. Messages to the borrower are generated and transmitted through the borrower leg.
24. Those related to the participants. These include the participant facility contracts, tranche commitments or drawdown deposit contracts that are initiated by the system when the BOOK event for the corresponding borrower contract is triggered. These contracts constitute the participant leg of the facility contract.

5.5.1 Tranche-level Contracts

After a borrower facility contract has been initiated, a number of arms or tranches can be opened under it, as specified under the contract. The processing of each tranche involves the creation of a simple commitment contract for the borrowing customer against the Reference Number of the borrower facility contract. This contract constitutes the borrower leg of the processing of the tranche.

When you create the borrower commitment (tranche) contract, you must also specify the following details:

- The participants involved in the tranche, such as the participants. The participants defined for the borrower facility contract will be defaulted to the tranche, and you can change the participants if required.
- The ratio of participation. Again, the ratio specified for the participants defined in the borrower facility contract will be defaulted to the tranche, and you can change it if required.
- The borrower details

You must also specify schedules for drawdowns under the tranche. The system generates a Reference Number for the borrower commitment contract.

After you have entered a borrower tranche contract, when the BOOK event of the contract is triggered, the system automatically initiates commitment contract for the participants. These contracts constitute the participant leg of the processing of the tranche. The system also generates SWIFT messages to each participant according to the drawdown schedule, intimating them to fulfill their commitment and disburse the funds to the nostro account of the arranger bank.

When a tranche is created, a commitment contract is created.

5.5.2 Drawdown Contracts

After the tranche level commitment contracts and the drawdown schedules have been entered, the arranger bank typically disburses the loans to the borrowing customer, against the Reference Number of the borrower tranche contract as well as the Reference Number of the main facility contract; and according to the drawdown schedule defined for the tranche. The borrower loan contract constitutes the borrower leg of the processing for drawdowns.

To disburse the drawdown loan, you must enter the borrower loan contract and specify the following details for the participants:

- The participants involved in the drawdown. The participants defined for the borrower tranche will default to the drawdown. You can change the participants, if required. Upon change of participants, the system will automatically convert a 'Cascade Participation' type of tranche to a 'Non Cascade Participation' type. The 'CASC' event is triggered to indicate the change in the 'Cascade Participation' attribute of the tranche. .
- The ratio of participation. Again, the ratio specified for the participants defined in the borrower tranche will default to the drawdown. If you change the ratio, the system will automatically convert a 'Cascade Participation' type of tranche to a 'Non Cascade Participation' type. The 'CASC' event is triggered to indicate the change in the attribute.
- The borrower details

The system generates a Reference Number for the borrower loan contract.

After you have entered a borrower drawdown contract, when the BOOK event of the contract is triggered, the system automatically initiates deposit contracts for the participants. These contracts constitute the participant leg of the processing of the drawdown. They are linked to the respective commitment contracts created at the tranche level.

5.5.3 Initiation of Participant Contracts

To recall, you open a tranche by entering a commitment contract for the borrower. When the BOOK event for the borrower tranche contract is triggered, the system creates commitment contracts for the participants, using the product specified for participant tranche contracts, in the product preferences for the borrower tranche product which the borrower tranche contract uses, and the participant details maintained for the borrower tranche contract.

Similarly, after you enter a drawdown loan contract for the borrower under a tranche reference number, the system creates a deposit contracts for participants, using the product specified for participant drawdown contracts, in the product preferences for the borrower drawdown product which the borrower drawdown contract uses, and the participant details maintained for the borrower tranche contract.

Participant contracts initiated by the system can be viewed and amended using the Participant Contract screen, which is discussed later in this chapter.

5.6 Processing a Draft Tranche Contract

You can process a draft tranche contract in the 'Loans Syndication : Draft - Tranche' screen. You can create a draft tranche and upload it after saving the details. To invoke this screen from the Application Browser, click on **LS Operations**, and then click **Detailed** under **Draft Tranche**.

5.6.1 A description of the 'Loans Syndication : Draft - Tranche' Screen

In the 'Loans Syndication : Draft - Tranche' screen, you can capture the following details:

- The main facility contract under which the draft tranche is being entered

- The product under which the contract is processed
- A unique reference number for the contract
- The counterparty (customer) and currency
- Value date and maturity date
- Transaction Amount, etc.

In addition, the following tabs provided in the screen, may be used to invoke other sub-systems to capture important information for the draft tranche contract. These tabs are briefly described below:

Tab	Description
Schedules	You can specify the schedule dates for a contract.
Currency	You can specify the holiday currencies for various events and exchange rate fixing and interest rate fixing details.
Borrower	You can specify the details pertaining to the borrowers of the draft tranche contract.
Participants	You can specify the Participant Ratio details in this tab.
DD Product	Displays the Drawdown Product details.
Fees	Displays the default fee details for the contract.
Tranche Schedule	You can specify the repayment schedules for the Non-revolving draft tranche.
Party Type	You can specify the different types of entities or parties that are applicable for the contract.
Errors	You can view the error codes and error messages, if any.

5.7 Capturing Draft Tranche Details

To capture a new draft tranche contract, click on the new button -  in the toolbar of the screen or select **New** from the **Actions** Menu.

Select a facility contract and product

Alternatively, you can select the reference number of the main facility contract against which you want to open the tranche. The option list will display all active and authorized facility contracts.

- You must also specify the tranche product under which you want to book the contract. The option list will include all tranche products that you have associated with the facility product (under which the selected facility contract is processed).

In the header section of the screen, you have to specify the following:

User Reference Number

The reference number is the identification that you specify for the borrower tranche. You can specify any identification number. In addition to the 'Contract Reference Number' that the system generates, this number will also be used to retrieve information about the tranche.

By default, the 'Contract Reference Number' is considered to be the User Reference Number for the tranche.

5.7.1 Capturing Details in the 'Contract' Tab

You can overwrite some of the default values at the tranche level.

The screenshot displays the Oracle Loan syndication software interface for a draft tranche. The top section contains reference and identification fields: External Ref No, User Ref No, Product, Counterparty, Facility Name, Syndication Ref No, Syndication User Ref, and Flexcube Ref No. Below this is a tabbed interface with the 'Contract' tab selected. The main area is divided into several sections: Currency, Booking Date, Value Date, Original Start Date, Maturity Date, Deal Date, DD Expiry Dt, Settlement Details (Branch, Account), Drawdown Details (Min. DD Amt, Max. DD Amt, Max. No. of DDs, Current DD No), Preferences (Revolving Commitment, Limit Tracking Required, Suppress Confirmation, Primary Syndication, Suppress B.V. Payment Msgs, Liq Back Valued Schedules, Verify Funds, Apply Back Valued Revisions, Cascade Participation, Net Across DD, Drawdown Expiry, Initiation Mode, Part. SSI Pick Up), Holiday Treatment for schedules (Holiday Ccy, Move Across Month, Cascade Schedules, Ignore Holidays, Move Forward, Move Backward), Commitment Fee (Include Swing, Exclude Swing), and Int./Fee Distribution (Lender of Actual, Lender of Record). At the bottom, there is a Draft Info section showing Drafted By: DOCTEAM3, Timestamp: 28-DEC-2004 10:44:15, and Draft Status: PENDING.

5.7.1.1 Specifying Basic Details

You need to specify the following as part of the basic contract details:

Counterparty

By default the counterparty (borrower) of the facility contract will be displayed as the counterparty for the tranche contract. However, you can select a different counterparty from the option list provided. This list displays the borrowers identified for the facility contract. The customer you select will default to any borrower drawdowns you enter against the draft tranche.

Currency

The currency of the facility contract is displayed for the draft tranche as well. This is the currency in which the tranche amount is expressed. However, you can change the currency, if required. The option list will display the allowable currencies defined for the facility contract against which the draft tranche is processed.

Amount

You have to specify the total amount that should be committed under the draft tranche (for borrower tranche contracts). The amount you enter must be:

- Lesser than or equal to the total borrower facility contract amount, if no draft tranches have as yet been opened or drawdown loans disbursed as on today's date. However, it should be less than the minimum defined for the facility contract.

If the amount is below this minimum, the following error message is displayed:

Amount must be more than the minimum defined at the facility contract level

- Lesser than or equal to the unused portion of the total borrower facility contract amount as on today's date. However, the amount should not exceed the maximum defined at the facility level.

Amount must be less than the maximum defined at the facility level

The value you enter here is taken to be in the currency specified for the facility contract. You can specify T or M to signify thousand or million, respectively. For instance, 10T would mean ten thousand and 5M, five million.

5.7.1.2 Specifying Draft Tranche Details

Tranche specific details will include the following:

Booking Date

This is the date on which the contract is captured in the system. The current system date (today's date) will be displayed here. You cannot change this date. This date is only for information purposes and the actual accounting entries will be passed only as of the 'Value Date' of the contract.

Value Date

This is the date on which the contract comes into effect in the system. The tenor of the contract begins on this date, and accounting entries with respect to the contract will be passed as of this date. You can specify any date as the Value Date. However, it must be:

- Later than the Value Date of the main borrower facility contract
- Later than the Start Date of the tranche product involving the contract
- Earlier than the Maturity Date of the tranche (Maturity date of the drawdown can be later than that of the tranche) or drawdown product involving the contract.
- Earlier than the Maturity Date of the underlying facility contract



The system will display an override if the specified Value Date falls on a holiday of the local currency.

You can amend the value date as part of Contract Amendment:

- After the authorization of the contract
- Before the initiation of tranche
- When no Drawdown is booked under the Tranche

The amended value date gets defaulted to effective date in 'Fee Rule' screen and 'Margin Maintenance' screen with an override message asking for your confirmation. Select yes to continue or no to change the effective date manually. Also, you can redefine the fee and repayment schedules manually.

If the new value date is less than or equal to application date then contract initiation (INIT) will happen as part of save of amendment.

Value Dated Balances will be repopulated when there is amendment of value date. You can define multiple adhoc fee components based on the requirement. Also, pro rata type of participant FFT to facilitate the display of the adhoc FEE and its amount. Margin rate field and values are provided in future dated Borrower rate setting fax.

Example

For instance, when you open a tranche under the main borrower facility contract 000SNEW000010001 with Mr. Robert Carr, you can enter 15th January 2000 as the Value Date for the borrower tranche. If you do so, on any date including and following 15th January, a drawdown can be entered for Mr. Robert Carr, if requested by him.

The application date on the day you enter the contract (which is the booking date) could be earlier, later or the same as this value date. For backdated contracts, you can enter backdated borrower tranches. For future dated contracts, you cannot enter tranches before the contract actually comes into effect (i.e., before the value date).

Similarly, when you enter the first drawdown under the first tranche, you would enter 31st January 2000 as the Value Date for the drawdown, according to the drawdown schedule requested by Mr. Carr. Again, the application date on the day you enter the contract (which is the booking date) could be earlier, later or the same as this value date.

Original Start Date

This will display the date on which the contract was originally initiated. If the contract has been rolled over more than once, this will be the date on which the first loan was initiated. By default the current system date will be displayed.

If you are entering a contract that has already been initiated, enter the date on which the same began. In this case, the date will be for information purposes only and for all accounting purposes the Value Date will be considered as the date on which the contract was initiated. The original start date cannot be greater than the value date of the contract.

Maturity Date

If the tranche product has a standard tenor, the maturity date will be default based on the tenor maintained and the start date of the contract. You can change this default date, if necessary. However, the maturity date of the tranche should be between the facility start date and the end date.

If the maturity date is known at the time of capturing the tranche (fixed maturity), you can specify it for the contract.

Deal Date

You can specify the deal date for the contract.

DD Expiry Date

You must specify the date beyond which further drawdowns under the tranche contract will not be allowed. The system does not calculate any commitment fee beyond this date.

By default, the expiry date of the drawdowns processed under the tranche will be equal to the tranche maturity date. You can change it to any date between the (Value Date + 1) and the Maturity Date of the tranche contract.

5.7.1.3 Specifying Drawdown Details

The details specific to the drawdowns processed under the draft tranche include the following:

Minimum DD Amount and Maximum DD Amount

Specify the minimum and maximum amounts that can be disbursed through borrower drawdowns under the borrower tranche contract. This amount will be considered in the borrower facility contract currency.

When you capture the drawdown amounts, the system will ensure that the amount is within the range of minimum amount or maximum amount specified here.



Note the following:

- By default, the maximum drawdown amount will be equal to the tranche amount
- If the drawdown currency is different from the borrower facility contract currency, the amount is converted using the standard exchange rate, for the purpose of validation.

Maximum No of DDs

You have to capture the maximum number of borrower drawdowns under the tranche being processed. When you enter a borrower tranche contract under the borrower facility contract, you specify the drawdown schedules. The system validates that the total number of outstanding drawdowns (also taking into account future drawdown schedules) does not exceed the maximum number of drawdowns specified here. Similarly, when a disbursement is made on initiation of a drawdown, the system validates that the total number of outstanding drawdowns including the drawdown being initiated does not exceed the maximum number of drawdowns specified.



Note the following:

- Drawdown schedules of type 'Renewal' (which would, typically, be defined for rollover) are not taken into account when the system validates for the maximum outstanding drawdowns.
- If the number of drawdowns under the tranche exceeds the maximum number, the system will display an error message
- As and when you process drawdowns under the tranche, the system will update the 'Current DD No' with the total DDs processed

5.7.1.4 Specifying Holiday Treatment for Schedules

In this section of the screen, you can specify the holiday treatment preferences for schedules of contracts falling due on holidays defined for the branch. The holiday treatment details maintained for the draft tranche product will default to the contract. You can change your preferences at the tranche level.

For more details on the options available, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.7.1.5 Specifying Commitment Fee

If a borrower has availed money from the participant by means of swing line, you can process commitment fee on unutilized tranche amount based on the include swing and exclude swing options.

For tranches having the swing line drawdown, you can calculate commitment fee using the following options available at the tranche contract level:

Include Swing

Select this option to indicate that during calculation of commitment fee swing line drawdown should be considered.

Exclude Swing

Select this option to indicate that during calculation of commitment fee swing line drawdown should not be considered.



You can set the commitment fee including swing line drawdown option while booking the new tranche contract and you cannot change it during the contract amendments.

5.7.1.6 Specifying the Interest/Fee Distribution Method

You can indicate the method in which the interest and fee components have to be distributed among the participants when an assignment is executed before the liquidation date.

- Lender of Actuals - System will distribute the interest and fee components based on the old participant ratio for the period before the Participant Ratio Amendment Date (PRAM Value Date) and the new ratio for the period after the PRAM value date.
- Lender of Record - System will distribute the interest and fee components among the participants based on the latest participant ratio available at the time of liquidation.



Note the following:

- Once the tranche contract has been authorized, you cannot change this option.
- For all drawdown contracts associated with the tranche, this option will get defaulted. However, you cannot change the defaulted distribution type at the drawdown level.
- Payable and Receivable tracking will be applicable only for 'Lender of Actuals' type of distribution.
- You are allowed to make all Back dated changes only after the last Liquidation date or last Schedule date for 'Lender of Record' type of Distribution. Back Valued changes includes events such as PRAM, VAMI, MRFX, REVN.
- For pro-rata tranches, the participant balance is calculated based on the borrower balances and the participant ratio is on the respective event date, whereas, for of non pro-rata tranches, system will consider the participant balances directly from participant balance tables and compare it with the commitment for the position validation activities.

5.7.2 Maintaining Details in the 'Schedules' Tab

You can maintain the schedule preferences in the 'Schedules' tab of the screen.

Loan syndication : Draft- Tranche

External Ref No Syndication Ref No

User Ref No Syndication User Ref

Product Flexcube Ref No

Counterparty

Facility Name

Contract Schedules Currency Borrower Participants DD Product Tranche Schedule Party Type Fees Errors

Holiday Treatment for Schedules

Ignore Holidays Include Branch Holiday

Move Forward Move Backward Move Across Months

Apply Facility Ccy Apply Contract Ccy Apply Local Ccy

Move Commitment Redn Sch

Processing Rules

Repayment Cancellation Auto Repay Schedule

Drawdown Expiry Prepayment Reduction Schedule Appl.

Schedule Definition

Type	Component	Start Date	No	Frequency	Unit	Amount
<input type="text"/>						
<input type="text"/>						
<input type="text"/>						
<input type="text"/>						

Draft info
 Drafted By : DOCTE4M8 Timestamp : 28-DEC-2004 10:44:15 Draft Status : PENDING

5.7.2.1 Specifying Processing Rules for the Draft Tranche

You can define the processing rules for each of the following:

Repayment

The repayment processing rule for drawdowns will default from the tranche product. You can change it at the tranche level. This will become applicable to all drawdowns under the tranche.

You can select a rule from the following options:

- **FIFO:** In this method, the drawdown schedule repayment amounts will commence from the start date and default the repayment schedules on each of the reduction schedule date to the extent of the reduction amount until the entire drawdown repayment schedule is arrived at. The following example will illustrate this:

Tranche Amount: 50,000 USD

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Mar-04		50,000		20,000
30-Apr-04	10,000	40,000	10,000	10,000
31-May-04	10,000	30,000	10,000	0
30-Jun-04	10,000	20,000		
31-Jul-04	10,000	10,000		
31-Aug-04	10,000	0		

- **Pro-rata:** In this method, the drawdown schedule repayment amounts will be in the same proportion as the ratio of tranche reduction amounts and tranche amount.

Example

Tranche Amount: 50,000 USD

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Mar-04		50,000		20,000
30-Apr-04	10,000	40,000	4,000	16,000
31-May-04	10,000	30,000	4,000	12,000
30-Jun-04	10,000	20,000	4,000	8,000
31-Jul-04	10,000	10,000	4,000	4,000

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Aug-04	10,000	0	4,000	0

- LIFO: If you choose this option, the drawdown schedule repayments will commence from the end date and default to the same amount as the tranche reduction amount until the system arrives at the entire repayment schedule. An example is given below:

Tranche Amount: 50,000 USD

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Mar-04		50,000		20,000
30-Apr-04	10,000	40,000		20,000
31-May-04	10,000	30,000		20,000
30-Jun-04	10,000	20,000		20,000
31-Jul-04	10,000	10,000	10,000	10,000
31-Aug-04	10,000	0	10,000	0

Drawdown Expiry

You can define the last date upto which you can process drawdowns at the tranche level. This is captured in the 'DD Expiry Dt' field in the 'CONTRACT' tab of the screen. Beyond this date, the system will not allow you to process fresh drawdowns under the tranche. On this date, the system will cancel the un-drawn portion of the tranche and cascade the cancellation amount to the remaining tranche reduction schedules based on the expiry processing rule which defaults from the product. However, you can choose a different rule at the tranche level. The options are:

- FIFO
- Pro-rata
- LIFO

The system will check if the aggregated expected principal of all drawdowns is within the new tranche available amount (Original Tranche Amount – Cancellation Amount) for all future dates. The system will display an override if the amount is not within the new tranche available amount.

For more details on the above rules, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

On the drawdown expiry date, after the tranche is closed, the system will automatically check the 'Drawdown Expiry' option in the 'CONTRACT' tab of the screen. This will indicate that you cannot process any more drawdowns under the tranche.

Cancellation

At the tranche level, you can define a rule for tranche cancellation processing also. This is similar to the drawdown expiry date processing discussed above. The only difference being that, while the later is triggered automatically on the drawdown expiry date, the cancellation processing has to be initiated manually.

The cancellation rule will default from the product. You can override the default rule and choose a different rule at the tranche level. The options are:

- FIFO
- Pro-rata
- LIFO

For more details on the above rules, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

You have to use the 'Tranche Cancellation' screen to initiate the cancellation processing.

For more details on this screen, refer the heading 'Cancelling a tranche' in this chapter.

Prepayment

For a tranche, you can select a rule based on which prepayments for drawdowns will be processed in Oracle FLEXCUBE. The system will rebuild the reduction schedules based on the rule specified here.

The options available are:

- FIFO
- Pro-rata
- LIFO

Tranche Repayment Rule

Select the repayment rule that gets defaulted to scheduled repayments, unscheduled repayments and prepayments.

The possible options are as follows:

- LIFO
- FIFO
- PRO-RATA

FIFO will be selected by default.

The logic of the above rules will be same as in drawdown expiry processing and tranche cancellation processing.

For more details on the above rules, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.



The system will perform the following on prepayment:

- Rebuild the tranche reduction schedules
- Rebuild existing drawdown repayment schedules. However, the system will rebuild the existing drawdowns repayment schedules automatically only if the repayment schedules have been created without manual intervention. If you have changed the system defaulted repayment schedules for drawdowns under the tranche, Oracle FLEXCUBE will not rebuild the repayment schedule automatically on prepayment. You will have to change the repayment schedules for each drawdown, if required. Similarly, you will have to rebuild the schedules manually if the 'Auto Repay Schedule' is not checked for the contract.
- Such manual payments will not be part of netting on the value date.
- At the time of prepayment, the system will display a message to indicate that you have to rebuild the schedules manually in case of an earlier manual amendment to the schedules.

Reduction Schedule Application

Check this box to indicate that reduction schedule is applicable for a tranche. After you check this option, you cannot uncheck it. Once you check this, you need to define the reduction schedules before you save the contract.

For more details on this, refer the heading 'Defining reduction schedules for a tranche' in this chapter.

Auto Repay Schedule

You have to check this option to instruct the system to automatically rebuild the existing drawdown repayment schedules in case of a repayment/prepayment. The manner in which the system applies this option is discussed below:

- When you check this option, the repayment rule specified at the tranche level will be applied for defining the repayment schedules at the drawdown contracts entered under the tranche. However, you can overwrite the system defaulted schedules, if required. If you choose to overwrite the schedules, auto scheduling will not happen for further drawdowns under the tranche.
- If you do not check this option, the rule specified at the tranche level will not be applied for defining the repayment schedules for the drawdowns under this tranche. Schedules will default from the drawdown product but you will be allowed to modify the defaulted schedules for a drawdown.

For more details on processing drawdowns, refer the 'Processing a drawdown' chapter of this User Manual.

5.7.2.2 Specifying Holiday Treatment for Schedules

In this section of the screen, you can specify the holiday treatment preferences for the repayment schedules falling due on holidays defined for the branch. The holiday treatment details maintained for the tranche product will default to the contract. You can change your preferences at the tranche level.



The system redefines the future schedule dates for Principal, Fees and Interest components based on the changes you make.

If you have maintained commitment reduction schedules for the tranche, you can apply the holiday treatment preference for the reduction schedules as well. To enable this, you have to check the 'Move Comm Redn Sch' option for the tranche.

For more information on the holiday treatment options available, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.7.2.3 Specifying Schedule Details

You can define reduction schedules in the 'Schedules Details' section of the screen. You can also define payment schedules for fee components, if attached to the tranche. The schedules defined for the tranche product will default here but you can modify the default values.



To make change to the default schedule details, you have to click  button. The following details have to be captured here:

Schedule Type

You have to identify the schedule type being defined. For defining reduction schedules, select 'C'. If you want to define payment schedules for fee components, select the option 'P'.

Component

Select the component for which you are defining the schedule details. All the fee components associated with the contract will be available in the option list provided. If you are defining reduction schedules, select the 'PRINCIPAL' component.



For fee components of type 'Advance', the system will not allow you to define multiple schedules for the same fee component. However, you can define multiple instances if only bullet schedule exists for the component.

Start Date and End Date

This is the contract start date. This period should be within the tranche start date and end date. By default, the start date will be equal to the draft tranche start date.

Frequency

This indicates the frequency/interval at which the schedules will fall due. The available frequencies are:

- Daily
- Weekly
- Monthly
- Quarterly

- Half-yearly,
- Yearly
- Bullet: The system will build the bullet schedule based on tranche available amount



You can select the 'Bullet' frequency for defining reduction schedules.

Unit

Unit of frequency will identify the number of occurrences within a frequency e.g. Unit '2' and Frequency 'Monthly' will mean bimonthly frequency i.e., the event will occur once in 2 months.

No

Based on the frequency and the unit of frequency you specify, the system will display the number of schedules for the period within the start date and end date. For instance, consider the following:

- Start Date - 30-JUN-2005
- End Date - 15-MAR-2006
- Frequency - Monthly
- Unit – 1

Then, the system will display the number as 9 since there are nine such schedules for the period.

Amount

You can specify an amount for each payment/reduction schedule. Based on this Oracle FLEXCUBE will determine the available amount and then build the reduction schedule for the tranche.



If you are not specifying the interest schedule details here, the system accepts the details maintained at the drawdown product level.

You can specify the amount due for each schedule for fee components of type 'User Input'.

5.7.3 Specifying Currency Details for the Draft Tranche

You can specify all details pertaining to the contract currencies (allowable currencies for the tranche) in the 'Currency' tab.

Loan syndication : Draft - Tranche

External Ref No Syndication Ref No

User Ref No Syndication User Ref

Product Flexcube Ref No

Counterparty

Facility Name

Contract Schedules **Currency** Borrower Participants DD Product Tranche Schedule Party Type Fees Errors

Currency Details

Currency	Description	Exchange Rate Fixing Days	Exchange Rate Fixing Time	Int Rate Fix Days	Int Rate Fix Time	Notification Days	Notification Time	Blocked ?
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

Holiday Currencies

Currency	Description
<input type="text"/>	<input type="text"/>

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The details include the following:

- Exchange rate fixing days and time for each currency
- Interest rate fixing days and time for each currency
- DD Notification days and time for a currency
- Cancellation days

The details defined for the tranche product will default here. You can change the system defaulted details at the tranche level.

For a detailed explanation of the options available in this screen, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.7.4 Specifying Borrowers for the Tranche

You must specify the borrowers for the borrower tranche, who will actually avail the drawdowns under the tranche. The borrowers defined for the borrower facility under which the tranche is being entered, will be defaulted to the tranche. You can view the borrower details in the 'Borrower' tab.

Customer No	Borrower Name	SSI Counterparty	Counterparty Name	Nature of SSI	Netting Preferences	Blocked
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

Ccy	SSI Mnemonic

Entity	Entity Description	Primary
		<input type="checkbox"/>

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You cannot add a borrower at the tranche level. You may, however, remove a borrower from the tranche. Click the  button to remove a borrower. When you click this button, the system will display a message to confirm removal of the borrower.

The borrower details get defaulted along with the currency mnemonics and entities for each borrower.

For more details, refer the heading 'Specifying borrowers for the facility' in this chapter.

In addition, at the tranche level you can specify the following:

Nature of SSI

You can specify the nature of the SSI for each borrower. The available options are:

- Advisory: If the nature of the SSI selected is 'Advisory', you will be allowed to change the SSI mnemonic for the drawdowns processed under the tranche.
- Contractual: This option will allow you to change the SSI mnemonic at the drawdown level but the system will display a warning message to indicate the same.

 The SSI selected for the borrowers will get displayed in the settlement details screen for the tranche and all the drawdowns processed under it.

Netting Preferences

You can specify netting preferences for tranche borrowers only if you check the 'Net Across DD' option (in the 'CONTRACT' tab of the 'LS Tranche Contract Online' screen).

The available netting options are:

- All Components: Select this option to indicate that netting will be applicable for all the components
- None: This option will indicate that netting will not be applicable for the borrower
- Principal Only: Select this option if you want to net only the loan principal

Blocked

You can check this option if you want to prevent a borrower from availing loans under the tranche.

5.7.5 Maintaining Participant Details for the Draft Tranche

You must also identify the participants who contribute to the amount being committed for disbursement under the borrower tranche contract, and specify the contribution details. The participants defined for the borrower facility contract under which the tranche is being entered, will default to the tranche, and you can change the participants, if required. You can capture the participant details in the 'Participants' tab. Click the 'Participants' tab to view the participant details.

Loan syndication : Draft - Tranche

External Ref No Syndication Ref No

User Ref No Syndication User Ref

Product Flexcube Ref No

Counterparty

Facility Name

Contract Schedules Currency Borrower **Participants** DD Product Tranche Schedule Party Type Fees Errors

Participants

Participant	Participant Name	Asset Amount	Asset Ratio	Self?
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
Total Participation Amt.		<input type="text"/>		

SSI Mnemonics

Currency	SSI Mnemonic
<input type="text"/>	<input type="text"/>

Component Ratio

Type	Component	Component Ratio
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Entity

Entity Id	Entity Description	Primary
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

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In this tab, you can also view the various components (Interest, charge and fee) associated with the product if only if the 'Participant Propagation Required' option is checked for the component when associating the same with the product.

The following details are displayed for the participants:

- Participant – the system displays the participant id of the participant
- Participant Name – the system displays the name of the participant
- Asset Amount – specify the asset amount
- Asset Ratio – the system displays the asset ratio
- Total Participation Amt – the system displays the sum of the individual participation amounts



The Total Participation Amt should be equal to the Tranche Amount. Appropriate error messages are displayed if either the 'Total Participation Amt' is less than or greater than the Tranche Amount.



You can only remove a participant from the tranche. Addition of a new participant can be done only at the facility level.

You can specify the following participant details:

Participant Name

Names of the participants involved in the tranche are displayed in the alphabetical order.



If a participant name is too long, it is maintained in two different fields in the 'Customer Information Maintenance' screen. These two name fields will be concatenated while displaying in the above screen.

Refer the Core Entities user manual for more details on the 'Customer Information Maintenance' screen.

Participant Code

The IDs of all the participants selected for the borrower facility contract will be displayed here. To remove a participant from the tranche, select the same and then click the  button. You can include the participants removed from the tranche through the 'Participant Selection' screen.

For more information on this screen, refer the heading 'Selecting participants for the facility' in this chapter.

Asset Amount/Asset Ratio

You have to specify the contribution of each participant to the tranche contract. You can specify the participant contributions either as an amount (Asset Amount) or a percentage (Asset Ratio). If specified as an amount, the sum of all contributions must not be greater than the tranche contract amount. If a percentage is specified, the sum of percentages for all participants must not exceed one hundred percent.

When you specify the asset amount, system will compute the equivalent ratio. Likewise, when you capture the asset ratio, its equivalent amount is also displayed. In addition, the income sharing ratio for interest, ad-hoc fee and charge components, if applicable, will also be displayed based on the asset amount/ratio. You can change the ratio for these components but the sum of percentages for all participants must not exceed one hundred percent.

Self Participant

Check this box to indicate that the participant is a Self Participant. A self participant is one who is leading the loan contract. This option is defaulted based on the self participant maintenance. You can check this option if it is maintained in the self participant maintenance. You can uncheck this option to proceed.

SSI Mnemonic

The SSI Mnemonic selected for the facility contract will default for each participant of the tranche. However, you can change it at the tranche level. The option list will display the SSI Mnemonics maintained for the Counterparty, Module, Currency, Product and Branch combination involved in the tranche.

You also have the option to select component wise or currency wise SSI Mnemonics for each participant of the tranche. This is discussed below:

5.7.5.1 Specifying Currency-wise and Component-wise SSI Mnemonics

On the basis of the 'Part. SSI Pick Up' maintained for the tranche (in the 'Contract' tab), you can select the SSI at the component level or at the currency level. The system will use this information to obtain the settlement details for the participant.

If the basis of SSI pick up is 'Currency', you can select the SSI Mnemonic for each allowable currency for each participant. Follow the steps given below:

25. Select the participant from the list of participants
26. Select the currency from the option list will display the allowable currencies for the tranche.
27. Select the SSI Mnemonic for the currency

28. Click  button to select the next allowable currency, if any. To delete a currency, click  button.

29. After specifying the currency wise SSI Mnemonic for a participant, click  button to select the next participant from the list

If the SSI pick up basis is 'Component', you can select the SSI Mnemonic for each component for each participant.

For details on the procedure, refer the heading 'Changing the SSI for a component' in this chapter.

In addition to the above, you can do the following through this screen:

- Upload the participant details through the 'Upload From File' option
- Download the participant details through the 'Download From File' option
- Specify entity details for each participant

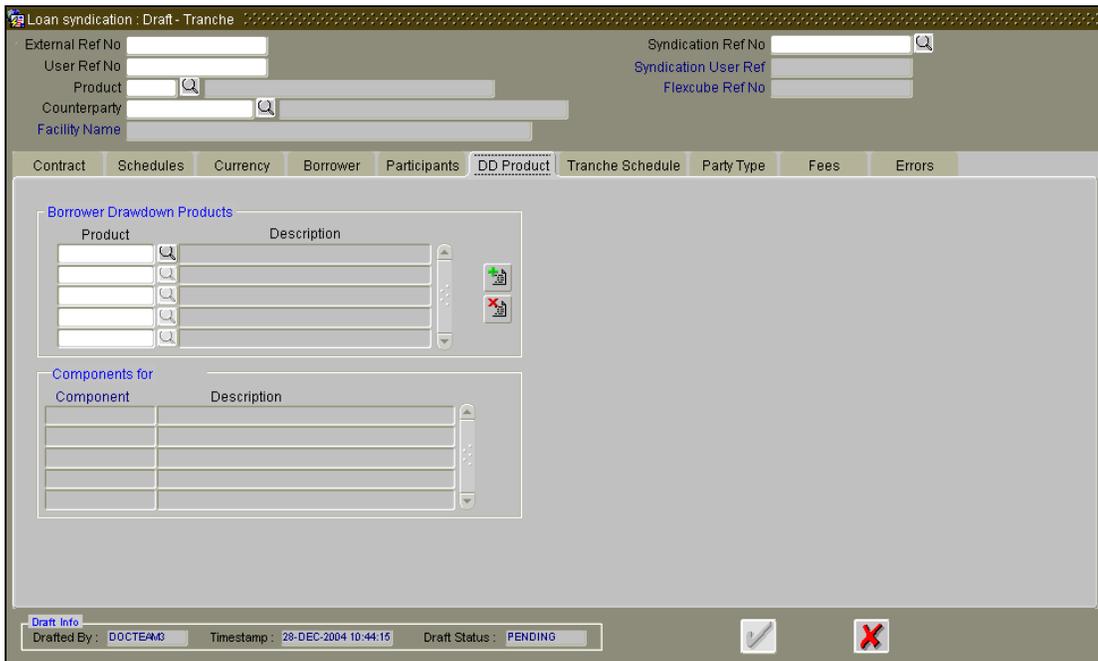
For details on the above procedures, refer the following headings in this chapter:

- Uploading participant details
- Downloading participant details
- Maintaining entity details for a facility participant

After specifying the required participant details, click the  button to save and return to the 'LS Tranche Contract Online' screen. The participants defined for the borrower tranche will default to the drawdowns, and you can change the participant details, if required, provided the 'Cascade Participation' option is not checked for the borrower tranche product used by the tranche.

5.7.6 Maintaining Drawdown Product Details for the Draft Tranche

Click the 'DD Product' tab to specify the drawdown product details.



You can capture the following details in this screen:

5.7.6.1 Selecting Borrower Drawdown Products

To process drawdowns under the draft tranche, you have to select the drawdown product at the tranche level. The option list will display all drawdown products that you have associated with the facility product (under which the parent facility contract is processed) through the 'Borrower Facility Product – Preferences' screen.

When you select the product, the following details are displayed:

- Description of the DD product
- Components associated with the product: Component Type, Name, and Description
- List of participants
- Participant Income Ratio for each component: This gets defaulted based on the asset ratio/amount specified in the 'Participant Ratio Details' screen. You can change the Income ratio, if required. The new value will get defaulted to all drawdown contracts processed under the product.

5.7.6.2 Selecting SSI Mnemonics for Each Component

You have to associate an SSI Mnemonic for each participant and component combination. The system will use this information for component wise settlement of Income for each participant. The option list will display the following details about the SSIs:

- Participant Code
- Participant Name
- SSI Mnemonic
- Settlement Sequence Number



If you do not define the SSI Mnemonics, system will apply the default values and display an appropriate message to indicate the same.

5.7.7 Specifying the Draft Tranche Schedule

You can specify the schedules for the draft tranche in the Tranche Schedule tab.

The screenshot shows the 'Draft - Tranche' screen in Oracle. At the top, there are several input fields for reference numbers: External Ref No, User Ref No, Product, Counterparty, Facility Name, Syndication Ref No, Syndication User Ref, and Flexcube Ref No. Below these is a navigation bar with tabs: Contract, Schedules, Currency, Borrower, Participants, DD Product, Tranche Schedule (selected), Party Type, Fees, and Errors. The main area is titled 'Repayment Schedule' and contains a table with three columns: Due Date, Amount, and Repayment Rule. The table has 8 rows, with the first row highlighted. To the right of the table are icons for adding (+) and deleting (-) rows. At the bottom, there is a 'Draft Info' section with fields for 'Drafted By', 'Timestamp', and 'Draft Status', along with a green checkmark icon and a document icon.

You can specify the following fields in this screen:

Due Date – specify the due date of the draft tranche

Amount - specify the total amount that should be committed under the draft tranche

Repayment Rule – you can select the repayment rule from the options available



Repayment schedule is allowed only for non-revolving draft tranches.

5.7.8 Specifying Parties for the Tranche

You can also specify different types of entities or parties that would be applicable for the borrower tranche as well as the applicable parties belonging to the selected type, in the 'Party Details' screen. The party types associated with the tranche product will default to the tranche; you can change them and specify the required types at the tranche level.

Click the 'Party Type' tab to specify the details.

Loan syndication : Draft - Tranche

External Ref No Syndication Ref No

User Ref No Syndication User Ref

Product Flexcube Ref No

Counterparty

Facility Name

Contract Schedules Currency Borrower Participants DD Product Tranche Schedule **Party Type** Fees Errors

Party Details

Party Type	Party ID	Party Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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For more details on the above screen, refer the heading 'Specifying parties for the facility' in this chapter.

5.7.9 Defining Tranche Fee Schedules

You can define the start date and an end date for both utilization and non-utilization types of fee components. Click the 'Fee' tab to define the fee schedules.

Loan syndication : Draft - Tranche

External Ref No Syndication Ref No

User Ref No Syndication User Ref

Product Flexcube Ref No

Counterparty

Facility Name

Contract Schedules Currency Borrower Participants DD Product Tranche Schedule Party Type **Fees** Errors

Fee Components

Component	Fee Rule	CCY	Start Date	End Date	Collection Mode	Liquidation Mode	Fee Basis	Billing Notice Req'd	Billing Notice Days
<input type="text"/>									
<input type="text"/>									
<input type="text"/>									
<input type="text"/>									

Fee Schedule Definition

No	Frequency	Unit	Start Date	Amount
<input type="text"/>				
<input type="text"/>				
<input type="text"/>				
<input type="text"/>				

Draft Info
 Drafted By : DOCTEAM3 Timestamp : 28-DEC-2004 10:44:15 Draft Status : PENDING

The following details are displayed in this screen:

- Component
- Fee Rule
- Currency
- Start and End Date of the fee schedule
- Mode of collection
- Mode of liquidation, whether 'Auto' or 'Manual'
- The fee basis to calculate the fee amount for schedules. This is defaulted from the product level.
- Whether Billing Notice should be generated for the contract
- Billing notice days

The above details default from the draft tranche product used to process the tranche. You can modify the following details in this screen:

Start Date and End Date

You can change the period for fee application provided the fee start date is not later than the maturity date of the tranche and the fee end date is not beyond the maturity date of the tranche.

Liquidation Mode

The liquidation mode specified in the 'CONTRACT' tab will default here. Here, you can opt for a different mode for each component. The available options are:

- Auto: The system will automatically liquidate the schedule during EOD on the schedule due date of the component.
- Manual: If you select this mode, you have to liquidate the fee components through the 'Fee Liquidation' screen.
- Semi-Auto: If you choose this option, the message that should get generated during liquidation (Event: FLIQ) will be kept on hold. The messages will be available in the 'Outgoing Message Browser' with status 'Hold'. You will need to use the 'Events for Forward Processing' screen to release the messages.

For more details on 'Events for Forward Processing' screen, refer the heading 'Forward processing of events' in this chapter.

Fee Basis

The fee basis defaults from the product level. However, you can change the default value anytime during the lifecycle of the contract. When you change the day basis, the system re-computes the schedule fee amount from the start date of the fee component. The amendment becomes applicable from the value date of the contract.



Note the following:

- You can amend the day basis both as part of contract amendment (in the 'LS Tranche Contract Online' screen) and fee amendment (in the 'Fee Amendment' screen).
- If the fee distribution type is defined as 'Lender of Actual' (in the 'LS Contract Online' screen) and if there are any liquidated fee schedules, the system updates the payable/receivable of the respective liquidated fee schedule as a result of change in fee basis.
- You cannot amend the Fee Basis for 'Lender of Record' (specified in the 'LS Contract Online' screen) type of distribution if there are liquidated schedules for the same component.

Billing Notice Reqd

If the 'Billing Notice Required' option is checked for the tranche product (in the 'Borrower Product – Fee Details' screen), the same will be applicable for the contract. Based on the number of days defined for billing notice generation for the product, system will trigger the NOTC event for the fee component. However, you have the option to suppress the generation of billing notice for fee components. To suppress, choose the 'NO' option.

If the 'Billing Notice Required' option is not checked for the product, you cannot opt for the same at the contract level. Billing notice will not be generated for such contracts.



Oracle FLEXCUBE does not allow manual generation of billing notice.

Billing Notice Days

The billing notice days defaults from the product level. However, you can amend the default value.

For details on fee schedule amendment, refer the heading 'Amending Fee Component Details' in the 'Processing Charges and Fees' chapter of this User Manual.

After making the required changes, click  button to save and exit the screen.

5.7.9.1 Specifying Back Valued Fee Schedules

You can specify a back valued start date for an existing Fee component, as part of Fee Amendment or Contract Amendment functionality. You can also define a new back valued Fee component, until the last liquidated schedule date of the same FEE component or beyond the last liquidated schedule date of other Fee components.



Note the following:

- If you change the start date of a Fee component which has liquidated schedules, system will track the delta amount through Payable / Receivable infrastructure.
- If you change the start date of a Fee component for a 'Lender of Actuals' type of Distribution and if there are any liquidated Fee schedules, then Payable / Receivable of the respective liquidated fee schedule gets updated due to fee basis changes.

- Fee component start date amendment for 'Lender of Record' type of distribution, will not be allowed if there are any liquidated schedules for the same component.
- You can define multiple Adhoc Fee components under the same contract.
- You can not specify two Fee schedules for the same component on the same value date.

5.7.9.2 Processing Utilization and Non-utilization Fees

The utilization fee and non-utilization fee which is payable by the borrower on the total outstanding amount under a tranche will always be collected in arrears. Oracle FLEXCUBE will calculate the daily outstanding and the daily non-utilized portion of the tranche for both revolving and non-revolving types. The outstanding portion and non-utilized portion will be calculated only on days when there is a change either to the fee rate or to the basis amount. In all other cases, the last available value for the fee rate and basis amount will be used for fee calculation.

The system will not calculate backdated utilization/non-utilization fee beyond the last liquidation/schedule date.

Example

Assume that you have defined a monthly fee schedule for utilization and non-utilization fee for a tranche contract where the payment falls on the last day of every month. If you process a backdated drawdown on 15th Jan 2005 with the value date on 15th Dec 2004, the system will not recalculate the utilization/non-utilization fee from 15th Dec 2004.

You cannot process back valued drawdowns beyond the last liquidation/ schedule date of the interest components of all the drawdowns under a tranche. Similarly, back valued drawdowns will not be allowed beyond the last liquidation/schedule date of utilization /non-utilization fee components of the tranche.

Back value dated repayments/prepayments/drawdowns/value dated amendments for increasing the principal drawn down will be based on the outstanding amount and non-utilization amount. However, the system will not allow back value dated amendments/participant ratio changes beyond the last schedule/liquidation date. Similarly, back valued amendments /back valued participant ratio changes/back value dated drawdowns will not be allowed beyond the last schedule/liquidation date of the utilization/non-utilization fee components of the tranche.

5.7.9.3 Processing LC Fees

Oracle FLEXCUBE processes the following two types of fees for an LC type of drawdown:

- Fee based on LC outstanding: This fee is applicable for the following LC types:
 - Standby LC
 - Commercial LC
- Issuance fee that is paid only to the LC issuing bank

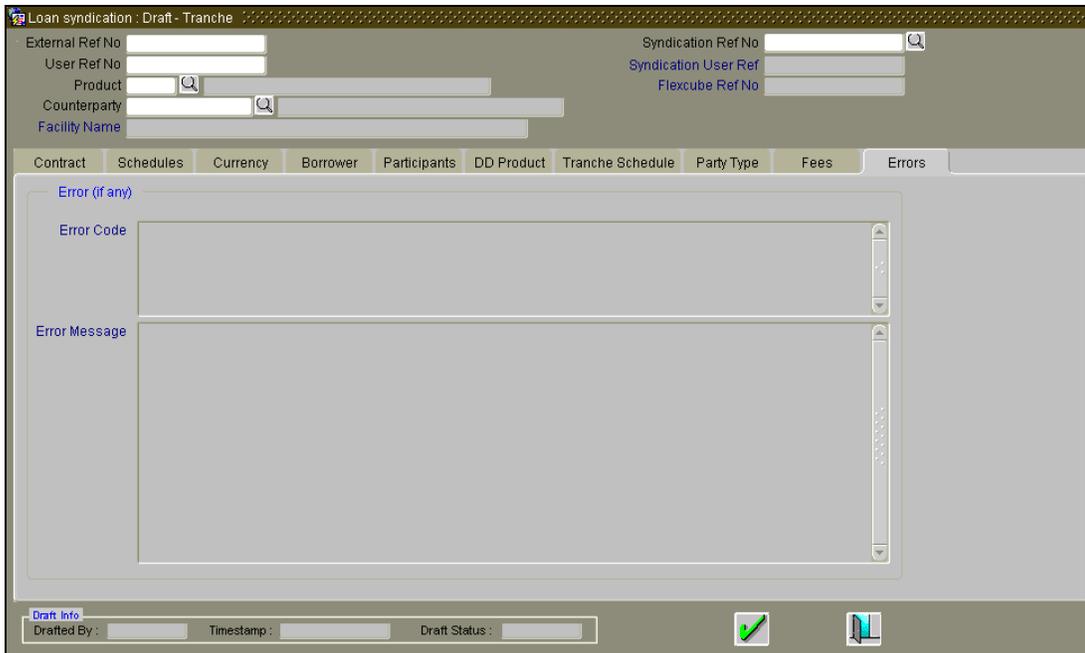
The amount tags 'STANDBY_LCOS' and 'COMMERCIAL_LCOS' will capture the outstanding LC balance for the two LC types, respectively. The system tracks the value date wise balances by taking into consideration all activities that alter the balance. This includes Initiation, Payments, and Value Dated Amendments etc.

For processing issuance fee, you will need to first identify the participants who would be LC issuers. This is done at the tranche level. Each issuer is given a unique issuing bank number – ISSUER1, ISSUER2 and so on up to ISSUER10. Issuance fee is paid to the issuer of the LC. You can select the issuer at the drawdown level. The list maintained for the tranche will default to the drawdown. You have to select an issuer from this list.

The basis amount tags ISSUER1_LCOS, ISSUER2_LCOS, to ISSUER10_LCOS associated with ISSUER1, ISSUER2 to ISSUER10, respectively, will be used to track the outstanding amount of all the LC drawdowns for that issuer.

5.7.10 Viewing the Error Logs

You can view the error codes and error messages that are generated during the processing of a draft tranche in the 'Errors' tab.



5.8 Viewing Draft Tranche Summary

You can view the details of the Draft Tranche in the 'Loan Syndication – Draft Tranche Summary' screen. To invoke this screen from the application browser, click **LS Operations**, and then click **Summary** below **Draft Tranches**.

5.9 Processing a Borrower Tranche Contract

You can process a tranche contract in the 'LS Tranche Contract Online' screen. To invoke this screen from the Application Browser, click on **LS Operations**, choose **Borrower Tranche Input** and then click on the **Detailed** option under it. The screen will be displayed with details of an existing tranche contract, as shown below.

Entry By	Entry Time	Auth By	Auth Time	Contract Status	Auth Status	Participant Processing Status
DYUTIB2	13-AUG-2012 06:43:58	DYUTIB1	13-AUG-2012 06:44:46	Active	Authorized	Processed

Just as you capture a facility contract, you can capture a tranche contract either by:

- Selecting a template
- Copying the details from an existing contract
- Associating a product

You can book multiple Tranche with same CUSIP. The CUSIP and SSI Counterparty (Settlement Party) are unique across tranche contracts under the same CUSIP. The system validates the SSI Counterparty and CUSIP while saving the tranche contract and displays the following error message In case of duplicate tranche booking.

Tranche with the same SSI Counterparty and CUSIP Number already exists.

For more details, refer the heading 'Entering the facility details' in this chapter.

Note that you can add a CUSIP to an existing tranche. Similarly, you can associate an existing CUSIP with a new tranche.

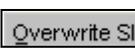
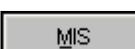
5.9.1 **Capturing Details in the 'LS Tranche Contract Online' Screen**

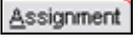
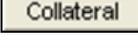
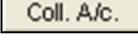
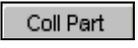
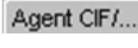
In the 'LS Tranche Contract Online' screen, you can capture the following details:

- The main facility contract under which the tranche is being entered
- The product under which the contract is processed
- A unique reference number for the contract
- The counterparty (customer) and currency
- Value date and maturity date
- Transaction Amount, etc.

In addition, a vertical toolbar provided in the screen, may be used to invoke other sub-systems meant to capture important information for the tranche contract. These buttons have been described briefly below:

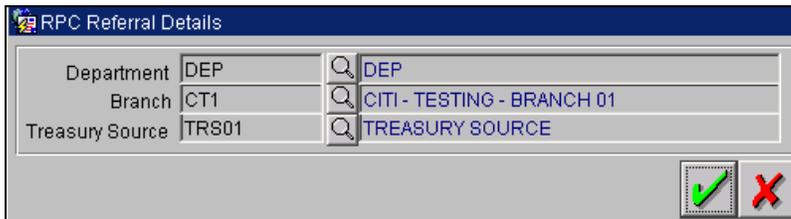
Buttons	Description
	Click on this button to invoke the 'Currency Details' screen. In this screen, you can maintain the holiday currencies for various events and exchange rate fixing and interest rate fixing details. Short Cut Key: Alt + Y
	Click on this button to specify the details pertaining to the borrowers of the tranche contract. Short Cut Key: Alt + B
	This button will invoke the 'Participant Ratio Details' screen. Short Cut Key: Alt + P
	Click on this button to display 'Participant Commitment Linkage' screen. You can link the commitment contract to each self participant using this screen.
	Click on this button to invoke the 'Participant Currency Restriction' screen. You can maintain restrictions for participants in the currencies involved.
	Click on this button to invoke the 'LC Issuer Mapping Details' screen. In this screen, you can identify the participants who could be issuers of LCs. Short Cut Key: Alt + L

Buttons	Description
	<p>This button will display the 'DrawDown Products' screen.</p> <p>Short Cut Key: Alt + D</p>
	<p>Click on this button to maintain the Skim details for participants of the tranche.</p>
	<p>Click on this button to view and modify the charge details for the tranche.</p> <p>Short Cut Key: Alt + C</p>
	<p>Click on this button to maintain the margin Slab/Tier structure.</p>
	<p>Click on this button to associate fee rules with the contract.</p>
	<p>This button will display the 'Fee Components' screen where you can view the default fee details for the contract.</p> <p>Short Cut Key: Alt + F</p>
	<p>Click on this button to view the 'Participant Tax Details' screen.</p> <p>Short Cut Key: Alt + T</p>
	<p>Click this button to view the 'Overwrite Settlement Instruction Details' screen.</p> <p>Short Cut Key: Alt + O</p>
	<p>Click this button to view the 'Settlement Message Details' screen.</p> <p>Short Cut Key: Alt + S</p>
	<p>Click this button to define the repayment schedules for the tranche.</p>
	<p>Click this button to define MIS details for the contract.</p> <p>Short Cut Key: Alt + M</p>
	<p>Click here to invoke the 'Party Details' screen. In this screen you can specify the different types of entities or parties that would be applicable for the contract.</p>
	<p>Click this button to capture values for the custom/user defined fields associated with the contract.</p> <p>Short Cut Key: Alt + U</p>
	<p>This button will invoke the 'Diary Contracts – Summary' screen where you can view the event details for the contract.</p>

Buttons	Description
	Click this button to view the advices for the contract.
	Click this button to view the netting cash flow details. Short Cut Key: Alt + N
	Click this button to view the events for the tranche. This is used to preview events/associated messages only before the first authorization of an LS contract.
	Click this button to invoke the 'Participant Facility Contract Summary' screen. In this screen, you can view the underlying Tranche and Drawdown contracts for the Facility contract.
	Click this button to invoke the 'Event Log Details' screen. Here, you can view the accounting entries for each event and the overrides encountered, if any. Short Cut Key: Alt + E
	Click this button to invoke 'Assignment Validations' screen.
	Click this button to invoke 'Floor and Ceiling' screen.
	Click this button to invoke the 'Tranche Collateral Input' screen.
	Click this button to invoke the 'Tranche Collateral Account Maintenance' screen.
	Click this button to invoke the 'Tranche Collateral Entity Maintenance' screen.
	Click this button to invoke the 'Participant Collateral Detail' screen.
	Click this button to link escrow accounts to a contract.
	Click this button to invoke 'Origination Agent CIF/Mnemonic Maintenance' screen.

5.10 Capturing Tranche Details

To capture a new tranche contract, click on the new button -  in the toolbar of the screen or select **New** from the **Actions** Menu. The system will display the 'RPC Referral Details' screen, as shown below:



Department	DEP	Q	DEP
Branch	CT1	Q	CITI - TESTING - BRANCH 01
Treasury Source	TRS01	Q	TREASURY SOURCE

In this screen, you have to select the following details:

- Department under which the facility is being processed
- Branch for which the facility is processed. You can process inter-branch contracts too. When you select the branch, the applicable 'Treasury Source' will also default.

Click the  button to accept the details. The 'Tranche Contract – New Tranche Input' sub-screen will be displayed where you can do the following:

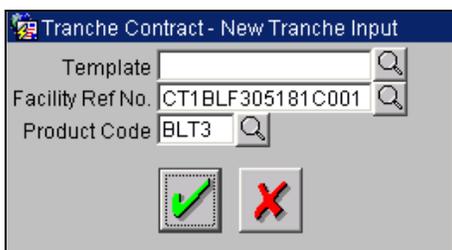
Associate a template

Select a template to capture the contract details. Upon selection of the template, the system will associate the 'Facility Reference Number' and the 'Product Code' against which the tranche should be processed. The contract will inherit the details of the template.

Select a facility contract and product

Alternatively, you can select the reference number of the main facility contract against which you want to open the tranche. The option list will display all active and authorized facility contracts.

You must also specify the tranche product under which you want to book the contract. The option list will include all tranche products that you have associated with the facility product (under which the selected facility contract is processed) through the 'Borrower Facility Product – Preferences' screen. Select a product from this list. The screen will appear as shown below:



Template		Q
Facility Ref No.	CT1BLF305181C001	Q
Product Code	BLT3	Q

Click  button to accept the details. The following information will default to the 'CONTRACT' tab of the screen:

- Contract Reference Number and User Reference Number
- Branch Name and Department
- Customer of the contract and the GFCID (Global Financial Customer ID)
- Reference number of the facility contract
- Contract Currency
- Tranche details
- Liquidation details
- Settlement details of the selected customer. This will include the settlement branch, account and currency
- Rounding rule for the currency
- Nature of the commitment whether Revolving or Non-Revolving. In the case of a revolving commitment, the amount available is restored when a drawdown linked to the tranche (commitment) is disbursed and paid out. In the case of a non-revolving commitment, the amount available is not restored.

In the header section of the screen, you have to specify the following:

User Reference Number

The reference number is the identification that you specify for the borrower tranche. You can specify any identification number. In addition to the 'Contract Reference Number' that the system generates, this number will also be used to retrieve information about the tranche.

By default, the 'Contract Reference Number' is considered to be the User Reference Number for the tranche.

Custom Ref No

You can capture a unique reference number for the tranche contract. This number will be used to identify the tranche in the system. You can also query the tranche based on this number. The reference number can consist of a maximum of 16 alphanumeric characters. You have to capture the custom reference number as mandatory information for the tranche.

Facility Name

You can provide a name to the tranche being processed. The facility name will be available for querying the contract. This name will also be displayed for all the drawdowns processed under the tranche. At the drawdown level, you cannot change the facility name.

The name can consist of a maximum of 35 alphanumeric characters and you will be allowed to amend the name anytime during the tranche life cycle. This will result in change of the facility name in all the linked drawdown contracts.

STOP It is not mandatory to specify a facility name for a tranche.

When the facility name is changed at the tranche level, it is propagated to all the underlying trades. When such a tranche amendment is authorized, system will search all the underlying trades having the same CUSIP/ ISIN and updates the latest facility name for all the fetched records.

As part of tranche amendment authorization, system gives an override before propagating the new facility name to all the versions of the open trades. If you select 'No' to the propagation, then, you should manually amend trades with the latest facility name.

STOP The facility name is updated both at the draft and trade level.

5.10.1 Capturing Details in the 'Contract' tab

You can overwrite some of the default values at the tranche level.

The screenshot displays the 'LS Tranche Contract Online' interface for a test environment. The main window is titled 'LS Tranche Contract Online [CFPI SLT] TEST1'. At the top, there are fields for Template, Product (BTPR), Branch Name (001), Department (702), Treasury, User Ref No (001BTPR122230001), and Facility Name (TEST1). The interface is divided into several sections: 'CONTRACT' and 'SCHEDULE' tabs are visible. The 'CONTRACT' section includes 'Basic Details' (Customer, CUSIP, Currency, Amount, Lcy Amount), 'Tranche Details' (Book Dt, Value Dt, Orig Start Dt, Maturity Dt, DD Expiry Dt, Limit Line), 'Drawdown Details' (Min. DD Amt, Max. DD Amt, Max. No. of DDs, Current DD No, Clearing Line, Liquidation Mode), 'Facility Details' (Facility Ref No, Amt Facility Ccy), 'Reporting Details' (Amt Report Ccy, O/S Amt), 'Settlement Details' (Branch, Account, Holiday Treatment for Value / Maturity Date), 'Global Tranche Amount', 'Self Participant %', 'Rounding Rule', 'Commitment' (Revolving, Non Revolving), 'Commitment Fee' (Include Swing, Exclude Swing, Int / Fee Distribution), 'Tax Details' (FATCA Waiver, Grandfathered, Chapter3 Waiver), 'Other Details' (Verify Funds, Cascade Participation, Net Across DD, Drawdown Expiry, Sighting Funds Applicable, Suppress B. V. Payment Message, LC Fronting, Floor/Ceiling restricted to base rate, Hold Intellect handoff), 'Assignment Validations Applicable', 'CLP Ext Participation', 'Industry Code', 'Fronting Share', 'Part. SSI Pick Up', 'Currency', 'INIT Mode', 'Global LC Sublimit', 'FpML Type', 'Inactive', 'Administrator', 'Agreement Title', and 'Internal Remarks'. A table at the bottom shows entry and authentication details for the contract. On the right side, there is a vertical menu with various options like 'Currency', 'Borrowers', 'Participations', 'Comm Li...', 'MIS', 'DD Product', 'Fee Maint', 'Margin', 'Part Limit', 'LC Issuer', 'Skim', 'Charge', 'Fee', 'Tax', 'Overwrite...', 'Settlements', 'Tranche S...', 'Party Type', 'UDF', 'Diary', 'Advices', 'Netting', 'Msn. Prev.', 'Part Summ.', 'Events', 'Borr FFT', 'Part FFT', 'Floor & Cell', 'Assignment', 'Collateral', 'Coll. A/c', 'Coll Entity', 'Coll Part', 'ESC', and 'Agent CIF/...'.

5.10.1.1 Specifying Basic Details

You need to specify the following as part of the basic contract details:

Customer

By default the customer (borrower) of the facility contract will be displayed as the customer for the tranche contract. You can select a different customer from the option list provided. This list will display the borrowers identified for the facility contract. The customer you select will default to any borrower drawdowns you enter against the tranche.

Upon selection of the customer (borrower), the settlement details maintained for customer will default in the 'Settlement Details' section of the screen. This enables the system to easily obtain the settlement details defined for the selected customer.

CUSIP Number

You have to capture a unique number to identify the tranche. This number will, typically, be used to identify the loans being traded and to quote the market price. This will get defaulted to all the drawdowns processed under the tranche and cannot be changed at the drawdown level. You can use a maximum of 16-alphanumeric characters for a CUSIP.

CUSIP will also appear in all correspondences under the tranche i.e. advices to both participants and borrowers. CUSIP number is modifiable as part of contract amendment (CAMD).

After authorization of the CAMD event, the internal CUSIP propagates to all the underlying drawdowns, linked commitment, its underlying loans, linked trades and position contract, if any.

The Internal CUSIP cannot be changed as part of CAMD if there exists:

- Any PRAM or Non-prorata VAMI for the corresponding tranche
- Any open position for the existing CUSIP



The Internal CUSIP is mandatory and cannot be made null during contract input or amendment.

Currency

The currency of the facility contract will be displayed for the tranche as well. This is the currency in which the tranche amount is expressed. You can change the currency, if required. The option list will display the allowable currencies defined for the facility contract against which the tranche is processed.

Amount

You have to specify the total amount that should be committed under the tranche (for borrower tranche contracts). The amount you enter must be:

- Lesser than or equal to the total borrower facility contract amount, if no tranches have as yet been opened or drawdown loans disbursed as on today's date. However, it should be less than the minimum defined for the facility contract.

If the amount is below this minimum, the following error message is displayed:

Amount must be more than the minimum defined at the facility contract level

- Lesser than or equal to the unused portion of the total borrower facility contract amount as on today's date. However, the amount should not exceed the maximum defined at the facility level.

Amount must be less than the maximum defined at the facility level

The value you enter here is taken to be in the currency specified for the facility contract. You can specify T or M to signify thousand or million, respectively. For instance, 10T would mean ten thousand and 5M, five million.



Note the following:

- When you specify the contract amount, the system will compute and display the equivalent amount in the reporting currency (in the 'Amt Report Ccy' in the 'Reporting Details' section of the screen) using the exchange rate maintained between the two currencies for the branch.
- If the tranche currency is different from the facility currency, the system will compute the equivalent in the facility currency and display the same 'Amt Facility Currency' field in the 'Facility Details' section of the screen.
- Whenever a drawdown is processed under a tranche, the system will update the 'O/S Amount' field in the 'Reporting Details' section of the screen.

Ext CUSIP/ISIN

The external CUSIP/ISIN number is captured here. It is modifiable as part of contract amendment (CAMD). The external CUSIP number is not used for internal processing, but it is used in non processing areas such as faxes, payment messages, reports and interfaces.

The FpML messages for the participants at tranche and drawdown level will be generated only if you have specified the External CUSIP/ISIN number. Otherwise it will be systematically suppressed.

After authorization of the contact amendment, which will trigger the CUAD (CUSIP Amendment) event, the external CUSIP/ISIN is propagated to all the underlying drawdowns, linked commitment, its underlying loans, linked trades if any.

External CUSIP/ISIN gets defaulted to all the drawdowns processed under the tranche and cannot be changed at the drawdown level.

Whenever there is a change in the External CUSIP/ISIN, the system will send the following FpML messages to Markit (a financial system that acts as an inventory for all agency activities)

- A new Take On Facility message
- Cancellation messages for all the prior messages sent to Markit, except for the Take On Facility notice
- Amend Contract message with the updated CUSIP value
- All the prior messages that were cancelled with the new CUSIP value

- Position Update message for Position Statement with the latest positions for latest value date

Refer the chapter 'FpML Messaging' for more details on the updation process

Ext Deal CUSIP/ISIN

Specify the external deal CUSIP/ISIN.

It is not mandatory to specify the Ext Deal CUSIP/ISIN. System does not perform any validation for the uniqueness of the Ext Deal CUSIP/ISIN. Multiple tranches can have same Ext Deal CUSIP/ISIN. However, system validates that the maximum permissible length for the value you specify for 'Ext Deal CUSIP/ISIN' does not exceed 16 characters.

Ext Deal CUSIP/ISIN is captured during Tranche booking. However it can be amended during Tranche amendment, from the 'Tranche Contract Online' screen. During Tranche booking, the value for 'Ext Deal CUSIP/ISIN' will be defaulted from the 'CUSIP No' of the Facility (Deal). The defaulted value can be changed, if required. However, any amendment of 'CUSIP No' at Facility (Deal) level will not propagate to the 'Ext Deal CUSIP/ISIN' value at Tranche level.



The following reports will display the value captured for 'Ext Deal CUSIP/ISIN' for the tranche:

- Active Facilities Report for SNC
- Active Facilities Report_Adhoc
- Lender List by Fund Manager

5.10.1.2 Specifying Tranche Details

Tranche specific details will include the following:

Booking Date

This is the date on which the contract is captured in the system. The current system date (today's date) will be displayed here. You cannot change this date. This date is only for information purposes and the actual accounting entries will be passed only as of the 'Value Date' of the contract.

Value Date

This is the date on which the contract comes into effect in the system. The tenor of the contract begins on this date, and accounting entries with respect to the contract will be passed as of this date. You can specify any date as the Value Date. However, it must be:

- Later than the Value Date of the main borrower facility contract
- Later than the Start Date of the tranche product involving the contract
- Earlier than the Maturity Date of the tranche (Maturity date of the drawdown can be later than that of the tranche) or drawdown product involving the contract.
- Earlier than the Maturity Date of the underlying facility contract



The system will display an override if the specified Value Date falls on a holiday of the local currency.

You can amend the value date as part of Contract Amendment:

- After the authorization of the contract
- Before the initiation of tranche
- When no Drawdown is booked under the Tranche

The amended value date gets defaulted to effective date in 'Fee Rule' screen and 'Margin Maintenance' screen with an override message asking for your confirmation. Select yes to continue or no to change the effective date manually. Also, you can redefine the fee and repayment schedules manually.

If the new value date is less than or equal to application date then contract initiation (INIT) will happen as part of save of amendment.

Value Dated Balances will be repopulated when there is amendment of value date. You can define multiple adhoc fee components based on the requirement. Also, pro rata type of participant FFT to facilitate the display of the adhoc FEE and its amount. Margin rate field and values are provided in future dated Borrower rate setting fax.

Example

For instance, when you open a tranche under the main borrower facility contract 000SNEW000010001 with Mr. Robert Carr, you can enter 15th January 2000 as the Value Date for the borrower tranche. If you do so, on any date including and following 15th January, a drawdown can be entered for Mr. Robert Carr, if requested by him.

The application date on the day you enter the contract (which is the booking date) could be earlier, later or the same as this value date. For backdated contracts, you can enter backdated borrower tranches. For future dated contracts, you cannot enter tranches before the contract actually comes into effect (i.e., before the value date).

Similarly, when you enter the first drawdown under the first tranche, you would enter 31st January 2000 as the Value Date for the drawdown, according to the drawdown schedule requested by Mr. Carr. Again, the application date on the day you enter the contract (which is the booking date) could be earlier, later or the same as this value date.

Original Start Date

This will display the date on which the contract was originally initiated. If the contract has been rolled over more than once, this will be the date on which the first loan was initiated. By default the current system date will be displayed.

If you are entering a contract that has already been initiated, enter the date on which the same began. In this case, the date will be for information purposes only and for all accounting purposes the Value Date will be considered as the date on which the contract was initiated. The original start date cannot be greater than the value date of the contract.

Maturity Date

If the tranche product has a standard tenor, the maturity date will be default based on the tenor maintained and the start date of the contract. You can change this default date, if necessary. However, the maturity date of the tranche should be between the facility start date and the end date.

If the maturity date is known at the time of capturing the tranche (fixed maturity), you can specify it for the contract.

DD Expiry Date

You must specify the date beyond which further drawdowns under the tranche contract will not be allowed. The system does not calculate any commitment fee beyond this date.

By default, the expiry date of the drawdowns processed under the tranche will be equal to the tranche maturity date. You can change it to any date between the (Value Date + 1) and the Maturity Date of the tranche contract.

Limit Line

You can associate a limit line to track the loan availed by the customer, if required. The credit lines defined for the selected tranche customer will be available in the option list. The exposure will be tracked against the line selected here.

Clearing Line

Specify the clearing line that should be linked to the tranche. The adjoining option list will display all available clearing lines based on the GFCID/customer of the tranche contract, if the box 'NAM Limit Confirmation' is checked in the 'Loan Parameters' screen. If the box 'NAM Limit Confirmation' is not checked in the 'Loan Parameters' screen, this list will display all available clearing lines based on the GFCID/Customers maintained in the 'Tranche Borrower Details' screen. You can also select the appropriate one from it.

You can update this value at the time of contract booking and amendment. On copying an existing contract, this value will not be copied.

The system will display an override message for Tranche and Drawdown in the following cases:

- If the Tranche contract is not associated to any clearing line
- If the clearing line associated is marked as unavailable in the 'Clearing Limits' screen

Note the following:

- Clearing line association validations will be applicable for Tranche and Drawdown events.
- Clearing line availability validations will be applicable only for Drawdown events.

5.10.1.3 Specifying Drawdown details

The details specific to the drawdowns processed under the tranche include the following:

Minimum DD Amount and Maximum DD Amount

Specify the minimum and maximum amounts that can be disbursed through borrower drawdowns under the borrower tranche contract. This amount will be considered in the borrower facility contract currency.

When you capture the drawdown amounts, the system will ensure that the amount is within the range of minimum amount or maximum amount specified here.



Note the following:

- By default, the maximum drawdown amount will be equal to the tranche amount
- If the drawdown currency is different from the borrower facility contract currency, the amount is converted using the standard exchange rate, for the purpose of validation.

Maximum No of DDs

You have to capture the maximum number of borrower drawdowns under the tranche being processed. When you enter a borrower tranche contract under the borrower facility contract, you specify the drawdown schedules. The system validates that the total number of outstanding drawdowns (also taking into account future drawdown schedules) does not exceed the maximum number of drawdowns specified here. Similarly, when a disbursement is made on initiation of a drawdown, the system validates that the total number of outstanding drawdowns including the drawdown being initiated does not exceed the maximum number of drawdowns specified.



Note the following:

- Drawdown schedules of type 'Renewal' (which would, typically, be defined for rollover) are not taken into account when the system validates for the maximum outstanding drawdowns.
- If the number of drawdowns under the tranche exceeds the maximum number, the system will display an error message
- As and when you process drawdowns under the tranche, the system will update the 'Current DD No' with the total DDs processed

5.10.1.4 Selecting Liquidation Details

In the 'Liquidation' section of the screen, specify the following:

Liquidation Mode

The mode of liquidation of components will default from the tranche product associated with the contract.

At the tranche level, you can change the mode to any one of the following methods:

- Automatic: The system will automatically liquidate the schedule during EOD on the schedule due date of the component.
- Semi-Auto: If you choose this option, the message that should get generated during liquidation (Event: LIQD) will be kept on hold. The messages will be available in the 'Outgoing Message Browser' with status 'Hold'. You will need to use the 'Events for Forward Processing' screen to release the messages.

For more details on this screen, refer the heading 'Forward processing of events' in this chapter.

- Manual: In this mode, you have to liquidate the components manually through the 'Contract Payment' screen. Fee components should be liquidated through the 'Fee Liquidation' screen.

For more details on 'Contract Payment' screen, refer the heading 'Processing Repayments Manually' in the 'Processing Repayments' chapter of this User Manual.

For more details on 'Fee Liquidation' screen, refer the heading 'Liquidating Fee Components' in the 'Processing Charges and Fees' chapter of this User Manual.

Billing Notice Days

You can instruct the system to generate the Billing Notice for participants/ borrowers pre-defined days before the due date of the components. For instance, if the component due date is 31st Dec '05 and the billing notice days is 2, the system will send a notice to the customer on 29th Dec '05 as a reminder of the payment due on 31st. This will apply to ad-hoc fee, interest and principal schedules, defined for the contract.

5.10.1.5 Named Agent Details

System displays the following details in this section:

- Named Agent
- Name of the Named Agent

These values are defaulted from facility contract online screen when you book a new tranche.

5.10.1.6 Specifying Other Details

The following details may also be specified for a tranche:

Verify Funds

Before debiting the customer's repayment account for liquidation (repayment), you can instruct the system to check for the availability of the required funds in the account. Check this option to initiate the same before automatic liquidation is done.

Suppress B. V. Payment Message

You can suppress the generation of back value payment messages for the tranche contract, if required. You have to check this option to facilitate it.

Net Across DD

If on the maturity date of a drawdown, a borrower books another drawdown, you have the option of netting the payment. The netting of payment can be done for the principal, interest and fee components of the loan. To avail this option across drawdowns for cash flows within a tranche, you have to check this option. If checked, netting will be allowed for the cash flows both at the borrower and participant side. Further, you can also specify the netting preferences in the 'Participant Ratio Details' screen and the 'Borrower Details' screen.

The accounting entries during netting will be posted to the Netting Suspense GL that you have selected in the 'Syndication Loans and Commitments – Branch Parameters' screen.

Example

Given below is an example of a netting transaction:

Consider a term loan under a revolving tranche, for which netting is required to be done. The table given below lists the cash flow on the date of the roll-over:

Drawdown Ref. No.	Component	Currency	Amount	Cash Flow Indicator
D1	Principal	GBP	10 million	In
D1	Interest	GBP	2 million	In
D1	Fee	GBP	3 million	In
D2	Principal	GBP	10 million	Out

The net debit amount to the borrower will be 5 million.

The following will be the accounting entries:

Dr.	Customer	GBP 5 million
Cr.	Netting Bridge Account	GBP 5 million
Dr.	Netting Bridge Account	GBP 5 million
Cr.	Loan D1 (Principal)	GBP 5 million
Dr.	Loan D2 (Principal)	GBP 10 million
Cr.	Loan D1 (Interest)	GBP 2 million
Cr.	Loan D1 (Fee)	GBP 3 million



Note the following:

- Netting will take place only if the following parameters for a cash flow are same:

- Tranche contract
 - Customer (Borrower/Participant)
 - Value Date
 - Currency
- The settlement of a cash flow by the customer (repayments) will always be in the same currency as the drawdown in Oracle FLEXCUBE.
 - All cash flows on the participant side are eligible for netting. SKIM component will be considered if the interest component is selected for netting.
 - Once you indicate netting is allowed for a contract, and authorize the contract, you will not be allowed to amend the cash flow which has occurred as a result of the netting.

For more information on 'Participant Ratio Details' screen, refer the heading 'Specifying participant details for the tranche' in this chapter.

Cascade Participation

This specification will default from the tranche product. You can change your specification at the tranche level. You can check this option to indicate whether any changes to participants of a tranche contract must be propagated to all related drawdown schedules and active drawdowns.

However, if you check the 'Cascade Participation' option for a tranche, the system will automatically convert the tranche to a 'Non Cascade Participation' type if you process any one of the following drawdown activity:

- Non-prorata drawdown initiation
- Swing line drawdown initiation
- Non-prorata pre-payment for any of the underlying drawdowns

The system will trigger the 'CASC' event to indicate the change in the 'Cascade Participation' attribute of the tranche. After the CASC event, the system will automatically uncheck the 'Cascade Participation' option for the tranche.

All restrictions applicable for Non-Cascade type of tranche will be applicable for the converted tranche from the value date of the tranche. However, if a Participant Ratio Amendment (PRAM) has occurred for the tranche before the conversion, the restrictions will be applicable from the Participant Ratio Amendment date.



Note the following:

- You will not be allowed to capture a Participant Ratio Amendment instruction until you authorize the activity that resulted in the conversion.
- Likewise, if there are unauthorized transfer instructions under a tranche, you will not be allowed to perform any activity that results in conversion.
- If you delete any of the activity that results in a conversion, the tranche will revert to the earlier state of 'Cascade Participation' type provided the activity is the last action performed under the tranche. However, this is not applicable in the case of reversal.

Sighting Funds Applicable

Check this field to indicate that sighting funds is applicable for the tranche.



Note the following:

- The value for this field is defaulted from the branch; however, you are allowed to modify it before first authorization.
- You can check this field only if the tranche is pro-rata and is of lead type.
- If Sighting Funds is applicable for the tranche, then on selecting a drawdown product which does not have this field checked at the product level, the system throws an override stating the same and enables dual authorization.
- If Sighting Funds is not applicable for the tranche, then those drawdown products which have this field checked at the product level are also allowed to select in the Drawdown Product sub screen. However, there is no compensatory interest calculation for such drawdowns.

Assignment Validations Applicable

Check this box if assignment validations are applicable for a tranche.



This field is enabled only if you have selected the 'Transfer Type' option as 'Secondary' in 'Participant Transfer Details' screen.

The assignment validations will be applied at the LT-LS Interface level and if any validations are met, then dual authorization will be mandatory

Industry Code

Specify the industry code here. The adjoining option list displays all industry codes maintained in the system. You can choose the appropriate one.

CLP Ext Participation

Check this box to indicate that the external and silent participations are allowed at the tranche level. However, you can modify it.

INIT Mode

You can indicate the mode of initiating the tranche contract in the system. The following options are available:

- Auto: If you select this option, the system will automatically initiate the contract on the Value Date. The event 'INIT' will be fired on this date.
- Semi-Auto: You can select this option to indicate that forward processing is applicable to the borrower tranche contract during the INIT event. The system will process the events, but will hold the messages associated with the event.

For more details on this screen, refer the heading 'Forward Event Processing' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

Part. SSI Pick Up

You can specify the basis for picking up the SSI (Standard Settlement Instructions) Mnemonic for participants of the tranche contract. The options are given below:

- **Currency:** If you select this option, the system will allow you to select the SSI Mnemonic for each allowable currency for each participant in the 'Participant Ratio Details' screen. The SSI Mnemonic selected will be applicable to all the components of that participant at the tranche level.
- **Component:** This option will allow you to select the SSI Mnemonic for each component defined for each participant of the tranche contract. This is done in the 'Participant Ratio Details' screen.

For more details on this screen, refer the heading 'Specifying participant details for the tranche' in this chapter.

Fronting Share

By default the Fronting Share is 100% indicating that your bank is the only fronting bank. You can specify your bank's share of Fronting, in case of multiple fronting banks are involved.



The system will display the fronting share as 100% only if you have selected the 'LC Fronting' check box. Otherwise, it will display the share as 0%.

Fronting risk will be computed at the tranche level during batch process as follows:

Available LC Sublimit * Percent of deal that is Fronted (%) * Fronting Share (%)

Administrator

You can indicate the officer assigned to be the administrator for the borrower tranche or drawdown. By default, the primary administrator defined for the facility contract will default here. You can change it at the tranche level.

Agreement Title

The customer may require a loan for a specific purpose. In this field, you can capture the reason for processing the loan. The title captured for the facility contract will be displayed for the tranche as well. You can change this title for a tranche.

Internal Remarks

The remarks captured for the facility contract will be applicable to all the tranches processed under it. You can change the remarks for a tranche, if required.

LC Fronting

Check this box to indicate that the LC fronting is applicable for the tranche. If you have not selected this check box, the LC fronting value will be displayed as 0 %.

Floor/Ceiling Restricted to Base Rate

This is defaulted from the product maintenance whenever a new tranche is created. You can edit this before authorization or before any floor/ceiling is maintained for the tranche, After authorization you cannot edit this field.

If this box is checked for the tranche contract it indicates that floor/ceiling can be maintained only for base rate. If this box is not checked it indicates that floor/ceiling can be maintained for any of the components like base rate, margin and all-in rate.

Floor and Ceiling maintenance for base rate is done at tranche level for each currency, effective date, drawdown product and the associated interest component combination. If this box is checked for the tranche, for each of this combination, the floor and ceiling maintenance will be allowed only for base rate,

Global LC Sublimit

Specify the total global LC sublimit level of the tranche.

FpML Type

Check this box to indicate that the FpML type is required for the tranche contract.

Inactive

If you have liquidated a tranche for which interest is due on the linked drawdown or fee is due on linked commitment/facility, the system will check this box. You will be allowed to perform the following operations only, on the tranche/drawdown contracts linked to an inactive tranche:

- Liquidation of the drawdown to pay the interest due
- Value dated amendment on the tranche to decrease the maturity date
- Fee amendment on tranche
- Fee Rule Maintenance on tranche to capture rate
- Fee liquidations on tranche

The system will automatically uncheck this box during the End of Day (EOD) batch if all the below conditions are satisfied:

- There is no fee outstanding for the tranche and commitment contract.
- There is no interest outstanding for drawdown and loan contract.
- Current status of the tranche is liquidated (terminated).
- Tranche maturity date is lesser than or equal to application date.

If the is box is unchecked for the liquidated tranche then no activities will be allowed for the tranche or drawdown contract.

Hold Intellect Handoff

By default this box is checked while booking the tranche contract. Even during 'Copy' operation for a new contract being created, this box is checked irrespective of the preference maintained in the original contract.

If this box is checked, it indicates that the loan details are to be held in the Intellect browser for your confirmation before giving it to Intellect.



This box can be checked or unchecked throughout the life cycle of the tranche and this does not impact the existing loans which are already fed into Intellect.

The preference maintained here is used to determine if the following loan events are to be held or not in the Intellect Browser:

Oracle FLEXCUBE Action	Oracle FLEXCUBE Events	Intellect Action	Remarks
New loan booking (New Deal) OR PRAM to introduce a new participant	BOOK/INIT	LOAD	Event from LS-LD STP
Reversal/Cancellation	REVC	CANCEL	Event from LS-LD STP
Value dated amendment to increase maturity date/ Principal amount greater than zero	VAMI	AMEND	Event from LS-LD STP
Value dated amendment to decrease maturity date/ Principal amount to zero	VAMI	BRK	Event from LS-LD STP
Rollover	ROLL	ROLL	Event on standalone LD
Rate Change	RTCH	AMEND	Event from LS-LD STP
Contract amendment	CAMD	AMEND	Event on standalone LD



Events performed on the standalone LD contract are not held in the intellect browser and are fed to intellect without manual intervention.

5.10.1.7 Specifying Global Tranche Amount

Global Tranche Amount

You can specify the Global Tranche Amount for Participation type of contracts. You can specify the Global Tranche Amount in the 'Tranche Online' screen during new non-lead tranche booking only. You cannot amend the Global Tranche Amount during Tranche amendments. The Global Tranche Amount currency is always same as the Tranche currency.



If tranche amount resulted after tranche value dated amendment is less than the global LC sublimit level, then the system will throw an error.

However, Tranche Global Amount can be amended using the LSGLBAMT.FMB screen (Global Amount Update/Amendment screen). The GAMD event will fire on the Tranche contract while amending the global amount using the Global Amount Update/Amendment screen.

5.10.1.8 Viewing Self Participant %

The system displays the Self Participation % for Non-Lead tranches only.
The Self Participation % is calculated as follows:

- Self Participation % = (Tranche amount/Global Tranche amount) * 100

Where,

- Tranche Amount = (Tranche Available + Drawdowns Outstanding)

5.10.1.9 Specifying Holiday Treatment for Value Date/Maturity Date

In this section of the screen, you can specify the holiday treatment preferences for value dates and maturity dates of contracts falling due on holidays defined for the branch. The holiday treatment details maintained for the tranche product will default to the contract. You can change your preferences at the tranche level.

For more details on the options available, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.10.1.10 Specifying Commitment Fee

If a borrower has availed money from the participant by means of swing line, you can process commitment fee on unutilized tranche amount based on the include swing and exclude swing options.

For the tranches having the swing line drawdown, you can calculate commitment fee using the following options available at the tranche contract level:

Include swing

Select this option to indicate that during calculation of commitment fee swing line drawdown should be considered.

Exclude swing

Select this option to indicate that during calculation of commitment fee swing line drawdown should not be considered.



You can set the commitment fee including swing line drawdown option while booking the new tranche contract and you cannot change it during the contract amendments.

Internal GL

Select the internal GL to be used for swing line drawdowns from the list of accounts.

For more details on swing line refer 'Loan Syndication – An Overview' chapter under Loan Syndication.

Example

Tranche Amount – USD 50 mio

Participant	Asset sharing ratio %	Available Limits (USD mio)
CITIBANK	30	15
BARCLAYS	50	25
NATWEST	20	10

On 01-Jan-2006, a swing line drawdown for 30 mio is entered under this tranche. BARCLAYS and NATWEST are participating in this swing line drawdown amount.

Participant	Asset sharing ratio in %	Share in DD	Tranche Available amount (USD)
CITIBANK	0.00	Nil	15
BARCLAYS	66.67	20	5
NATWEST	33.33	10	Nil

On 03-Jan-2006 the above swing line (DD) contract would be closed and new DD (normal) contract would be initiated. Hence on 03-Jan-2006 the asset sharing ratio will look as below:

Participant	Asset sharing ratio in %	Share in DD	Tranche Available Limits (USD)
CITIBANK	30	9	6
BARCLAYS	50	15	10

Participant	Asset sharing ratio in %	Share in DD	Tranche Available Limits (USD)
NATWEST	20	6	4

If you select exclude swing line option, commitment fee at the tranche level will be calculated without considering the swing line contract.

If the commitment fee rate to be applied is 0.25%, then on 03-Jan-2006,

Commitment fee = $50,000,000 * .25/100 * 2/365 = 684.93$

Participant	Asset sharing ratio in %	Fee amount
CITIBANK	30	205.479
BARCLAYS	50	342.465
NATWEST	20	136.986

If you select include swing line option, commitment fee at the tranche level will be calculated by including the swing line contract.

Commitment fee = $20,000,000 * 0.25/100 * 2/365 = 273.9726$

This commitment fee would be distributed to the participants based on the availability ratio w.r.t each participant.

Participant	Tranche available Amount (USD)	Availability Ratio in %	Fee amount
CITIBANK	15	75	205.47945
BARCLAYS	5	25	68.49315
NATWEST	0	0	0

5.10.1.11 Specifying Interest/Fee Distribution Method

You can indicate the method in which the interest and fee components have to be distributed among the participants when an assignment is executed before the liquidation date.

- Lender of Actuals - System will distribute the interest and fee components based on the old participant ratio for the period before the Participant Ratio Amendment Date (PRAM Value Date) and the new ratio for the period after the PRAM value date.
- Lender of Record - System will distribute the interest and fee components among the participants based on the latest participant ratio available at the time of liquidation.



Note the following:

- Once the tranche contract has been authorized, you cannot change this option.
- For all drawdown contracts associated with the tranche, this option will get defaulted. However, you cannot change the defaulted distribution type at the drawdown level.

- Payable and Receivable tracking will be applicable only for 'Lender of Actuals' type of distribution.
- You are allowed to make all Back dated changes only after the last Liquidation date or last Schedule date for 'Lender of Record' type of Distribution. Back Valued changes includes events such as PRAM, VAMI, MRFX, REVN.
- During STP processing, the system will check for the availability of the Tranche participant and Commitment for the corresponding participant.
- For pro-rata tranches, the participant balance is calculated based on the borrower balances and the participant ratio is on the respective event date, whereas, for of non pro-rata tranches, system will consider the participant balances directly from participant balance tables and compare it with the commitment for the position validation activities.
- During interest calculation and accrual processing, the system arrives all in rate as zero if all in rate is negative. All in rate gets displayed as zero in the existing all in rate field in the screen.
- The system does not accrue with interest amount in negative. If the interest was accrued with positive interest rate and later all in rate is changed to zero due to negative rates then, the interest will not get accrued from the interest amendment date.
- If the interest rate amendment is done effective back dated then the system will recalculate the accrual by taking all in rate as zero from the amendment date along with the back dated interest amendment process.

5.10.1.12 Specifying Tax Details

FATCA Waiver

The system will default the preference maintained at the 'FATCA/Chapter 3 Waiver' screen. However, you can modify it.

Grand Fathered

Check this box to indicate that grandfathered status should also be considered when the payments are being made under the drawdown contracts.

Chapter 3 Waiver

The system will default the preference maintained at the 'FATCA/Chapter 3 Waiver' screen. However, you can modify it.

Grandfathered Effective Change Date

If you have modified the 'Grandfathered' option by amending the tranche and when the grandfathered option is changed to 'NO', then specify the effective date of change. If the grandfathered option is change, then authorization process will undergo dual authorization.

The system will calculate the tax based on the logic given below considering the FATCA and Chapter 3 Tax rules waiver option:

- If a customer is FATCA compliant and Chapter 3 withholding waiver option at tranche is 'yes', the system will not do any withholding
- If a Customer is non-FATCA compliant and FATCA withholding waiver option is 'Yes' at tranche, the system will not to any withholding

- Below will be the combination for partial FATCA compliant cases where the system is expected to perform both types of withholding

Flag Value	Action
FATCA Waiver = Y Chapter 3 Waiver = Y	No Withholding
FATCA Waiver = Y Chapter 3 Waiver = N	No FATCA Withholding
FATCA Waiver = N Chapter 3 Waiver = Y	No Chapter 3 Withholding
FATCA Waiver = N Chapter 3 Waiver = N	Both tax will be Withheld

5.10.2 Maintaining Details in the 'Schedule' tab

You can maintain the schedule preferences in the 'Schedule' tab of the screen.

LS Tranche Contract Online [BOROW01] CT1BLT1043634001

Template: [] Cont Ref No: CT1BLT1043634001 1 of 1

Product: BLT1 BORROWER TRANCHE PRODUCT User Ref No: CT1BLT1043634001 .00

Branch Name: CT1 Department: DEP Treasury: [] Custom Ref No: CT1BLT1043634001 NORM

Facility Name: CT1BLT1043634001

CONTRACT | **SCHEDULE**

Holiday Treatment for Schedules

Include Branch Holiday Ignore Holidays Holiday Ccy: []
 Move Forward Move Backward Move Across Months
 Cascade Schedules Apply Contract Ccy Apply Local Ccy
 Apply Facility Ccy Move Commitment Redn Sch

External Interface Details

External Ref No: []

Transfer Fee

Ccy: [] Amount: []

Collateral Settlement Mnemonic

Collateral Online: [] Collateral Settlement Mnemonic: []

Special Amount

Collateral Account: []

Processing Rules

Repayment: FIFO Cancellation: Pro-Rata Tranche Repayment Rule: []
 Drawdown Expiry: LIFO Prepayment: FIFO Auto Repay Schedule:
 Grace Days: 5 Reduction Schedule Appl.:

Agency Type

Lead Participation
 Agent CIF: []

Schedule Details

Type	Component	Start Date	End Date	No.	Frequency	Unit	Percent	Amount

Entry By: APPU01 Entry Time: 28/12/2004 14:42:43 Auth By: APPU02 Auth Time: 28/12/2004 14:44:24 Contract Status: Active Auth Status: Authorized Participant Processing Status: Processed

5.10.2.1 Specifying Processing Rules for the Tranche

You can define the processing rules for each of the following:

Repayment

The repayment processing rule for drawdowns will default from the tranche product. You can change it at the tranche level. This will become applicable to all drawdowns under the tranche.

You can select a rule from the following options:

- **FIFO:** In this method, the drawdown schedule repayment amounts will commence from the start date and default the repayment schedules on each of the reduction schedule date to the extent of the reduction amount until the entire drawdown repayment schedule is arrived at. The following example will illustrate this:

Tranche Amount: 50,000 USD

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Mar-04		50,000		20,000
30-Apr-04	10,000	40,000	10,000	10,000
31-May-04	10,000	30,000	10,000	0
30-Jun-04	10,000	20,000		
31-Jul-04	10,000	10,000		
31-Aug-04	10,000	0		

- Pro-rata: In this method, the drawdown schedule repayment amounts will be in the same proportion as the ratio of tranche reduction amounts and tranche amount.

Example

Tranche Amount: 50,000 USD

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Mar-04		50,000		20,000
30-Apr-04	10,000	40,000	4,000	16,000
31-May-04	10,000	30,000	4,000	12,000
30-Jun-04	10,000	20,000	4,000	8,000
31-Jul-04	10,000	10,000	4,000	4,000
31-Aug-04	10,000	0	4,000	0

- LIFO: If you choose this option, the drawdown schedule repayments will commence from the end date and default to the same amount as the tranche reduction amount until the system arrives at the entire repayment schedule. An example is given below:

Tranche Amount: 50,000 USD

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-Mar-04		50,000		20,000
30-Apr-04	10,000	40,000		20,000

Dates	Tranche Reduction Schedule	Tranche Available Amount	Drawdown Repayment Schedule	Drawdown Outstanding Amount
31-May-04	10,000	30,000		20,000
30-Jun-04	10,000	20,000		20,000
31-Jul-04	10,000	10,000	10,000	10,000
31-Aug-04	10,000	0	10,000	0

Drawdown Expiry

You can define the last date upto which you can process drawdowns at the tranche level. This is captured in the 'DD Expiry Dt' field in the 'CONTRACT' tab of the screen. Beyond this date, the system will not allow you to process fresh drawdowns under the tranche. On this date, the system will cancel the un-drawn portion of the tranche and cascade the cancellation amount to the remaining tranche reduction schedules based on the expiry processing rule which defaults from the product. However, you can choose a different rule at the tranche level. The options are:

- FIFO
- Pro-rata
- LIFO

The system will check if the aggregated expected principal of all drawdowns is within the new tranche available amount (Original Tranche Amount – Cancellation Amount) for all future dates. The system will display an override if the amount is not within the new tranche available amount.

For more details on the above rules, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

On the drawdown expiry date, after the tranche is closed, the system will automatically check the 'Drawdown Expiry' option in the 'CONTRACT' tab of the screen. This will indicate that you cannot process any more drawdowns under the tranche.

Grace Days

For a tranche contract, system defaults the value of 'Grace Days' maintained at the borrower tranche product level. However, you can modify this value during contract input and contract amendment. During contract amendment, the amended value is applicable to future drawdown linkages and future schedules only.

Cancellation

At the tranche level, you can define a rule for tranche cancellation processing also. This is similar to the drawdown expiry date processing discussed above. The only difference being that, while the later is triggered automatically on the drawdown expiry date, the cancellation processing has to be initiated manually.

The cancellation rule will default from the product. You can override the default rule and choose a different rule at the tranche level. The options are:

- FIFO
- Pro-rata
- LIFO

For more details on the above rules, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

You have to use the 'Tranche Cancellation' screen to initiate the cancellation processing.

For more details on this screen, refer the heading 'Cancelling a tranche' in this chapter.

Prepayment

For a tranche, you can select a rule based on which prepayments for drawdowns will be processed in Oracle FLEXCUBE. The system will rebuild the reduction schedules based on the rule specified here.

The options available are:

- FIFO
- Pro-rata
- LIFO

Tranche Repayment Rule

Select the repayment rule that gets defaulted to scheduled repayments, unscheduled repayments and prepayments.

The possible options are as follows:

- LIFO
- FIFO
- PRO-RATA

FIFO will be selected by default.

The logic of the above rules will be same as in drawdown expiry processing and tranche cancellation processing.

For more details on the above rules, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.



The system will perform the following on prepayment:

- Rebuild the tranche reduction schedules

- Rebuild existing drawdown repayment schedules. However, the system will rebuild the existing drawdowns repayment schedules automatically only if the repayment schedules have been created without manual intervention. If you have changed the system defaulted repayment schedules for drawdowns under the tranche, Oracle FLEXCUBE will not rebuild the repayment schedule automatically on prepayment. You will have to change the repayment schedules for each drawdown, if required. Similarly, you will have to rebuild the schedules manually if the 'Auto Repay Schedule' is not checked for the contract.
- Such manual payments will not be part of netting on the value date.
- At the time of prepayment, the system will display a message to indicate that you have to rebuild the schedules manually in case of an earlier manual amendment to the schedules.

Reduction Schedule Application

Check this box to indicate that reduction schedule is applicable for a tranche. After you check this option, you cannot uncheck it. Once you check this, you need to define the reduction schedules before you save the contract.

For more details on this, refer the heading 'Defining reduction schedules for a tranche' in this chapter.

Auto Repay Schedule

You have to check this option to instruct the system to automatically rebuild the existing drawdown repayment schedules in case of a repayment/prepayment. The manner in which the system applies this option is discussed below:

- When you check this option, the repayment rule specified at the tranche level will be applied for defining the repayment schedules at the drawdown contracts entered under the tranche. However, you can overwrite the system defaulted schedules, if required. If you choose to overwrite the schedules, auto scheduling will not happen for further drawdowns under the tranche.
- If you do not check this option, the rule specified at the tranche level will not be applied for defining the repayment schedules for the drawdowns under this tranche. Schedules will default from the drawdown product but you will be allowed to modify the defaulted schedules for a drawdown.

For more details on processing drawdowns, refer the heading 'Processing a drawdown' in this chapter.

5.10.2.2 Specifying Holiday Treatment for Schedules

In this section of the screen, you can specify the holiday treatment preferences for the repayment schedules falling due on holidays defined for the branch. The holiday treatment details maintained for the tranche product will default to the contract. You can change your preferences at the tranche level.



The system redefines the future schedule dates for Principal, Fees and Interest components based on the changes you make.

If you have maintained commitment reduction schedules for the tranche, you can apply the holiday treatment preference for the reduction schedules as well. To enable this, you have to check the 'Move Comm Redn Sch' option for the tranche.

For more information on the holiday treatment options available, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.10.2.3 Specifying Transfer Fee

CCY

Specify the currency details.

Amount

Specify the amount details.

5.10.2.4 Specifying Special Amount Details

Collateral Account

You can capture the borrower collateral account in order to facilitate the special amount disbursement or special amount payment. You can also capture the internal Cash DDA collateral account.

5.10.2.5 Indicating Agency Type

The agency type of the transaction is defaulted from Facility Contract Online. However, you can modify this at the time of booking the new tranche under the facility.

- Lead - Your bank is the lead agent for the syndication transaction.
- Participation - Your bank is one of participant in the syndication transaction.



Upon the first authorization of the Tranche contract, you are not allowed to amend this field.

5.10.2.6 Specifying Schedule Details

You can define reduction schedules in the 'Schedules Details' section of the screen. You can also define payment schedules for fee components, if attached to the tranche. The schedules defined for the tranche product will default here but you can modify the default values.

To make change to the default schedule details, you have to click  button. The following details have to be captured here:

Schedule Type

You have to identify the schedule type being defined. For defining reduction schedules, select 'C'. If you want to define payment schedules for fee components, select the option 'P'.

Component

Select the component for which you are defining the schedule details. All the fee components associated with the contract will be available in the option list provided. If you are defining reduction schedules, select the 'PRINCIPAL' component.



For fee components of type 'Advance', the system will not allow you to define multiple schedules for the same fee component. However, you can define multiple instances if only bullet schedule exists for the component.

Start Date and End Date

This is the period for which selected fee component will be applied for the contract. This period should be within the tranche start date and end date. By default, the start date will be equal to the tranche start date.

Frequency

This indicates the frequency/interval at which the schedules will fall due. The available frequencies are:

- Daily
- Weekly
- Monthly
- Quarterly
- Half-yearly,
- Yearly
- Bullet: The system will build the bullet schedule based on tranche available amount



You can select the 'Bullet' frequency for defining reduction schedules.

Unit

Unit of frequency will identify the number of occurrences within a frequency e.g. Unit '2' and Frequency 'Monthly' will mean bimonthly frequency i.e., the event will occur once in 2 months.

No

Based on the frequency and the unit of frequency you specify, the system will display the number of schedules for the period within the start date and end date. For instance, consider the following:

- Start Date - 30-JUN-2005
- End Date - 15-MAR-2006
- Frequency - Monthly
- Unit – 1

Then, the system will display the number as 9 since there are nine such schedules for the period.

Percent/Amount

You can specify a percentage or an amount for each payment/reduction schedule. If you specify the percentage, system will compute equivalent amount and vice versa. Based on this Oracle FLEXCUBE will determine the available amount and then build the reduction schedule for the tranche.



If you are not specifying the interest schedule details here, the system accepts the details maintained at the drawdown product level.

You can specify the amount due for each schedule for fee components of type 'User Input'.

5.10.2.7 Specifying Collateral Settlement Mnemonic

Specify the following details:

Collateral Settlement Mnemonic

Specify the collateral settlement mnemonic to the margin desk account. The adjoining option list displays all mnemonics that are maintained for the collateral settlement customer. You can select the appropriate one.

Collateral Online Mnemonic

Specify the collateral online mnemonic to the margin desk account. The adjoining option list displays all mnemonics that are maintained for the collateral online customer. You can select the appropriate one.

5.10.2.8 Viewing Tranche Payment Schedule Details

Based on the payment schedules captured for the components, Oracle FLEXCUBE will compute the schedules and the amount payable for each schedule in the 'Payment Schedule Details' screen.

To view the details, click  button.

Due Date	Total Amount Due	Total Amount Settled	Total Amount Adjusted	Expected Balance
01-APR-2005	300.00	300.00	.00	.00
01-MAY-2005	300.00	300.00	.00	.00
01-JUN-2005	300.00	300.00	.00	.00
01-JUL-2005	300.00	.00	.00	.00
01-AUG-2005	300.00	.00	.00	.00

Component	Amount Due	Amount Settled	Adjusted Amount	Expected Balance
ADHFEE-ADV	100.00	100.00	.00	.00
ADHFEE-ARR	200.00	200.00	.00	.00

Process Date	Value Date	Amount Settled	Lcy Equivalent Settled
30-JUN-2005	01-APR-2005	100.00	100.00

You can select a due date to view the components and the amount settled on that date.

5.10.2.9 Viewing Reduction Schedule Details

Similarly, based on the reduction schedule parameters captured, Oracle FLEXCUBE will compute the reduction schedules. You can view the schedules in the 'Tranche Reduction Schedules' screen. Click  button to view the details.

Reduction Date	Reduction Amount	Available Amount
01-APR-2005	10,000,000.00	90,000,000.00
01-MAY-2005	10,000,000.00	80,000,000.00
01-JUN-2005	10,000,000.00	70,000,000.00
01-JUL-2005	10,000,000.00	60,000,000.00
01-AUG-2005	10,000,000.00	50,000,000.00

The following example explains a reduction schedule.

Example

Consider a tranche of USD 100,000.00 valid from 01-Jan-2004 to 31-Dec-2004. The schedule details for the same are given below:

Start Date	End Date	Number	Frequency	Unit	Percentage
31-Jan-04	31-Dec-04	11	Monthly	1	8.5%
31-Dec-04	31-Dec-04	1	Bullet	1	6.5%

Based on the above information, Oracle FLEXCUBE will explode the reduction schedule as shown below:

Start Date	Tranche Available Amount (USD)	Percentage	Reduction Amount
31-Jan-04	100,000.00	8.5%	8,500.00
29-Feb-04	91,500.00	8.5%	8,500.00
31-Mar-04	83,000.00	8.5%	8,500.00
30-Apr-04	74,500.00	8.5%	8,500.00
31-May04	66,000.00	8.5%	8,500.00
30-Jun-04	57,500.00	8.5%	8,500.00
31-Jul-04	49,000.00	8.5%	8,500.00
31-Aug-04	40,500.00	8.5%	8,500.00
30-Sep-04	32,000.00	8.5%	8,500.00
31-Oct-04	23,500.00	8.5%	8,500.00
30-Nov-04	15,000.00	8.5%	8,500.00
31-Dec-04	6,500.00	6.5%	6,500.00



Note the following:

- At the time of drawdown, system should validate that the total outstanding under the tranche after including the current drawdown amount is within the tranche available amount as per the schedule defined.
- System should validate that for all future dates, the sum of outstanding principal (computed based on drawdown repayment schedule) for all draw-downs under the tranche (including the current drawdown and its repayment schedule) is within the tranche available amount.
- Oracle FLEXCUBE will validate to ensure that for all future dates, the sum of the outstanding principal for the various drawdowns (based on the repayment schedule) under a tranche is within the tranche available amount.

This validation will be done under the following conditions:

- At the time of Prepayment
 - Initiation of a fresh drawdown
 - Redefinition of reduction schedules
 - Drawdown availability Expiry
 - Cancellation (Partial/Full) of a tranche
 - Revaluation
 - Pre-ponement and postponement of drawdown availability expiry date
- At any given time only one person (user) will be able to perform amendment operations in a tranche or drawdowns under the tranche, which result either in amendment to the reduction schedule or change to the current limit amount in the tranche (on account of initiation of a fresh drawdown).
 - Oracle FLEXCUBE will use the exchange rate that has been fixed for the drawdown, to check the individual drawdown repayment schedule against the tranche reduction schedule if the currency of the drawdown is different from the currency of the tranche.

Each of the vertical buttons in the screen is explained below in detail.

5.10.3 Specifying Currency Details for the Tranche

You can specify all details pertaining to the contract currencies (allowable currencies for the tranche) in the 'Currency Details' sub-screen. To invoke this screen, click  button in the 'LS Tranche Contract Online' screen.

Contract Detail

Product Code:

Contract Ref No.: User Ref No.:

Customer:

Facility Name:

Currency Details

Currency	Description	Exchange Rate Fixing		Int Rate		Notification		Blocked?
		Days	Time	Fix Days	Fix Days	Days	Time	
EUR	EURO	1	15:00	1	5	01:00	<input type="checkbox"/>	
GBP	POUND STERLING	1	15:00	1	5	01:00	<input type="checkbox"/>	
USD	USA DOLLAR	1	15:00	1	5	01:00	<input type="checkbox"/>	
							<input type="checkbox"/>	
							<input type="checkbox"/>	

Holiday Currencies

Exch Rate Fixing		Int Rate Fixing		Notification	
Currency	Description	Currency	Description	Currency	Description
EUR	EURO	EUR	EURO	EUR	EURO
USD	USA DOLLAR	USD	USA DOLLAR	USD	USA DOLLAR

The details include the following:

- Exchange rate fixing days and time for each currency
- Interest rate fixing days and time for each currency
- DD Notification days and time for a currency
- Cancellation days

The details defined for the tranche product will default here. You can change the system defaulted details at the tranche level.

For a detailed explanation of the options available in this screen, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.10.4 Specifying Borrowers for the Tranche

You must specify the borrowers for the borrower tranche, who will actually be availing the drawdowns under the tranche. The borrowers defined for the borrower facility under which the tranche is being entered, will be defaulted to the tranche. You can view the borrower details in the 'Borrower Details' sub-screen. Click  button to invoke the screen.

Borrower	Borrower Name	SSI Counterparty	Counterparty Name	Nature of SSI	Netting Preferences	Blocked
ABNUS01	ABN AMRO US	ABNUS01	ABN AMRO US	Contractual	None	<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

Currency	SSI Mnemonic
EUR	PRIMARY
GBP	PRIMARY
USD	PRIMARY

Entity Name	Entity Description	Primary
FIN	Finance	<input checked="" type="checkbox"/>

You cannot add a borrower at the tranche level. You may, however, remove a borrower from the tranche. You have to click  button to do this. When you click on this button, the system will display a message to seek confirmation for the deletion.

The borrower details get defaulted along with the currency mnemonics and entities for each borrower.

For more details on the above details, refer the heading 'Specifying borrowers for the facility' in this chapter.

In addition, at the tranche level you can specify the following:

Nature of SSI

You can specify the nature of the SSI for each borrower. The available options are:

- **Advisory:** If the nature of the SSI selected is 'Advisory', you will be allowed to change the SSI mnemonic for the drawdowns processed under the tranche.
- **Contractual:** This option will allow you to change the SSI mnemonic at the drawdown level but the system will display a warning message to indicate the same.



The SSI selected for the borrowers will get displayed in the settlement details screen for the tranche and all the drawdowns processed under it.

Netting Preferences

You can specify netting preferences for tranche borrowers only if you check the 'Net Across DD' option (in the 'CONTRACT' tab of the 'LS Tranche Contract Online' screen).

The available netting options are:

- All Components: Select this option to indicate that netting will be applicable for all the components
- None: This option will indicate that netting will not be applicable for the borrower
- Principal Only: Select this option if you want to net only the loan principal

Blocked

You can check this option if you want to prevent a borrower from availing loans under the tranche.

5.10.4.1 Selecting DD Products and Defining Currency Wise Limits for Each

For a tranche, you can select drawdown products and create sub limits for each DD product selected for a borrower. In effect, you will define a product wise limit for each borrower beyond which the system will display an override. These details are maintained in the 'Product Currency' tab of the 'Borrower Details' screen.

Borrower Details

Contract Detail

Product Code: BLT1 BORROWER TRANCHE PRODUCT - 01 Tranche
 Contract Ref No. CT1BLT1043640002 User Ref No. CT1BLT1043640002
 Customer: ABNUS01 ABN AMRO US
 Facility Name: FAC01

Borrower Details

Borrower	Borrower Name	SSI Counterparty	Counterparty Name	Nature of SSI	Netting Preferences	Blocked
ABNUS01	ABN AMRO US	ABNUS01	ABN AMRO US	Contractual	None	<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

Currency Mnemonic Details for ABNUS01

Currency	SSI Mnemonic
EUR	PRIMARY
GBP	PRIMARY
USD	PRIMARY

Entity Details for ABNUS01

Entity Name	Entity Description	Primary
FIN	Finance	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

In this screen, you have to select the following:

Limit Type

Select the type of the limit for which you want to specify the limit amount, from the drop-down list provided.

You need to select 'Swing Line' limit to specify currency limit for swing line drawdowns.



You can specify only one swing line limit for the borrower across all drawdown products and currencies. Hence, you need to select DD product as 'ALL' and currency also as 'ALL' for Swing Line type of limits.

DD Product

You can select drawdown products for each borrower of the tranche. To do this, select the borrower, and then associate the drawdown products with the borrower. The drawdown products associated with the main facility product (as part of the facility product preferences) will be available in the option list. When you select the product, the name of the product will be displayed in the adjacent field.

Similarly, you can select the DD products for each borrower.

Currency

For each drawdown product, you can maintain a list of allowed currencies. However, you can choose the currencies only from the allowed list of currencies maintained for the main facility contract. You cannot add a new currency to this list.

To maintain the list of allowed currencies, highlight the DD product and then choose the currency from the option list. Upon selection of the currency, the description will also be displayed.

Limit Amount

You can maintain currency wise limits for every DD product selected for a borrower of the tranche. You can capture the limit amount against each currency. This amount should be between the minimum and maximum drawdown amounts maintained for the tranche.

5.10.4.2 Specifying the Sublimits

You can maintain sublimit for all LC products and specific to a currency for all borrower products and the borrower sublimit is tracked against all LC products.

System defaults the value of Limit type as sublimit to maintain the limit for individual product or all product not both. Also, system maintains the limit for individual currencies or "ALL" currency, not for both.

If Specific DD Product and Currency limit with Limit Type as “Sublimit” is already maintained for the borrower, then system will not allow another record with “ALL” DD Product Option. If Single Limit is maintained with “ALL” currency option then Limit will be tracked with Tranche Currency. If Limit type is Chosen as “ALL LC”, then the system will allow to maintain the limit for “ALL” product only, not for individual product. If “Sub Limit” or “ALL LC” limit is maintained for “ALL” currency, the limit amount is tracked in the tranche currency and the limit amount in this case can not exceed the tranche amount.

In case of rollover with the additional principal or rollover with different exchange rate or both the additional utilization impact will be validated during rollover child contract creation.

After selecting the currencies and defining limits for a borrower, click  button to select the next borrower.

When you process drawdowns under the tranche, the system will check for the following:

- The total of all drawdowns for a currency and product combination does not exceed the limit specified here.
- If you have not maintained a product + currency wise limit for a borrower, the system will allow the borrower to withdraw any amount under any allowed product and currency under the tranche.
- If the drawdown amount exceeds the product + currency limit amount maintained for a borrower, the system will display an override message to indicate the same when you attempt to save the contract. Also, once the limit is reached, you cannot process any more drawdowns for the same combination even if there are repayments under existing drawdowns for the combination. The system will display an override in this case.
- If the limit amount changes due to exchange rate fixing or revaluation, the system will display an override message when the ‘EXFX’ (Exchange Rate Fixing) event is triggered.

At the tranche level, you can view the borrower limit details and the utilization against the same in the 'Borrower Sub Limit At Tranche Level' screen. To view this screen, click  button.

Borrower Sub Limit At Tranche Level

Contract Detail

Product Code: BLT3 | BORROWER TRANCHE PRODUCT - 03 | Tranche

Contract Ref No.: CT1BLT3051814001 | User Ref No.: TRA-50P

Customer: DELLC01 | DELL US

Facility Name: _____

Borrower Limit Details

Borrower	Product	Ccy	Limit Amount	Available Amount

Utilized Amount for

Drawdown Ref No	Utilized Amount	Value Date

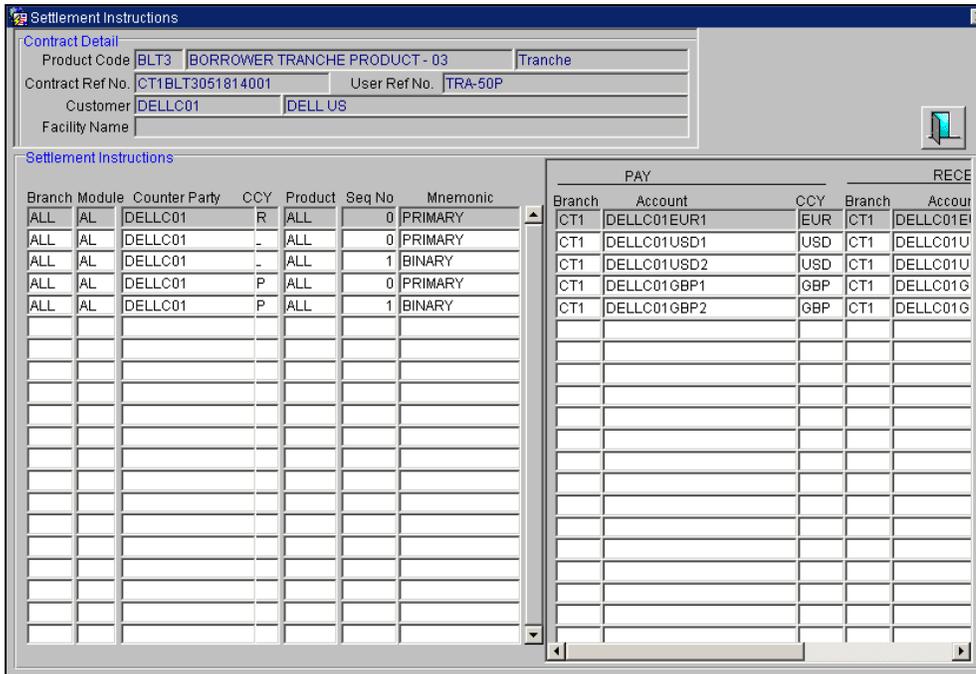


This screen will display the following:

- Limit amount for a borrower, currency and DD product combination
- Available amount for the same combination
- The reference number of drawdowns processed under the combination, the utilized amount and the value date of each drawdown.

5.10.4.3 Viewing Standard Settlement Instructions for Borrowers

Just as at the facility level, at the tranche level too, you can view the summary of the standard settlement instructions (SSI) maintained for the borrower and currency combination. Select the borrower whose SSI details you want to view and click  button. The details are displayed in the 'Settlement Instructions' screen as shown below:



Settlement Instructions						
Branch	Module	Counter Party	CCY	Product	Seq No	Mnemonic
ALL	AL	DELLC01	R	ALL	0	PRIMARY
ALL	AL	DELLC01	-	ALL	0	PRIMARY
ALL	AL	DELLC01	-	ALL	1	BINARY
ALL	AL	DELLC01	P	ALL	0	PRIMARY
ALL	AL	DELLC01	P	ALL	1	BINARY

PAY						RECE	
Branch	Account	CCY	Branch	Account	CCY	Branch	Account
CT1	DELLC01EUR1	EUR	CT1	DELLC01E			
CT1	DELLC01USD1	USD	CT1	DELLC01U			
CT1	DELLC01USD2	USD	CT1	DELLC01U			
CT1	DELLC01GBP1	GBP	CT1	DELLC01G			
CT1	DELLC01GBP2	GBP	CT1	DELLC01G			

Click  button to exit and return to the main screen.

5.10.5 Maintaining Participant Details for the Tranche

You must also identify the participants who contribute to the amount being committed for disbursement under the borrower tranche contract, and specify the contribution details. The participants defined for the borrower facility contract under which the tranche is being entered, will default to the tranche, and you can change the participants, if required. You can capture the participant details in the 'Participant Ratio Details' screen.

Click **Participants** button in the 'LS Tranche Contract Online' screen.

Participant Ratio Details

Contract Detail

Product Code: BLD1 | Borrower Drawdown Product: Drawdown

Contract Ref No.: CT1BLD1043647001 | User Ref No.: CT1BLD1043647001

Customer: ABNUSD01 | ABN AMRO US

Facility Name: FAC01

Buttons: Participant Select, Download To File, Upload From File

Participant Name	Participant Code	Asset Amount	Current Participation	Asset Ratio	Charge BOOK-CHG	Charge DD-CHG	In LS
CITIBANK US	CITUS01	360,000.00	360,000.00	030.0000000000	030.0000000000	030.0000000000	00
NATWEST BANK	NATWT01	480,000.00	480,000.00	040.0000000000	040.0000000000	040.0000000000	00
UBS US	UBSUS01	360,000.00	360,000.00	030.0000000000	030.0000000000	030.0000000000	00
		1,200,000.00	1,200,000.00	100.0000000000	100.0000000000	100.0000000000	100.0

Participant Preferences for

Self Participant: | Originator:

Netting Preferences:

SSI Mnemonic: PRIM

Participant Type: Lender

Branch: CT2
Desk Code: SORG-SORG
Position Qualifier:

Settlement Details for

Currency: USD | SSI Mnemonic: PRIM

Entity Details for

Entity Id	Entity Name	Remarks	Primary
ADM-UK	Administration		<input checked="" type="checkbox"/>

Buttons: Hand, Up Arrow, Green Check, Red X

In this screen, you can also view the various components (Interest, charge and fee) associated with the product if only if the 'Participant Propagation Required' option is checked for the component when associating the same with the product.

STOP You can only remove a participant from the tranche. Addition of a new participant can be done only at the facility level.

For more details on adding a participant to a facility, refer the heading 'Adding a new participant' in this chapter.

You can specify the following participant details:

Participant Name

Names of the participants involved in the tranche are displayed in the alphabetical order.

STOP If a participant name is too long, it is maintained in two different fields in the 'Customer Information Maintenance' screen. These two name fields will be concatenated while displaying in the above screen.

Refer the Core Entities user manual for more details on the 'Customer Information Maintenance' screen.

Participant Code

The IDs of all the participants selected for the borrower facility contract will be displayed here. To remove a participant from the tranche, select the same and then click the  button. You can include the participants removed from the tranche through the 'Participant Selection' screen.

For more information on this screen, refer the heading 'Selecting participants for the facility' in this chapter.

Asset Amount/Asset Ratio

You have to specify the contribution of each participant to the tranche contract. You can specify the participant contributions either as an amount (Asset Amount) or a percentage (Asset Ratio). If specified as an amount, the sum of all contributions must not be greater than the tranche contract amount. If a percentage is specified, the sum of percentages for all participants must not exceed one hundred percent.

When you specify the asset amount, system will compute the equivalent ratio. Likewise, when you capture the asset ratio, its equivalent amount is also displayed. In addition, the income sharing ratio for interest, ad-hoc fee and charge components, if applicable, will also be displayed based on the asset amount/ratio. You can change the ratio for these components but the sum of percentages for all participants must not exceed one hundred percent.

Self Participant

Check this box to indicate that the participant is a Self Participant. A self participant is one who is leading the loan contract. This option is defaulted based on the self participant maintenance. You can check this option if it is maintained in the self participant maintenance. You can uncheck this option to proceed.

Originator

Check this box to indicate that the Self Participant is the originator. This is enabled only if the 'Self Participant' check box is selected.

You can mark only one self participant as the originator.

If you are entering a drawdown schedule, you can change this specification for a participant only if you have not checked the 'Cascade Participants' option for the tranche product used by the tranche contract.

Netting Preferences

You can specify netting preferences for tranche participants only if you check the 'Net Across DD' option (in the 'CONTRACT' tab of the 'LS Tranche Contract Online' screen). The available netting options are:

- ALL: Select this option to indicate that netting will be applicable for the participant
- NONE: This option will indicate that netting will not be applicable for the participant

If you do not check the 'Net Across DD' option, the netting preference will be set to 'NONE' and you will not be allowed to change the same.

SSI Mnemonic

The SSI Mnemonic selected for the facility contract will default for each participant of the tranche. However, you can change it at the tranche level. The option list will display the SSI Mnemonics maintained for the Counterparty, Module, Currency, Product and Branch combination involved in the tranche.

You also have the option to select component wise or currency wise SSI Mnemonics for each participant of the tranche. This is discussed below:

5.10.5.1 Specifying Currency Wise and Component wise SSI Mnemonics

On the basis of the 'Part. SSI Pick Up' maintained for the tranche (in the 'CONTRACT' tab), you can select the SSI at the component level or at the currency level. The system will use this information to obtain the settlement details for the participant.

If the basis of SSI pick up is 'Currency', you can select the SSI Mnemonic for each allowable currency for each participant. Follow the steps given below:

30. Select the participant from the list of participants
31. Select the currency from the option list will display the allowable currencies for the tranche.
32. Select the SSI Mnemonic for the currency
33. Click  button to select the next allowable currency, if any. To delete a currency, click  button.
34. After specifying the currency wise SSI Mnemonic for a participant, click  button to select the next participant from the list

If the SSI pick up basis is 'Component', you can select the SSI Mnemonic for each component for each participant.

For details on the procedure, refer the heading 'Changing the SSI for a component' in this chapter.

In addition to the above, you can do the following through this screen:

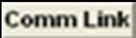
- Upload the participant details through the 'Upload From File' option
- Download the participant details through the 'Download From File' option
- Specify entity details for each participant

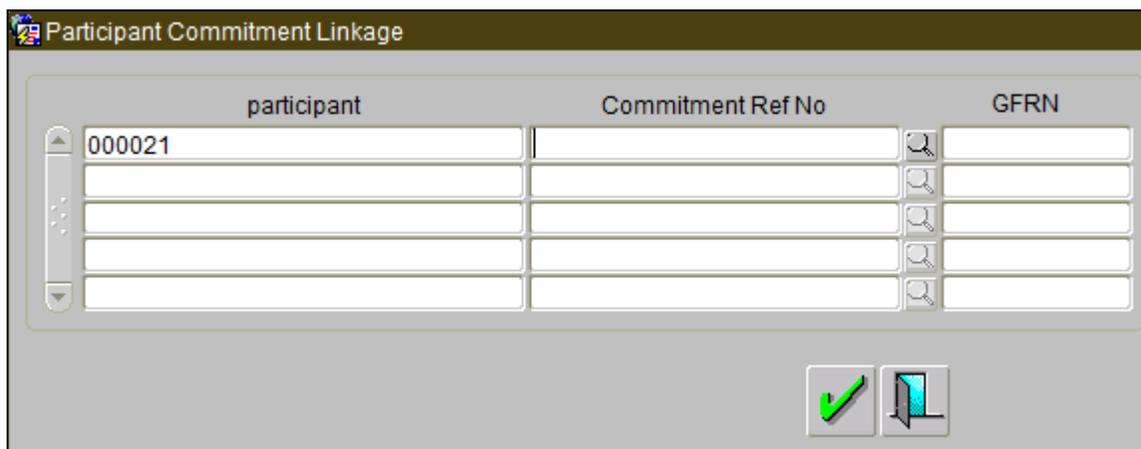
For details on the above procedures, refer the following headings in this chapter:

- Uploading participant details
- Downloading participant details
- Maintaining entity details for a facility participant

After specifying the required participant details, click the  button to save and return to the 'LS Tranche Contract Online' screen. The participants defined for the borrower tranche will default to the drawdowns, and you can change the participant details, if required, provided the 'Cascade Participation' option is not checked for the borrower tranche product used by the tranche.

5.10.6 Linking the Commitment Contract to the Self Participant

You can link the L&D commitment contract (created by means of Rapid updates) to Self participant and block the commitment booking as part of tranche contract booking. To do this click  and the 'Participant Commitment Linkage' screen is displayed as follows:



participant	Commitment Ref No	GFRN
000021		

Enter the following details:

Participant

The participant name to which the LD commitment contract has to be linked is displayed in this field.

Commitment Reference Number

Choose the commitment reference number to be linked to the self participant from the list of commitment numbers.

GFRN

The system displays the GFRN associated with the credit line which is linked to the commitment selected. If the system is not able to find the GFRN, this field will display a null value.



Note the following:

- If you do not specify the commitment Linkage for the self participants at the tranche level, the system keeps the commitment booking process under failed status. You have to create the commitment and update the status from Failed to Processed.

- This linkage data is used for only initial identification of the commitment linked to the tranche. Any subsequent changes to the linkages should be handled through the 'LS-LD Contract Mapping' screen
- To propagate the FEE components and their schedules, the system hands off FAMD event to commitment contract which is already linked to the Tranche self participant.

5.10.7 Maintaining Currency Restriction for Participants

Oracle FLEXCUBE enables you to maintain restrictions on the participants for the currencies involved at the time of a transaction. Participants maintained for a currency will be allowed to make any transaction involving that currency to the extent of the defined limit amount of the given currency.

You can maintain restriction on the participants using the 'Participant Limit' screen. To invoke this screen, click **Part Limit** in the 'LS Tranche Contract Online' screen.

In this screen, you can specify the currency and participant details.

Currency Details

In this section, you can select the currencies for which you wish to maintain restriction on the participants.

You need to select the limit type from the drop-down list provided. For swing line drawdowns, you need to select 'Swing Line' as the limit type. The existing currency limits for the participants can be specified under the limit type 'Sub Limit'. You can select the limit type as 'ALL LC' option for maintaining the LC sublimit for 'ALL' product and 'ALL' currency and not for individual currencies.



You need to select 'ALL LC' option only for the LC issuers.

You can select the currencies from the list of values. The values displayed in this list are based on the currencies maintained in the 'Currency Details' screen for tranche contracts. Once you select the currency, the corresponding description is displayed.

Currency Restrictions can be maintained for all allowed currencies other than the Tranche currency.



Note the following:

- You can define swing line limit for both pro-rata (cascade participation set to Y) and non-pro-rata (cascade participation set to N) tranches.
- You need to select the currency as 'ALL' for swing line type of limits.

Participant Details

In this section, you can specify the participants who are eligible to make transactions using the selected currency. In other words, participants maintained for a currency will be allowed to make any transaction involving that currency to the extent of the defined limit amount of the given currency.

The system will calculate and display the LC issue % based on the amount specified in the 'Limit Amount' and 'Global LC Sublimit' fields. However, you can modify it. If you modify the %, the limit amount will be calculated and displayed in the respective field.

The system will calculate and display the limit amount based on the LC issue % and Global LC Sublimit. However, you can modify it. If you modify it, the LC issue % will be calculated and displayed in the respective field.

The limit amount should be specified in the tranche currency only.



Note the following:

- The maximum limit amount specified for each currency and participant should not exceed the tranche asset amount for the respective participants.
- For a participant - currency combination, you cannot reduce the limit amount below the current utilization.
- If a participant has utilized an amount in a currency, you cannot delete the participant's record for that currency.

Example

Case 1

Let us assume the following scenario:

Tranche amount: USD 100 mio

Asset Sharing Ratio (ASR) of each participant: 10% (USD 10 mio)

Number of participants: 10 (P1 – P10)

Currency Restriction: P1, P2, P3 and P4 can make transactions only using the currency CAD.

Total permissible amount for the 4 participants = 40 mio (USD 10 mio each)

Assume there is a drawdown in CAD for 20 mio. This will be shared between the 4 participants in the ratio 25% each.

Therefore, the ASR for each of the 4 participants will be CAD 5 million. Let us assume the USD equivalent of CAD 5 mio is USD 3 mio. Thus the availability amount for each of these participants for future drawdowns will be 7 million (10 mio – 3 mio).



In this scenario, the drawdown amount in CAD was less than the equivalent of USD 40 million.

Case 2

Let us assume a scenario where the drawdown amount in CAD currency is equal to USD 40 mio. If P1, P2, P3 and P4 have participated to an extent of USD 40 mio each, these participants will not be allowed to participate in any future drawdowns. The future drawdowns will be shared amongst the remaining participants.

System will execute the following validations while maintaining currency restrictions:

- You can maintain currency restriction for participants only if the 'Cascade Participation' check box is not selected in the 'LS Tranche Contract Online' screen.
- If you are maintaining currency restrictions at the tranche level, the asset sharing ratio for participants at the drawdown level will be defaulted based on the availability of each participant.
- If the participants utilize an amount more than the availability amount, system will display an error. Subsequently, the drawdown will not be saved.



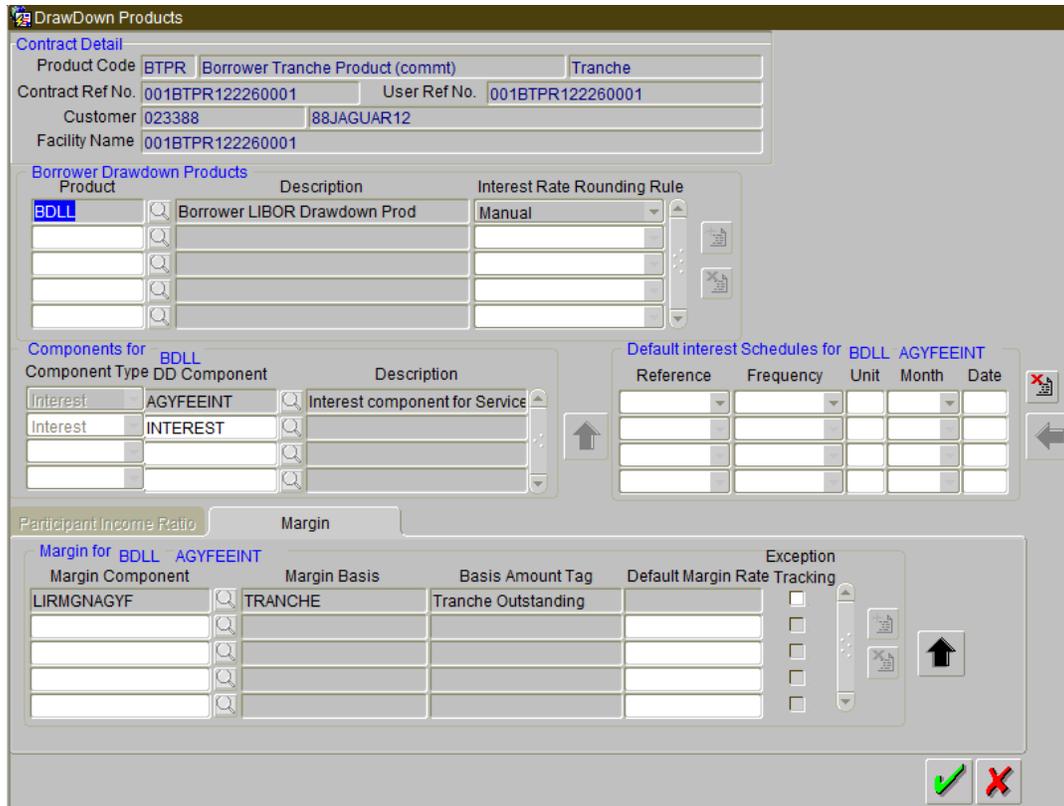
Note the following:

- You can maintain multiple currency restrictions under a single tranche contract.
- Oracle FLEXCUBE will restrict participants for only those currencies that are maintained at the tranche level. If you have not maintained restrictions on participants for any currency, all participants can participate in all currencies mentioned at the tranche contract level.

- If you add a new participant through a Participant Ratio Amendment (PRAM) and the participant is a possible LC issuing bank, you will have to amend the tranche and then assign an issuing bank number to the participant through the above screen.

5.10.9 Maintaining Drawdown Product Details for the Tranche

Click  button in the 'LS Tranche Contract Online' screen to specify the drawdown product details.



The screenshot shows the 'DrawDown Products' interface. It is divided into several sections:

- Contract Detail:** Fields for Product Code (BTPR), Contract Ref No. (001BTPR122260001), Customer (023388), and Facility Name (001BTPR122260001).
- Borrower Drawdown Products:** A table with columns for Product, Description, and Interest Rate Rounding Rule. The first row shows 'BDLL' for 'Borrower LIBOR Drawdown Prod' with a 'Manual' rounding rule.
- Components for BDLL:** A table with columns for Component Type, DD Component, and Description. It lists 'Interest' components 'AGYFEEINT' and 'INTEREST'.
- Default Interest Schedules for BDLL AGYFEEINT:** A table with columns for Reference, Frequency, Unit, Month, and Date.
- Margin:** A section with a 'Margin' tab. It contains a table for 'Margin for BDLL AGYFEEINT' with columns for Margin Component, Margin Basis, Basis Amount Tag, and Exception. The first row shows 'LIRMGAGYF' for 'TRANCHE' with 'Tranche Outstanding' as the basis amount tag.

The details you can capture in this screen are discussed below:

5.10.9.1 Selecting Borrower Drawdown Products

To process drawdowns under the tranche, you have to select the drawdown product at the tranche level. The option list will display all drawdown products that you have associated with the facility product (under which the parent facility contract is processed) through the 'Borrower Facility Product – Preferences' screen.

When you select the product, the following details will also be displayed:

- Description of the DD product
- Components associated with the product: Component Type, Name, and Description
- List of participants

- Participant Income Ratio for each component: This gets defaulted based on the asset ratio/amount specified in the 'Participant Ratio Details' screen. You can change the Income ratio, if required. The new value will get defaulted to all drawdown contracts processed under the product.

Interest Rate Rounding Rule

Select the interest rate rounding rule from the adjoining drop down list. Select one of them from the drop down list:

- Down
- Upto
- No rounding
- Manual

The rounding rules applied for the interest rate picked up automatically during Drawdown transactions are given below:

- If the Round Rule Method is chosen as 'Manual', then you have to specify the interest rate manually
- You are allowed to amend the Interest Rate Rounding Rule for tranche even after the tranche is authorized. CAMD event will be registered for this amendment
- The new Drawdowns that will be booked after the amendment and existing Drawdowns will continue with the Interest Rate Rounding rule available at the Drawdown contract level
- If interest rate rounding rule is maintained for the Drawdown product at tranche level, then the system will follow the rate setting rule and automatic rate setting will happen. If there is no maintenance for Rate setting rule at the tranche level for any Drawdown product then the system will not follow the rate setting rules and user will have to manually input the rates for the underlying Drawdown contracts

5.10.9.2 Selecting SSI Mnemonics for Each Component

You have to associate an SSI Mnemonic for each participant and component combination. The system will use this information for component wise settlement of Income for each participant. The option list will display the following details about the SSIs:

- Participant Code
- Participant Name
- SSI Mnemonic
- Settlement Sequence Number



If you do not define the SSI Mnemonics, system will apply the default values and display an appropriate message to indicate the same.

5.10.9.3 Default Interest Schedules

Here you can specify the default interest schedules for each interest component of a drawdown product. The schedule maintained here gets defaulted to any new drawdown under the respective product.

Reference

Select the reference on which you wish to schedule the interest from the drop-down list provided.

Frequency

Select frequency on which you wish to schedule the interest from the drop-down list provided.

Frequency unit

Select the unit of frequency on which you wish to schedule the interest from the drop-down list provided.

Month

Select the month on which you wish to schedule the interest from the drop-down list provided.

Date

Select the date on which you wish to schedule the interest from the drop-down list provided.



This Interest is only for the Interest Component of a Normal contract. It is not applicable for Principal Component. Also this schedule is not be applicable for PIK Margin component.

5.10.10 Maintaining Margin Details

You can view and modify the margin details in the 'Margin' tab of the 'DrawDown Products' screen.

DrawDown Products

Contract Detail

Product Code: BLT1 BORROWER TRANCHE PRODUCT - 01 Tranche
 Contract Ref No. CIPBLT104363E6Z9 User Ref No. CIPBLT104363E6Z9
 Customer: VODAF02 VODAFONE
 Facility Name: CIPBLT104363E6Z9

Borrower Drawdown Products

Product	Description
BRL4	Borrower Rollover Drawdown Product

Components for BRL4

Component Type	DD Component	Description
Fee	ADHFEE-ARR	ADHFEE-ARR
Charge	BOOK-CHG	BOOK-CHG
Interest	LS-PIK-INT	PIK-INTEREST
Interest	LS-RF-INT	LS - Rate Fixing Interest Cl

Default interest Schedules for BRL4 :LS-RF-INT

Reference	Frequency	Unit	Month	Date
Calendar	Quarterly	2	Apr	30

Participant Income Ratio **Margin**

Margin for BRL4 :LS-RF-INT

Margin Component	Margin Basis	Basis Amount Tag	Default Margin Rate	Exception Tracking
DD-MRGN	DRAW DOWN	User Input	1.25	<input type="checkbox"/>
SLB-MRGN	TRANCHE	Tranche Outstanding		<input type="checkbox"/>
SV-MRGN	TRANCHE	Tranche Outstanding		<input type="checkbox"/>
				<input type="checkbox"/>

The margin, if maintained for the interest components defined for the borrower drawdown product (in the 'Interest Definition' screen), will get defaulted at the tranche level. The following details will be displayed:

- Margin Component
- Margin Basis
- Basis Amount Tag
- Default Margin Rate (you can change the rate only for components with 'Basis Amount Tag' as 'User Input')

Exception Tracking

Exception tracking is done for the required independent margin components chosen by you here. If the actual margin charged to the borrower for the said tranche is different from the specifications maintained by you (which you would have done through the 'Borrower Rating Maintenance' screen), you can check the same from a periodic exception report.

 An override message gets displayed if the actual margin is greater than the maintained margin (done through the 'Borrower Rating Maintenance' screen) while saving a new drawdown contract.

For more details on maintaining margin details for a DD product, refer the heading 'Defining Interest Components for Borrower Tranche /Drawdown Products' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

At the tranche level, you can add/delete the margin components associated with the interest component. In addition, you can change the 'Default Margin Rate' for margin components of 'Drawdown' basis. You can define the Slab/Tier structure for margin types of 'Tranche' basis in the 'Margin Maintenance' screen.

For more details on this screen, refer the heading 'Maintaining Slab/Tier structure' in this chapter.

Use the buttons  and  to move between the different sections of the screen, namely Borrower Drawdown Products, Components, Participant Income Ratio tab and Margin tab.

Click  button to save the details and exit the screen.

5.10.11 PIK Margin Calculation

PIK Margin component gets added in 'Margin Definition Screen' with Margin Basis as Drawdown and PIK Margin flag as checked. PIK Interest component gets created with Rate type as "Fixed" with User Input. It will not be a main interest component. This will be maintained in ICCF Class Screen Invoked from ICCF Maintenance; PIK Component flag will be checked.

PIK Interest Component will be attached to the Borrower Drawdown Product by linking the PIK Margin Component.

While booking a drawdown with PIK Interest Component system will compute the PIK Amount by considering the rate maintained for PIK Margin Component and Basis Principal Amount of the drawdown contract using the below formulae:

Calculated PIK Amount = Basis Amount (LOR Amount at Maturity) * Rate (PIK Component Rate)*
No of Days/ Day Basis

You need to maintain the PIK Margin Rate attached to the PIK interest component during drawdown booking. PIK amount gets re-calculated once the bullet schedule is input and PIK amount calculated on the basis of above formulae and basis amount will always be considered as the latest outstanding amount of the drawdown. Please to example attached in annexure.

Basis amount for the interest calculation for Participant contracts will be the current drawdown outstanding * latest asset ratio of the participant.

While capturing a Rollover on a drawdown contract system will consider the PIK Margin rate maintained for calculating the PIK Rollover Amount. PIK margin rate for the drawdown can be changed by performing CAMD (Contract amendment). New rate will be applied from the value date of the contract for calculation of PIK amount.

When the tranche PIK margin is changed, then during the EOD batch the same margin rate is applied on the Drawdown's under the Tranche. The drawdown contract with "PIK Rollover with capitalization" as selected is excluded from the margin batch processing, only for Tranche PIK margin component.

PIK margin component can be paid from Manual Payment screen as well during the complete Principal is being paid. PIK interest will be recalculated when "PIK Rollover with capitalization" is checked or unchecked.

5.10.12 Defining SKIM Details for Tranche Participants

SKIM refers to the additional interest that is paid or received between tranche participants. The payer, payee and SKIM rates have to be captured for the tranche in the 'Skim Details – Tranche'

screen. Click  button to invoke this screen.

Payer Participant	Payer Name	Receiver Participant	Receiver Name	Default Skim Rate
ABYWA03	ABBAY NATIONAL - WT	ACFFL03	ATLANTIC COAST	1.000000000
ACFFL03	ATLANTIC COAST FEDER	ACFNY03	ATLANTIC COAST	2.000000000

The Skim details to be captured in the screen above are discussed below:

5.10.12.1 Specifying Skim Participants

You have to specify the following details in the 'Skim Participants' tab of the screen:

Payer Participant

You have to select the participant who will make the Skim payment. The participants associated with the tranche will be available in the option list. You may select a participant from this list. When you select the participant, the name of the participant will also be displayed.

Receiver Participant

Likewise, you have to select the participant who will receive the Skim payment. The participants associated with the tranche will be available in the option list. When you select the participant, the name of the receiver will also be displayed.

Default Skim Rate

Here, you have to specify the rate applicable for calculating the Skim amount. This rate will be applied on the participation amount contributed by the payer. Skim will be paid or received as per the Interest schedule. The rate specified here will be applied.

Click  button to select the next payer participant.



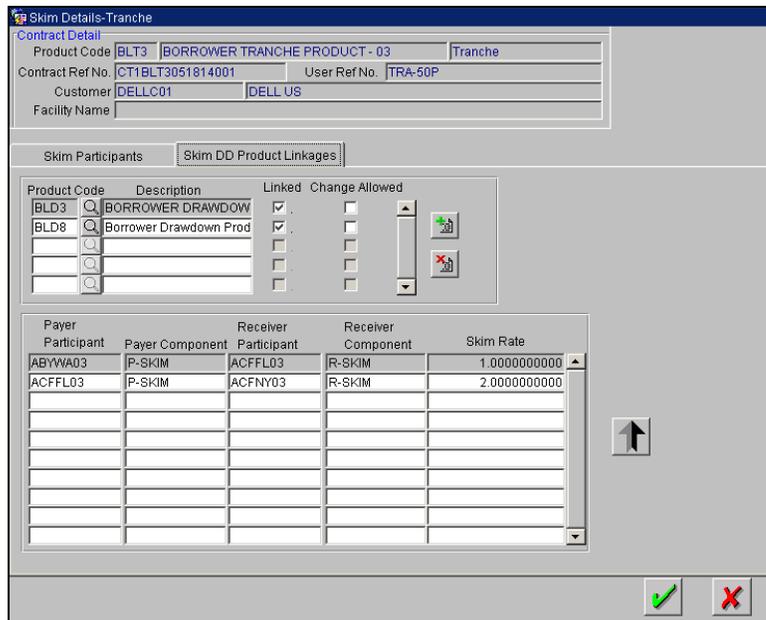
Note the following:

- If a drawdown contract involves Skim distribution among participants, it is mandatory to maintain two Skim components (payable and receivable) at the participant drawdown product level (through the 'Interest Definition' screen).
- In the case of a manual repayment, SKIM is not applicable if a partial liquidation of interest occurs. SKIM is settled among the participants only upon full liquidation of interest.

For more details on maintaining Skim components, refer the heading 'Maintaining Skim components for participants' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

5.10.12.2 Specify Skim Rates for DD Products

You also have the option to specify the Skim rates separately for each DD product. This is done in the 'Skim DD Product Linkages' tab of the screen.



Skim Details-Tranche

Contract Detail

Product Code: BLT3 | BORROWER TRANCHE PRODUCT - 03 | Tranche

Contract Ref No: CT1BLT3051814001 | User Ref No: TRA-50P

Customer: DELLC01 | DELL US

Facility Name:

Skim Participants | Skim DD Product Linkages

Product Code	Description	Linked	Change Allowed
BLD3	BORROWER DRAWDOW	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BLD8	Borrower Drawdown Prod	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Payer Participant	Payer Component	Receiver Participant	Receiver Component	Skim Rate
ABYWA03	P-SKIM	ACFFL03	R-SKIM	1.0000000000
ACFFL03	P-SKIM	ACFNY03	R-SKIM	2.0000000000

You have to indicate the following details here:

Product Code

The borrower DD products selected in the 'DrawDown Products' screen will be available in the option list. Upon selection of the product, the following details will also be displayed:

- Description associated with the borrower DD product
- Payer Participant and Payer Component
- Receiver Participant and Receiver Component
- Skim Rate

Linked/ Change Allowed

By default, the 'Linked' option will be checked and you will not be allowed to amend the 'Default Skim Rate' (as maintained in the 'Skim Participants' tab of the screen) for the drawdown products.

To facilitate rate amendment, you have to check the 'Change Allowed' option. When you check this option, the 'Linked' option will be automatically unchecked and vice versa. You can then maintain product wise Skim rates for the tranche.

The Skim details captured at the tranche contract will get propagated to the drawdown contracts processed under it. However, you will be allowed to amend the details at the drawdown level.

After amending the rate, click  button to move to the 'Product Code' field. Click  button to select the next DD product from the list.

After making the required amendments, click  to save the changes and return to the 'LS Tranche Contract Online' screen.

5.10.13 Modifying Charge Details for the Tranche

The charge components associated with the tranche product will be applied to the contract. You can view the details and makes changes, if required, through the 'Contract Charge Details' screen.

Click  button to invoke this screen.

Association					
Creation ESN	Component	Rule	Waiver	Consider as	Accrual
1	ADMN-CHG	ADMN-CHG	<input type="checkbox"/>	Discount <input type="checkbox"/>	Required <input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Application								
Creation ESN	Component	Tag Ccy	Tag Amount	Charge Ccy	Charge Amount	Waiver	Consider as	Liquidated
1	ADMN-CHG	GBP	100000000	GBP	5,000.00	<input type="checkbox"/>	Discount <input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Liquidation			
Component	Charge Ccy	Charge Amount	Deferred Status

The details pertaining to the following events will be displayed:

Charge Association

You can change the defaulted charge rule. You also have the option to waive the rule, if required. Check the 'Waiver' option to waive a rule.

Charge Application

This section will display the charge application details like:

- Charge Component
- Tag Ccy and Tag Amount
- Charge Ccy and Charge Amount
- Whether charge is waived, liquidated or considered as discount

The system computes the charge amount as per the rule associated with the charge component. You have the option to change the charge amount or waive the amount completely. If a particular component is already liquidated, the 'Liquidated' option will be checked for the same.

Charge Liquidation

The liquidation details are displayed as and when liquidation occurs. The following details will be displayed:

- Component

- Charge Currency
- Charge Amount
- Deferred Status, if applicable

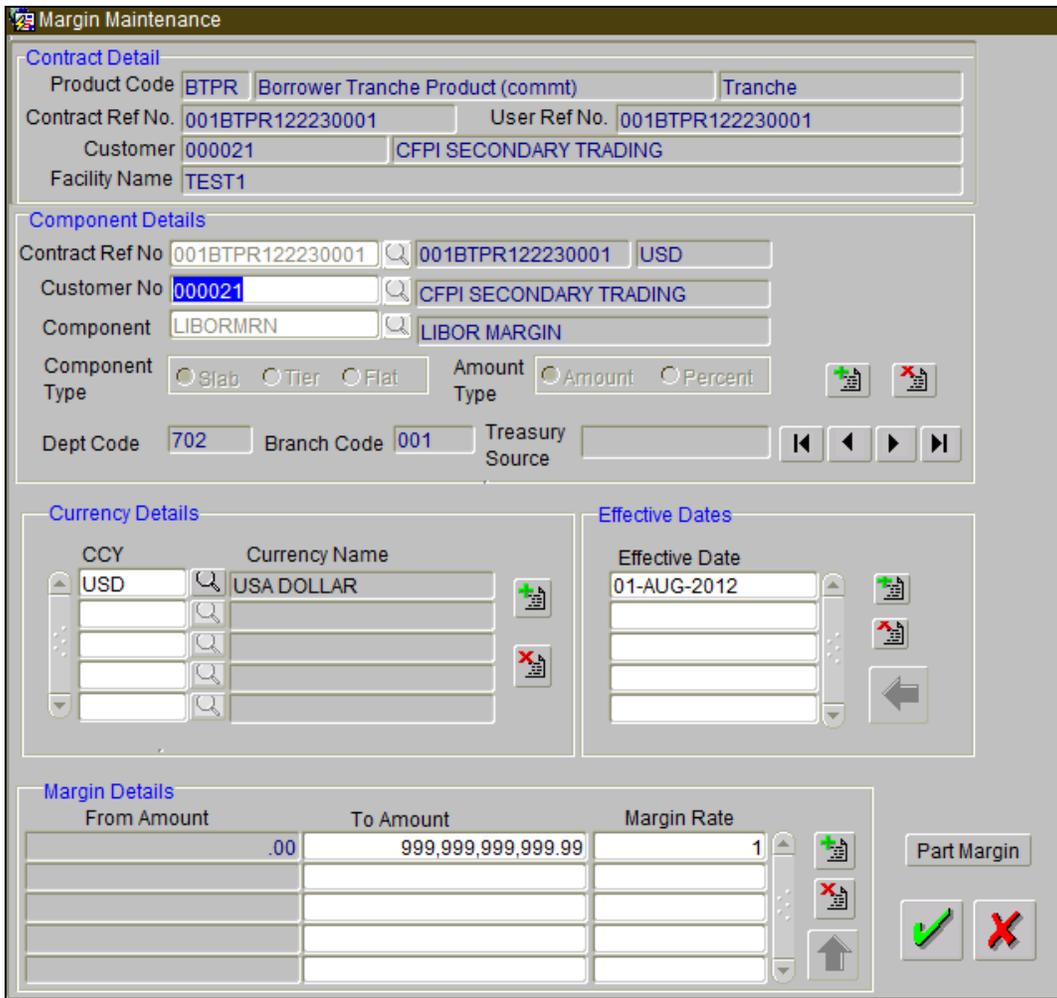
Click  to save the changes and return to the 'LS Tranche Contract Online' screen.

For more details on processing charges, refer the 'Charges and Fess' User Manual.

5.10.14 Maintaining Margin Slab/Tier Structure

The margin components, if maintained for the interest components associated with the tranche product, will default to the 'Margin' tab of the 'DrawDown Products' screen. In the 'Margin Maintenance' screen you can define the Slab/Tier structures (for tranche utilization percentage) with different effective dates for margin types of 'Tranche' basis.

Click  button to invoke this screen. Margin of all drawdowns will be based on the percentage utilization of the tranche.



Margin Maintenance

Contract Detail

Product Code: BTPR Borrower Tranche Product (commt) Tranche

Contract Ref No. 001BTTPR122230001 User Ref No. 001BTTPR122230001

Customer 000021 CFPI SECONDARY TRADING

Facility Name TEST1

Component Details

Contract Ref No. 001BTTPR122230001 001BTTPR122230001 USD

Customer No. 000021 CFPI SECONDARY TRADING

Component LIBORMRN LIBOR MARGIN

Component Type: Slab Tier Flat Amount Type: Amount Percent

Dept Code 702 Branch Code 001 Treasury Source

Currency Details

CCY	Currency Name
USD	USA DOLLAR

Effective Dates

Effective Date: 01-AUG-2012

Margin Details

From Amount	To Amount	Margin Rate
.00	999,999,999,999.99	1

Part Margin

You have to specify the following details to maintain the Slab/Tier structure:

Contract Ref No

Select the contract reference number from the option list. The option list will display all the valid contract reference numbers.

Customer No

Select the borrower for whom the margin details have to be maintained. The option list will display the borrowers selected for the tranche. The margin details will be applicable to drawdowns processed for the selected customer. You can also select the 'ALL' option to indicate that the margin details will be applicable to all the borrowers of the tranche.

Component

The option list will display the margin types of 'Tranche' basis, if the same is applicable for the drawdown products selected for the tranche. When you select the component, the description and the component type are also displayed. You cannot amend these details.

Component Type

This will default based on you maintenance in the 'Margin – Definition' screen.

For more details on this screen, refer the section titled 'Maintaining margin component details' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

Amount Type

You can define the Slab/Tier structure either in terms of amount or percentage of tranche utilization. Select the appropriate option.

Dept Code

Once the contract reference number is selected, the system displays the applicable department code.

Branch Code

Once the contract reference number is selected, the system displays the applicable branch code.

Treasury Source

Once the contract reference number is selected, the system displays the applicable treasury source.

CCY

Specify the currency details.

Currency Name

The system displays the name of the currency selected.

Effective Date

You must also specify an effective date on and beyond which the specified interest margin will be valid in the system. For each effective date, you have to maintain the Slab/Tier structure in the 'Margin Details' section of the screen. Margin can also be maintained with an effective date in the past. If you amend the margin between the rate fixing date and the value date, the system will re-pick the margin at the time of drawdown initiation.

Capture the date in 'DD-MMM-YYYY' format.

From Amount/Percent

You can maintain different Slab/Tier structures for each effective date captured for the component. Depending on the 'Amount Type' you select, whether Amount or Percent, the system will display zero as the 'From Amount' or 'From Percent' for the first Slab/Tier. For subsequent slabs, the 'To Amount' or 'To Percent' of the previous slab will be displayed.

To Amount/Percent

Capture the upper limit for the various Slabs/Tiers here. For type 'Amount', the maximum limit allowed is 999,999,999,999.99. The amount/percent specified here will become the 'From Amount/Percent' for the next Slab/Tier.

Margin Rate

Specify the rate applicable for each Slab/Tier. The rate specified here will be applicable on the tranche outstanding amount which will vary based on the utilization of the tranche.

Use the navigation buttons -  to move from one margin component to another.

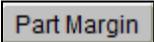
Use the buttons  and  to navigate between the different sections of the screen, namely Margin Details, Effective Dates and Component Details.

For more details on negative rate processing, refer the title 'Maintaining Loans Parameters Details' in the chapter 'Bank Parameters' in Core Services User Manual.

If base rate is negative or borrower margin rate is negative then system will not allow user to maintain participant margin. If user has captured positive margin rate for borrower and participant then, the system will not allow user to amend the margin rate from positive to negative.

Click  button to save the details and exit the screen.

5.10.14.1 Specifying Participant Margin Rates

You can capture margin rates for each participant of the tranche by clicking the  button on the 'Margin Maintenance' screen. The system displays the 'Participant Margin Maintenance' screen. Note that you will be able to capture participant margin only if the box 'Margin for Lender' is checked in the 'Loan Parameters' screen.

Participant Margin Maintenance

Contract details

Product Code: Borrower Tranche Product (commt)

Contract Ref No. User Ref No.

Customer

Facility Name

Component Details

Contract Ref No.

Customer No

Component

Component Type Slab Tier Flat Amount Type Amount Percent

Dept Code Branch Code

Currency Details

Currency	Currency Name
USD	USA DOLLAR

Effective Dates

Effective Date
01-AUG-2012

Borrower Margin Details

From Amount	To Amount	Margin Rate
.00	999,999,999,999.99	1

Participant Margin Details

Participant Selection

Participant	Participant Name	Asset Ratio	Margin Rate
Total Margin Rate			

All details captured in the 'Margin Maintenance' screen are defaulted here.

For a given effective date and currency, you can view the margin maintained for the borrowers and participants.

To add a new participant, click the  button. The system displays all participants linked to the tranche. You can specify the margin rate applicable for the required participants from the required effective date.

Note that you can maintain margin rates for participants only for margin components of the main interest components of the Tranche's Drawdown products.

Place your cursor on a participant and click the  button to delete that participant.

Click the  arrow to move to the borrower margin details section.

Click  button to save the details and exit the screen.

The system will ensure that the total margin rate of all the participants is the same as the borrower margin rate for the effective date for which margin rate is captured/ amended. It will also check the rates for each participant, margin component, currency, effective date and amount slab combination. You should have computed the required margin rates prior to capturing or amending the margin rate using this screen. If the validation for margin rates fails, the system will display an error message and will abort the transaction. You will have to correct the margin rates and then proceed.

5.10.14.2 Application of Margin Based on Percentage/Amount Utilized

Any change in the tranche utilization amount will change the margin percentage applied on the drawdowns based on percentage/amount utilized. The following example illustrates this:

Example

Whenever you process new drawdown under a tranche, it will increase the utilization amount for the tranche. The new margin will be applied not only for the new drawdown amount but to the existing drawdowns as well. This means the new margin will be applicable to the tranche outstanding.

Assume that you have maintained the following structure for margin application based on utilization:

Tranche Amount: 10M

Tranche Utilization in %	Margin (%)
< 30 %	0.00
> 30 % to < 70 %	0.15
> 70 %	0.25

Details of DDs processed and margin applicable is shown in the table below:

Day	DD	Repayments	Outstanding	Applicable Margin (%)
1	5,500,000		5,500,000	0.15 (the DD amount falls in the second slab)
10		2,800,000	2,700,000	0.00
45	5,000,000		7,700,000	0.25 (tranche utilization is greater than 70%)

 The new margin will be based on the total outstanding under the tranche. In case of drawdowns where initiation of the drawdown has not yet happened, Oracle FLEXCUBE will provide the margin details in the advices sent to participants. The margin rate indicated in the advices will be the margin that is applicable to the borrower at the time of advice generation.

To amend the details, you have to invoke the 'Margin Maintenance' screen from the Application Browser.

For details on amending the margin, refer the heading 'Amending the margin details' in this chapter.

5.10.15 Specifying Tranche Fee Details

You can collect utilization fee from the borrowers based on the utilized tranche amount irrespective of the revolving or non-revolving nature of the tranche.

Example: Utilization Fee

Consider a tranche for 10 M USD. You process a drawdown under this tranche for 6 M USD.

Repayment made = 0.5 M

O/S = 5.5 M

Therefore, utilization fee will be calculated on 5.5 M

Similarly, you can also collect unused fee or commitment based on the unused tranche amount. However, the basis amount on which this is calculated will depend upon whether the tranche is revolving or non-revolving. In non-revolving tranche, repayments will not be considered whereas in revolving tranches, repayments will be considered.

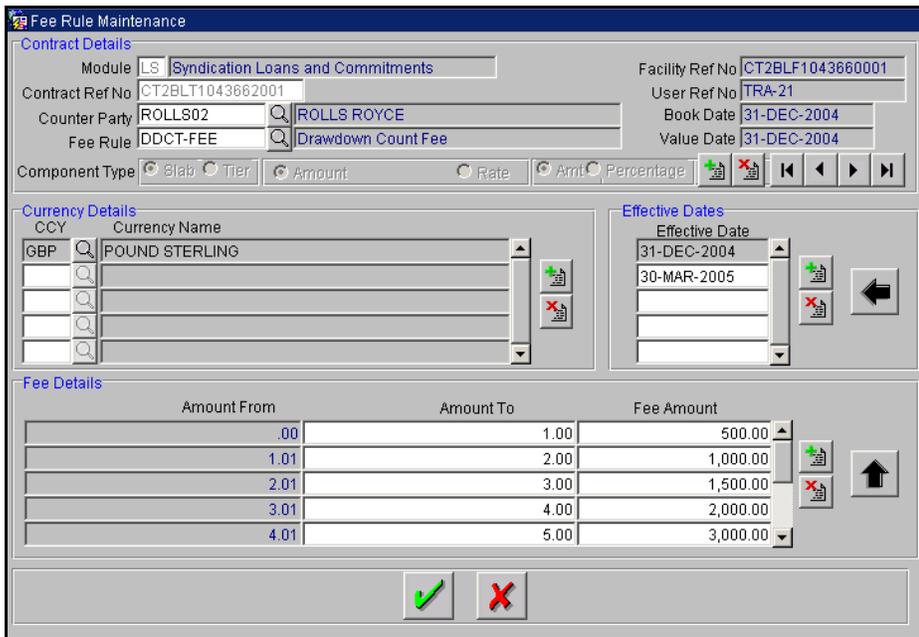
Example

Consider a tranche for 10 M USD. You process a drawdown under this tranche for 6 M USD.
 Repayment made = 0.5 M
 O/S = 5.5 M

For non-revolving tranche, non-utilization fee will be calculated on 4 M.
 For revolving tranche, non-utilization fee will be calculated on 4.5 M.

For LC type of drawdowns, you can also process fee based on the LC outstanding. This is applicable to Commercial and Stand by LCs. LC Issuance fee is paid to the participant who is the issuer of the LC. This fee is computed on the outstanding amount of all the LC drawdowns for that issuer.

You can define the fee structure and the applicable rate at the tranche level in the 'Fee Rule Maintenance' screen. Click  button to invoke this screen.



The screenshot shows the 'Fee Rule Maintenance' window with the following details:

- Contract Details:**
 - Module: LS Syndication Loans and Commitments
 - Facility Ref No: CT2BLF1043660001
 - Contract Ref No: CT2BLT1043662001
 - User Ref No: TRA-21
 - Counter Party: ROLLS02 (ROLLS ROYCE)
 - Book Date: 31-DEC-2004
 - Fee Rule: DDOCT-FEE (Drawdown Count Fee)
 - Value Date: 31-DEC-2004
- Component Type:** Slab (selected), Tier, Amount, Rate, Amt, Percentage
- Currency Details:**
 - CCY: GBP (POUND STERLING)
 - Effective Dates: 31-DEC-2004, 30-MAR-2005
- Fee Details Table:**

Amount From	Amount To	Fee Amount
.00	1.00	500.00
1.01	2.00	1,000.00
2.01	3.00	1,500.00
3.01	4.00	2,000.00
4.01	5.00	3,000.00

You have to capture the following details in this screen:

Counterparty

Select the borrower for whom the fee details have to be maintained. The option list will display the borrowers selected for the tranche. The fee details will be applicable to drawdowns processed for the selected counterparty. You can also select the 'ALL' option to indicate that fee will be applicable to all the borrowers of the tranche.

Fee Rule

Associate a fee rule based on which the system will compute the fee applicable on the tranche outstanding amount. The option list will display the fee rules associated with the borrower tranche product. Upon selection of the rule, the following details will be displayed:

- Component Type – Slab or Tier
- Fee Type – Rate or Amount

You cannot change the above parameters for the fee rule.

For information on the other fields in the screen, refer the heading 'Maintaining Fee Rule details' in the 'Processing Charges and Fees' chapter of this User Manual.

You can associate multiple fee rules with the tranche. To define the next rule for the tranche, you have to click  button in the 'Contract Details' section of the screen. You can view the various fee components associated with a tranche by clicking on the navigation buttons -  provided in the screen.

5.10.15.1 Application of Utilization Fee

The following example illustrates the application of utilization fee based on the Slab/Tier structure.

Example

Consider a tranche for 10 M USD. The fee structure is given below. Further, the calculation assumes 365 days in a year:

Tranche Utilization Amount	Util Fee (%)
< 7 Million	0.00
> 7 Mio to < 9 Mio	0.20
> 9 Mio	0.25

Case 1: Calculation based on the Slab structure

Day	Utilization	% Derived from fee structure	Fee Amount
Day 1	5,500,000.00	0.00	0.00
Day2	8,000,000.00	0.20	43.83 (8000000 x 0.20/36500)
Day 3	9,500,000.00	0.25	65.07

Case 2: Calculation based on the Tier structure

Day	Utilization	% Derived from fee structure	Fee Amount
Day 1	5,500,000.00	0.00	0.00
Day2	7,000,000.00	0.00	0.00
Day2	1,000,000.00	0.20	5.48
Day2	Total for Day 2 (Util=8,000,000.00)		5.48
Day3	7,000,000.00	0.00	0.00
Day3	2,000,000.00	0.20	10.95
Day3	500,000.00	0.25	3.42
Day3	Total for Day 2 (Util=9,500,000.00)		14.37

You can also define the above fee structure as a percentage of the tranche amount, as shown below:

Tranche Utilization Amount	Util Fee (%)
< 70 %	0.00
> 70 % to < 90 %	0.20
> 90 %	0.25

The system will use the following amount tags for calculation of utilization and non-utilization fee. The formula to arrive at the amounts is also given:

Outstanding Amount

$$\text{Outstanding Amount} = \sum \text{Drawdown amount} - \sum \text{Drawdown Repayment}$$

Non-Utilization amount

There are two types:

- For non-revolving:
Non-Utilization Amount = Tranche Current Limit - \sum Drawdown amount
- For revolving:
Non-Utilization Amount = Tranche Current Limit - \sum Drawdown amount + \sum Drawdown repaid

Tranche Current Limit

$$\text{Tranche Current Limit} = \text{Initial Tranche Amount} - \sum \text{Tranche reduction amount till date}$$

You can define Utilization and Non-Utilization fee rules in the 'Fee Rule – Definition' screen.

For more details on this screen refer the 'Processing Charges and Fees' chapter of this User Manual.

 The fee will be calculated on the everyday balance and collected as per the schedule you define in the 'SCHEDULE' tab of the 'LS Tranche Contract Online' screen.

5.10.15.2 Computing Facility Fee on Total Commitment Amount

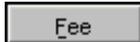
You can calculate the Facility Fee on the total commitment amount considering the revolving/non revolving attributes of the tranche. You can define the Facility Fee component using the Basis Amount Tag 'TRANSFER_AVL' available in the Fee Class screen and Fee Definition sub screen for Tranche product maintenance.

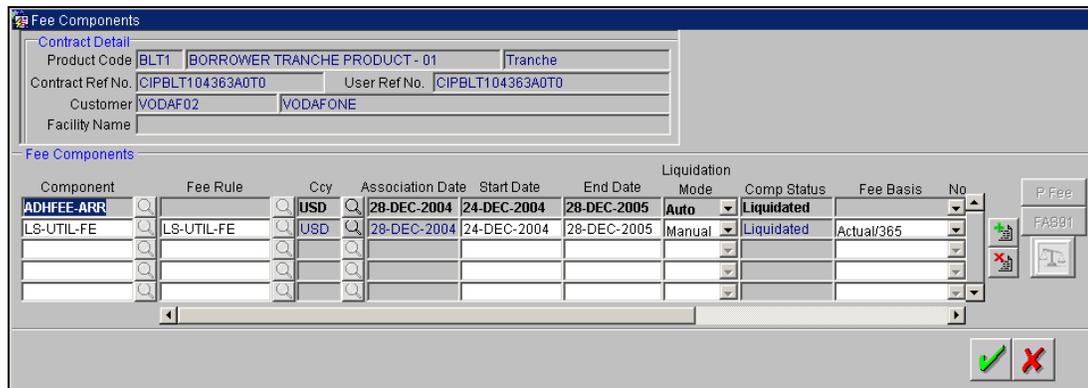
'TRANSFER_AVL' balance represents the sum of the Available Balance and Outstanding Balance for a given value date.

 When you repay a drawdown for a Revolving tranche, the outstanding balance decreases and available balance increases; hence the 'TRANSFER_AVL' amount remains the same. For non-revolving tranche, when you repay a drawdown the outstanding balance decreases but the available balance remains the same; hence the TRANSFER_AVL amount decreases.

For more details, refer the section 'Specifying fee components for a borrower product' in the chapter 'Defining Products for Loan Syndication' and section 'Maintaining a Fee Class' in the chapter 'Processing Charges and Fees'.

5.10.16 Defining Tranche Fee Schedules

In the 'Fee Components' screen, you can define the start date and an end date for both utilization and non-utilization types of fee components. Click  button to access this screen.



The screenshot shows the 'Fee Components' window with the following details:

- Contract Detail:** Product Code: BLT1, BORROWER TRANCHE PRODUCT - 01, Tranche; Contract Ref No.: CIPBLT104363A0T0, User Ref No.: CIPBLT104363A0T0; Customer: VODAF02, VODAFONE; Facility Name: (empty).
- Fee Components Table:**

Component	Fee Rule	Ccy	Association Date	Start Date	End Date	Liquidation Mode	Comp Status	Fee Basis	No
ADHFEE-ARR		USD	28-DEC-2004	24-DEC-2004	28-DEC-2005	Auto	Liquidated		
LS-UTIL-FE	LS-UTIL-FE	USD	28-DEC-2004	24-DEC-2004	28-DEC-2005	Manual	Liquidated	Actual/365	

The following details are displayed in this screen:

- Component
- Fee Rule
- Currency
- Date of Association: This is equal to the current system date
- Start and End Date of the fee schedule
- Mode of liquidation, whether 'Auto' or 'Manual'
- Status of the component. On the schedule start date, the status will be 'Active'. The system will automatically update the status to 'Liquidated' when the fee is recovered.
- The fee basis to calculate the fee amount for schedules. This is defaulted from the product level.
- Whether Billing Notice should be generated for the contract
- Billing notice days

The above details defaults from the tranche product used to process the tranche. You can modify the following details in this screen:

Start Date and End Date

You can change the period for fee application provided the fee start date is not later than the maturity date of the tranche and the fee end date is not beyond the maturity date of the tranche.

Liquidation Mode

The liquidation mode specified in the 'CONTRACT' tab will default here. Here, you can opt for a different mode for each component. The available options are:

- Auto: The system will automatically liquidate the schedule during EOD on the schedule due date of the component.
- Manual: If you select this mode, you have to liquidate the fee components through the 'Fee Liquidation' screen.
- Semi-Auto: If you choose this option, the message that should get generated during liquidation (Event: FLIQ) will be kept on hold. The messages will be available in the 'Outgoing Message Browser' with status 'Hold'. You will need to use the 'Events for Forward Processing' screen to release the messages.

For more details on 'Events for Forward Processing' screen screen, refer the heading 'Forward processing of events' in this chapter.

Fee Basis

The fee basis defaults from the product level. However, you can change the default value anytime during the lifecycle of the contract. When you change the day basis, the system re-computes the schedule fee amount from the start date of the fee component. The amendment becomes applicable from the value date of the contract.



Note the following:

- You can amend the day basis both as part of contract amendment (in the 'LS Tranche Contract Online' screen) and fee amendment (in the 'Fee Amendment' screen).
- If the fee distribution type is defined as 'Lender of Actual' (in the 'LS Contract Online' screen) and if there are any liquidated fee schedules, the system updates the payable/receivable of the respective liquidated fee schedule as a result of change in fee basis.
- You cannot amend the Fee Basis for 'Lender of Record' (specified in the 'LS Contract Online' screen) type of distribution if there are liquidated schedules for the same component.

Billing Notice Req

If the 'Billing Notice Required' option is checked for the tranche product (in the 'Borrower Product – Fee Details' screen), the same will be applicable for the contract. Based on the number of days defined for billing notice generation for the product, system will trigger the NOTC event for the fee component. However, you have the option to suppress the generation of billing notice for fee components. To suppress, choose the 'NO' option.

If the 'Billing Notice Required' option is not checked for the product, you cannot opt for the same at the contract level. Billing notice will not be generated for such contracts.



Oracle FLEXCUBE does not allow manual generation of billing notice.

Billing Notice Days

The billing notice days defaults from the product level. However, you can amend the default value.

For details on fee schedule amendment, refer the heading 'Amending Fee Component Details' in the 'Processing Charges and Fees' chapter of this User Manual.

After making the required changes, click  button to save and exit the screen.

5.10.16.1 Specifying Back Valued Fee Schedules

You can specify a back valued start date for an existing Fee component, as part of Fee Amendment or Contract Amendment functionality. You can also define a new back valued Fee component, until the last liquidated schedule date of the same FEE component or beyond the last liquidated schedule date of other Fee components.



Note the following:

- If you change the start date of a Fee component which has liquidated schedules, system will track the delta amount through Payable / Receivable infrastructure.
- If you change the start date of a Fee component for a 'Lender of Actuals' type of Distribution and if there are any liquidated Fee schedules, then Payable / Receivable of the respective liquidated fee schedule gets updated due to fee basis changes.

- Fee component start date amendment for 'Lender of Record' type of distribution, will not be allowed if there are any liquidated schedules for the same component.
- You can define multiple Adhoc Fee components under the same contract.
- You can not specify two Fee schedules for the same component on the same value date.

5.10.16.2 Processing Utilization and Non-Utilization Fees

The utilization fee and non-utilization fee which is payable by the borrower on the total outstanding amount under a tranche will always be collected in arrears. Oracle FLEXCUBE will calculate the daily outstanding and the daily non-utilized portion of the tranche for both revolving and non-revolving types. The outstanding portion and non-utilized portion will be calculated only on days when there is a change either to the fee rate or to the basis amount. In all other cases, the last available value for the fee rate and basis amount will be used for fee calculation.

The system will not calculate backdated utilization/non-utilization fee beyond the last liquidation/schedule date.

Example

Assume that you have defined a monthly fee schedule for utilization and non-utilization fee for a tranche contract where the payment falls on the last day of every month. If you process a backdated drawdown on 15th Jan 2005 with the value date on 15th Dec 2004, the system will not recalculate the utilization/non-utilization fee from 15th Dec 2004.

You cannot process back valued drawdowns beyond the last liquidation/ schedule date of the interest components of all the drawdowns under a tranche. Similarly, back valued drawdowns will not be allowed beyond the last liquidation/schedule date of utilization /non-utilization fee components of the tranche.

Back value dated repayments/prepayments/drawdowns/value dated amendments for increasing the principal drawn down will be based on the outstanding amount and non-utilization amount. However, the system will not allow back value dated amendments/participant ratio changes beyond the last schedule/liquidation date. Similarly, back valued amendments /back valued participant ratio changes/back value dated drawdowns will not be allowed beyond the last schedule/liquidation date of the utilization/non-utilization fee components of the tranche.

5.10.16.3 Processing LC Fees

Oracle FLEXCUBE processes the following two types of fees for an LC type of drawdown:

- Fee based on LC outstanding: This fee is applicable for the following LC types:
 - Standby LC
 - Commercial LC
- Issuance fee that is paid only to the LC issuing bank

The amount tags 'STANDBY_LCOS' and 'COMMERCIAL_LCOS' will capture the outstanding LC balance for the two LC types, respectively. The system tracks the value date wise balances by taking into consideration all activities that alter the balance. This includes Initiation, Payments, and Value Dated Amendments etc.

For more information on the Tax sub-system of Oracle FLEXCUBE, refer the Tax User Manual.

5.10.18 Defining Overwrite Settlement Instructions for the Tranche

You can overwrite the settlement instructions maintained for a contract with internal GLs by specifying the Overwrite instruction in the 'Overwrite Settlement Instruction Details' screen. This screen can also be used if the payment is to be routed through internal GLs instead of the customer accounts. For example, Manual Rollover.

Click **Overwrite SI** in the 'LS Tranche Contract Online' screen to invoke the following:

Component	Internal GL	Overwrite default settlement instruction
ADHFEE-ARR		<input type="checkbox"/>
ADMN-CHG	AS1111000	<input checked="" type="checkbox"/>
BOOK-CHG	AS2222000	<input checked="" type="checkbox"/>
DDCT-FEE		<input type="checkbox"/>
F-TAX1		<input type="checkbox"/>
F-TAX2		<input type="checkbox"/>
LS-UNUTIL		<input type="checkbox"/>
LS-UTIL-FE		<input type="checkbox"/>
TSFR-FEE		<input type="checkbox"/>

Specify the required details as given below:

Component

This screen displays the all the components displayed in the Settlement Message Details screen. The tax components related to the participant contracts are also displayed here.

Internal GL

Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite default settlement instruction

Check the 'Overwrite default settlement instruction' box to confirm that the liquidation entries should be posted into the Internal GL account. System will post the entries to the Internal GLs only if you check this box. Otherwise, system will post the entries as per the settlement instructions specified for the component of the contract.



Note the following:

- The internal gl accounts maintained for the tranche is applicable only for the tranche contracts and will not default to the drawdown level.
- If you check the 'overwrite default settlement instruction' box for a component, system will overwrite the settlement instructions of both the borrower and the participants.
- You can maintain the internal gl account anytime during the life cycle of the contract.

5.10.18.1 Authorizing the overrides for tranche

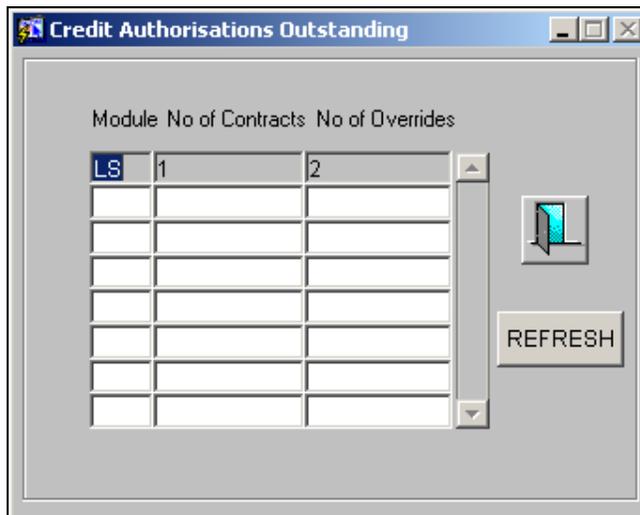
You need to perform dual authorization, if you have selected the Overwrite SI option for any of the following events:

- AMENDING TRANCHE/DRAWDOWN CONTRACT
- VALUE DATED AMENDMENTS
- FEE LIQUIDATION
- LIQUIDATION OF PRINCIPAL/INTEREST

You will not be allowed to authorize these events without authorizing the override details for Overwrite SI. When you try to authorize a contract with overrides, following error message gets displayed.

All Overrides requiring confirmation have not been CONFIRMED – Confirm them.

You need to authorize the overrides manually in the 'Credit Authorizations Outstanding' screen. To invoke this screen from the **Application Browser**, select **Overrides** and **Dual Authorization** under it.

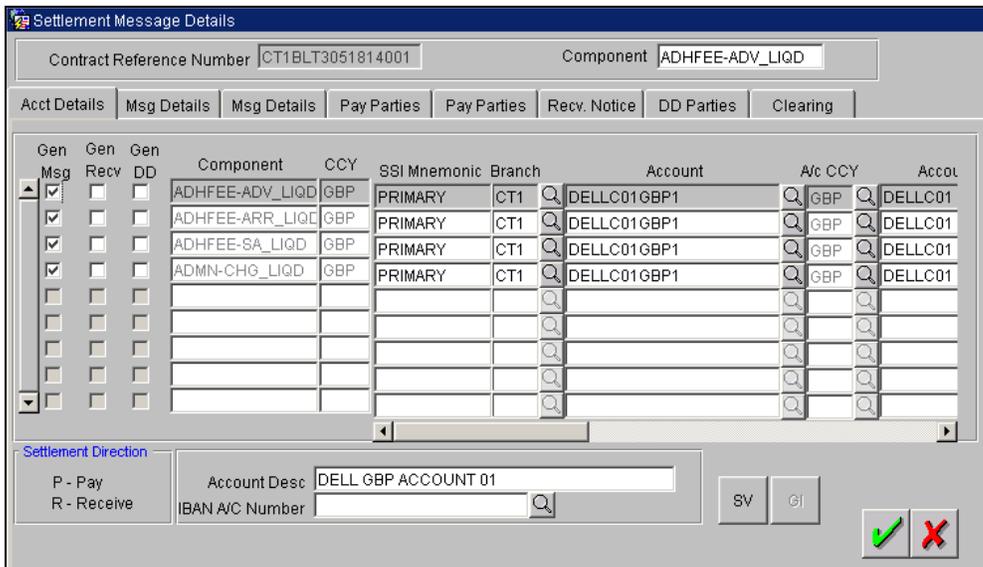


This screen displays the following details related to the LS module:

- Number of contracts related to the LS module
- Number of overrides related to the contracts

5.10.19 Viewing Settlement Instructions for the Tranche

To view the settlement instructions for the tranche borrowers, click the  button.



Gen Msg	Gen Recv	Gen DD	Component	CCY	SSI Mnemonic	Branch	Account	A/c CCY	Account
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ADV_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ARR_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-SA_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADMN-CHG_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	GBP	DELLC01
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							

Settlement Direction: P - Pay, R - Receive

Account Desc: DELL GBP ACCOUNT 01

IBAN A/C Number:

Buttons: SV, GJ, , 

The system obtains the settlement details based on the SSI Mnemonic for each borrower.

If the 'Chinese Characters in Payment' box is checked in the 'Loan syndication- Branch Parameters' screen, then only you can enter the Chinese characters in the field 57, 59, and 70 for foreign currency and local currency settlement instructions / accounts and there will not be any validations in the system. You need to operationally control it.

You are allowed to enter the information in Chinese or English or a combination of both in this field. If it is a combination, then the system will consider it as Chinese and allow up to 35 characters.

 This is applicable only for ASPAC region.

For more details about the 'Settlement Message Details' screen, refer the Settlements User Manual.

5.10.20 Defining Repayment Schedules for the Tranche

You can capture the schedule date and schedule amount for drawdown repayments at tranche level in the 'Tranche Repayment Schedules' screen. Click the Tranche ... button to access this screen.

The tranche repayment schedule screen displays all the schedules from the value date to the maturity date of the tranche. You can specify the following in this screen:

Start Date

Specify the start date for the tranche repayment schedule.

End Date

Specify the end date for the tranche repayment schedule.

Schedules

Specify the number of schedules applicable for each tranche repayment.

Frequency

Select the frequency for the tranche repayment schedule from the adjoining drop-down list. You can select one of the following values:

- Daily
- Monthly
- Quarterly
- Half-yearly
- Yearly
- Bullet

Unit

Specify the unit for the tranche prepayment schedule.

Amount prepayment Rule

Select the amount prepayment rule applicable for the tranche repayment from the adjoining drop-down list. You can select one of the following values:

- FIFO
- LIFO
- PRO-RATA

Date

You have to specify the repayment date in 'DD-MMM-YYYY' format. The schedule date should not be later than the tranche maturity date.

Schedule Amount

Specify the repayment amount for each schedule. The sum of the schedule amount should be equal to the tranche amount.

Tranche Repayment Rule

Select the repayment rule for each schedule date. The possible options are LIFO, FIFO, and PRO-RATA.

Status

Indicates the status of the schedule. All the past schedules will show the status as 'Processed' and all the future schedules will show the status as 'Unprocessed'. You can not modify 'Processed' schedules.

Drawdown Ref No.

Select the drawdown to be liquidated/partially rolled over, from the list of drawdowns maturing on the same date as the tranche repayment schedule date.

 Against a tranche schedule, you can select only those drawdowns maturing on the given tranche repayment schedule.

Allocation Amount

Specify the liquidation amount against each drawdown. The allocation amount for each drawdown can be greater than or equal to zero.

Sum

System displays a sum of all allocation amount provided.

 Note the following:

- Sum of the allocated drawdowns for a scheduled date can be more/equal/less than the tranche repayment schedule amount for that date.
- Sum of all repayment schedule amounts of the tranche should be equal to tranche Contract amount.
- The tranche repayment amount for any schedule should be greater than zero.
- The allocation amount for each drawdown should not be greater than the outstanding amount of that drawdown. Rollovers with additional disbursement need to be handled separately.
- If there is change in repayment amount/repayment rule, then you should define a different with the respective frequency.
- System validates the start date with the tranche value date and end date with the maturity date.
- If a definition from 'Repayment schedule definition' section overlaps with existing schedules, then system gives an error message and does not proceed with exploding of schedules. However the new schedules resulted can be in-between the existing schedules only if the previous and later schedule are in 'Unprocessed' status.
- If the tranche repayment redefinition rule is not chosen at the time of payment, then system displays an override message.

Redefinition of tranche repayment schedule happens as part of end of day process after the liquidation. Based on the repayment rule specified during the actual liquidation across drawdowns, the future schedules get adjusted against the respective schedule date.

You can invoke the borrower and the participant Free Format Message screens using the  and  buttons respectively.

You can amend the details of current or future dated repayment schedule amounts as well as their allocations, if required.

5.10.20.1 Capturing Tranche Repayment Rule for Unscheduled Repayments

You can capture the rules for the unscheduled drawdowns in the 'Unscheduled Repayment Details' screen. To invoke this screen, click the Tranch Sch button in Tranche Repayment Schedules screen. This button is enabled only for non-revolving tranches.

Date	Drawdown Ref No	Currency	Outstanding Amount	Repayment Amount	Amount in Tranche Ccy	Tranche Repayment Rule
27-JAN-2005	CT1BLD10502211JL	USD	5,000.00	5,000.00	5,000.00	FIFO
						BorrFFT
						PartFFT
						BorrFFT
						PartFFT
						BorrFFT
						PartFFT

In this screen, the following details of the drawdowns with maturity dates not matching with tranche repayment schedule dates get displayed:

- Drawdown repayment date
- Drawdown reference number
- Currency
- Outstanding amount
- Amount in tranche currency

You can also capture the following details related to the drawdowns:

Repayment Amount

Specify the liquidation amount for the drawdown.



You can not specify an amount greater than the outstanding amount for that drawdown.

Tranche Repayment Rule

Select the repayment rule for each drawdown schedule date. The possible options are LIFO, FIFO, and PRO-RATA. By default, tranche repayment captured will be displayed against each drawdown.

You can invoke the borrower and the participant Free Format Message screens using the **BorrFFT** and **PartFFT** buttons respectively.

5.10.20.2 Viewing Repayment History

Click Schedule History in the **Tranche Repayment Schedule** screen to invoke the 'Repayment History' screen. In this screen you can view the history of the past tranche repayment schedules along with the actual cash flow of the drawdowns under that tranche, for a value date.

The screenshot shows the 'Repayment History' window with the following data:

Tranche Repayment Details			
Date	Currency	Liquidated Amount	
28-DEC-2004	USD	5,000.00	
31-DEC-2004	USD	5,000.00	

Tranche VAMI Details	
Date	VAMI Amount
28-DEC-2004	1,000.00
29-DEC-2004	-500.00

Drawdown Details			
Drawdown Ref No	Currency	Liquidated Amount	Amount in Tr Ccy
CIPBLD104363C33W	USD	5,000.00	5,000.00

Initial Tranche Amount: 10,000.00
Current Tranche Amount: 500.00

 Note the following:

- Normal scheduled repayments for the drawdown will not affect the repayment schedules at the tranche level.
- Prepayments for the drawdown will affect only the future repayment schedules at the tranche level which fall on or after the application date.
- The reversal of the prepayments of drawdowns will not affect the repayment schedule at the tranche contract level. Any changes to the schedules should be by amending the tranche contract.
- Any pre-payments processed for a drawdown will be identified and adjusted against the future tranche repayment schedules defined in the above screen.
- The pre-payment apportionment method will be as specified at the tranche level (LIFO/FIFO/PRO-RATA).
- In case of non-revolving tranche, system allows to select the drawdown maturing on a tranche repayment schedule date. But in case of revolving tranche, drawdowns maturing or having interim schedules on a given tranche repayment schedule date cannot be selected against that tranche schedule date. However, system does not stop booking a new drawdown with a different maturity/interim schedule date and liquidating the drawdown on different value date which is not maintained in tranche repayment schedule date.

- You can capture prepayment even though there is no repayment schedule for the same drawdown captured for that day. For the prepayment value date, system inserts the allocation amount with the outstanding amount by applying the ratio between the old drawdown outstanding amount and old global drawdown amount on the new drawdown outstanding amount irrespective of the whether or not the 'Cascade Participation' box is checked for the corresponding tranche.
- Whenever there is a reversal of payment (reversal date not equal to the date of liquidation) or reversal of drawdown (with Payment), then redefinition of future tranche repayment schedules takes place for the reversal during the batch process based on the tranche repayment redefinition rule mentioned in the Tranche Schedule screen. Actual liquidation amount may or may not be equal to the allocated amount in the case of scheduled/unscheduled payment.

5.10.20.3 Tranche Repayment Schedule for Non-lead (Wrapper) Tranches

Tranche repayment schedules for non-lead (wrapper) products are maintained based on the global amount maintained at the tranche level. If the 'Apply Re-pmnt sch validation' box is checked in the 'Additional Preferences for LS' screen, then the sum of all repayment schedule amounts of the tranche should be equal to the global amount maintained for the tranche.

For more details on the 'Apply Re-pmnt sch validation' box, refer section 'Specifying Additional Preferences for Loan Syndication' in chapter 'Defining Products for Loan Syndication' in the Loan Syndication User Manual.

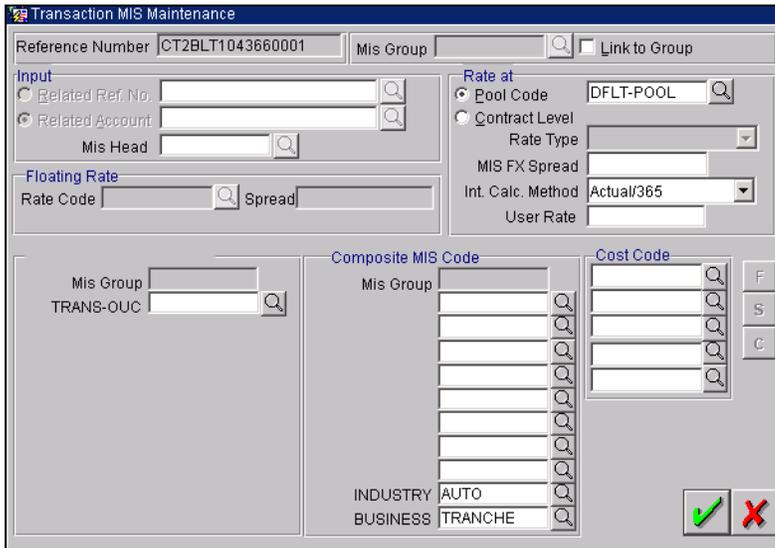


Note the following in case of non-lead (wrapper) products:

- You should maintain the 'Schedule Amount' as the global amount in the 'Tranche Repayment Schedules' screen.
- System defaults the outstanding amount as the outstanding DD global amount in the 'Tranche Repayment Schedules' screen.
- The allocation amount for each drawdown should not exceed the global outstanding amount of that drawdown.

5.10.21 Specifying the Tranche MIS Details

You can specify the MIS (Management Information System) details for the tranche in the 'Transaction MIS Details' screen. To invoke this screen, click the  button.



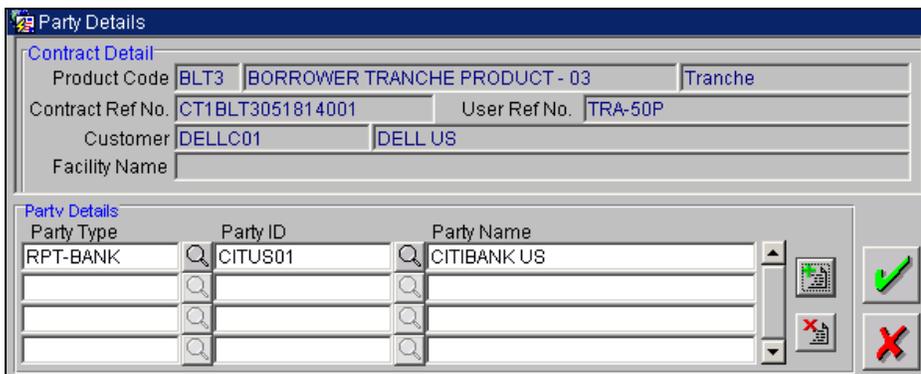
The screenshot shows the 'Transaction MIS Maintenance' window. At the top, there are fields for 'Reference Number' (CT2BLT1043660001) and 'Mis Group'. Below this, there are sections for 'Input' (with 'Related Ref. No.' and 'Related Account' fields), 'Rate at' (with 'Pool Code' set to DFLT-POOL and 'Contract Level' selected), and 'Floating Rate' (with 'Rate Code' and 'Spread' fields). A 'Composite MIS Code' section contains a table with columns for 'Mis Group', 'INDUSTRY' (set to AUTO), and 'BUSINESS' (set to TRANCHE). To the right of this table is a 'Cost Code' section with a table and buttons labeled F, S, and C. At the bottom right, there are green checkmark and red X buttons.

For details on the 'Transaction MIS Details' screen, refer the MIS User Manual.

5.10.22 Specifying Parties for the Tranche

You can also specify different types of entities or parties that would be applicable for the borrower tranche as well as the applicable parties belonging to the selected type, in the 'Party Details' screen. The party types associated with the tranche product will default to the tranche; you can change them and specify the required types at the tranche level.

Click  button to invoke the 'Party Details' screen.



The screenshot shows the 'Party Details' window. It has a 'Contract Detail' section with fields for 'Product Code' (BLT3), 'BORROWER TRANCHE PRODUCT - 03', 'Tranche', 'Contract Ref No.' (CT1BLT3051814001), 'User Ref No.' (TRA-50P), 'Customer' (DELLC01), and 'DELL US'. Below this is a 'Party Details' section with a table:

Party Type	Party ID	Party Name
RPT-BANK	CITUS01	CITIBANK US

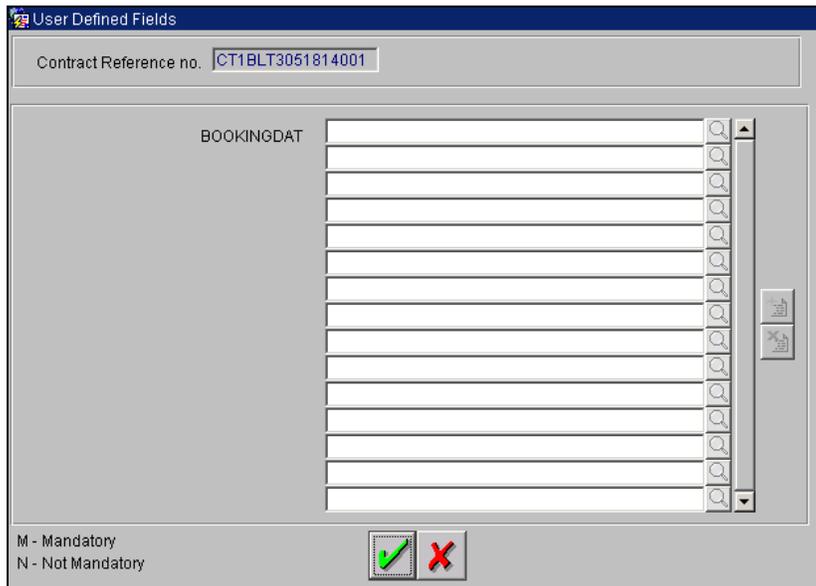
At the bottom right of the table, there are green checkmark and red X buttons.

For more details on the above screen, refer the heading 'Specifying parties for the facility' in this chapter.

5.10.23 Specifying UDF Values for the Tranche

The User Defined Fields (UDFs) defined for the tranche product will be applied for the contracts processed under it. You can view the UDFs, if applicable, in the 'User Defined Fields' screen.

Click the  button to invoke this screen.



Example

Variance Rate Cap 'RATE- VARIANCE' is a UDF defined for tranche products. This represents the maximum rate change (both upper and lower limit) for contracts processed under the tranche product.



This UDF is not maintained for drawdown products.

For more details on the above screen, refer the UDF (User Defined Fields) User Manual.

The UDF 'PAYOFF-FEE' attached to tranche products is used to determine the flat fee amount.

5.10.23.1 **Authorizing Overrides**

You need to perform dual authorization, if the UDF 'RATE-VARIANCE' is maintained as a non-zero value for tranche or drawdown linked to the tranche contract for any of the following operations:

- Tranche contract booking/amendment

During tranche contract amendment, if the above UDF value is modified (zero to non-zero, non-zero to zero, or original value is changed) an override is displayed for dual authorization.

- Drawdown contract booking

During drawdown contract amendment, no override is displayed for dual authorization as the variance rate cap maintenance is done only at tranche level.

- Manually changing rate or spread for tranche/drawdown contracts in the following scenarios:
 - Rate changed for fixed rate contracts through Interest Rate Fixing screen (IRAM)
 - Rate code changed for floating rate contracts through Value Dated Amendment (VAMI) screen.
 - Margin rate changed for Borrower drawdown through VAMI screen.
 - Margin rate changed for Borrower tranche through Margin Maintenance screen.
- Rollover/Re-pricing of drawdowns in the following scenarios:
 - Split rollover capture during drawdown booking/amendment
 - Consolidation Rollover
 - Merge Re-price
 - Split Re-price

If any of the aforementioned operations are performed, the system will display the following override message:

Variance rate cap <value> is maintained for this contract, dual authorization required.

If the override is selected as 'Yes', the contract will be saved for further processing. If the override is selected as 'No', the save operation will fail.

Once the contract is saved successfully, the contract reference number with override details will appear in the dual authorization screen for the first authorization.

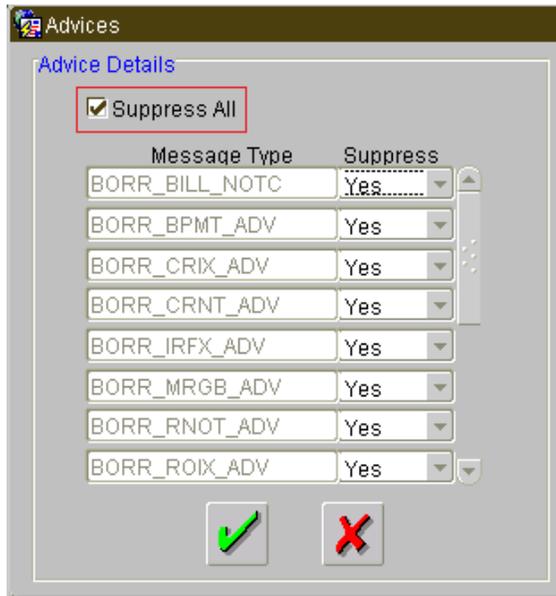
For more details on the 'Dual Authorization' screen, refer the section 'Authorizing the overrides for tranche' in this chapter of this User Manual.

Once the contract is authorized in the dual authorization screen, final authorization is done.

 **If the UDF 'RATE-VARIANCE' is not maintained or maintained as zero, dual authorization is not required.**

5.10.24 Modifying Tranche Advice Details

The advices associated with the product will default to the contract. You can view the advice details in the 'Advices' screen. Click the  button to invoke this screen.



The screenshot shows a window titled 'Advices' with a sub-section 'Advice Details'. At the top, there is a checkbox labeled 'Suppress All' which is checked. Below this is a table with two columns: 'Message Type' and 'Suppress'. The table contains eight rows, each with a message type and a 'Yes' option in the 'Suppress' column. At the bottom of the window, there are two buttons: a green checkmark and a red 'X'.

Message Type	Suppress
BORR_BILL_NOTC	Yes.....
BORR_BPMT_ADV	Yes
BORR_CRIX_ADV	Yes
BORR_CRNT_ADV	Yes
BORR_IRFX_ADV	Yes
BORR_MRGB_ADV	Yes
BORR_RNOT_ADV	Yes
BORR_ROIX_ADV	Yes

The following details will be displayed in this screen:

- Message Type
- If the advice is suppressed
- The priority assigned to the advice

For a contract, you can change the following advice details only:

Suppress All

Check this box to indicate that the system can suppress all the messages.

Suppress

You can choose between 'Yes' and 'No'. Risk E-mail events can be suppressed.

Priority

You can change the priority to any one of the following

- Urgent
- Normal

After capturing the required details, you have to save the contract and have it authorized by your supervisor.

After you save the tranche, you can view the following details of the contract:

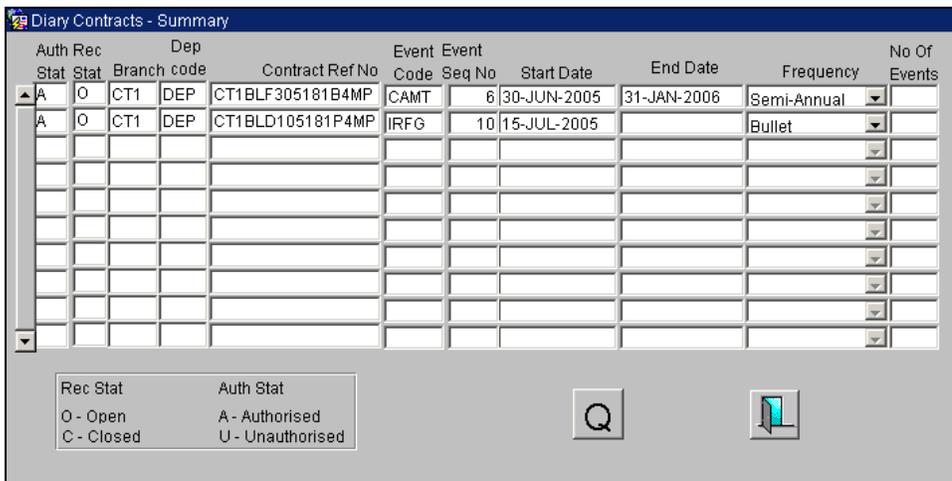
- Diary Events for the contract
- Netting Cash Flow Summary
- Messages generated for the tranche
- Participant Summary details
- Events

These details are discussed below.

5.10.25 Viewing Tranche Diary Events

You can view the diary events defined for the contract in the 'Diary Contracts – Summary' screen.

To invoke this screen, click  button.



Auth Stat	Rec Stat	Branch	Dep code	Contract Ref No	Event Code	Event Seq No	Start Date	End Date	Frequency	No Of Events
A	O	CT1	DEP	CT1BLF305181B4MP	CAMT	6	30-JUN-2005	31-JAN-2006	Semi-Annual	
A	O	CT1	DEP	CT1BLD105181P4MP	IRFG	10	15-JUL-2005		Bullet	

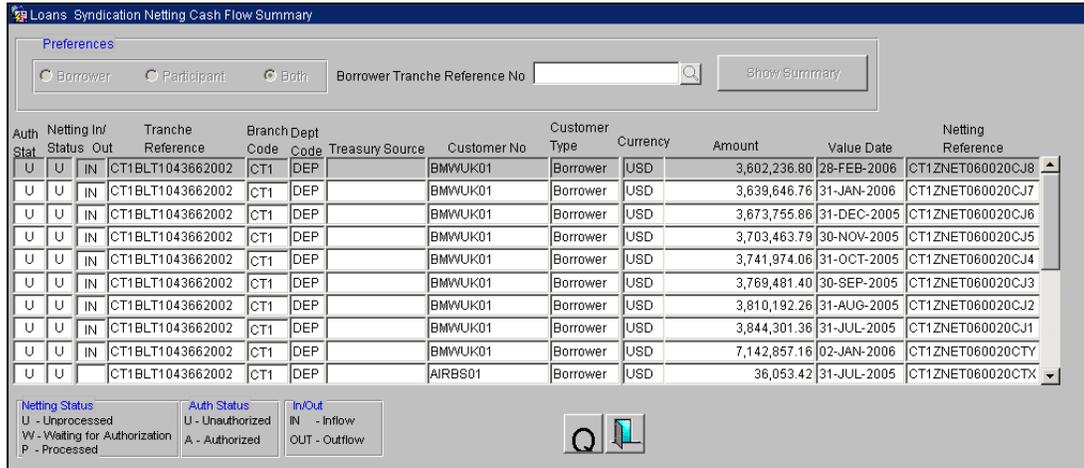
Rec Stat: O - Open, C - Closed
Auth Stat: A - Authorised, U - Unauthorised

This screen will display the various dairy events fired for the main facility contract as will as for the drawdowns processed under it. Dairy events include events like Contract Amendment (CAMT), Interest Rate Fixing (IRFG), and Exchange Rate Fixing (EXFG) etc.

For more details on the 'Dairy Events Maintenance' screen, refer the heading 'Maintaining diary events' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

5.10.26 Viewing Netting Cash Flow Summary

You can view the netting cash flow details for the tranche in the 'Loans Syndication Netting Cash Flow Summary' screen. Click the  button to invoke this screen.



Loans Syndication Netting Cash Flow Summary

Preferences

Borrower Participant Both

Borrower Tranche Reference No:

Auth Stat	Netting Status	In/Out	Tranche Reference	Branch Code	Dept Code	Treasury Source	Customer No	Customer Type	Currency	Amount	Value Date	Netting Reference
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,602,236.80	28-FEB-2006	CT1ZNET060020CJ8
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,639,646.76	31-JAN-2006	CT1ZNET060020CJ7
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,673,755.86	31-DEC-2005	CT1ZNET060020CJ6
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,703,463.79	30-NOV-2005	CT1ZNET060020CJ5
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,741,974.06	31-OCT-2005	CT1ZNET060020CJ4
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,769,481.40	30-SEP-2005	CT1ZNET060020CJ3
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,810,192.26	31-AUG-2005	CT1ZNET060020CJ2
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	3,844,301.36	31-JUL-2005	CT1ZNET060020CJ1
U	U	IN	CT1BLT1043662002	CT1	DEP		BMWUK01	Borrower	USD	7,142,857.16	02-JAN-2006	CT1ZNET060020CTY
U	U		CT1BLT1043662002	CT1	DEP		AIRBS01	Borrower	USD	36,053.42	31-JUL-2005	CT1ZNET060020CTX

Netting Status: U - Unprocessed, W - Waiting for Authorization, P - Processed
 Auth Status: U - Unauthorized, A - Authorized
 In/Out: IN - Inflow, OUT - Outflow

The following details are displayed in this screen:

- Authorization Status of the contract – U: Unauthorized, A: Authorized
- Netting Status – U: Unprocessed, W: Waiting for Authorization, P: Processed
- Cash Flow – IN: Inflow, OUT: Outflow
- Customer Type – Participant or Borrower
- Netting Currency
- Amount
- Value Date
- Netting Reference Number

If netting has not occurred or is not applicable for the contract, the system will display the following message when you click the  button.

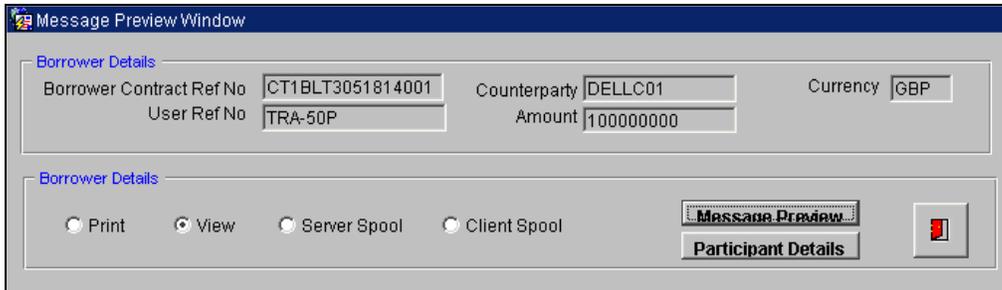
There is no record selected for netting

For more details on the above screen, refer the heading titled 'Netting Cash Flows for a tranche' in this chapter.

5.10.27 Viewing Messages for the Tranche

To view the messages generated for the contract, click the **Msg. Prev.** button. The 'Message Preview Window' will be displayed.

 This button will be enabled only if the latest event, with a payment message associated with it, is unauthorized.



The screenshot shows the 'Message Preview Window' with the following details:

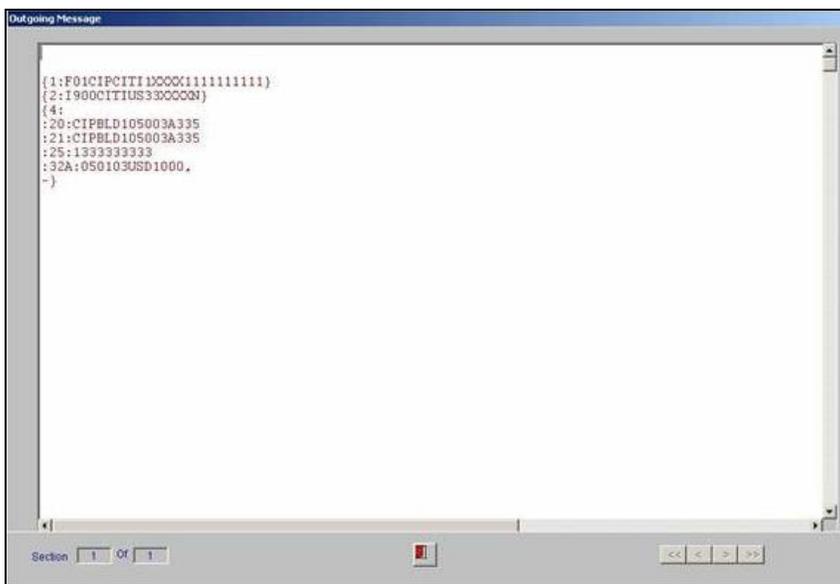
Borrower Details					
Borrower Contract Ref No	CT1BLT3051814001	Counterparty	DELLC01	Currency	GBP
User Ref No	TRA-50P	Amount	100000000		

Below the details, there are radio buttons for 'Print', 'View', 'Server Spool', and 'Client Spool'. The 'View' option is selected. To the right, there are buttons for 'Message Preview' and 'Participant Details', along with a red stop icon.

Select the option:

- 'Print' to print the borrower message displayed in the Outgoing Message screen
- 'View' to view the message
- 'Server Spool' to spool the message at the server
- 'Client Spool' to spool the message at the client

Click the **Message Preview** button to view the messages generated, if any.



The screenshot shows the 'Outgoing Message' window with the following text:

```
{1:F01CIPCITI DCCC1111111111}
{2:I900CITIUS3333333}
{4:
:20:CIPBLD105003A335
:21:CIPBLD105003A335
:25:1333333333
:32A:050103USD1000.
-}
```

At the bottom, there is a status bar showing 'Section 1 Of 1' and navigation buttons.

If messages are not available, the following message will be displayed:

No messages for preview



For back value dated contracts, the system displays the 'Application Date' as the Value Date for payment advices for both borrowers and participants. The Application date is displayed in field 32A of MT202 and MT103 SWIFT messages.

You can also view the participant details through this screen. Click the **Participant Details** button to view the same.

Participant Details

Borrower Details

Borrower Contract Ref No: Counterparty:
 User Ref No: Currency:
 Amount: .00

Participant Details

Contract Ref No	User Ref No	Counterparty	Currency	Short Name	Amount
CT1PLT3051816001	CT1PLT3051816001	ABYWA03	GBP	ABBEY NAT - WA	.00
CT1PLT3051816002	CT1PLT3051816002	ACFFL03	GBP	ACF - FL	.00
CT1PLT3051816003	CT1PLT3051816003	ACFNY03	GBP	ACF - NY	.00
CT1PLT3051816004	CT1PLT3051816004	ACFWA03	GBP	ACF - WA	.00
CT1PLT3051816005	CT1PLT3051816005	AFBFL03	GBP	ALL FIRST - FL	.00
CT1PLT3051816006	CT1PLT3051816006	AFBNY03	GBP	ALL FIRST - NY	.00
CT1PLT3051816007	CT1PLT3051816007	AFBWA03	GBP	ALL FIRST - WA	.00
CT1PLT3051816008	CT1PLT3051816008	AIBFL03	GBP	ABUDHABI INT - FL	.00
CT1PLT3051816009	CT1PLT3051816009	AIBNY03	GBP	ABUDHABI INT - NY	.00
CT1PLT3051816010	CT1PLT3051816010	AIBWA03	GBP	ABUDHABI INT - WA	.00

5.10.28 Viewing tranche participant summary details

The 'Participant Contract Summary' screen will give you a summary of the participant facility/tranche contracts created for the borrower facility/tranche contracts. To view the details, click **Part Summ** button.

Participant Contract Summary

Auth Stat	Cont Stat	Product Type	Branch	Dept Code	Treasury Source	Participant Facility Ref. No.	Participant Tranche Ref. No.	DD. No	Product	Ccy	Borrower Facility Ref. No.	Borrower Tranche Ref. No.
A	A	Tranche	CT1	DEP		CT1PLF3051813001	CT1PLT3051816001	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813002	CT1PLT3051816002	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813003	CT1PLT3051816003	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813004	CT1PLT3051816004	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813005	CT1PLT3051816005	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813006	CT1PLT3051816006	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813007	CT1PLT3051816007	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813008	CT1PLT3051816008	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813009	CT1PLT3051816009	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001
A	A	Tranche	CT1	DEP		CT1PLF3051813010	CT1PLT3051816010	0	PLT3	GBP	CT1BLF3051819001	CT1BLT3051814001

Auth Stat: A - Authorised, U - Unauthorised
 Contract Status: A - Active, L - Liquidated, H - Hold, Y - Yet to be initiated, V - Reversed

The following details are displayed in this screen:

- Authorization status of the contract: The possible values are:
 - A – Authorized
 - U – Unauthorized)
- Contract Status: The possible values are:
 - A – active
 - L – Liquidated
 - H – Hold
 - Y – Yet to be initiated
 - V – Reversed
- Branch Code
- Participant Facility Reference Number: Participant facility created under the borrower facility.
- Participant Tranche Reference Number: Participant tranche created for the borrower tranche.
- Drawdown Number
- Product used to create the participant tranche contract: The system picks the offset participant tranche product maintained for the facility product (in the 'Facility Product Preferences' screen) for the resultant participant facility, tranche and drawdown contracts.
- Currency: The currency for each participant tranche will be same as that of the borrower tranche.
- Amount and Customer (Participant)
- Borrower Facility Reference Number
- Borrower Tranche Reference Number
- The position identifier description in case the participant is self participant.

Additionally, you can also query the contracts using the fields available in the screen, individually or in combination with one another.

5.10.29 Viewing Events for the Tranche

You can view the events triggered during the tranche life cycle in the 'Event Log Details' screen.

To invoke this screen, click  button. The events defined for the tranche product will be triggered for the contract



Event Log Details

Event Details

Contract Ref No: CT1BLT3051814001 Product: BLT3 BORROWER TRANCHE PRODUCT - 03

User Ref No: TRA-50P Customer: DELLC01 DELL US

Event Seq No	Event Date	Event	Event Description	Processed By	Processed Time	Authorized By	Authorized Time
11	30-JUN-2005	DLNK	Release of linkage to Loan	MARY02	30-JUN-2005	MARY01	30-JUN-2005
10	30-JUN-2005	DLNK	Release of linkage to Loan	MARY02	30-JUN-2005	MARY01	30-JUN-2005
9	30-JUN-2005	DLNK	Release of linkage to Loan	MARY02	30-JUN-2005	MARY01	30-JUN-2005
8	30-JUN-2005	LINK	Linkage to Loan	MARY02	30-JUN-2005	MARY01	30-JUN-2005
7	01-JUN-2005	FLIQ	Fee Liquidation	MARY02	30-JUN-2005	MARY01	30-JUN-2005
6	01-MAY-2005	FLIQ	Fee Liquidation	MARY02	30-JUN-2005	MARY01	30-JUN-2005
5	01-APR-2005	FLIQ	Fee Liquidation	MARY02	30-JUN-2005	MARY01	30-JUN-2005
4	30-JUN-2005	INIT	Contract Initiation	MARY02	30-JUN-2005	MARY01	30-JUN-2005
3	30-JUN-2005	FLIQ	Fee Liquidation	MARY02	30-JUN-2005	MARY01	30-JUN-2005
2	30-JUN-2005	INIT	Contract Initiation	MARY02	30-JUN-2005	MARY01	30-JUN-2005

Events Displayed: BOOK, DLNK, FLIQ, INIT, LINK

REFRESH

For more details on this screen, refer the heading 'Viewing Events for the facility' in this chapter.

After you save and authorize the tranche contract, you can process drawdowns under the tranche.

5.10.30 Viewing Floor and Ceiling Details

You can view floor and ceiling details for base rate, margin and all-in-rate in the 'Floor and Ceiling' screen. Click on **Floor & Ceil** button to access this screen.

Floor and Ceiling

Contract Detail

Contract Ref No. CT2BLT10436300RU USD User Ref No. CT2BLT10436300RU
 Product Code BLT1 BORROWER TRANCHE PRODUCT - 01 Tranche
 Customer BOROW01 BOROW01
 Facility Name 89080

Currency Details

CCY Currency Name
 Effective Date Effective Date

Base/All-in Rate Floor & Ceiling

DD Prod	Interest Comp	Base Rate		Margin Adj Comp	All In Rate	
		Floor	Ceiling		Floor	Ceiling

Margin Floor and Ceiling

Margin Comp	Basis Amount Tag	Margin Floor	Margin Ceiling

The following details are displayed in this screen:

- Contract Details
 - Contract reference number
 - Product code
 - Customer
 - Facility name
- Currency Details
 - Currency
 - Currency name
- Effective Date
- Base/All-in Rate Floor and Ceiling

- > DD Product
- > Interest Component
- Base Rate
 - > Floor
 - > Ceiling
 - > Margin Adj Comp
- All-in Rate
 - > Floor
 - > Ceiling
- Margin Floor and Ceiling
 - > Margin Component
 - > Basis Amount Tag
 - > Margin Floor
 - > Margin Ceiling

However, you can amend this screen before first authorization.

For more details on capturing the floor and ceiling details, refer the heading 'Maintaining Floor and Ceiling Details' in this chapter.

5.10.31 Capturing Assignments for the Tranche

You can capture the assignment validations for a tranche in the 'Assignment Validation' screen. Click on **Assignment** button to access this screen.

Assignment Validations

Contract Detail
Product Code: BTPR Borrower Tranche Product (commt) Tranche
Contract Ref No.: 001BTPR1208703UZ User Ref No.: 001BTPR1208703UZ
Customer: 101997 TEACHERS INSURANCE AND ANNUITY
Facility Name: EXTCUSP03 TRNCH01

Assignment Validations
 Agent Consent Required Affiliate Letters Accepted

Transfer Amount Validations
 Apply Transfer Amt Validations

Min. Transfer Amt: 10,000.00 USD
Min. Amt after Transfer: 1,000.00 USD
Transfer Amt in Multiples of: 1,000.00 USD

Waiver Options
 For Lender
 For Affiliates
 With Agent consent
 With Borrower consent
 During Complete Transfer

Consent Validations
 Validate Borrower Consent Validate Issuing Bank Consent Validate Swing Line Bank consent

Required for
 Existing Investors
 New Investors
 Affiliates of Existing Investors
 All Assignments

Issuing Bank
018585

Swingline Lenders
018587

Simultaneous Transfer Tranches
001BDLL120870001

Tranches Covered Under Lender Status
001BDLL1208700RU

Issuing Bank Sublimit
Swingline Sublimit
Special Cases
Section Number
Default Lender Language
Borrower Consent Days
Assignment Fee 200.00 USD
 Requires Simultaneous Transfer of Deal
 Notify Borrower of Assignment

Tranches with Min Trade Amt
Tranches to be traded together
Remarks

You can specify the following details in this screen:

5.10.31.1 Viewing Contract Detail

Product Code

The system displays the product code.

Contract Ref No

The system displays the contract reference number.

Customer

The system displays the customer name.

Facility Name

The system displays the facility name.

5.10.31.2 Specifying Assignment Validations**Agent Consent Required**

Check this box if agent consent is required.

Affiliate Letters Accepted

Check this box if affiliate letters are accepted.

Transfer Amount Validations**Apply Transfer Amt Validations**

Check this box if transfer amount validation is required.

Min Transfer Amt

Specify the minimum transfer amount in tranche currency. During the participant transfer for the tranche, the system will check if the transfer amount is greater than the minimum transfer amount captured. If the transfer amount is less than the minimum transfer amount, then the system will display the following override message:

Transfer amount is less than the minimum transfer amount.



If the transfer amount is zero or not captured, then the system will not check for any validations.

Min Amt after Transfer

Specify the minimum amount after transfer in tranche currency. The system will validate if the transfer balance after assignment for the assignment value date is greater than or equal to the Minimum amount after transfer. If the transfer balance is less than the minimum amount after transfer, then the system displays the following override message.

Transfer balance is less than the minimum retention amount.

If the transfer amount is zero, then the system will not check for any validations.

Transfer Amt in Multiples of

Specify the multiple of transfer amount in the tranche currency. During the participant transfer for the tranche, the system will check if the transfer amount is in the multiples of amount specified. If the transfer amount is not in the multiples of the amount captured, then the system will display the following override message:

Transfer amount is not in Multiple of <Multiple amount for Transfer>



If the transfer amount is zero or not captured, then the system will not check for any validations.

Specifying Waiver Options

The system will waive the transfer amount validations based on the transferor or transferee type.

For Lender

Check this box if the system waives the transfer amount for a Lender type.

For Affiliates

Check this box if the system waives the transfer amount for an Affiliate type.

With Agent Consent

Check this box if the system waives the transfer amount for an Agent Consent.



This box is enabled only if you have checked the 'Agent Consent Required' box.

With Borrower Consent

Check this box if the system waives the transfer amount for a Borrower Consent.

During Complete Transfer

Check this box to waive the complete transfer amount.

Specifying Consent Validations

Validate Borrower Consent

Check this box to validate the borrower consent.

Required For

Checking 'Validate Borrower Consent' box, the 'Required For' options will be enabled.

Existing Investors

Check this box to validate the borrower consent for existing investors.

New Investors

Check this box to validate the borrower consent for new investors.

Existing Investors of Affiliate Type

Check this box to validate the borrower consent for existing investors of Affiliate type.



This checkbox is enabled only if you have checked 'Affiliate Letters Accepted' box.

All Assignments

Check this box to validate the borrower consent for all the above parameters.



If 'Agent Consent Required' box is checked, then the system will display the following override message for all assignments:

Agent Consent is required for Participant <Investor Number>

Validate Issuing Bank Consent

Check this box to validate the issuing bank consent.



All the participants defined in the 'LC Issuer' sub screen of 'Tranche Online' are considered as Issuing Bank.

Required For

Checking 'Validate Issuing Bank Consent' box, the 'Required For' options will be enabled.

Existing Investors

Check this box to validate the issuing bank consent for existing investors.

New Investors

Check this box to validate the issuing bank consent for new investors.

Existing Investors of Affiliate Type

Check this box to validate the issuing bank consent for existing investors of Affiliate type.



This checkbox is enabled only if you have checked 'Affiliate Letters Accepted' box.

All Assignments

Check this box to validate the issuing bank consent for all the above parameters.

 If 'Agent Consent Required' box is checked, then the system will display the following override message for all assignments:

Agent Consent is required for Participant <Investor Number>

Validate Swing Line Bank Consent

Check this box to validate the swing line bank consent.

 All the participants defined in the 'Part Limit' sub screen of 'Tranche Online' with Limit type as 'Swing Line' are considered as Swing Line bank.

Required For

Checking 'Validate Swing Line Bank Consent' box, the 'Required For' options will be enabled.

Existing Investors

Check this box to validate the issuing swing line bank consent for existing investors.

New Investors

Check this box to validate the issuing swing line bank consent for new investors.

Existing Investors of Affiliate Type

Check this box to validate the issuing swing line bank consent for existing investors of Affiliate type.

 This checkbox is enabled only if you have checked 'Affiliate Letters Accepted' box.

All Assignments

Check this box to validate the swing line bank consent for all the above parameters.

 If 'Agent Consent Required' box is checked, then the system will display the following override message for all assignments:

Agent Consent is required for Participant <Investor Number>

Tranches with Min Trade Amt

Specify the tranches with minimum trade amount.

Tranches to be traded together

Specify the tranches that needs to be traded together.

Remarks

Specify the remarks, if any.

Issuing Bank

Select the issuing bank for new tranche booking or tranche amendment, from the adjoining option list. This list displays all allowed active authorized banks that are allowed at the tranche product level.

Swingline Lenders

Select the swingline lender for new tranche booking or tranche amendment, from the adjoining option list. This list displays all allowed active authorized customers that are allowed at the tranche product level.

Simultaneous Transfer Tranches

Select the simultaneous transfer tranches from the adjoining option list. This list displays all active authorized tranches.

Tranches Covered Under Lender Status

Select the tranches covered under the lender status from the adjoining option list. this list displays all active authorized tranches.

Issuing Bank Sublimit

Specify the issuing bank sublimit amount. For lead tranches, this amount should not be greater than the tranche amount. For non-lead tranches, this amount should not be greater than the tranche global amount.

Swingline Sublimit

Specify the swingline sublimit amount.

Special Cases

Specify the applicability of special cases for the tranche.

Section Number

Specify the section number.

Default Lender Language

Select the applicability of the default lender language from the adjoining drop-down list. This list displays the following values:

- Yes

- No
- NA

Borrower Consent Days

Specify the borrower consent days.

Assignment Fee

System displays the latest assignment fee for the facility/product in the tranche currency if it is maintained at the facility/deal level.

Requires Simultaneous Transfer of Deal

Check this box to indicate that simultaneous transfer of the deal is required for the tranche.

Notify Borrower of Assignment

Check this box to indicate that the borrower should be notified about the fee assignment,

5.11 Viewing Borrower Tranche Summary

You can view the Borrower Tranche summary in the 'Borrower Tranche Summary' screen. To invoke this screen from the application browser, click, **LS Operations**, and then click **Summary** below **Borrower Tranche Input**.

Auth Stat	Cont Stat	Tranche Ref. No.	Facility Ref. No.	External Ref. No.	Facility Name	External CUSIP	Short Name
A	A	CT5BLT1050460002	CT5BLF1043660002		JIU		SLT
A	A	CT5BLT1043661001	CT5BLF1043660002		BB		SLT
A	A	CT2BLT1050894011	CT2BLF1050153002		GDF		BOROW01
A	A	CT2BLT1050894010	CT2BLF1050153002		GKU		BOROW01
A	A	CT2BLT1050893013	CT2BLF1050153002		HT		BOROW01
A	A	CT2BLT1050893012	CT2BLF1050153002		DFJ		BOROW01
A	A	CT2BLT1050893011	CT2BLF1050153002		GM		BOROW01
A	A	CT2BLT1050893010	CT2BLF1050153002		GJG		BOROW01
A	A	CT2BLT1050892014	CT2BLF1050153002		JGHK		BOROW01

The system allows you to perform a case-independent query (upper, lower, or mixed case) using the following fields:

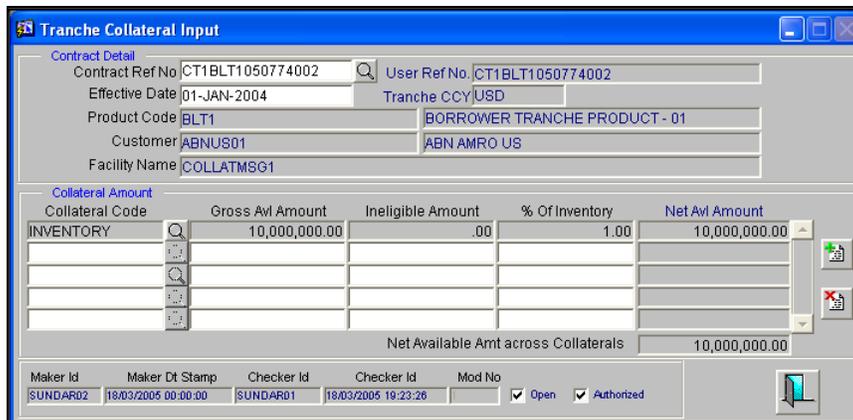
- Tranche Ref No
- Facility Ref No
- External Ref No
- Short Name
- Customer

- Product
- Ccy
- Branch Code

 You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

5.12 Maintaining Tranche Collateral Details

You can maintain the collateral details for a tranche in the 'Tranche Collateral Input' screen. Click on  button to access this screen.

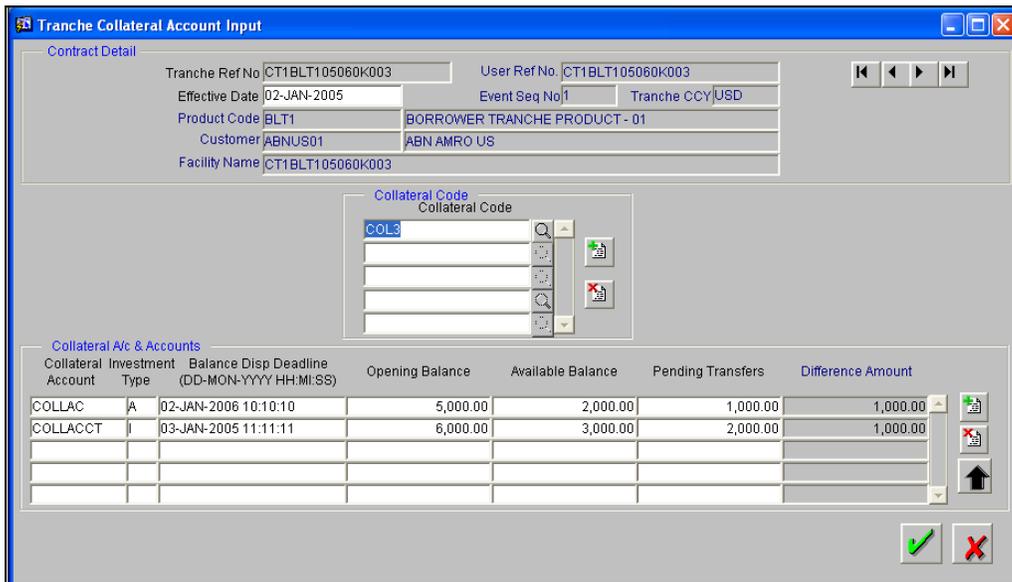


Contract Detail					
Contract Ref No	CT1BLT1050774002	User Ref No	CT1BLT1050774002		
Effective Date	01-JAN-2004	Tranche CCY	USD		
Product Code	BLT1	BORROWER TRANCHE PRODUCT - 01			
Customer	ABNUS01	ABN AMRO US			
Facility Name	COLLATMSG1				
Collateral Amount					
Collateral Code	Gross Avl Amount	Ineligible Amount	% Of Inventory	Net Avl Amount	
INVENTORY	10,000,000.00	.00	1.00	10,000,000.00	
Net Available Amt across Collaterals				10,000,000.00	
Maker Id	Maker Dt Stamp	Checker Id	Checker Id	Mod No	
SUNDAR02	18/03/2005 00:00:00	SUNDAR01	18/03/2005 19:23:26	Open Authorized	

For more information on maintaining collateral details for a tranche, refer the section 'Maintaining Tranche Collateral Details' in the chapter titled 'Maintaining Collateral Details' in this User Manual.

5.13 Maintaining Tranche Collateral Account Details

You can maintain the tranche account details for collateral in the 'Tranche Collateral Account Input' screen. Click on  button to access this screen.



Contract Detail

Tranche Ref No: CT1BLT105060K003 User Ref No: CT1BLT105060K003

Effective Date: 02-JAN-2005 Event Seq No: 1 Tranche CCY: USD

Product Code: BLT1 BORROWER TRANCHE PRODUCT - 01

Customer: ABNUS01 ABN AMRO US

Facility Name: CT1BLT105060K003

Collateral Code

Collateral Code

COL:

Collateral A/c & Accounts

Collateral Account	Investment Type	Balance Disp Deadline (DD-MON-YYYY HH:MI:SS)	Opening Balance	Available Balance	Pending Transfers	Difference Amount
COLLAC	A	02-JAN-2006 10:10:10	5,000.00	2,000.00	1,000.00	1,000.00
COLLACCT	I	03-JAN-2005 11:11:11	6,000.00	3,000.00	2,000.00	1,000.00

For more information on maintaining tranche account details for collateral, refer the section 'Maintaining Tranche Collateral Account Details' in the chapter titled 'Maintaining Collateral Details' in this User Manual.

5.14 Maintaining Tranche Collateral Entity Details

You can maintain the tranche collateral entity details in the 'Collateral Entity Input' screen. Click on **Coll Entity** button to access this screen.

Collateral Entity Input

Contract Detail

Contract Ref No User Ref No
Effective Date Tranche CCY
Product Code
Customer
Facility Name

Collateral Code

Collateral Code

<input type="text"/>	<input type="button" value="Search"/>	<input type="button" value="Add"/>
<input type="text"/>	<input type="button" value="Search"/>	<input type="button" value="Delete"/>
<input type="text"/>	<input type="button" value="Search"/>	<input type="button" value="Delete"/>
<input type="text"/>	<input type="button" value="Search"/>	<input type="button" value="Delete"/>

Collateral Entity

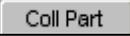
Entity Code	Required Totals				Optional Total
	Collateral Gross	Collateral Ineligible	Collateral Available	Collateral Net Available	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Net Required Total Net Optional Total

Maker Id Maker Dt Stamp Checker Id Checker Dt Stamp Mod No Open Authorized

For more information on maintaining tranche entity details for collateral, refer the section 'Maintaining Tranche Collateral Entity Details' in the chapter titled 'Maintaining Collateral Details' in this User Manual.

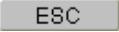
5.15 Maintaining Collateral Percentage Details

You can maintain the collateral percentage details for the participants in the 'Participant Collateral Detail' screen. Click on  button to access this screen.

You can access this screen only during tranche booking.

For more information on maintaining collateral percentage details, refer the section 'Maintaining Collateral Percentage Details' in the chapter titled 'Maintaining Collateral Details' in this User Manual.

5.16 Maintaining Escrow Account Details

You can link escrow accounts to a contract using the 'Escrow Account Maintenance' screen. Click the  button in the 'LS Tranche Contract Online' screen to access this screen.

Account Number	Account Desc	Escrow Type	Escrow Balance in LCY
LI0000001	Interest Suspense	ESC6	.000
LP0000001	Principal Suspense	ESC6	18,000.000

You can specify the following details in this screen:

Account Number

Select the account number of the customer from the adjoining option list.

Account Desc

System displays the description of the account number.

Escrow Type

System displays the Escrow type.

Escrow Balance in LCY

System displays the available escrow balance in local currency.



Note the following:

You can select the escrow account from the option list, which will list all customer and GL accounts where Escrow Type UDF has been specified. Account Number is assumed to be unique across branches. System validates if the escrow account is a customer account (i.e. Escrow Type UDF = 'ECS3'). Such accounts can only be linked to a single loan contract. However, if the escrow account is a GL account, then it can be linked to multiple loan contracts.

You can delink a previously linked escrow account using the contract amendment option. When you click Delete button, system validates that there is no balance in the account for this contract. When you perform contract liquidation or a reversal, system validates that there are no balances in linked escrow accounts. Rollover can be processed only if the balance in all the linked escrow accounts for the contract is zero. Thus during rollover, balances in the escrow account will not be automatically transferred to the new contract. If escrow balances exist for the contract, then during rollover instruction input, system alerts the user. Rollover instructions can be captured even if escrow balances exist, however before rollover is processed you must ensure that all such balances are nullified. Rollover will fail for a contract if the escrow balances have not been nullified. If a contract is marked for auto rollover, and if there is pending balance in any of the linked escrow accounts, then the rollover of the contract will fail. Escrow maintenances are not be copied to the rolled-over contracts from the parent contract. However you can amend the rolled-over contract and capture the Escrow accounts to be linked.

When you launch the sub-screen from the contract main screen, system will fetch the EOD balance for the Contract Reference Number and Escrow Account combination for each linked Escrow Account. All entries posted during the day up to the time of the query are considered. Thus the balance displayed in 'Escrow Balance' field for each Escrow Account will be the current balance in real time for the contract.

Impounding escrow components for tax and insurance are collected as per the payment schedule using the manual payment screen and liquidated into the escrow account mapped at the product level. Such Escrow accounts must be separately linked to the contract using 'Escrow Account Maintenance' screen so that the balance of such escrow accounts are displayed at contract level along with other Escrow balances.

Back date adjustment entries are considered only after linking escrow account at contract.

Example

01-Jan-2005: Adjustment entries are posted for contract (No Escrow Accounts)

02-Jan-2005: Attached Escrow accounts for which adjustment entries are posted on 01-Jan-2005, these entries are not considered.

01-Jan-2005: Adjustment entries are posted with value date 01-Jan-2005 then this entries are considered.

5.17 Maintaining Agent CIF and Mnemonic Details

You can maintain the Agent CIF and Mnemonic details using the 'Origination Agent CIF and Mnemonic Maintenance' screen. Click the **Agent CIF/...** button in the 'LS Tranche Contract Online' screen to access this screen.

Currency	SSI Mnemonic
GBP	
USD	

The following contract details are displayed from the contract screen here:

- Product code
- Contract Ref No

- User Ref No
- Customer
- Facility Name

You can specify the following details:

Agent

Select the agent from the list of valid customer numbers provided. The name of the selected agent number gets displayed.

The currency belonged to the selected agent gets displayed and you can map the mnemonic against it.

SSI Mnemonic

Specify the mnemonic for the selected currency from the list of valid mnemonic provided.

Agent CIF or Mnemonic maintenance done as part of tranche amendment will have no effect in any of the existing origination contract and is applicable only for the new origination booking through STP. Maintaining the appropriate Agent CIF depending on whether the tranche is a Lead or Non-Lead is completely will have no validations.

You can add new currency and mnemonic for that currency and applicable only for new originations booking through STP. While copying the tranche contract, system will not copy the Agent CIF details from the previous contract. Maintaining the appropriate Agent CIF depending on whether the tranche is a Lead or Non-Lead is completely operationally controlled and the system does not perform any validations here.

If the Agency branch is different from the Self participant branch and if Agent CIF/Currency/Mnemonic maintenance is not available then the system will continue to book the origination contract without Agent CIF and mnemonic will be picked up by normal settlement pickup logic based on the settlement maintenance for the customer and the same can be amended at a later stage by doing the origination contract amendment.

5.18 Cancelling Tranche

You can cancel a tranche through the 'Tranche Cancellation' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Tranche Cancellation** and select the **Online** option under it.

The cancellation basis will be defined at the tranche level. You can capture the 'Cancellation Rule' in the 'SCHEDULE' tab of the 'LS Tranche Contract Online screen'. The valid rules are:

- FIFO
- LIFO
- PRORATA

For more details refer the section titled 'Specifying processing rules for the tranche' in this chapter.



Note the following:

- You have the option to cancel a tranche partially or fully. Also, you can do partial cancellation at multiple times
- You cannot cancel a tranche if the unutilized amount under the tranche is 'zero'

To do a cancellation, select the tranche that needs to be cancelled and click on the new button -



in the toolbar of the screen or select **New** from the **Actions** Menu. Specify the following in the 'Cancellation Details' section of the screen:

Value Date

Specify the value date when the cancellation should be processed. The value date can be equal to the system date or a date in the past. However, if it is past dated, it should not be earlier than the latest drawdown's value date or the last fee liquidation date of utilization/non-utilization fee.



Oracle FLEXCUBE will not allow future dated cancellations.

Amount In

You have to capture the tranche amount to be cancelled. As mentioned, you can cancel a tranche fully or partially. You can capture the amount either as a percentage or an absolute. If you enter the percentage, system will compute the equivalent amount and vice versa.

5.18.1 Processing a Cancellation

After capturing the required details in the 'Tranche Cancellation' screen, you have to save the same. The system will display a confirmation message upon successful save and will also update the 'Cancellation Event Sequence No' accordingly. This will display the total cancellations processed for a contract. The event 'CANC' will also be triggered when you save the cancellation details.

On cancellation of a tranche, the system will perform the following activities online:

- Rebuild the tranche reduction schedules (even for a future dated cancellation)
- Rebuild the repayment schedules for existing drawdown (even if the cancellation is future dated) if auto scheduling is applicable for the tranche. This will happen automatically if there has not been any manual intervention in repayment schedule creation for any of the drawdowns under the tranche.
- If you have changed the system defaulted repayment schedules, Oracle FLEXCUBE will not rebuild the repayment schedule automatically on cancellation. You will be required to manually alter the repayment schedules, if required, for each of the drawdowns. In this case, during cancellation, system will display a message to indicate that the schedules have to be rebuilt manually.
- On full cancellation of a tranche, the unutilized amount under the tranche will be reduced to zero
- In case of partial cancellation, the unutilized amount will be reduced to the extent of partial cancellation
- For a cancelled tranche, if there are drawdowns existing, then these drawdowns will remain unaffected. These drawdowns will mature on their scheduled maturity dates.
- At the time of cancellation system can throw an override alerting the user to manually rebuild the schedule, in case of earlier manual amendments

5.18.2 Amortize schedule type products for Tranche Contracts

If Interest/Fee Distribution is Lender of Record, then amortize schedule type of borrower products are allowed under DD Products screen at Tranche level.

Interest/Fee Distribution flag in the 'LS Tranche Contract Online' screen can be changed from Lender of Actuals to Lender of Records and vice versa during contract booking with the below override message

Int / Fee Distribution value is changed from Lender of Actuals(LOA) to Lender of Records(LOR).

Click OK for the value to be changed as Lender of Record (LOR) and the message gets populated to 'LS Dual Authorization screen'

Details of Overrides requiring dual authorization

After authorizing this override message, the contract is allowed to authorize.

Or else, you can cancel the override message and the value of the flag will remain as Lender of Actuals (LOA) Amortization is not supported for the following functionalities:

- Participants Transfer (PRAM)
- Re-price/ Rollover

5.19 Amending Tranche Margin Details

At the tranche level, you would have maintained the Margin Slab/Tier structure for margin types of 'Tranche' basis.

For more details on this, refer the heading titled 'Maintaining Margin Slab/Tier structure' in this chapter.

After you authorize the tranche, you may want to amend the margin details. Also, if you do not maintain the margin details when capturing the tranche, you can specify the same after the tranche is saved and authorized. You can use the 'Margin Maintenance' screen available in the Application Browser for these activities. Note that you will not be able to amend margin rates for borrowers and participants before the participant transfer value date if a transfer has been initiated with a future value date.

To invoke the 'Margin Maintenance' screen, select **LS Operations**, click on **Margin Maintenance** and select the **Detailed** option under it.

The screenshot displays the 'Margin Maintenance' application window. It is divided into three main sections: Contract Details, Currency Details, and Margin Details.

Contract Details: This section contains several input fields. 'Contract Ref No' is set to '001BTTPR12227D335' with a search icon. 'Customer No' is '024297' with a search icon. 'Component' is 'LIBORMRN' with a search icon. 'Amount Type' has radio buttons for 'Slab', 'Tier', and 'Flat', with 'Amount' selected. 'Treasury Source' is empty. 'Dept Code' is '702' and 'Branch Code' is '001'.

Currency Details: This section has a table for currency selection. The first row shows 'USD' and 'USA DOLLAR'. There are search icons and add/delete buttons for each row.

Effective Dates: This section has a table for effective dates. The first row shows '01-MAR-2012'. There are search icons and add/delete buttons for each row.

Margin Details: This section has a table with columns 'From Amount', 'To Amount', and 'Margin Rate'. The first row shows values '.00', '999,999,999,999.99', and '2'. There are search icons and add/delete buttons for each row. A 'Part Margin' button is located to the right of the table.

Footer: At the bottom, there is a table for user and date information. The first row shows 'KRIS02' as the input by user, '14-AUG-2012 00:00:00' as the date/time, 'KRIS01' as the authorized by user, '14-AUG-2012 00:00:00' as the date/time, and '1' as the modification number. There are also checkboxes for 'Open' and 'Authorized', both of which are checked.

To maintain/amend the details, click on the new button -  in the toolbar of the screen or select **New** from the **Actions** Menu. Then, select the following in this screen:

Contract Ref No

You have to select the tranche for which margin details have to be maintained or amended, as the case may be. The option list will display all the authorized tranches processed in the system. When you select the tranche, system will display the following:

- Tranche currency
- Department Code
- Branch Code
- Treasury Source

Customer No

Select the customer for whom you want to maintain the margin details. The option list will display the names of the borrowers associated with the selected contract and also the 'ALL' option. If you want to apply the margin details to all the borrowers, select the 'ALL' option.

Component

Select the margin component for which you want to capture the details. All margin components associated with the selected contract will be available in the option list. When you select the component, system will default the 'Component Type', whether 'Slab' or 'Tier'. This is based on your maintenance in the 'Margin – Definition' screen. You cannot change this parameter.

Amount Type

You can define the Slab/Tier structure either in terms of amount or percentage of tranche utilization. Select the appropriate option.

For details on the other fields required to capture a Slab/Tier structure, refer the heading titled 'Maintaining Margin Slab/Tier structure' in this chapter.



If the Margin rate is changed manually and the UDF value for 'RATE-VARIANCE' is maintained as a non-zero value for Borrower tranche, dual authorization is required to save the operation.

For more details, refer the section 'Authorizing Overrides' in this chapter of this User Manual.

5.19.1 Viewing Margin Maintenance Summary

You can view the Margin Maintenance summary in the 'Margin Maintenance Summary' screen. To invoke this screen from the application browser, click **LS Operations**, and then select **Summary** below **Margin Maintenance**.

The screenshot shows a window titled "Margin Maintenance Summary" containing a table with the following columns: Auth Stat, Record Stat, Customer, Contract Ref No, Component, Branch, Dept Code, and T1. Below the table is a legend for "Auth Stat" and "Record Stat".

Auth Stat	Record Stat	Customer	Contract Ref No	Component	Branch	Dept Code	T1
A	O	ABNAM87	CT1BLT1050150001	SV-MRGN	CT1	DEP	
A	O	ABNUS01	CT1BLT1050153001	SV-MRGN	CT1	DEP	TF
A	O	ABNUS01	CT2BLT1050157001	SLB-MRGN	CT2	LSA	
A	O	ABNUS01	CT2BLT1050150001	SLB-MRGN	CT2	LSA	
A	O	ALL	CT2BLT1043661004	SLB-MRGN	CT2	LSA	
A	O	ALL	CT2BLT1043661005	SLB-MRGN	CT2	LSA	
A	O	ALL	CT2BLT1050151002	SV-MRGN	CT2	LSA	
A	O	ALL	CT2BLT1050460002	SV-MRGN	CT2	LSA	
A	O	ALL	CT2BLT1050461002	SV-MRGN	CT2	DEP	
A	O	ALL	CT2BLT1050891017	SV-MRGN	CT2	DEP	

Auth Stat
A - Authorised
U - Unauthorised

Record Stat
O - Open
C - Closed

The system allows you to perform a case-independent query (upper, lower, or mixed case) using the following fields:

- Customer
- Contract Ref No
- Component
- Branch

 You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

5.19.2 Spreading Margin Rate Revisions

Oracle FLEXCUBE allows you to revise the margin rates to active drawdowns and the liquidated contracts also under a Tranche.

When a rate revision happens for a Tranche, MRFx event get fired across all drawdowns that are either in active or liquidated status. Payable and Receivable details get updated for the schedules which are falling after the effective date of the Margin Rate revision along with the settlement of difference in the settled and revised interest amounts. Note that the margin maintained for individual participants is also considered while re-computing interest due for the participants. If you amend the margin rates with effective date beyond the paid drawdown schedule, the system will generate pay-receive (based on the margin maintained for the individual participants) for any change in the interest due, and this interest will be liquidated separately.

Backdated margin rate revision gets applied only for the drawdowns under the tranche where the Interest/Fee Distribution type is defined as Lender of Actual.

5.20 Maintaining Floor and Ceiling Details

You can capture floor and ceiling details for base rate, margin and all-in rate. The floor and ceiling values can be maintained separately for each interest components associated with various Drawdown products mapped to the tranche for each drawdown currency. For Floor, the base rate should be more than the specified rate, and for Ceiling, the base rate should be less than the specified rate.

To invoke the 'Tranche Floor and Ceiling Maintenance' screen, select **LS Operations** in the Application Browser, click on **Floor and Ceiling** and then select the Floor and Ceiling Maintenance option under it.

Contract Detail

Contract Ref No. CT2BLT1050034003 GBP User Ref No. CT2BLT1050034003

Product Code BLT1 BORROWER TRANCHE PRODUCT - 01

Customer BOROW01 BOROW01

Facility Name FC02

Currency Details

CCY GBP Currency Name POUND STERLING

Effective Date

Effective Date 03-JAN-2005

Base/All-in Rate Floor & Ceiling

DD Prod	Interest Comp	Base Rate		Margin Adj Comp	All In Rate	
		Floor	Ceiling		Floor	Ceiling
BLD1	LS-RF-INT	2.0000000000	4.0000000000	DD-MRGN		

Margin Floor and Ceiling

Margin Comp	Basis Amount Tag	Margin Floor	Margin Ceiling

Maker Id: JIGAR01, Maker Dt Stamp: 03/01/2005 20:30:25, Checker Id: JIGAR02, Checker Id: 03/01/2005 20:31:04, Mod No: 1, Open: , Authorized:

You can specify the following details in this screen:

Contract Ref No

The system displays contract reference number.

Product Code

The system displays the product code.

Customer

The system displays the customer name.

Facility Name

The system displays the facility name.

5.20.1 Specifying Currency Details**CCY**

Specify the currency details.

Currency Name

The system displays the name of the currency selected.

5.20.2 Specifying Effective Date**Effective Date**

Specify the effective date for each currency you select.

5.20.3 Specifying Base/All-in Rate Floor and Ceiling**DD Product**

The system displays the DD product details.

Interest Component

Specify the interest component details.

5.20.3.1 Specifying Base Rate for Floor and Ceiling**Floor**

Specify the floor base rate.

Ceiling

Specify the ceiling base rate.

Margin Adj Comp

Select the margin adjustment component from the adjoining option list. You can select any drawdown basis margin component associated with the drawdown interest component.

You can maintain only one adjustment margin component for each tranche floor and ceiling maintenance for a combination of Tranche ref no, currency, effective date, drawdown product and Interest component. System validates whether the base rate of the associated drawdown is within the limit of floor and ceiling maintained for the base rate, else system will adjust the rate to the margin adjustment component accordingly



Note the following:

- Floor and Ceiling maintenance will not be allowed if Drawdown basis margin component not attached to the interest component
- Adjustment Margin component can be maintained / updated for current system date only
- If the Adjustment Margin component is changed, then the new margin adjustment component will be used only for subsequent propagations

5.20.3.2 Specifying All-In Rate for Floor and Ceiling

Floor

Specify the floor all-in rate.

Ceiling

Specify the ceiling all-in rate.

5.20.4 Specifying Margin Floor and Ceiling

Margin Component

Specify the margin component.

Basis Amount Tag

The system displays the basis amount tag.

Margin Floor

Specify the floor margin.

Margin Ceiling

Specify the ceiling margin.

5.20.5 Validating Base Rate Floor and Ceiling at Drawdown Level

Following validations are done for base rate floor and ceiling at drawdown level:

If the base rate is less than the floor defined at the tranche, then the system will display the following override message:

Rate is less than the Floor defined at Tranche. Do you want to over-write the rate with the Floor value?

Clicking on the 'OK' button, the system will default the base rate with the floor value defined at the tranche.

If you cancel the override message, then you need to specify the base rate greater than the floor value to exit from the screen.

If the base rate is greater than the ceiling defined at the tranche, then the system will display the following override message:

Rate is greater than the Ceiling defined at Tranche. Do you want to over-write the rate with the Ceiling value?

Clicking on the 'OK' button, the system will default the base rate with the ceiling value defined at the tranche.

If you cancel the message, then you need to specify the base rate lesser than the ceiling value to exit from the screen.

Example

Assume the following values for an interest component maintained for the Tranche:

Floor value of Base rate: 6%

Ceiling value of Base rate: 8%

During Drawdown Rate fixing,

If the base rate is fixed to 2%, since the rate is less than the Floor defined at the Tranche, system will display the following override message

“Rate is lesser than the Floor value, 6% defined at Tranche. Do you want to over-write the rate with the Floor value?”

Clicking on the 'OK' button, the system will default the base rate as 6%. If you cancel the message, then you should input a base rate greater than Floor rate_maintained in the Tranche.

If the base rate is fixed to 10%, since the rate is greater than the Ceiling defined at the Tranche, system will display the following override message:

“Rate is greater than the Ceiling value, 8% defined at Tranche. Do you want to over-write the rate with the Ceiling value?”

Clicking on the 'OK' button, the system will default the base rate as 8%. If you cancel the message, then you should input a base rate lesser than Ceiling rate_maintained in the Tranche.

5.20.6 Propagating Base Rate Floor and Ceiling for an Effective Date

Oracle FLEXCUBE allows you to change the application date for floor and ceiling base rate. In such cases, if the base rate for the drawdown is not within the floor and ceiling, then the system will propagate the floor or ceiling rate to the active and future dated drawdowns under the tranche which have fixed interest type.

If 'Floor/Ceiling restricted to base rate' is checked then the Floor and Ceiling propagation is applied to the margin adjustment component. Propagation happens online whenever interest rate is fixed or changed. This can happen while booking a new drawdown or while processing a Rollover/Reprice instruction or during IRAM

If the Base rate for the active drawdown is less than the new floor value defined for the Base rate at the Tranche level, then new Floor value will be propagated as the Base rate for the drawdown. Interest Rate Amendment (IRAM) event will be triggered on the drawdown with application date as value date for the Base rate change.

If the Base rate for the active drawdown is greater than the new Ceiling value defined for the Base rate at the Tranche level, then the new Ceiling value will be propagated as the Base rate for the Drawdown. Interest Rate Amendment (IRAM) will be triggered on the drawdown with application date as value date for the Base rate change.

If the new base rate Floor/Ceiling is greater than or less than the base rate of the uninitiated drawdown, then the base rate for the uninitiated drawdown will be updated with the new rate based on the floor/ceiling. Interest Rate Amendment (IRAM) event will be registered on the uninitiated drawdown for this change.



Propagation will happen for base rate only at the time of batch.

Propagation process will happen during batch if new floor and ceiling is maintained or existing maintenance is amended at the tranche level, with effective date as application date, provided no online propagation has happened after the Floor/ceiling maintenance.

5.20.7 Validating Margin Rate Floor and Ceiling at Drawdown Level

Oracle FLEXCUBE allows you to capture the Margin Rate Floor and Ceiling rates at the Tranche level for each of the margin components that are defined for the tranche and currency combination.

Following validations are done for margin rate floor and ceiling at drawdown level:

If the margin rate is less than the floor defined at the tranche, then the system will display the following override message:

Rate is less than the Floor defined at Tranche. Do you want to over-write the rate with the Floor value?

Clicking on the 'OK' button, the system will default the floor value defined at the tranche.

If you cancel the override message, then you need to specify the margin rate greater than the floor value to exit from the screen.

If the margin rate is greater than the ceiling defined at the tranche, then the system will display the following override message:

Rate is greater than the Ceiling defined at Tranche. Do you want to over-write the rate with the Ceiling value?

Clicking on the 'OK' button, the system will default the ceiling value defined at the tranche.

If you cancel the message, then you need to specify the margin rate lesser than the ceiling value to exit from the screen.

5.20.8 Propagating Margin Rate Floor and Ceiling for an Effective Date

Oracle FLEXCIBE allows you to change the application date for floor and ceiling margin rate. Propagation of margin rate floor/ceiling changes for an effective date is as follows;

5.20.8.1 Propagation for Margin Components of Margin Basis as 'Tranche'

The propagation for any margin floor/ceiling change for margin components of Margin Basis as 'Tranche' will be processed on the drawdowns under the tranche as follows:

- If margin maintenance record for application date is available and if the new margin floor defined is greater than the maintained margin, then the margin maintenance record for the application date will be updated with the new margin based on the floor margin value.
- If margin maintenance record for application date is available and if the new margin ceiling defined is lesser than the maintained margin, then the margin maintenance record for the application date will be updated with the new margin based on the ceiling margin value.
- If Margin maintenance record for application date is not available and if the new margin floor defined is greater than the maintained margin for the latest effective date less than application date, then a new margin maintenance record for the application date will be created with the margin based on the floor margin value.
- If Margin maintenance record for application date is not available and if the new margin ceiling defined is less than the maintained margin for the latest effective date less than application date, then a new margin maintenance record for the application date will be created with the margin based on the ceiling margin value.
- If Margin maintenance record for effective dates greater than application date is available and if the new margin floor defined is greater than any of those future effective dates, then the margin maintenance record for those future effective dates will be updated with the new margin based on the floor margin value.
- If Margin maintenance record for effective dates greater than application date is available and if the new margin ceiling defined is less than any of those future effective dates, then the margin maintenance record for those future effective dates will be updated with the new margin based on the ceiling margin value.

If margin maintenance for an effective date is done, then the system will check if the newly maintained margin is within the floor and ceiling values applicable from the effective date of maintenance till the next effective date or the current application date. In case of any deviations, the system will not allow you to maintain such margin rates.

5.20.8.2 Propagating Margin Components of Margin Basis as 'Drawdown'

During the batch, the propagation for any margin floor/ceiling change for margin components of margin basis as 'Drawdown' and VAMB/VAMI event will be registered for the drawdown. will be as follows:

- If the Margin rate for the margin component for the active drawdown is less than the new floor value defined for the Margin rate at the Tranche level, then new Floor value will be propagated as the Margin rate for the drawdown for the component. Value-Dated Amendment (VAMB/VAMI) event will be triggered on the drawdown with application date as value date for the Margin rate change.
- If the Margin rate for the margin component for the active drawdown is greater than the new Ceiling value defined for the Margin rate at the Tranche level, then the new Ceiling value will be propagated as the Margin rate for the Drawdown for the component. Value-Dated Amendment (VAMB/VAMI) will be triggered on the drawdown with application date as value date for the Margin rate change.

The system will validate the necessary defaulting with the floor or ceiling rate if margin rate is less than floor value or margin rate is greater than the Ceiling value while creating the child contracts.

The initiation of the uninitiated drawdown on the drawdown value date will fail if the Margin rate at the drawdown is not within the floor/ceiling defined for the margin component in tranche. Capturing All-In Rate Floor and Ceiling rates at Drawdown Level

The system will validate if the All-In Rate for the drawdown is within the Floor and Ceiling range for the interest component in following conditions:

- New drawdown Input
- Margin Revision
- Interest Rate fixing
- Interest Rate amendment
- Value dated amendment

If the All-In rate is outside the boundary of floor and ceiling values of the underlying interest components of the drawdown, the system will prompt highlighting the All-in rate being less/more than the applicable Floor/Ceiling value and overwrite the default value with the Floor/Ceiling All in rate maintained at the Tranche level. The defaulting will be as follows:

- If the calculated All-in rate is less than the applicable Floor value of All-in rate, the system will consider the Floor value of All-in rate for interest computation.
- If the calculated All-in rate is more than the applicable Ceiling value of All-in rate, the system will consider the Ceiling value of All-in rate for interest computation.

If the interest is calculated as as part of online activity such as rate fixing, then the system will will display an override message. If the validation happens as part of batch exercise such as margin rate revision, system will not display any override message, but apply the above logic to overwrite the all-in rate.

The system will calculate the difference between the computed all-in rate and the corresponding floor/ceiling value of all-in rate as follows:

If the computed all-in rate is less than the floor value of all-in rate, then

Adjustment Rate = Floor value – Computed value

Revised all-in Rate = Computed all-in Rate + Adjustment Rate

Where computed all-in Rate = Base Rate + Spread + Sum of margin rates

In this case, the “Adjustment Rate” will be positive.

If the computed all-in rate is greater than the floor value of all-in rate, then

Adjustment Rate = Ceiling value – Computed value

Revised all-in Rate = Computed all-in Rate + Adjustment Rate

Where computed all-in Rate = Base Rate + Spread + Sum of margin rates

In this case, the “Adjustment Rate” will be negative.

Example

Assume the following values for an interest component at the time of new Drawdown Rate fixing:

Floor value of All In rate 6%

Ceiling value of All In rate 8%

Applicable spread 0

Sum of Margin Rates 3%

As part of rate fixing, if the base rate is fixed to 2%

Computed all-in rate = Base rate (2%) + Spread (0%) and sum of margin (3%)

Computed all in rate = 5%

The computed all in Rate is lesser than the Floor value of All-in rate. Hence, the system will consider the Floor value as All-in rate for computation

Adjustment Rate = Floor value (6%) – Computed value (5%)

Adjustment Rate = 1%

Revised all-in Rate = Computed All-in Rate (5%) + Adjustment Rate (1%)

Revised all-in Rate = 6%

If the base rate is fixed to 6%

Computed all-in rate = Base rate (6%) + Spread (0%) and sum of margin (3%)

Computed all-in rate = 9%

The computed all in Rate is greater than the Ceiling value of All-in rate. Hence, the system will consider the Ceiling value as All-in rate for computation

Adjustment Rate = Ceiling value (8%) – Computed value (9%)

Adjustment Rate = -1%

Revised all-in Rate = Computed All-in Rate (9%) + Adjustment Rate (-1%)

Revised all-in Rate = 8%

If the base rate is fixed to 4%

Computed all-in rate = Base rate (4%) + Spread (0%) and sum of margin (3%)

Computed all-in rate = 7%

The computed all in Rate is with the Floor and Ceiling range of All-in rate. Hence, the system will consider the Computed Rate as All-in rate for computation.

Adjustment Rate = 0%

Revised all-in Rate = Computed All-in Rate (7%) + Adjustment Rate (0%)

Revised all-in Rate = 7%

5.20.9 **Propagating All-In Rate Floor/Ceiling for an Effective Date**

If Floor/Ceiling values of All in Rates are newly maintained/amended, the propagation for any all-in rate floor/ceiling change will be handled for the active/uninitiated drawdowns under the tranche which have Fixed Interest Type Components with Rate Fixing as Yes. Propagation will happen during batch as follows:

While saving the new values of Floor/Ceilings for all-in rate for interest components across drawdowns under a tranche for the current application date, the system will check for the following validations:

- Check if any active/uninitiated drawdowns having the corresponding interest component in which the all-in rates for the current application date or the future dates are outside the boundary of newly maintained Floor/Ceiling rates
- If any such drawdowns are identified, mark the newly maintained floor and ceiling records for the propagation. The propagation happens as part of the end of day batch

Propagation to active and uninitiated drawdowns will be as follows:

- The system will check if the propagation is required for the any new maintenance of Floor and Ceiling All In rate values for various interest components for all tranches.
- If propagation is required, the list of drawdowns requiring the propagation will be identified based on the interest components that have Floor or Ceiling defined in the maintenance for the tranche
- For the identified drawdowns and the interest component combinations, the system will check if existing All-in rate is outside the range of new Floor/Ceiling all-in rate. If the current all in rate is less than the new Floor all in rate, the difference will be stored in the Adjustment rate field and the Floor all in rate will be used for computation. If the current all in rate is greater than the new Ceiling all in rate, the difference will be stored in the Adjustment rate field and the Ceiling all in rate will be used for computation.
- The Rate amendment event (RTAM) is used to handle this propagation at the drawdown level and interest will be recomputed with the revised all in rates. RTAM event also will be considered for the STP functionality.
- Any Margin propagation that results in change of All-In-Rate will lead to the Floor/Ceiling all-in rate validations as well and the above mentioned defaulting logic will be applicable in such cases as well.



RTAM will not fire when base rate, all-in rate and margin are changed as part of the propagation during a contract.

5.21 Viewing Floor and Ceiling Adjustment Summary

You can view or query the floor and ceiling adjustments on the drawdown contract by accessing the 'Floor and Ceiling Adjustment Summary' screen. To invoke this screen from the Application Browser, select **Floor and Ceiling** under **LS Operations** and then select **Propagation Summary** under that.

Drawdown Ref No	Tranche Ref No	Facility Name	External CUSIP	Event Seq No	Event Code	Prop. Date	Prop. Mode	Prop. Status	Adjustment Margin Comp
CT2BLD1050034006	CT2BLT1050034003	FC02		8	VAMI	03-JAN-2005	Online	Processed	DD-MRGN
CT2BLD1050034010	CT2BLT1050034003	FC02		6	VAMI	03-JAN-2005	Batch	Processed	DD-MRGN
CT2BLD1050034012	CT2BLT1050034009	FC01A		7	VAMI	03-JAN-2005	Online	Processed	DD-MRGN
CT2BLD1050034012	CT2BLT1050034009	FC01A		10	VAMI	03-JAN-2005	Online	Processed	DD-MRGN
CT2BLD1050034012	CT2BLT1050034009	FC01A		13	RTAM	03-JAN-2005	Online	Processed	DD-MRGN
CT2BLD1050034012	CT2BLT1050034009	FC01A		16	RTAM	03-JAN-2005	Online	Processed	DD-MRGN
CT2BLD1050034013	CT2BLT1050034009	FC01A		6	VAMI	03-JAN-2005	Batch	Processed	DD-MRGN
CT2BLD1050035011	CT2BLT1050034016	FC04		6	VAMI	03-JAN-2005	Online	Processed	DD-MRGN
CT2BLD1050035011	CT2BLT1050034016	FC04		8	VAMI	15-FEB-2005	Batch	Processed	DD-MRGN
CT2BLD1050036002	CT2BLT1050034016	FC04		6	VAMI	03-JAN-2005	Online	Processed	DD-MRGN



This screen is applicable for floor and ceiling for base rate only.

You can view the following details for each record:

- Drawdown reference number

- Tranche reference number
- Facility Name
- External CUSIP
- Event Seq No
- Event Code
- Propagation Date
- Propagation Mode
- Propagation Status
- Adjustment Margin Component
- User input base rate
- Margin Rate Eff. F/C Propagation
- Adjustment Rate
- All in Rate
- Base Rate Eff. of F/C
- Used up Margin Rate
- Adjusted on Margin
- Total Adjusted Rate

The following message tags will be used for 'Floor and ceiling for base rate only':

Message Tags	Description
BASE-RATE-EFF-FLOOR-CEILING	Base rate effective of floor and ceiling
MARGIN-WO-EFF-FLOOR-CEILING	Margin rate without the effect of Floor and ceiling
FLOOR-CEILING	Adjustment happened due to FLOOR or CEILING
ACTUAL-BASE-RATE	User input base rate
MARGIN-DDBASIS	Current margin rate of Drawdown Basis

5.22 Floor and Ceiling for Base Rate Only

The following sections explain the details related to floor and ceiling for base rate.

5.22.1 Propagating Floor and Ceiling for an effective date, currency and DD product/component combination:

Propagation in EOD batch will be done only when Floor and Ceiling maintenance exists with effective date as application date. Online validation/propagation is done based on the latest floor and ceiling maintenance, i.e. the latest maintenance will be taken if there is no maintenance for the current date. System always considers the latest maintenance.

5.22.1.1 Batch Propagation Process

System picks up all the tranches for which 'Floor/Ceiling restricted to base rate' is checked. For each tranche, propagation is done for all the drawdowns provided.

Each drawdown should pass all the below validations:

- Drawdown should be active
- Rate fixing required should be 'Yes'
- Drawdown rate type should be fixed
- Drawdown base rate is not within the defined Floor and ceiling

Floor and Ceiling propagation will not happen in batch, if the propagation has already happened online for the current day floor/ceiling maintenance, and also if floor/ceiling maintenance has not been changed after the online propagation

5.22.1.2 Online Propagation Process

The following online activities will initiate the floor and ceiling propagation:

- Saving a new Drawdown
- Saving Interest Rate Amendment from 'Interest Rate Fixing' screen
- Creating new drawdown during online Rollover/Re-price processing

System checks whether the checkbox 'Floor/Ceiling restricted to base rate' is checked or not at the tranche level. If yes, the underlying drawdown is validated as below:

- Drawdown should be Active
- Rate fixing required should be 'Yes'
- Drawdown rate type should be fixed
- Drawdown base rate is not within the defined Floor and ceiling

Upon successful validation, the difference between the drawdown base rate and floor or ceiling rate will be propagated to underlying Drawdown's margin adjustment component and its margin rate will be adjusted accordingly. Propagation will trigger a VAMB/VAMI for the change of the rate for this margin for the drawdown.



Note the following:

- There will not be any change to the Drawdown base rate during propagation and only Margin rate will be adjusted accordingly on the adjustment component.
- VAMB/VAMI will not be registered during propagation if the margin rate of the adjustment component is already zero. In this case, only RTAM will be registered as the propagation will result in having 'Adjustment Rate'
- VAMB/VAMI registered during propagation cannot be deleted, authorized or reversed from the 'Value Dated Amendment' screen
- For the rollover and split re-price instructions which are pending to be processed but already captured, system will not update the margin rate as part of the propagation. However, the validations and necessary propagation for floor or ceiling rate (In case if base rate is lesser than floor value or margin rate is greater than the Ceiling value) will happen while initiating the child contracts. This is applicable for both Online and Batch renewals
- Margin rate propagation to uninitiated Drawdowns will not be done and the same will happen during drawdown initiation. The initiation of the uninitiated drawdown on the drawdown value date will be done as given below:
 - If the base rate of the drawdown is not within the base rate floor/ceiling defined at the tranche level for the drawdown interest component, then the propagation is done based on the latest base rate from Floor/Ceiling maintenance.
 - It is not mandatory that the maintenance should exist for the application date.
- For batch/online, for the period in which the rate fixing is not done propagation will not be done though a valid floor/ceiling maintenance exists.
- System will not do any validation/propagation during future value dated interest rate amendment (IRAM).
- In Oracle FLEXCUBE, adjustment rate and adjusted rate are tracked individually, for each propagation.
- All-in-rate will be the sum of base rate, margin and adjustment rate
- After VAMB/VAMI event, if there is any change resulting in having an 'Adjustment Rate', irrespective of positive or negative adjustment rate, a RTAM event is registered.
- Every floor and ceiling propagation will be zero based and there will not be any dependency between current and previous propagations on a Drawdown.

Example for usage of 'Adjustment Rate' with Application Date as 1st August, 2011

Consider that the following maintenance is done in the system:

- Base Rate Floor – 4
- Base Rate Ceiling – 6
- Effective Date – 1st August, 2011
- Margin Adj Components – DD-MARGN

The following table summarizes the usage of adjustment rate:

		Base Rate	Margin	All-In-Rate	Adjustment Rate

		Base Rate	Margin	All-In-Rate	Adjustment Rate
Existing Contract	Drawdown1	11	3.5	14.5	
F/C Propagation	Drawdown1	11	0	9.5	-1.5

5.22.2 Online Validations and Propagation of Floor and Ceiling

For transactions in which the drawdown base rate is not within floor and ceiling and if the new option 'Floor/Ceiling restricted to base rate' is 'Yes' for the tranche, system throws the following override message:

The user-fixed base rate is not within Floor or Ceiling and it will be propagated / updated during the save of the transaction.

Upon confirmation, propagation will be initiated online during save of each of the transactions.



Note the following:

- You cannot save the transaction if the over-ride is cancelled.
- Floor and ceiling propagation will be done only by adjusting the margin component maintained in the floor/ceiling maintenance and there will not be any change to the drawdown base rate.
- Online propagation will be done based on the latest Floor and ceiling maintenance though there is no maintenance done for the current date.
- If there is any backdated transaction resulting in online propagation, the latest Floor and ceiling rate will be used for the propagation but the propagation will be effective from the Floor/ ceiling effective date and not from the value date of the transaction.

5.22.3 Override during Online Transactions

If base rate is lesser than the Floor defined at the Tranche, system will display the following over-ride message:

“Rate is lesser than the Floor defined at Tranche. Do you want to add the difference with the Margin Adjustment component (which is maintained at the tranche level)?”

On accepting the override, during save, the difference would be added with the margin adjustment component defined at the tranche. On cancelling the override, you will not be able to save the transaction without giving a rate greater than or equal to the Floor value.

If base rate is greater than the Ceiling defined at the Tranche, system will display the following over-ride message:

“Rate is greater than the Ceiling defined at Tranche. Do you want to negate the difference of the rate and ceiling value with Margin Adjustment component?”

On accepting the override, during save, the difference would be negated with the margin adjustment component value defined at the tranche. On cancelling the override, you will not be able to save the transaction without giving a rate lesser than or equal to the Ceiling value.

5.22.4 Validating Rollover and Reprice (Renewal) Instructions

While saving renewal instructions, system will provide an over-ride indicating that the base rate is not within Floor / ceiling limit. If you cancel the override, system will save the renewal instruction though the maintained fixed base rate is not within the limit of Floor/Ceiling. If you click Ok, base rate will be systematically changed based on Floor and ceiling maintenance and system will not register any event for such systematic rate changes.

For Split Re-price, Split / Consolidated / Consol + Split Rollover Instructions which are yet to be processed, system will not update the margin rate in the existing instructions as part of the batch propagation. Propagation will always be based on the latest Floor and ceiling maintenance as of the renewal processing date.

6. Loan Syndication Contracts - Part 2

6.1 Processing a Drawdown

You can process a drawdown contract in the 'Drawdown Contract Online' screen. To invoke this screen from the Application Browser, click on **LS Operations**, choose **Borrower Drawdown Input** and then click on the **Detailed** option under it.

The screen will be displayed with details of an existing drawdown contract, as shown below.

The screenshot displays the 'Drawdown Contract Online' interface for contract GDF R717AMORT. The top section shows contract details: Contract Ref No. 001ADL2122352001, User Ref No. 001ADL2122352001, and Facility Name R717AMORT. The 'DRAWDOWN' tab is active, showing Contract Details such as Customer 024297, CUSIP R717AMORT, and Amount 10,000.00 USD. The 'SCHEDULE' tab shows Booking Date 22-AUG-2012 16:01:51 and Drawdown Date 15-AUG-2012. The 'PARTICIPANTS' section on the right lists various roles like Interest, Charge, Fee, and Tax. The bottom status bar shows the contract is Reversed and Authorized.

When you are capturing a new drawdown, Oracle FLEXCUBE will validate the following:

- The current outstanding under the tranche including the new drawdown should be within the tranche current limit amount.
- If there is LC drawdown increase or decrease in principal movements, LC drawdown VAMI using an LC Issuer will be validated against the LC Sublimits defined at the tranche level.

You can capture a drawdown contract either by:

- Selecting a template
- Copying the details from an existing contract
- Associating a product

For more details, refer the heading 'Entering the facility details' in this chapter.

6.1.1 **A Description of the 'Drawdown Contract Online' Screen**

You can capture the following in for a drawdown:

- The main facility contract under which the drawdown is being entered
- The product under which the contract is processed
- A unique user reference number for the contract
- The counterparty (customer) and currency
- Value date and maturity date
- Transaction Amount, etc.

You capture information pertaining to the drawdown in the following tabs of the screen:

- DRAWDOWN
- CONTRACT
- SCHEDULE
- ROLLOVER

In addition, a vertical toolbar provided in the screen, may be used to invoke other sub-systems meant to capture important information for the drawdown.

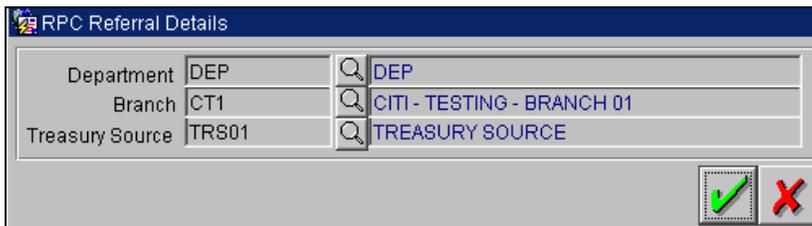
These buttons are same as the ones available for the 'LS Tranche Contract Online' screen, except for the following:

	Click on this button to view/modify the entity details for the drawdown
	Click on this button to fix the exchange rate for a cross currency drawdown
	Click on this button to view the interest and margin components
	Click on this option to specify split rollover details if applicable for the drawdown
	Click on this button to view the Annual Effective Rate (AER) details for the drawdown
	Click on this button to view the Effective Interest (EI) rates for the drawdown

	Click on this button to view/modify the entity details for the drawdown
	Click on this button to specify the media for message generation

6.2 Capturing Drawdown Details

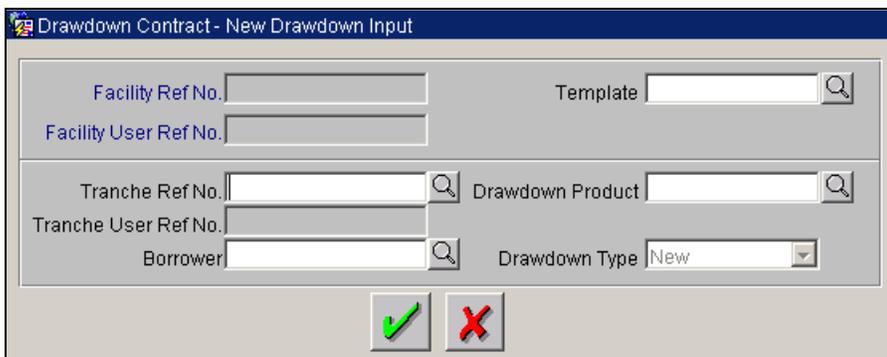
To capture a new drawdown, click on the new button -  in the toolbar of the screen or select **New** from the **Actions** Menu. The system will display the 'RPC Referral Details' screen, as shown below:



In this screen, you have to select the following details:

- Department under which the facility is being processed
- Branch for which the facility is processed. You can process inter-branch contracts too. When you select the branch, the applicable 'Treasury Source' will also default.

Click the  button to accept the details. The 'Drawdown Contract – New Drawdown Input' sub-screen will be displayed, as shown below:



The 'Drawdown Type' will be displayed as 'New'. You can capture a new drawdown by selecting a template. The contract will inherit the details of the template. Alternatively, you can also select the following details to capture a new drawdown:

Tranche Ref No

You have to select the reference number of the tranche under which you want to book a drawdown. The option list will display all active and authorized facility contracts. When you select the tranche, the system also displays the Tranche User Reference Number and the tranche borrower. In addition, the reference number of the borrower facility contract is also displayed.

 When you select a tranche, you have to ensure that all existing drawdowns under the tranche are authorized. If there are unauthorized drawdowns under the selected tranche, the system will display a message to indicate the same when you click the  button. You will be required to select another tranche or authorize the unauthorized drawdown (s) before you proceed.

Agent Ref No

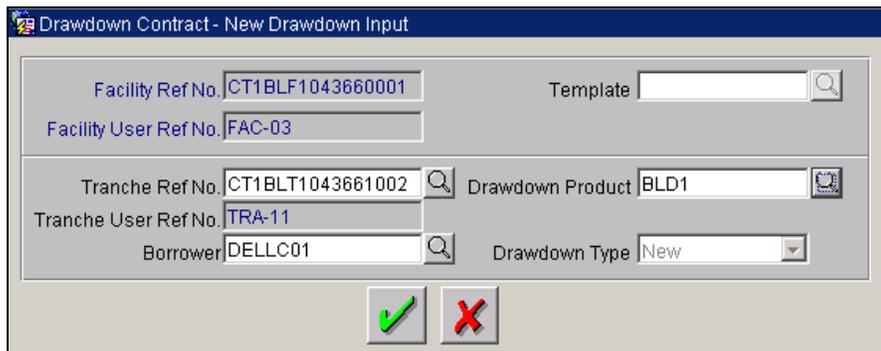
The system displays the FpML Contract Identification number. However, you can modify it.

Borrower

By default, the borrower specified for the selected tranche will be displayed here. You can specify a different borrower, if required. The option list will display all the borrowers specified for the tranche.

Drawdown Product

Select the drawdown product you want to use for the drawdown. The option list will display all the drawdown products associated with the tranche under which the drawdown is being processed. The screen will appear as shown below:



Click the  button to accept the details.

The following information will default to the 'DRAWDOWN' tab of the screen (based on the preference defined for the underlying DD product and the tranche):

- Facility Reference Number and Tranche Reference Number
- Drawdown No
- Tranche Amount and Currency

- Customer code and name
- CUSIP No - This is mandatory during Tranche contract input
- Booking Date: This is the date on which the drawdown is captured in the system. This will be equal to the current system date and you cannot change it. This date is only for information purposes. The actual accounting entries will be passed only as of the Value Date of the drawdown.
- Drawdown Date, Original Start Date and Maturity Date will default based on the tranche under which the drawdown is being processed.
- Drawdown Type – New
- SSI Pickup At – Component/Currency etc
- Administrator, Agreement Title and Remarks

In the header section of the screen, you have to specify the following:

User Reference Number

The reference number is the identification that you specify for the borrower drawdown. You can specify any identification number. In addition to the Contract Reference Number generated by the system, this number will also be used to retrieve information about the drawdown.

By default, the Contract Reference Number generated by the system is considered to be the User Reference Number for the drawdown.

Custom Ref No

You can capture a unique reference number for the drawdown. This number will be used to identify the drawdown in the system. You can also query the drawdown based on this number. The reference number can consist of a maximum of 16 alphanumeric characters.

6.2.1 Capturing Details in the 'DRAWDOWN' Tab

You can change some of the default values for a drawdown. You can also capture additional information specific to a drawdown in the 'DRAWDOWN' tab of the screen.

The screenshot displays the Oracle Drawdown Contract Online interface. At the top, the title bar reads "Drawdown Contract Online [GDF] R717AMORT". The main area is divided into several sections:

- Contract Information:** Contract Ref No: 001ADL2122352001, Product: ADL2, Borrower: Borrower Amort Drawdown Prod, Branch: 001, Department: 702, Treasury: [blank], Custom Ref No: 1200A151, Facility Name: R717AMORT.
- Contract Details:** Customer: 024297, GDF, Facility Ref No: 001BFPR122280001, Tranche Ref No: 001BTBI122350002, Currency: USD, USA DOLLAR, Amount: 10,000.00 USD, Tranche Amount: 1,000,000.00 USD, Tranche Avail. Amount: .00 USD.
- Booking and Dates:** Booking Date: 22-AUG-2012 16:01:51, Drawdown Date: 15-AUG-2012, Original Start Date: 15-AUG-2012, Maturity Date: 15-AUG-2013, DD Notice Date: 22-AUG-2012, Int Rate Fixing Date: 13-AUG-2012, Exch Rate Fixing Date: [blank].
- Drawdown Settings:** Drawdown Type: New, Renewal Mode: [blank], Split Msg Type: [blank], Swift Ref No: [blank], INIT Mode: Auto, SSI Pickup At: Currency, Bill Notice days: 0, Internal Agency Id: [blank], Interest Payment Propagation: Normal (selected), Cash (unselected).
- Advanced Options:** Suppress B.V. Payment Message, Suppress B.V. Fixing Advice, Ancillary Drawdown, Swing Line Drawdown, Bidding Contract, Liq Interest On Prepayment, LC Drawdown, Sighting Funds Applicable, FpML Type (checked), Partial Interest Payment Allowed, PIK Rollover with capitalization, LC Type: [blank], LC Issuer: [blank], Int / Fee Distribution: Lender of Actuals (selected), Lender of Records (unselected).
- Administrative Fields:** Named Agent: [blank], Administrator: 0300, Agency Module: [blank], Agreement Title: [blank], Internal Remarks: [blank].
- Activity Log:** A table at the bottom shows entry details for user RAM1 on 22-AUG-2012 at 17:47:16, with Contract Status: Reversed, Auth Status: Authorized, and Participant Processing Status: Processed.

The details that default and those that you can change are discussed below:

External CUSIP/ISIN

Internal and External CUSIP/ISIN is defaulted from the tranche for new drawdowns and cannot be changed at the drawdown level.

If there is a change in the External CUSIP at the tranche level, it will get propagated to the drawdowns for the tranche. The updated details for the drawdown will be sent to Markit, a financial system that acts as an inventory for all agency activities, through FpML messages.

Refer the chapter 'FpML Messaging' for more details on the updation process

For more information on Internal and External CUSIP Number refer section 'Capturing Contract Details' in this chapter.

Currency

You have to select the currency for the drawdown. The option list will display the currencies allowed for the tranche. If the drawdown currency is different from the tranche currency, the system will display the following message:

Exchange Rate needs to be fixed!

The 'Exchange Rate Fixing Date' will display the current system date (booking date of the drawdown).



If the drawdown currency is different from the tranche currency and the 'Exchange Rate Code' that defaults from the product is not maintained for the currency pair (tranche and drawdown currencies), system will display an error message.

For more details on exchange rate fixing, refer the heading 'Fixing exchange rate for the DD currency' in this chapter.

Amount

Specify the amount being availed by the customer through the drawdown. This amount should be between the minimum and maximum DD amount specified at the tranche level. When you capture the amount, system will display its equivalent in the tranche currency ('Amount in Tranche Ccy' field). The sum of all drawdown amounts must not exceed that of the borrower tranche, total facility amount, and global LC sublimit at the tranche level.



Note the following:

- Collateral net available amount will be included in the validation for drawdown amount.
- New borrowings will be allowed only if the drawdown amount is less than or equal to ((Least of Net Available Collateral Amount for the Drawdown Value Date and Tranche Amount) – (Total Outstanding)).
- If the Borrower is classified, the drawdown amount entered here will require dual-authorization.
- LC drawdown (Issuance) amount for a borrower should not exceed the LC Sublimit defined for the borrower for that currency and the participant.
- The sum of all drawdown amounts are calculated based on the value date of the transaction.

Example

In our first example of the facility contract with Mr. Robert Carr, the drawdown schedules requested by him for the first tranche were as follows:

Portion of loan desired in the first tranche: 50000 USD.

- 20000 USD on 30th January
- 15000 USD on 29th February
- 15000 USD on 31st March

For each drawdown that you enter, you would specify the required amount as specified above.

PIK Margin

The PIK amount carried forward from the parent contract during rollover gets displayed here.

Unapplied Amount

The total uninitiated amount for an increase in drawdown principal for each value dated amendment is displayed here.

New Maturity Date

The unapplied maturity date for a value dated amendment is displayed here.

Drawdown Date

By default, the drawdown date will be equal to the value date of the tranche. You can change the date to any date within the tranche period. Also, the date should be later than the start date of the drawdown product. The date should be captured in 'DD-MMM-YYYY' format. The system will display an override if the specified drawdown falls on a holiday of the local currency. The system generates SWIFT messages to be sent to the participants before the drawdown date, intimating them to fulfill their commitment contracts.

Example

In our first example of the facility contract with Mr. Robert Carr, the drawdown schedules requested by him were as follows:

Portion of loan desired in the first tranche: 50000 USD.

- 20000 USD on 30th January
- 15000 USD on 29th February
- 15000 USD on 31st March

Portion of loan desired in the second tranche: 50000 USD.

- 20000 USD on 30th April
- 15000 USD on 31st May
- 15000 USD on 30th June

When you enter this schedule into the system, the drawdown dates you would specify are 30th January, 28th February, 31st March, 30th April, 31st May and 30th June.

Original Start Date

By default, the original start date of the tranche will be applicable to the drawdown. You can specify a different date provided the new date is not earlier than the tranche original start date and not later than the tranche maturity date.

Maturity Date

By default, the tranche maturity date will be applied. You can change the maturity date such that it is earlier than the tranche maturity date and less than or equal to the drawdown date. If the drawdown is completely paid ahead of the maturity date, then the maturity date will automatically be changed to the date of the drawdown paid.

DD Notice Date

This date will be displayed based on the notification days maintained for the DD currency at the tranche level (in the 'Currency Details' screen). The notification date will be arrived at using the notification holiday processing rules maintained for the tranche.

For details on maintaining notification days and holiday processing rules, refer the heading 'Specifying currency details for the tranche' in this chapter.

In case of current dated or back dated drawdowns, the booking date will get defaulted here. You can change the date beyond the booking date but less than or equal to the value date (if the value date and booking date are different). The system will display an override if the notification date is less than the current application date.

Int Rate Fixing Date

The interest fixing date for the DD currency will be displayed based on the 'Interest rate fixing days' defined for the tranche and the list of holiday currencies maintained for each currency allowed for the tranche.

The interest rate fixing date is the date (prior to the drawdown date) as of which the interest rate is fixed for a new drawdown or for the new rate fix period. If you change the drawdown currency or the drawdown date, the system will re-compute the interest rate fixing date and will display the same here.

Exch Rate Fixing Date

Similarly, the exchange rate fixing date for the drawdown currency will be displayed based on the 'Exchange rate fixing days' defined for the tranche and the list of holiday currencies maintained for each currency allowed for the tranche. Exchange rate fixing for the new drawdown or the new rate fix period is done on this day.

For details on maintaining exchange rate and interest fixing days and holiday processing rules, refer the heading 'Specifying currency details for the tranche' in this chapter.

Special Amount

Specify the special amount disbursement, if any.



Note the following:

- For new drawdown, if you enter the negative value in this field, an override message will be displayed.
- If the separate payment message is to be sent for the special amount, the message netting should be set to 'No' in the 'Accounting Entry Definition' screen of the drawdown product for INIT event.

Industry Code

Specify the industry code. The adjoining option list displays all industry codes maintained in the system. You can choose the appropriate one.

Global DD Amount

The Global Drawdown amount is computed and populated during new drawdown booking based on the Tranche, Global Tranche, and Drawdown amounts. The Global Drawdown Amount is computed as follows:

Global Drawdown Amount = (Global Tranche Amount / Tranche Amount) * Drawdown Amount.

You can amend this amount only for non-lead drawdowns and only if the corresponding Tranche has 'Cascade Participation' set to 'No'. You cannot amend this amount if the underlying Tranche has 'Cascade Participation' set to 'Yes'. The latest Global Amount as on the date of handoff is used for handoff of the Commitment Reduction to the Loans QT system.

However, only those Drawdown Global Amounts, with cascade participation set to N, can be amended using the new screen LSGLBAMT.FMB (Global Amount Update/Amendment screen).



The Global Drawdown amount cannot be updated during drawdown amendments.

Drawdown Type

This indicates whether you are defining a new drawdown or renewing an existing drawdown. For a new drawdown, 'New' will be displayed and you cannot change it.

Renewal Type

The 'Rollover Method' you specify for the drawdown product will default here. You can change it at the drawdown level. Specify the manner in which the drawdown should be renewed/rolled over. The options available are:

- Normal: A single new contract will be created for the amount you wish to rollover.
- Consolidated: Several drawdowns will be consolidated into a single new drawdown.
- Split: You can split the original drawdown into multiple drawdowns.



Irrespective of the type of renewal you select here, the system allows you to capture instructions for any one of the renewal types mentioned above. Depending on the type of instructions you capture, the system automatically updates the 'Renewal Type' with the latest value when you save the instructions.

Split Message Type

You can select this message type only if the 'Renewal Type' is specified as 'Split'. The message types available are:

- Individual: Select this option to indicate that messages are to be sent only for the individual drawdown schedule being defined.
- Consolidated: Select this option to indicate that messages are to be sent for all drawdown schedules created as a result of the split.

INIT Mode

This specification will default from the tranche. You can change it for the drawdown, if required. This will indicate the mode of initiating the drawdown in the system. The following options are available:

- Auto: If you select this option, the system will automatically initiate the contract on the Value Date. The event 'INIT' will be fired on this date.

- **Semi-Auto:** You can select this option to indicate that forward processing is applicable to the borrower drawdown contract during the INIT event. The system will process the events, but will hold the messages associated with the event.

For more details on this screen, refer the heading ‘Specifying participant details for the tranche’ in this chapter.

Suppress B.V Fixing Advice

You can check this option to stop the generation of payment messages when back valued schedules for a back-dated drawdown (with initiation date before today’s date) is liquidated.

Ancillary Drawdown

Oracle FLEXCUBE allows you to process Ancillary drawdowns under a tranche. Check this option to indicate that you want to process an Ancillary Drawdown.

This check box is enabled under the following conditions:

- If the drawdown product selected has the ‘Suppress Advices’ option maintained at the product level
- If the tranche contract is of revolving type

A pro-rata tranche will be converted to a ‘Non-Cascade’ type once you save the drawdown and it remains as Non-Cascade even on repayment of the drawdown. You can send out participant FFT messages to all the lenders in the syndicate in case of ancillary drawdowns and amendments of the same. You need to maintain a separate advice template for this which you can choose in the FFT screen.



Note the following:

- You can have multiple ancillaries under a tranche.
- You cannot perform back value dated ancillary drawdowns.

Swing Line Drawdown

You can check this option while booking the new drawdown to identify a swing line drawdown. You cannot make any changes to this during the amendments of the drawdown at the contract level.

For more information on swing line refer to Loan Syndication – An Overview chapter.



If you process a swing line drawdown under a tranche for which the ‘Cascade Participation’ option is checked, the system will automatically convert the tranche into a non-cascade participation type.

Further, it will trigger the event ‘CASC’ to indicate this conversion.

Bidding Contract

You can check this box to specify whether the contract is of competitive bidding type.



You can process a bidding contract under tranches for which the 'Cascade Participation' option is not checked.

Sighting Funds Applicable

The value for this field is defaulted from the corresponding tranche and you are not allowed to modify this value.



Note the following:

- If the field is checked, then the system does the following validations:
 - INIT mode and RENEWAL mode cannot be SEMI-AUTO.
 - Liquidation mode is Manual.
 - Liquidate Back valued Schedules are set to 'No'.
- You are not allowed to do any action that result in cascade conversion (swing line, ancillary or non-prorata drawdown).
- You are not allowed to define schedules for the compensatory component. They are defaulted based on the schedules for main interest component.

Liqd Interest on Prepayment

Check this box to indicate if interest should be liquidated as part of prepayment. This check box is enabled only for Prime contracts.

In other words, you can liquidate an interest component for a contract on prepayment, only if you have selected this check box and also the 'Prime Loan' check box for a product in the 'Loan Syndication – Borrower Product Preferences' screen.

If this box is checked, Oracle FLEXCUBE allows you to define only a bullet interest schedule. Otherwise, you can define a frequency-based schedule.



Note the following:

- Prime contracts will be Normal or Bearing type.
- Swing line contracts will not be applicable for Prime contracts.
- You cannot amend the participant ratio for back valued contracts beyond the last prepayment date if the 'Liqd Interest on Prepayment' is checked.
- You can amend the 'Liqd Interest on Prepayment' check box, if required, before the first payment for the drawdown contract.
- System will allow partial liquidation of interest only for Prime drawdown contracts. This will enable you to make partial payment of the interest and fee components.
- Skim is not applicable for prime drawdown contracts.
- At the tranche level, system does not support auto repayment schedule for prime loans. Hence, for prime contracts, the 'Auto Repayment Schedule' check box in the Tranche Contract Online screen should be unchecked.

- Liquidation of interest will not be allowed if the option 'Partial Prepayment Allowed' has been selected.

FpML Type

Check this box to indicate that the FpML type is required for the tranche contract.

If you have checked this box, the system will do the following:

- Generate the FpML messages for the primary entity provided all the required maintenances and validations are available and satisfied. However, for non-primary entities, it will generate the messages based on the media order maintained in the 'Customer Entity Maintenance' screen.
- Generate the message with the next priority media maintained in the 'Customer Entity Maintenance' screen if any FpML maintenance is not available for the message or participant does not have 'Send FpML' chosen at the entity level.
- Generate the message irrespective of the media order maintained in the 'Customer Entity Maintenance' screen incase if all FpML maintenance is available and 'Send FpML' is chosen at the entity level

If you have not checked this box and the 'Media Priority' option is selected at the product level, then  button will be enabled.

For more information, refer the section 'Specifying Media for Message Generation' in this chapter.

Partial Prepayment Allowed

Check this box to indicate that for drawdown products, partial prepayment is allowed.



Partial prepayment will be allowed only for drawdown products where,

- 'Sighting Funds Applicable' option has not been selected
- Schedule Type is 'Normal'
- 'Lender of Records' option has been selected

LC Type

This specification will default from the product. You may change it at the contract level, if required. The available types are:

- Standby LC
- Commercial LC



You can select the type of LC only if the 'LC Drawdown' option is checked for the drawdown.

If you check the 'LC Drawdown' option for the product, the same defaults to all drawdowns and you cannot amend it at the drawdown level.

LC Issuer

If the drawdown is an LC type of drawdown, you have to select the issuer of the LC as mandatory information. The option list will display the names of participants you have identified as issuers of LC. This is done at the tranche level.

The LC Issuance Fees will be paid to the participant who is identified as the issuer of LC. This fee is computed on the outstanding amount of all the LC drawdowns for the selected issuer.

For more details on this, refer the heading titled 'Identifying participants as issuers of LC' in this chapter.

Int/Fee Distribution

System displays the method in which the interest and fee components will be distributed among the participants when an assignment is executed before the liquidation date. The distribution type is classified into - 'Lender of Actuals' type and 'Lender of Record' type.

This is defaulted from the tranche level.

SSI Pickup At

This option will default from the tranche. You can opt for a different value for the drawdown, if required. This indicates the basis for picking up the SSI (Standard Settlement Instructions) Mnemonic for the drawdown.

The available options are:

- **Currency:** If you select this option, the system will allow you to select the SSI Mnemonic for each allowable currency for each participant in the 'Participant Ratio Details' screen. The SSI Mnemonic selected will be applicable to all the components for the drawdown participant.
- **Component:** This option will allow you to select the SSI Mnemonic for each component defined for each participant of the drawdown. This is done in the 'Participant Ratio Details' screen.

For more details on this screen, refer the heading 'Specifying drawdown participant details' in this chapter.

Billing Notice Days

This will default from the drawdown product. You can change default value, if required.

This indicates the number of working days before the repayment due date when a billing notice should be generated, to be sent to a customer as a reminder of the payment.

PIK Rollover with capitalization

Check this box to indicate that the PIK rollover with capitalization is allowed for the contract. You can amend this value after the Rollover is removed/reversed. You cannot amend the value if the interest component linked to Tranche PIK margin component is having non- zero rate.

Interest Payment Propagation

Select the interest payment for the drawdown from the below two options:

- Cash
- Normal

Cash payment can be processed as part of manual payment, split rollover and consolidated rollover processing. The field value for the child contract gets defaulted from parent contract during split rollover processing. During consol rollover processing, the value gets defaulted to child contract from the driver contract.

You cannot book drawdown booking with 'Interest Payment Propagation' as 'Cash' if below mentioned existing flags are checked for drawdown contract

- Partial Prepayment Allowed
- Liquidate Interest on Prepayment

You cannot book drawdown under lead tranche with 'Interest Payment Propagation' as 'Cash'.

After the drawdown is authorized, amendment of interest payment propagation is allowed under the below validations:

- If cash interest payment is processed in partial or full for a drawdown with Interest Payment Propagation as 'Cash' and if the payment is active, then amendment from 'Cash' to 'Normal' will not be allowed and system will provide an appropriate error message. Amendment from 'Cash' to 'Normal' will be allowed upon reversal of all active cash payments.
- You cannot amend from 'Normal' to 'Cash' if 'Partial Prepayment Allowed' is checked at contract level; if interest payment exists on drawdown then, the system will not allow to uncheck the flag 'Liqd int on prepayment'.
- You can amend from 'Normal' to 'Cash' to allow user to uncheck the flag 'Liqd interest on prepayment' even if an active interest payment exists. If the flag is checked then amendment from 'Normal' to 'Cash' will not be allowed.
- If user performs amendment from 'Normal' to 'Cash' and then capture split rollover instruction with cash interest payment as part of same CAMD then user will not be allowed to change back the value from 'Cash' to 'Normal' during the amendment.

For the drawdowns under lead tranches, the value will be 'Normal' always. All the existing lead and non lead tranches, the 'Interest Payment Propagation' gets updated as 'Normal'.

Named Agent

System defaults the value of the named agent maintained in the tranche contract online screen, while booking a new drawdown, in this field.

System also displays the name of the named agent adjacent to the Named Agent field.

Agreement/Administrator/Internal Remarks

These details gets default from the tranche contract and may be changed at the drawdown level.

6.2.2 Capturing Details in the 'CONTRACT' Tab

You can capture the other contract details in the 'CONTRACT' tab of the screen.

Drawdown Contract Online [BOROW01] CT1BLT1043634001

Template Contract Ref No. CT1BLD10436300RT 1 Of 1

Product BLD1 Borrower Drawdown Product User Ref No. CT1BLD10436300RT Outstanding Bal 10,000.00

Branch CT1 Department DEP Treasury Custom Ref No. CT1BLD10436300RT Facility Name CT1BLT1043634001

DRAWDOWN CONTRACT SCHEDULE ROLLOVER

Liquidation Status Control Limit Line

Auto Manual

Holiday Treatment For Maturity/Value Date

Include Branch Holiday Ignore Holidays Holiday Currency

Move Forward Move Backward Move Across Months

Use Contract Currency Use Tranche Currency Use Local Currency

Agency Type Agent CIF Rollover

Lead Participation

Yes No Count 0

Settlement Details Amortization Type

Branch Account

Reducing Balance Rule 78

Rounding Details Reporting Currency Details

Int Period Basis Include Frm Dt

Rounding Rule Down

Decimals 2 Units .010

Amount 10,000.00 USD

O/S Amt 10,000.00

Revaluation Preferences

Reval Reqd Yes No Exchange Rate Code STANDARD Exchange Rate Type Mid

Frequency Start Month Start Day

Other Details

Verify Funds

Liquidate Back Valued Schedules

Funding Method Automatic

Loan Statement

Detailed Summary None

Cycle On

User Defined Status NORM

Entry By	Entry Time	Auth By	Auth Time	Contract Status	Auth Status	Participant Processing Status
APPU01	28/12/2004 14:42:32	APPU02	28/12/2004 14:44:24	Active	Authorized	Processed

The following contract details applicable for drawdowns are explained below:

Liquidation

Mode of liquidation of interest and fee components associated with the drawdown will default from the drawdown product.

At the drawdown level, you can change the mode to any one of the following methods:

- Auto: The system will automatically liquidate the schedule during EOD on the schedule due date of the component.
- Manual: In this mode, you have to liquidate the components manually through the 'Contract Payment' screen. Fee components should be liquidated through the 'Fee Liquidation' screen.

For more details on 'Contract Payment' screen, refer the heading 'Processing Repayments Manually' in the 'Processing Repayments' chapter of this User Manual.

For more details on 'Fee Liquidation' screen, refer the heading 'Liquidating Fee Components' in the 'Processing Charges and Fees' chapter of this User Manual.

- **Component:** If you choose this option as the mode of liquidation, the system will automatically liquidate the components as per the order you maintain in the 'Component Liquidation Order' screen at the product level. The order is maintained as part of specifying product preferences.
- **Semi-Auto:** If you choose this option, the message that should get generated during liquidation (Event: LIQD) will be kept on hold. The messages will be available in the 'Outgoing Message Browser' with status 'Hold'. You will need to use the 'Events for Forward Processing' screen to release the messages.

For more details on this screen, refer the heading 'Forward processing of events' in this chapter.

Status Control

The statuses - for example, Active, Past Due Obligation, Non-Accrual Basis, and Write-Off etc. defined for the product in the 'Status Maintenance' screen will be applicable for the drawdown. You have to indicate the mode of status change for a drawdown.

The options are:

- **Auto** – If you select this option, system will automatically move the drawdown from one status to the other based on the criteria maintained for status change (in the 'Status Maintenance' screen).
- **Manual** - If you select this option, user intervention is required to move the drawdown from one status to the other.

For details on the 'Status Maintenance' screen, refer the heading titled 'Maintaining status rules for a syndication product' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

Limit Line

When you are entering a borrower drawdown, specify the credit line under which exposure would be tracked, if required. The credit lines selected for the drawdown customer (borrower) will be displayed in the option list provided.

Amortization Type

You need to specify the amortization applicable to the drawdown only if the schedule type is 'Amortized'. The following options are available:

- **Reducing Balance:** The reducing balance method is used for calculating interest on the reduced principal/outstanding balance for each repayment schedule. The principal repayment would be the difference between the equated monthly installment and the interest, for each schedule.

- Rule of 78: This method is used to determine how much of each monthly payment is paid towards interest and how much is paid towards the principal component. First, you will compute the total interest on the original principal amount. Then, you will divide this interest amount equally into n parts, where n is the number of schedules and divide the loan principal amount also into n equal parts, so that each equal installment is basically a sum of the two. Subsequently, you will apply the rule of 78 to calculate how much of the EMI goes towards interest and principal.

Examples:

Case 1: Reducing balance

Assume that you have disbursed a drawdown with the following details:

- Principal – 10,000 USD
- Interest Rate – 10%
- Interest Calculation Method – Actual/360
- Start Date - 12/1/2000
- End Date - 11/30/2001
- Days in the year – 364

Based on the reducing balance method, the interest, principal and the EMI will be as follows:

Sl. No	Interest	Principal	EMI	Outstanding Bal
1	86.11	\$793.05	\$879.16	\$9,206.95
2	79.28	\$799.88	\$879.16	\$8,407.07
3	65.39	\$813.77	\$879.16	\$7,593.30
4	65.39	\$813.77	\$879.16	\$6,779.53
5	56.50	\$822.66	\$879.16	\$5,956.88
6	51.30	\$827.86	\$879.16	\$5,129.02
7	42.74	\$836.42	\$879.16	\$4,292.60
8	36.96	\$842.20	\$879.16	\$3,450.40
9	29.71	\$849.45	\$879.16	\$2,600.95
10	21.67	\$857.49	\$879.16	\$1,743.46
11	15.01	\$864.15	\$879.16	\$879.31
12	6.11	\$873.05	\$879.16	\$6.26

The interest for the first schedule is computed on the loan principal (10,000) for the first month (31 days) using the following formula:

$$(10000 * 10 * 31) / (100*360)$$

Interest for the subsequent schedules will be computed on the outstanding principal for each schedule.

Case 2: Rule of 78

Consider the drawdown details mentioned in case 1.

Total interest on the loan = $(10000 * 10 * 364) / (100 * 360) = 1011.11$

Interest for each schedule = $1011.11 / 12 = 84.26$

Principal for each schedule = $10000 / 12 = 833.33$

EMI = $833.33 + 84.26 = 917.59$

First month's interest = $12 / 78$ times $\$1011.11 = 155.56$

(78 is the sum of integers from 1 to 12)

Therefore, principal for the first month = $917.59 - 155.56 = 762.03$. The interest, principal, and EMI due for each schedule is as follows:

SI. No	Interest	Principal	EMI
1	155.56	762.03	917.59
2	142.59	775.00	917.59
3	129.63	787.96	917.59
4	116.67	800.92	917.59
5	103.70	813.89	917.59
6	90.74	826.85	917.59
7	77.78	839.81	917.59
8	64.81	852.78	917.59
9	51.85	865.74	917.59
10	38.89	878.70	917.59
11	25.93	891.66	917.59
12	12.96	904.63	917.59
Total	1011.11	9999.97	11011.08

User Defined Status

If you have not checked the 'Schedule Level' status processing for the drawdown product (as part of product preferences), you have to specify the drawdown status here. For a new drawdown, the default status will be 'NORM' (Normal). You cannot change the status of any of the schedules in this case. You can select from a list of user-defined statuses maintained for the drawdown product (in the 'Status Maintenance' screen).

If you have defined schedule-level status processing for the drawdown product, you cannot change the status of the contract in this field. You can change the status of any of the schedules, as required, and the status of the contract will be determined as the worst status among the individual statuses of the schedules.

6.2.2.1 Specifying Holiday Treatment for Maturity/Value Date of the Drawdown

In this section of the screen, you can specify the holiday treatment preferences for value date and maturity date falling due on holidays defined for the branch. The holiday treatment details maintained for the drawdown product will default to the drawdown. You can change your preferences for the drawdown.

For more details on the options available, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

6.2.2.2 Viewing the Agency Type

The agency type of the transaction (Lead or participation) is defaulted from LS Tranche Contract Online and you are not allowed to change it during Drawdown contract booking or Amendment.

- Lead - Your bank is the lead agent for the syndication transaction.
- Participation - Your bank is one of participant in the syndication transaction.

6.2.2.3 Specifying 'Other' Details

Following details have to be captured in the 'Other Details' section of the screen:

Verify Funds

When the system debits the borrower's repayment account for liquidation (repayment), you can specify that the availability of funds for liquidation of the various components of the drawdown has to be ascertained before liquidation is done.

Check this option if you want the availability of funds to be checked before automatic liquidation is done. By default, this option will be checked.

Liquidate Back Valued Schedules

If you have specified, while defining the product, that for a back-dated tranche or drawdown loan contract (which has an initiation date which falls before today's date), with schedules prior to today's date, the schedules have to be liquidated when the drawdown is initiated, the same will apply to the drawdown you are processing. However, through this field, you can choose not to liquidate back valued schedules by leaving this field blank.

6.2.2.4 Specifying Loan Statement Details

The following loan statement details may be maintained:

Statement Type

You can specify if a loan statement needs to be generated for the drawdown. If loan statements are to be generated, you can specify the type of statement you want to generate. The options are:

- Summary
- Detailed

If you do not want to generate loan statement, select the 'None' option.

Cycle/On

If loan statements have to be generated for the drawdown, you have to indicate the frequency of statement generation. You can set the frequency to any one of the following options:

- Annual
- Semi-Annual
- Quarterly
- Monthly
- Fortnightly
- Weekly
- Daily

Based on the frequency that you specify, you can also indicate the month/weekday for the generation of the statement. Thus, if you have set the loan statement generation frequency to Annual, Semi-Annual, or Quarterly, you have to indicate the month in which the first statement is to be generated.

Similarly, if you have indicated that statement generation is to be on a fortnightly or weekly basis, you should specify the day of the week on which the statement is to be generated. For instance, if you indicate that a weekly generation should be done on Thursday, the statement will be generated every week on Thursdays.

When the frequency is set to monthly, then by default, the statement will be generated on the last day of every month. You can also select a different day from the drop-down menu.

6.2.2.5 Specifying Rollover Details

The rollover applicability is explained below:

Rollover (Yes/No)

While setting up the drawdown product, if you specified that drawdowns involving the product should be automatically rolled-over, then all drawdowns involving the product will be rolled-over on their respective maturity dates. This feature is called auto rollover. If rollover is specified for the product, the same will be applicable for the drawdowns.

If you do not want to rollover the drawdown, you can select the 'No' option. However, if rollover is not allowed for the product, you cannot opt for rollover at the drawdown level.



This option will be set to 'No' and will be disabled if the option 'Partial Prepayment Allowed' has been selected.

Count

If rollover is applicable for the drawdown, the system will display the rollover count in this field. For a drawdown that has been rolled-over, this count will indicate the number of times it has been rolled-over.

6.2.2.6 Specifying the Rounding Details

The drawdown contract inherits the currency-wise rounding rules defined for interest components, in the interest class associated with the drawdown product (as defined in the 'Interest Class Definition' screen). The options are discussed below:

Int Period Basis

This field indicates how the system must consider the tenor basis upon which interest is computed over a schedule or interest period. You can select the required option from the drop down list.

- Include Frm Dt: For all schedules, the period considered for interest calculation would include the start date and exclude the end date. Therefore, the drawdown value date will be considered for interest calculation while the maturity date will be excluded.
- Include To Dt: In this case, the period considered for interest calculation will exclude the drawdown start date and include the end date.
- Include Frm & To Dt: The period considered for interest calculation will include both the value date and the maturity date.
- Exclude Frm & To Dt: The period considered for interest calculation will exclude both the value date and the maturity date.

Rounding Rule

Indicate the currency rounding rule that must be applied to round off interest amounts in the selected currency, for the main interest component. The following options are available in the drop down list:

- Truncate
- Up
- Down
- Round Near

Decimals

This indicates the number of digits after the decimal place, to which interest amount in the specified currency, is to be truncated. This specification can only be made for the rounding option 'Truncate'. If you do not specify a value here, the system will use the number of decimals defined for the drawdown currency (in the 'Currency Definition' screen).

The number of decimals specified in this field cannot exceed the number of allowed decimal places defined for the specified currency (in the 'Currency Definition' screen).

Units

This field indicates the lowest possible measure in which interest amounts can be considered in the specified drawdown currency. This value cannot be less than the rounding unit for the specified currency (as maintained in the 'Currency Definition' screen). If not specified, the system will pick up the rounding unit maintained for the drawdown currency. The following details will default to screen and you cannot change them:

- Settlement details for the borrower – Settlement (Cr/Dr) Branch, Account and Currency.
- Payment Method: Bearing, Discounted or True Discounted as defined for the drawdown product.
- Schedule Type: Normal, Capitalized or Amortized, as defined for the drawdown product.
- Reporting Currency details: The equivalent of the drawdown amount in the reporting currency and the outstanding amount gets updated as and when repayments are made.

For more details on the 'Currency Definition' screen, refer the 'Currency Maintenance' chapter of the CS (Core Services) User Manual.

6.2.2.7 Specifying Revaluation Preferences

If Reval Req'd is 'Yes' for the drawdown product, the same will default to the drawdown processed with the product. You can, however, change the preferences for a specific drawdown. But, if 'Reval Req'd' is 'No' for the product, you cannot change it to 'Yes' at the drawdown level and revaluation will not be applicable for such drawdowns. The following preferences become mandatory if revaluation is applicable:

Exchange Rate Code

This indicates the code for the exchange rate that must be used to convert the drawdown amount from the drawdown currency to its equivalent in the tranche currency. The option list will display the rates codes maintained for the currency pair (tranche and drawdown currencies) involved in the conversion. During revaluation, system will pick up the exchange rate maintained for the selected rate code and rate type corresponding to the currency pair.

Exchange Rate Type

This refers to the type of exchange rate that must be used to convert the drawdown amount from the drawdown currency to the tranche currency. The available options are:

- Buy
- Mid
- Sell

Frequency

This is the frequency or periodicity at which automatic revaluation should be performed. The options available are:

- Daily

- Monthly
- Half-Yearly
- Quarterly
- Yearly

Start Month and Start Day

For the frequency selected, you must also specify the month and the date according to which the system will commence the revaluation process.

6.2.2.8 Viewing Revaluation Schedules

If Reval Req'd is 'Yes', Oracle FLEXCUBE will create the revaluation schedules based on the Frequency, Start Month and Start Day you specify as part of the revaluation preferences for the drawdown. The system will also take into account the holiday preferences in the 'Holiday Treatment for Schedule' section of the 'SCHEDULE' tab to arrive at the schedule dates. To view

the schedules, click  button in the 'CONTRACT' tab of the 'Drawdown Contract Online' screen.



The screenshot shows the 'Revaluation Schedules' window. At the top, there is a 'Contract Detail' section with the following information:

- Product Code: BLD1
- Borrower Drawdown Product 01
- Drawdown
- Contract Ref No.: CT1BLD1050156001
- User Ref No.: DD-LC02-NR-08
- Customer: AIRBS01
- AIRBUS US
- Facility Name: CASCNOREVOLVING

Below this is a table titled 'Revaluation Schedules' with the following columns: Schedule Date, Rate Code, RateType, Status, Applied Date, Applied Rate, and Remarks. The table contains 9 rows of data:

Schedule Date	Rate Code	RateType	Status	Applied Date	Applied Rate	Remarks
28-DEC-2004	STANDARD	MID	Skipped			Schedule Start Date is less
28-JAN-2005	STANDARD	MID	Skipped			Exchange Rate has been /
28-FEB-2005	STANDARD	MID	Skipped			Exchange Rate has been /
31-MAR-2005	STANDARD	MID	Skipped			Exchange Rate has been /
30-APR-2005	STANDARD	MID	Unprocessed			
31-MAY-2005	STANDARD	MID	Unprocessed			
30-JUN-2005	STANDARD	MID	Unprocessed			
31-JUL-2005	STANDARD	MID	Unprocessed			
31-AUG-2005	STANDARD	MID	Unprocessed			
30-SEP-2005	STANDARD	MID	Unprocessed			

The following 'Contract Details' are displayed in this screen:

- Product Code
- Contract Reference Number
- User Reference Number
- Customer

The following 'Revaluation Schedules' details are displayed for each schedule:

- Schedule Date: This is the date on which revaluation occurs. For instance, if you have a drawdown initiated on 1-Dec-06 with the Revaluation Frequency as 'Monthly' and Start Day as 15. The revaluation schedules would be 15-Dec-06, 15-Jan-07, and so on.

- Rate Code and Rate Type: These correspond to the Exchange Rate Code and Exchange Rate Type respectively that is used to convert the amount in the drawdown currency to its equivalent in the tranche currency.
- Status: This indicates the status of the revaluation process as on the revaluation schedule date and can display any one of the following values for a schedule:
 - Processed: Indicates a successful revaluation process
 - Skipped: Indicates a skip in the process as a result of the revaluation date falling before the current rate fixing end date. Also applicable if the revaluation schedule is in the past for back valued drawdowns.
 - Failed: Indicates a failure in applying revaluation due to reasons such as non-availability of the rate or if the new rate results in lack or insufficient availability of funds.
 - Unprocessed: Applicable for all future schedules
- Applied Date: Indicates the date on which the revaluation was successfully applied. For instance, say that revaluation fails on 15-Jan-07 as a result of the drawdown amount exceeding the tranche available amount, after conversion with the new rate. On 16-Jan-07, during BOD batch, Oracle FLEXCUBE will try to perform a reval using the rate available on 16-Jan-07. If revaluation succeeds, the Applied Date would be 16-Jan-07.
- Applied Rate: This is the rate that was applied for revaluation i.e. the rate using which the amount in the drawdown currency was converted to its equivalent in the tranche currency.
- Remarks: Displays the remarks such as reasons for success, failure etc.



Note the following:

- Auto revaluation will be initiated on the schedule dates as part of automatic batch processes run during the EOD operations at your branch. The BOD batch process will take up only the failed schedules and will not include the schedules due on that date.
- If you change the maturity date of the drawdown through a VAMI (Value Dated Amendment Initiation), the system will repopulate the revaluation schedules in accordance with the new maturity date.

For more details on revaluation, refer the heading titled 'Processing revaluation of drawdowns' in this chapter.

6.2.3 **Capturing Details in the 'SCHEDULE' Tab**

You can capture the details pertaining to the drawdown schedule in the 'SCHEDULE' tab.

The information available in this screen is discussed below:

6.2.3.1 Specifying Holiday Treatment for Schedules

The holiday treatment you specified for the DD product will default to the drawdown. However, you can change the details, if required.



The System will redefine the future schedule dates for Principal, Fees and Interest components based on the changes made.

For details on the available options, refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

6.2.3.2 Processing Rules

Grace Days

For drawdown contract, system defaults the value maintained for 'Grace Days' at the borrower drawdown product level. However, you can edit the default value of grace days during contract input or contract amendment. During contract amendment, the amended value is applicable only to future calculations of late payment charges. While saving the drawdown, system displays the following override message:

'Grace Days for drawdown is defaulted from the tranche contract, do you wish to continue?'

You can accept the override message by clicking the 'Ok' button to continue with the save process. In this case, system defaults the value for grace days from linked borrower tranche contract. If you reject the override, then system defaults the value of 'Grace Days' from the drawdown product.

6.2.3.3 Specifying Repayment Schedule Details

The repayment schedule definition for the drawdown will be based on the repayment processing rule specified at the tranche level. The available rules are:

- FIFO (First In First Out)
- Pro-rata
- LIFO (Last In First Out)

For more information on the above rules, refer the heading 'Specifying processing rules for the tranche' in this chapter.

Further, it also depends on the 'Auto Repay Schedule' option defined for the tranche (in the 'SCHEDULE' tab of the 'LS Tranche Contract Online' screen).

- If this option is checked, the rule specified at the tranche level will be applied for defining the repayment schedules for the drawdowns processed under the tranche. In this case the 'Principal Schedule Definition' will be marked as 'AUTO' (in the 'Schedule Details' section of the 'SCHEDULE' tab) and you cannot change it. However, you can amend the schedules, if required. If amendments are made, auto scheduling will not happen for further drawdowns.
- If the option is not checked, the schedules defined for the DD product will be applied for drawdowns under the tranche. For such drawdowns, the 'Principal Schedule Definition' will be marked as 'MANUAL' (in the 'Schedule Details' section of the 'SCHEDULE' tab) and you cannot change it. In this case also, you can amend the schedules, if required. However, if you make amendments, auto scheduling will not happen for further drawdowns.



The drawdown repayment schedules will be determined by the reduction schedules only for drawdowns with the following attributes which are defined as part of drawdown product preferences.

- Payment Type - Bearing
- Schedule Type – Normal



To amend the default values, click on the  button. The repayment schedule details include the following:

Type

In the 'Schedule Details' section of the screen, you can define the following types of schedules:

- P: Repayment schedules
- R: Interest rate revision schedules (for interest components of type 'Floating' and 'Periodic')
- F: Interest rate revision schedules (for interest components of type 'Fixed')

Component

In this field, you have to specify the component for which the schedule is being defined. All components - the principal and other components, depending upon your association with the drawdown product will be available in the form of an option list. You have to define schedules for each of them.

When defining repayment schedules for specific loans, the amount of repayment needs to be specified only for the principal. The interest, commission and fee amounts will be calculated by the system, automatically, depending on the repayment date and amount of the principal.



For amortized schedules, you cannot define schedules for the principal. The component will be displayed as 'AMORTISE'. You should specify the frequency of amortization.

Start Date

This is the date on which the first repayment or rate revision becomes due for the schedule being defined. Subsequent dates will be calculated based on this date and the frequency you specify in the next field. Any repayment or rate revision schedule date falling on a holiday will be handled as per the holiday treatment specifications you define.

This date should be the same or later than the Value Date and same or earlier than the Maturity Date of the drawdown.

No.

Based on the frequency and the unit of frequency, you have to specify the number of schedules for the component. For instance, if you want the schedules to fall due once a month for 12 months, then you will need to specify the following details:

- Frequency: Monthly
- Unit: 1
- No: 12

Frequency

This indicates the frequency/interval at which the schedules will fall due. The available frequencies are:

- Daily
- Weekly
- Monthly
- Quarterly
- Half-yearly
- Yearly
- Bullet: One bullet schedule will be automatically defined for each component based on the drawdown available amount.



You can specify only bullet schedule for PIK interest component. PIK margin maintained at the 'Margin Maintenance' screen will be automatically picked up for the PIK margin component.

Unit

Unit of frequency will identify the number of occurrences within a frequency e.g. Unit '2' and Frequency 'Monthly' will mean bimonthly frequency i.e., the schedule will occur once in 2 months. Similarly, if you want a payment every 15 days you will have to specify the frequency as 'Daily' and enter the units as '15'.

Amount

When defining repayment schedules, the amount of repayment needs to be specified only for the principal. This is the amount by which the available amount under the drawdown will be reduced as per the frequency.

The system will calculate the interest and fee amounts automatically, depending on the repayment date and amount of the principal. However, for drawdowns with special interest, you will also have to provide the interest amount. Similarly, if a fee or a charge has been defined as an amount, you will also have to specify the amount.



Note the following:

- If you specify amortized schedules, the system will automatically do the amortization according to the frequency that you have defined.
- You can define as well as redefine Back Value dated Interest Schedule while amending the schedule for the Drawdown contract.
- You can specify Back Value dated Interest Schedule only for unliquidated Interest Schedules.
- You will not be allowed to change the Interest schedule beyond the last interest liquidated schedule.
- For Prime drawdowns, you will not be allowed to define a new or redefine an existing interest schedule beyond the last Interest/Principal prepayment date.

6.2.3.4 Specifying the Amortize Details

You can specify the following details related to amortize contracts

Installment Amount

Specify the installment amount for amortized contracts. This option is available only for the contract using the product which has the 'Allow user input installment' flag is checked.

The system performs the following validations to this field:

- Amount should be greater than zero and less than the contract amount.
- The computed Interest amount of any of the amortize schedule should not exceed the Installment amount.

- Bullet schedule will have non-zero principal schedule based on the user input installment amount during new contract booking. This is not validated during contract amendment.

Installment amount captured will be same for all schedules and it may differ if:

- EMI computation function for amortized loan is modified to pass the upfront EMI you entered.
- Main interest component amount of each installment is computed based on the principal balance.

Principal is derived as $\text{Principal} = \text{user input installment} - \text{Interest component}$. Allow Pre-Amortization Interest

Check this box to indicate that the system should calculate the pre-amortization interest.

- If 'Allow pre-amortization interest' flag is checked at the contract level:
 - Main Interest component has to be maintained at the product default schedules.
 - Schedule default for standalone Main interest component is blocked.
 - Defaulted Amortize schedules are deleted.
 - Main interest component schedule is allowed to maintain as the first schedule before the amortize schedules. Multiple schedules are not allowed for this component.
 - Only one schedule for main interest component is allowed before first amortize schedule. Components other than main interest component will not be allowed to define before amortize schedules.
 - Redefinition of schedules is allowed. Overlapping of pre-EMI interest and Amortise schedules are not allowed and amortise schedules is not allowed on or before the pre-EMI interest schedule.
 - On redefinition of schedules, pre-EMI interest schedule date is considered as the amortization computation start date.
 - Redefinition of pre-EMI interest schedules is allowed on Contract Amendment provided there is no Paid Amortization schedule that exists in the contract.
 - For userinput installment amortization contracts, Interest and Principal Breakup of the Amortization schedules will undergo a change. However the Amortization amount will be intact.
 - In case of System derived amortization, the redefinition of Pre-EMI Interest schedule will change the amortization amount
- If this flag is not selected at the contract level, main interest component or any other component schedules are not allowed to maintain before the Amortise schedule.
- This flag is applicable for both User Installment and System derived Amortization contracts.
- On copying of contracts this flag value will not be copied and will be defaulted as unchecked.

6.2.3.5 Viewing Drawdown Payment Schedule Details

Based on the payment schedules captured for the components, Oracle FLEXCUBE will compute the schedules and the amount payable for each schedule in the 'Payment Schedule Details'

screen. To view the details, click the  button.

Payment Schedule Details				
Contract Ref No	CT1BLD1043662003		Product	BLD1 Borrower Drawdown Product 01
User Ref No	DD-01		Customer	AIRBS01 AIRBUS US
Due Date	Total Amount Due	Total Amount Settled	Total Amount Adjusted	Expected Balance
31-JAN-2005	7,623,065.74	7,623,065.74	.00	12,500,000.00
28-FEB-2005	7,569,472.59	7,569,472.59	.00	5,000,000.00
30-MAR-2005	5,029,773.96	5,029,773.96	.00	.00
Component	Amount Due	Amount Settled	Adjusted Amount	Expected Balance
LS-FX-INT	36,053.42	36,053.42	.00	.00
LS-RF-INT	87,012.32	87,012.32	.00	.00
PRINCIPAL	7,500,000.00	7,500,000.00	.00	12,500,000.00
Process Date	Value Date	Amount Settled	Lcy Equivalent Settled	
03-JAN-2005	31-JAN-2005	36,053.42	36,053.42	

6.2.3.6 Viewing Drawdown Revision Schedule Details

To view the rate revision schedules, click the  button. The 'Revision Schedule Details' screen will display the details.

Revision Schedule Details		
Component	Revision Date	Applied

The following details are displayed in this screen:

- The name of the interest component that has undergone a revision
- The revision date
- Whether the revision is applied

6.2.3.7 Viewing Rate History Details

You can view the Interest rate and margin rate history for each drawdown in the 'Rates History' screen. This screen will hold the history of interest rate and margin changes that have happened for the drawdown. Click  button to invoke this screen.

In this screen, you have to select the interest component to view the corresponding interest and margin details. To view the margin rates for the components, click the **Margin History** button.

6.2.3.8 Viewing Linkage Details for the Drawdown

In the 'Linkage Details' section of the screen, you can view the details of the tranche under which the drawdown is processed. The following details will be displayed here:

- The linkage type will be 'C'. This indicates that a commitment contract or tranche is associated with the drawdown
- The reference number of the tranche to which the drawdown is linked
- The tranche currency
- Amount available under the tranche (after deducting the new drawdown amount)
- Exchange rate applied on the drawdown. This is required if the drawdown currency is different from the tranche currency
- The amount linked to the tranche. The drawdown amount is displayed here
- The total linked and unlinked amount under the tranche

6.2.3.9 Schedule Adjustments on Interest Rate Revision

In the Instance of Rate change, differential amount will be adjusted against the Bullet schedule without modifying the existing Installment constant amount. On 'REVN' or 'VAMI' either increase or decrease in the rate will increase or decrease the bullet schedule amount without affecting EMI or Tenor. As a result, the EMI of the bullet schedule can be less or more than the other schedules.

The main interest component amount of each installment will be re-computed in usual way based on the principal balance and the new rate. The prevailing EMI (EMI present in the current schedule of the transaction – System will not consider EMIs of previous schedules) will be kept constant.

The iteration of reducing Principal balance with above Principal component of EMI will continue until the bullet schedule is reached. The last EMI will have the remaining Principal amount and the interest as the EMI.

In case of user input installment amortise schedule type contracts, On Rate revision or Margin Rate Fixing, if the sum of Interest and Special Component's amount exceeds the existing Amortization amount, exception will be logged for those contracts in batch.

6.2.3.10 Schedule Adjustments on Prepayment

The following schedule adjustments are performed for prepayment:

- Original installment amount will be retained on prepayment. Outstanding schedules for principal component gets reduced starting with bullet schedule (LIFO process) and interest amount gets re-computed accordingly.
- If the pre-payment amount is enough to cover the bullet and prior schedules, then amount due for these schedules will become zero without changing the maturity date.

 'Liqd int on prepaid principal' flag will not applicable for any kind of payment of amortization contracts. Payment value date should fall on a schedule date of the Interest (AMORTISE component in case of Amortise schedule type Drawdowns) to do full prepayment of the contract.

6.2.4 Capturing Details in the 'ROLLOVER' Tab

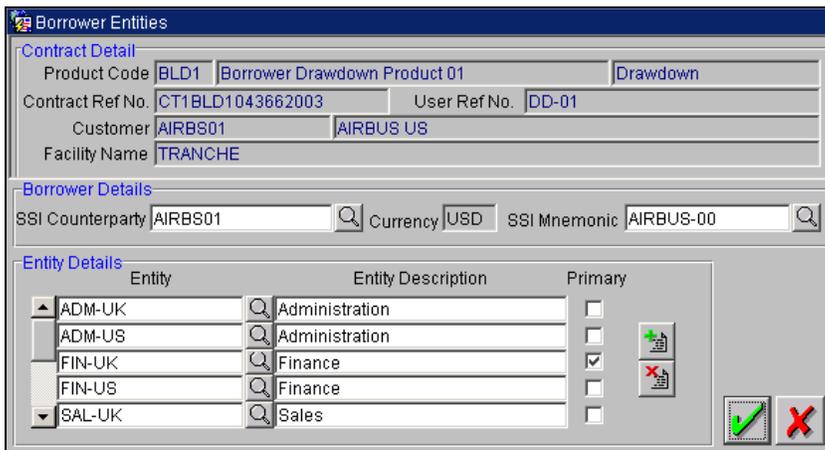
You can rollover a drawdown only if you have checked the 'Allow Rollover' option for the drawdown product used to process the drawdown. If this option is not checked, the following message is displayed when you attempt to visit the 'ROLLOVER' tab:

Rollover not allowed

For details on rollover and information on the 'ROLLOVER' tab, refer the 'Rolling-over a drawdown' chapter of this User Manual.

6.2.5 Specifying Drawdown Entity Details

You can view the borrower entity details in the 'Borrower Entities' screen. These details default from the tranche associated with the drawdown. Click the  button to invoke this screen.



Entity	Entity Description	Primary
ADM-UK	Administration	<input type="checkbox"/>
ADM-US	Administration	<input type="checkbox"/>
FIN-UK	Finance	<input checked="" type="checkbox"/>
FIN-US	Finance	<input type="checkbox"/>
SAL-UK	Sales	<input type="checkbox"/>

You can modify only the following parameters:

SSI Counterparty

By default, the drawdown borrower will be displayed here. You can change the counterparty if the borrower requests to process the settlements through another account. The option list will display the names of all the customers maintained in Oracle FLEXCUBE.

SSI Mnemonic

SSI Mnemonics are maintained in the 'Settlement Instructions' screen for a Counterparty, Module, Currency, Product and Branch combination. The same will be available for the counterparty/borrower of the drawdown. The Mnemonic selected here will obtain the settlement details for the borrower of the contract and the same will default to the 'Settlement Message Details' screen.

If you do not select the SSI Mnemonic, system will default the SSI Mnemonic for the counterparty and contract currency when you exit the screen.



Note the following:

- If you do not specify the Branch as 'ALL' for local currency contracts and participant transfers in the 'Settlement Instruction Maintenance' screen, the System displays the following error message.

Select the appropriate ssi mnemonic applicable for the selected currency

- If you do not specify the Branch as 'Transaction' for foreign currency contracts and participant transfers in the 'Settlement Instruction Maintenance' screen, the System displays the above mentioned error message.

6.2.6 Specifying Drawdown Participants

You must also identify the participants who contribute to the amount being disbursed under the drawdown. A borrower drawdown contract inherits the participant details defined for the borrower tranche under which it is entered. You can make changes to the defaulted participant details when you enter a borrower drawdown. To view the details in the 'Participant Ratio Details' screen, you have to click the **Participants** button.

Participant Ratio Details

Contract Detail: Product Code BLD1, Borrower Drawdown Product 01, Drawdown
 Contract Ref No. CT1BLD1043640004, User Ref No. CT1BLD1043640004
 Customer ABNUS01, ABN AMRO US
 Facility Name FAC01

Participant Name	Participant Code	Asset Amount	Current Participation	Asset Ratio	Charge BOOK-CHG	Charge DD-CHG	In LS
CITIBANK US	CITUS01	300,000.00	300,000.00	030.000000000000	030.000000000000	030.000000000000	030.000000000000
NATWT01	NATWT01	400,000.00	400,000.00	040.000000000000	040.000000000000	040.000000000000	040.000000000000
UBS US	UBSUS01	300,000.00	300,000.00	030.000000000000	030.000000000000	030.000000000000	030.000000000000
		1,000,000.00	1,000,000.00	100.000000000000	100.000000000000	100.000000000000	100.000000000000

Participant Preferences for CITIBANK US:
 Self Participant Originator
 Netting Preferences: SSI Mnemonic PRIM
 Branch: Desk Code: Position Qualifier:

Settlement Details for CITIBANK US:
 Currency: USD SSI Mnemonic: PRIM

Entity Details for CITIBANK US:
 Entity Id: ADM-UK Entity Name: Administration

Based on the drawdown amount, the system will compute the contribution of each participant towards the drawdown as per the 'Asset Ratio' maintained for the tranche.

You can change the default participant details in this screen. Upon change of participants, the system will automatically convert a 'Cascade Participation' type of tranche to a 'Non Cascade Participation' type. The 'CASC' event is triggered to indicate the change in the attribute and the 'Cascade Participation' option for the underlying tranche (in the 'CONTRACT' tab of the 'LS Tranche Contract Online' screen) is unchecked. If changing the participant details is possible, you can specify the following details for each participant, for the drawdown schedule:

- The name of the participant

- The ID of the participant
- Contribution of the participant to the drawdown schedule for the tranche contract, known as the asset ratio or asset amount. You can specify the participant contributions either as an amount or a percentage. If specified as amounts, the sum of all contributions must not be greater than the tranche borrower commitment contract amount. If a percentage is specified, the sum of percentages for all participants must not exceed one hundred percent. Asset sharing ratio of participants is possible only if their contribution does not exceed the availability amount.

For example, let us assume a tranche amount of USD 10 million. The Asset Sharing Ratio (ASR) for various participants can be calculated as follows:

Participant	Asset amount in USD	ASR in %
CITIBANK	2,000,000	20
BARCLAYS	2,000,000	20
NATWEST	3,000,000	30
HSBC	3,000,000	30

At the drawdown level, you can choose to change the asset sharing ratio of the participants in the following manner, if required.

Let us assume that the first drawdown amount is USD 4 million. The Asset Sharing Ratio (ASR) for this amount will be:

Participant	Asset amount in USD	ASR in %
CITIBANK	1,200,000	30
BARCLAYS	400,000	10
NATWEST	1,600,000	40
HSBC	800,000	20

When you change the ASR for a drawdown under the tranche, the ASR at the tranche level will remain the same. However, at the time of a second drawdown, the ASR at the drawdown level will display the availability ratio instead of the tranche asset sharing ratio.



The original asset sharing ratio will be displayed only at the Tranche level.

The availability ratio after the first drawdown will be as follows:

Participant	Asset amount in USD	ASR in %	Availability amount	Availability ratio in %
CITIBANK	2,000,000	20	800,000	13.33
BARCLAYS	2,000,000	20	1,600,000	26.67
NATWEST	3,000,000	30	1,400,000	23.33

Participant	Asset amount in USD	ASR in %	Availability amount	Availability ratio in %
HSBC	3,000,000	30	2,200,000	36.67

The availability amount is computed on the following basis:

$$\text{Availability Amount} = \frac{\text{Available amount for each participant}}{\text{Total available amount}} * 100$$

The availability amount could vary for revolving and non-revolving tranche.

For revolving tranche contracts, the available amount will be calculated as follows:

$$\text{Available amount} = \text{Tranche current limit} - \text{Tranche outstanding amount}$$

For non-revolving tranche contracts, you can compute the available amount in the following manner:

$$\text{Available amount} = \text{Tranche current limit} - \text{Sum of all Drawdowns}$$

You can change the asset sharing ratio for participants on a non proportionate basis using the 'Contract Payment' screen.

For more information on this, refer the section 'Processing Repayments Manually' in the 'Processing Repayments' chapter of this User Manual.

- If the components levied on the contract are in different currencies, you have the option of selecting a Settlement Sequence Number for each currency. The system will use this number to obtain the settlement details for the participant.
- Whether the arranger bank is also a participant in the syndication (self participant)
- Interest, charge and ad-hoc fee components levied on the contract, the receivables from which are due to the participant (you can only specify those components marked for propagation to participants in the product preferences of the borrower tranche product used by the contract)
- Proportion of income from the interest, charge and ad-hoc fee components, which is due to the participant, will be defaulted from the tranche contract. If, for the product, you have checked the box 'Cascade Participation' in the 'Additional Preferences for LS' screen, you will not be able to change the income sharing ratio for fee components. You will not be allowed to change the income sharing ratio of interest components whether or not you have checked the box 'Cascade Participation'.
- Entities for the participant, to whom notices and advices related to the contract, will be sent. A primary entity must be designated. The messages to all entities other than the primary entity will contain the text 'COPY-AVOID DUPLICATION' on them. This text will be present in the following:

Participant Details

The system displays the following participant details:

- Participant Drawdown Ref no
- Participant Facility Ref no
- Participant Tranche Ref no
- Customer
- Ccy
- Amount
- Borrower Contract Ref no

Interest Components

The system displays the following component details.

- Component
- Component Description

Interest Details

The system displays the following interest details.

- Value Date
- Rate Type
- Rate Code
- Borrow/Lend
- Base Rate
- Spread
- Margin
- Adjustment Rate
- Final Rate

Margin Details

The system displays the following margin details.

- Margin Component
- Margin Rate
- Margin Basis

6.2.7.1 Viewing Margin History

You can view margin details of all participants including the margin history by clicking the

Margin History

button on the 'Participant Rate Summary' screen.

The screenshot displays the 'Participant Rate Summary' interface. At the top, there is a 'Participant Details' section with a table listing participant information. Below this is the 'Margin History' section, which includes an 'Interest Component' table and a 'Margin Details' table. To the right of the 'Margin Details' table is the 'Margin Rates' section, which includes a table for 'Value Date' and 'Margin Rate', and a 'nal Rate' section with a vertical list of input fields.

Participant Drawdown Ref no	Participant Facility Ref no	Participant Tranche Ref no	Customer	Ccy	Amount	Borrower Contract Ref no
001PDLL122264001	001PFPR122261001	001PTPR122268002	000063	USD	10,00,000.00	001BDLL122265001
001PDLL122264002	001PFPR122261001	001PTPR122268003	000021	USD	10,00,000.00	001BDLL122265001
001PDLL122264003	001PFPR122261001	001PTPR122268004	000060	USD	10,00,000.00	001BDLL122265001
001PDLL122264004	001PFPR122261001	001PTPR122268005	000061	USD	10,00,000.00	001BDLL122265001
001PDLL122264005	001PFPR122261001	001PTPR122268006	000062	USD	10,00,000.00	001BDLL122265001

Component	Component Description
AGYFEINT	Interest component for Servicer Fee

Margin Component	Component Description	Margin Basis
LIRMGNAGYF	Libor Margin for Servicer Fee	TRANCHE

Value Date	Margin Rate

nal Rate

The system displays the following details.

Participant Details

The system displays the following participant details:

- Participant Drawdown Ref no
- Participant Facility Ref no
- Participant Tranche Ref no
- Customer
- Ccy
- Amount
- Borrower Contract Ref no

Margin History Interest Component

The system displays the following component details.

- Component
- Component Description

Margin Details

The system displays the following margin details.

- Margin Component
- Margin Rate
- Margin Basis

Margin Rates

The system displays the following margin rate details.

- Value Date
- Margin Rate
- Final Rate

The margin rate maintained for the individual participant will be considered while calculating the interest due on the participant side, during contract booking. This will be applicable for current dated/back dated/forward dated drawdown bookings.

6.2.8 Fixing Exchange Rate for Drawdown Currency

You will need to fix the exchange rate for drawdowns only if the drawdown currency is different from the tranche currency. The exchange rate fixing days refers to the number of business days before the value date of the drawdown or the new rate fix period. Exchange rate fixing for the new drawdown or the new rate fix period is done on this day.

To fix the exchange rate for the drawdown currency, click  button. The 'Exchange Rate Fixing' screen will be displayed, as shown below:

The system will arrive at the exchange rate fixing date for the drawdown currency based on the exchange rate fixing days maintained at the tranche level and the holiday validation currencies specified for the drawdown currency.

For more details, refer the heading 'Specifying currency details for the tranche' in this chapter.

You can specify the following details in this screen:

Effective End Date

You have to specify an end date for the new rate to be effective in the system. The start date will be equal to the drawdown date. You have to capture the date in 'DD-MMM-YYYY' format.

Exchange Rate

The default exchange rate will be displayed here. The system picks up this rate from the 'Currency Rates Maintenance' screen. You can change the rate, if required. You can enter upto 15 decimal points.

Remarks

You can also capture additional information, if required. This will be used only for information purposes.



It is not mandatory for you to fix the exchange rate before you fix the interest rate.

6.2.8.1 Saving the New Exchange Rate



Click on the  button to save and exit the screen. When you save the drawdown, the system will trigger the 'EXFX' event with the exchange rate fixing notice. For future dated drawdowns, you need to fix the exchange rate before the value date of the drawdown.

Subsequently, you have to manually fix the exchange rate for the drawdowns. You have to fix the rate for the next period before the end of the current period. However, if you do not do the rate fixing for the subsequent periods, Oracle FLEXCUBE will apply the latest fixing rate for the rest of the period.



Note the following:

- It is mandatory to fix the exchange rate before you initiate a cross currency drawdown in Oracle FLEXCUBE.
- If you do not fix the exchange rate when booking a new drawdown, system will apply the default exchange rate for converting the drawdown amount to the tranche amount to validate the tranche availability. When the exchange rate fixing happens, Oracle FLEXCUBE will revalidate the tranche available amount and raise the exceptions, if any.
- You also have the option to fix the exchange rate after booking a drawdown.

For more information, refer the heading 'Fixing Exchange Rate after drawdown booking' in this chapter.

6.2.9 Specifying Drawdown Interest Details

You can view the interest and margin components, if applicable to the drawdown, in the 'ICCF Details' screen. These details default from the tranche under which the drawdown is being processed. Click  button to invoke this screen.

ICCF Details

Contract Ref No 001BDLL122265001
Event BOOK Booking of contract

Interest

Component INTEREST

Compensatory Component COMPINTSF COMPENSATORY INTEREST SF LIBOR

Rate Type FIXED

Special Rate Type

Fixed Rate Type User Input

Fixed Rate Code LIBOR

Floating Rate Code

Ccy Round Rule Round Near

Unit .01

Decimals 2

Min Rate 0.0000000000

Base Rate 8.0000000000

Margin 6.0000000000

Spread

Final Rate 14.0000000000

Adjustment Rate .0000

Rate Code Usage

Reset Tenor

Rate Cycle Type

Borr. Lend Indicator Mid

Interest Computation Simple

Interest Basis Actual/360

Int Period Basis Include From ...

Max Rate 25.0000000000

Penalty Tenor 0

Penalty Start Date Basis Due Date

Interest Amount

Acquired Interest

USD

Amortization Constant Component

Special Penalty Comp

Waiver

Main Comp

Consider as Discount

Accrual Required

Compounding on Holidays

Billing Notice Required

No of Days

Rate Fixing

Rate Setting

Margin

Margin Component	Description	Margin Basis	Basis Amount Tag	Margin Rate
CDS MARGIN	CDS MARGIN COMPONENT	DRAWDO...	User Input	.0000000000
LIBORMRN	LIBOR MARGIN	TRANCHE	Tranche Outstanding	6.0000000000
UTILMAR	Margin Based on Utilization	TRANCHE	Tranche Outstanding	.0000000000

Navigation buttons: [Home] [Left] [Right] [End]

Checkmark [✓] and Error [✗] buttons

6.2.9.1 Amending Interest Basis

The interest basis defaults from the product level. However, you can change the default value anytime during the lifecycle of the contract except for contracts with interest capitalization type of renewal instructions. When you change the day basis, the system re-computes the schedule interest amount from the start date of the component. The amendment becomes applicable from the value date of the contract. Note that the system considers the margin rates maintained for each participant while re-computing the interest.

 Note the following:

- If the interest distribution type is defined as 'Lender of Actual' (in the 'LS Tranche Contract Online' screen) and if there are any liquidated repayment schedules, the system updates the payable/receivable of the respective liquidated payment schedule as a result of change in interest basis.
- You cannot amend the Interest Basis for 'Lender of Record' type of distribution if there are liquidated schedules for the same component.

You can use the navigation buttons -  to view the interest components associated with the drawdown.

Amortization Constant Component

The default value from the product gets defaulted here. The check box is selected if this is an amortization constant component. You cannot change it in the contract level.

Compensatory Component

The corresponding compensatory component is displayed from the product for the main interest component.



Note the following:

- The system considers the Final Rate of the Main interest component to be the Rate for the compensatory component.
- It considers the unfunded amount to be the basis amount for compensatory interest component for the borrower and investors for their respective unfunded period.
- In case of borrower, the basis amount will be the total unfunded amount for the borrower. (Unfunded amount = Total outstanding – Funded amount)
 - Here, funded amount is the amount received by the Borrower
 - In case of Recall by bank for the fronted amount for an investor, the fronted amount is considered as unfunded from the date of recall till the actual funding made by the corresponding investor.
- In case of participant, the basis amount is the unfunded amount for an investor (Unfunded amount = Total outstanding – Funded amount).
 - Here, funded amount is the amount actually funded by the investor. The fronted amount (if any) is not considered as funded until it is actually funded by the investor.
- There is no propagation for the compensatory component. the system calculates it separately on the borrower and investor side.
- In case bank is fronting for an investor, bank will receive the interest for the fronting period.
- During interest calculation and accrual processing, the system arrives all in rate as zero if all in rate is negative. All in rate gets displayed as zero in the existing all in rate field in the screen.
- The system does not accrue with interest amount in negative. If the interest was accrued with positive interest rate and later all in rate is changed to zero due to negative rates then, the interest will not get accrued from the interest amendment date.
- If the interest rate amendment is done effective back dated then the system will recalculate the accrual by taking all in rate as zero from the amendment date along with the back dated interest amendment process.

6.2.9.2 Specifying Billing Preferences

The billing preferences maintained at the product level defaults to the contracts. You can amend these preferences at the contract level only if you have specified the same at the product level.

Billing Notice Required

Check this box to indicate that you would like to send a billing notice for the interest component.

No of Days

Specify the number of days prior to the billing date that the billing notice needs to be sent.

 You can not amend these values if the Billing Notice Required option is unchecked at the product level.

For details on the above screen, refer the heading 'Specifying Interest Details for a Contract' in the 'Processing Interest' chapter of the Interest User Manual.

6.2.9.3 Fixing Interest Rate for the Drawdown

Just as you fix the exchange rate for the drawdown currency, you can also fix the interest rate for a predefined period. The Interest rate fixing days refers to the number of business days before the value date of the drawdown or the new rate fix period. Interest rate fixing for the new drawdown or the new rate fix period will be done on this day.

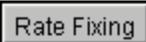
 Note the following:

- You can fix interest rates ONLY if you have checked the 'Rate Fixing Required' option for the interest component at the drawdown product level (in the 'Interest Definition' screen). Further, rate fixing will be applicable for an interest component with the following attributes:
 - Rate Type: Fixed
 - Fixed Rate type: User input
- If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required for rate changes for fixed rate contracts.

For more details regarding dual authorization, refer the heading titled 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

The system will arrive at the Interest rate fixing date for the drawdown currency based on the Interest rate fixing days maintained at the tranche level and the holiday validation currencies specified for the drawdown currency.

For more details, refer the heading 'Specifying currency details for the tranche' in this chapter.

To fix the interest rate for the drawdown currency, click the  button in the 'ICCF Details' screen and invoke the 'Rate Fixing Details' screen, as shown below:

Rate Fixing Details	
Contract Detail	
Product Code	BLD1 Borrower Drawdown Product 01 unknown
Contract Ref No.	CT1BLD1043663001 User Ref No. DD-03
Customer	AIRBS01 AIRBUS US
Facility Name	
Interest Details	
Component	LS-RF-INT LS - Rate Fixing Interest Class <input type="checkbox"/> Standard Tenor
Currency	USD USA DOLLAR
Rate Code	<input type="text"/> <input type="button" value="..."/>
Rate Fixed Date	31-DEC-2004 <input type="text"/> Tenor Value <input type="text"/>
Rate Effective Start Date	31-DEC-2004 <input type="text"/> Tenor Unit <input type="text"/>
Rate Effective End Date	30-MAR-2005 <input type="text"/> Next Rate Fixing Date <input type="text"/>
Rate	3.450000000 <input type="text"/> Next Notification Date <input type="text"/>
Remarks	<input type="text"/> <input type="button" value="Bidding"/> <input type="button" value="✓"/> <input type="button" value="✗"/>

 Rate Fixing button gets enabled in 'ICCF Details' screen only if rate fixing is selected at the product level.

You can specify the following details in the 'Rate Fixing Details' screen:

Rate Code

You have to specify the floating rate code based on which you can specify the interest rate fixing tenor and the default fixing rate.

Tenor Value

You can specify the rate fixing period by specifying a 'Tenor Value' or the 'Rate Effective End Date'. If you are specifying a tenor, you can select a value from the option list which will display the tenor values associated with the rate code you select. This is based on your maintenance in the 'Floating Rate Code Definition' screen. Upon choosing a value, the following details are also displayed:

- Tenor Unit
- Next Rate Fixing Date
- Next Notification Date
- Next Effective Start Date
- Rate Effective End Date
- Rate

Rate Effective End Date

If you do not want to specify a 'Tenor Value', you have the option to capture the end date of the rate fixing period. This date should not be less than or equal to the 'Rate Effective Start Date'. The system will display the following after you specify the end date:

- Next Rate Fixing Date
- Next Notification Date

- Next Effective Start Date
- Rate

Rate

The system will default the interest rate based on the rate code and the tenor value/effective end date you specify for the drawdown. You can change the default rate, if required.

If the base rate is changed or new rate is added or the floating rate codes are changed, the system will recalculate the interest. Note that it will consider the margin rates maintained for the participants while recalculating the interest due for the participants.

For more details on negative rate processing, refer the title 'Maintaining Loans Parameters Details' in the chapter 'Bank Parameters' in Core Services User Manual.

Remarks

You can also capture additional information, if required. This will be used only for information purposes.

Click the  button to save and exit the screen.

 Note the following:

- You have to fix the tenor and rate for the next tenor before the end of the current rate fix period. In case you fail to fix the rate for the next period, system will apply zero interest rate for the rest of the period until rate fixing happens.
- Interest Rate fixing will occur on the Interest Rate Fixing date after considering the holiday preferences and the number of Interest Rate fixing days from the start of the new fixing period.
- For the first time, you can fix the interest rate as part of drawdown booking. Subsequent rate fixing should be performed through the 'LS Interest Rate Fixing' screen.

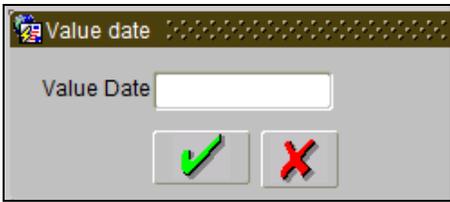
Bidding

- You can capture the base rate and spread rate in the 'Participant Bidding' screen. You can invoke this screen by clicking  'Rate Fixing Details' screen.

 You can invoke 'Participant Bidding' Screen from 'ICCF Details' screen for Fixed or Floating Type of Main Interest Components and for Rate Fixing kind of Main Interest component bidding you can invoke the screen from 'Rate Fixing Details' Screen.

6.2.9.3.1 Capturing the Value date

On click of unlock button you are allowed to capture the value date by altering the rate effective start date.



STOP The following actions should be performed automatically on click of 'OK' button in the 'value date' 'screen

- The IRAM event will be registered individually for each amendment
- After save, you are allowed to view the interest rate for both the periods, to verify the interest rate.
- You have to manually authorize both the IRAM events individually.
- If there is no value date (end date) captured or you can click the cancel button in the value date screen. The End date will be disabled and you are allowed to amend only the interest rate
- If user fixes interest rate for the new period from 'Interest Rate Fixing' Screen, IRFX event will be registered.

For more information on bidding refer 'Bidding Contract' section in 'Interest' manual in 'Modularity' module.

For details on the 'LS Interest Rate Fixing' screen, refer the heading 'Fixing Interest Rate after drawdown booking' in this chapter.

6.2.9.4 Rate Setting

To set the rate setting rules for the borrowers drawdown, click the **Rate Setting** button in the 'ICCF Details' screen and invoke the 'Rate setting' screen, as shown below:

Rate Setting Rules

Contract Detail

Product Code: Borrower LIBOR Drawdown Prod

Contract Ref No: User ref no:

Customer:

Facility Name:

Split Details

Split Number: Roll Product:

Principal Roll amount: Total Roll Amount:

Interest Roll Amount: Maturity Date:

Interest Rate Rounding rules

Rounding Rule:

Rounding Unit:

Interest Rate Period

O/N
 1MO
 4MO
 7MO
 1WK
 2MO
 5MO
 8MO
 2WK
 3MO
 6MO
 9MO
 3WK
 10MO
 11MO
 12MO

Tenor Details

WK-week
 MO-Month
 O/N-Over Night

Specify the following details.

Contract Details

Product code

The system displays the product code.

Contract Ref number

The system displays the contract ref number.

User ref number

The system displays the user ref number.

Customer

The system displays the customer name.

Facility name

The system displays the facility name.

Split Details

Split number

The system displays the split number.

Principal roll amount

The system displays the principal roll amount.

Interest roll Amount

The system displays the Interest roll amount.

Roll Product

The system displays the roll product.

Total roll amount

The system displays the total roll amount.

Maturity date

The system displays the maturity date.

Interest rate rounding rules**Rounding rule**

Select the rounding rule from the adjoining drop down list. Select one of the options listed below:

- Down
- Upto
- No rounding
- Manual

Rounding Unit

The rounding unit will be enable only if the you have selected the 'rounding rule' as 'Down' and 'Upto' .

Interest rate period

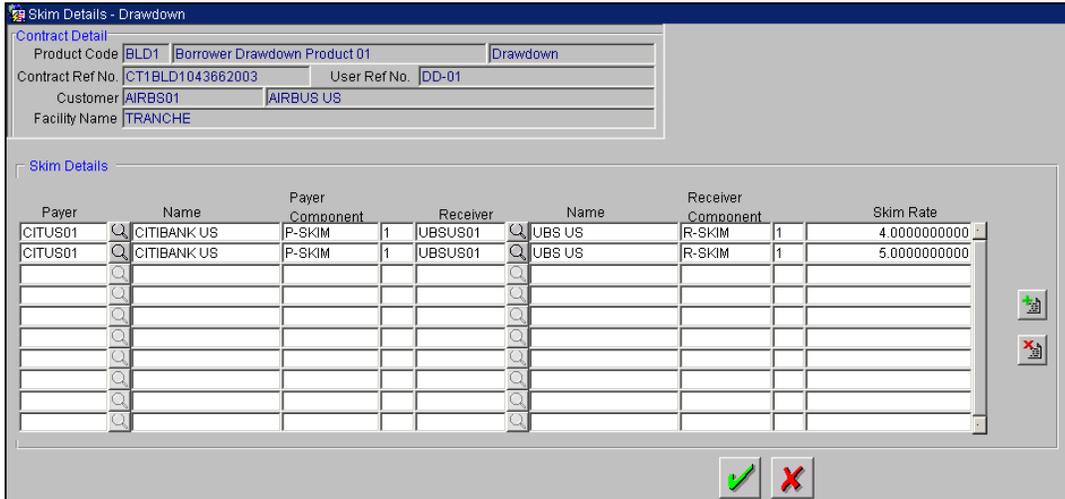
Select one of the interest rate periods from the options given.

Once all the Rate setting rules are maintained and when you come out of 'Rate Setting Rule screen' by clicking OK button (Green tick), the following override messages will be displayed

- If the Interest Rate Rounding Rule is 'Manual', then the message will be 'Rounding Rule is manual. Auto Rate Fixing will not be done'
- If Interest Rate Rounding Rule is not 'Manual', then the message will be 'Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted'. This message will appear only for the future dated events / contracts
- You are allowed to change the Rounding Rule by clicking 'Cancel' button in the override message

6.2.10 Specifying Drawdown SKIM Details

The SKIM details captured for the tranche will get propagated to the drawdown contract. You are allowed to amend the details at the drawdown level. To view and amend the details, if needed, click the  button. The 'SKIM Details – Drawdown' screen will be displayed, as shown below.



Skim Details - Drawdown

Contract Detail

Product Code: BLD1 | Borrower Drawdown Product 01 | Drawdown

Contract Ref No: CT1BLD1043662003 | User Ref No: DD-01

Customer: AIRBS01 | AIRBUS US

Facility Name: TRANCHE

Skim Details

Payer	Name	Payer Component	Receiver	Name	Receiver Component	Skim Rate
CITUS01	CITIBANK US	P-SKIM	1	UBSUS01	UBS US	4.0000000000
CITUS01	CITIBANK US	P-SKIM	1	UBSUS01	UBS US	5.0000000000

The details of the payer and receiver of Skim and the Skim rate will get defaulted to the respective participant contracts for processing. The accounting entries will also be passed in the corresponding participant contracts.



If SKIM details are not maintained for the tranche, you cannot define them afresh at the drawdown level. Atleast one combination of Skim should be defined for the tranche.

For details on the fields in this screen, refer the heading 'Defining SKIM details for tranche participants' in this chapter.

For details on the accounting entries defined for the Skim components, refer the heading 'Maintaining Skim components for participants' in the 'Defining Products for Loan Syndication' chapter of this User Manual.



Note the following:

- You cannot introduce a SKIM during a rate fix period
- The Payer and Receiver combination should be unique. However, the same payer can pay SKIM to multiple payees
- SKIM is paid or received along with the interest schedule. So the accounting for skim transactions occurs along with the interest receipt or payment.
- SKIM will not be settled when partial payment of an interest schedule happens. It is settled only after full interest payment is received.
- The SKIM amount being paid or received will be considered for the purpose of participant netting

- The advices to participants will contain the SKIM amount separately
- The SKIM receiver can also be an external entity (one who is not a participant). For handling such a case, you will need to capture the entity as a participant with 0% asset sharing ratio.

You have the option to amend the Skim details for a drawdown through the 'Skim Amendment' screen.

For more information on this screen, refer the heading titled 'Amending drawdown SKIM details' in this chapter.

6.2.11 Viewing Drawdown Charge Details

The charge components associated with the drawdown product will be applied to the drawdown.

You can view the charge details in the 'Contract Charge Details' screen. Click the  button to invoke this screen.

Association						
Creation ESN	Component	Rule	Waiver	Consider as Discount	Accrual Required	
1	DD-CHG	DD-CHG	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Application								
Creation ESN	Component	Tag Ccy	Tag Amount	Charge Ccy	Charge Amount	Waiver	Consider as Discount	Liquidated
1	DD-CHG	GBP	2000000	GBP	3,000.00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Liquidation			
Component	Charge Ccy	Charge Amount	Deferred Status

For more details on this screen, refer the heading 'Modifying charge details for the tranche' in this chapter.

6.2.12 Defining Drawdown Fee Schedules

The fee components associated with the drawdown product will be applied on all drawdowns processed under it. You can view the fee component schedule details in the 'Fee Components' screen. Click the  button in the 'Drawdown Contract Online' screen to access it.

For details on the fields in this screen, refer the heading 'Defining tranche fee schedules' in this chapter.

6.2.13 Viewing Drawdown Tax Details

You can collect withholding tax on the fee/interest collected by the participants of a drawdown. However, tax will not be applied on the fee collected from the participants. The tax details, if applicable for the participant product (linked to the drawdown through the facility product) will be applied on the drawdown. To view the details, click the  button.

This screen will display the tax rules for each participant based on which withholding tax will be computed on the fee or interest components. Tax rules associated with the drawdown product will default to the drawdown. You can waive the subsequent tax to be applied for a participant and tax rule combination.

The system will pass the entries for tax based on the event you specify in the 'Product Tax Linkage' screen. Typically, tax on fee will be calculated upon liquidation of the fee (event 'FLIQ' will be associated with the rule) and tax on interest will be computed on interest liquidation (event 'LIQD' will be associated with the rule).

For details on associating tax with a product, refer the heading titled 'Specifying tax details for a participant product' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

For more information on the Tax sub-system of Oracle FLEXCUBE, refer the Tax User Manual.

6.2.14 Defining Overwrite Settlement Instructions for the Drawdown

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest etc, using the 'Overwrite Settlement Instruction Details' screen. Using this screen, you can post liquidation entries into an Internal GL account instead of the customer account at the time of rollover. Click **Overwrite SI** in the 'Drawdown Contract Online' screen to invoke the following:

Component	Internal GL	Overwrite default settlement instruction
ADHFEE-ARR		<input type="checkbox"/>
ADMN-CHG	AS1111000	<input checked="" type="checkbox"/>
BOOK-CHG	AS2222000	<input checked="" type="checkbox"/>
DDCT-FEE		<input type="checkbox"/>
F-TAX1		<input type="checkbox"/>
F-TAX2		<input type="checkbox"/>
LS-UNUTIL		<input type="checkbox"/>
LS-UTIL-FE		<input type="checkbox"/>
TSFR-FEE		<input type="checkbox"/>

Enter the details as specified below:

Component

This screen displays the all the components displayed in the Settlement Message Details screen.

Internal GL

Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite Default Settlement Instruction

Check the 'Overwrite default settlement instruction' box to confirm that the liquidation entries should be posted into the Internal GL account. System will post the entries to the Internal GLs only if you check this box. Otherwise, system will post the entries as per the settlement instructions specified for the component of the contract.



Note the following:

- If you check the 'Overwrite default settlement instruction' box for a component, system will overwrite the settlement instructions of both the borrower and the participants.
- You can maintain the Internal GL account anytime during the life cycle of the contract.

6.2.14.1 Authorizing Overrides for Drawdown

You need to perform dual authorization, if you have selected the Overwrite SI option for any of the following events:

- Amending Tranche/Drawdown Contract
- Value Dated Amendments
- Fee Liquidation
- Liquidation of Principal/Interest

For more details, refer to the section 'Authorizing the overrides for tranche' in the same chapter.

6.2.15 Viewing Settlement Instructions for the Drawdown

You can view the settlement instructions for the drawdown in the 'Settlement Message Details' screen. Click the **Settlements** button to view the details.

Contract Reference Number: CT1BLD3051814001 Component: ADHFEE-ADV_LIQD

Acct Details Msg Details Msg Details Pay Parties Pay Parties Recv. Notice DD Parties Clearing

Gen Msg	Gen Recv	Gen DD	Component	CCY	SSI Mnemonic	Branch	Account	A/c	CCY	Accol
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ADV_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ARR_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ADHFEE-SA_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DD-CHG_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	LS-FX-INT_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	LS-PR-PTY_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PRINCIPAL	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PRINCIPAL_INCR	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PRINCIPAL_LIQD	GBP	PRIMARY	CT1	DELLC01GBP1	Q	GBP	DELLC01

Settlement Direction: P - Pay, R - Receive

Account Desc: DELL GBP ACCOUNT 01

IBAN A/C Number:

SV GI

The system obtains the settlement account for each drawdown component based on the SSI Mnemonic selected for the component.

If the 'Chinese Characters in Payment' box is checked in the 'Loan syndication- Branch Parameters' screen, then only you can enter the Chinese characters in the field 57, 59, and 70 for foreign currency and local currency settlement instructions / accounts and there will not be any validations in the system. You need to operationally control it.

You are allowed to enter the information in Chinese or English or a combination of both in this field. If it is a combination, then the system will consider it as Chinese and allow up to 35 characters.



This is applicable only for ASPAC region.

For more details about the 'Settlement Message Details' screen, refer the Settlements User Manual.

6.2.16 Viewing MIS Details for the Drawdown

If you have maintained MIS details for the DD (drawdown) product, the same will default to the drawdown. To view the details, click the  button.

Transaction MIS Maintenance

Reference Number CT1BLD3051814001 Mis Group Link to Group

Input

Related Ref. No.

Related Account

Mis Head

Rate at

Pool Code DFLT-POOL

Contract Level

Rate Type

MIS FX Spread

Int. Calc. Method Actual/365

User Rate

Floating Rate

Rate Code Spread

Transcation Mis Codes

Mis Group

Composite MIS Code

Mis Group

INDUSTRY AUTO

BUSINESS DRAWDOWN

Cost Code

F

S

C

For details on the 'Transaction MIS Details' screen, refer the MIS User Manual.

6.2.17 Specifying Parties for the Drawdown

You can also specify different entity or party types that would be applicable for the borrower drawdown as well as the applicable parties belonging to the selected party type. This is done in the 'Party Details' screen. The party types associated with the drawdown product will default to the drawdown. You can change the defaulted values, if required.

The screenshot shows the 'Party Details' window. The top section, 'Contract Detail', contains the following information:

- Product Code: BLD3 BORROWER DRAWDOWN - 03 Drawdown
- Contract Ref No.: CT1BLD3051814001
- User Ref No.: DD-50P-FEE
- Customer: DELLC01 DELL US
- Facility Name: (empty)

The bottom section, 'Party Details', is a table with the following columns: Party Type, Party ID, and Party Name.

Party Type	Party ID	Party Name
LEAD-AGY	CITUS01	CITIBANK US

Navigation icons for adding (+), deleting (-), and confirming (checkmark) are visible on the right side of the table.

For more details on the above screen, refer the heading 'Specifying parties for the facility' in this chapter.

6.2.18 Specifying UDF Values for the Drawdown

The UDFs defined for the drawdown product will be applied for the drawdowns processed under it. You can view the UDFs, if applicable, in the 'User Defined Fields' screen. Click the  button to invoke this screen.

The screenshot shows the 'User Defined Fields' window. The 'Contract Reference no.' is CT1BLD3051814001. The main area contains a table with the following columns: Field Name, Value, and Mandatory status.

Field Name	Value	Mandatory
BOOKINGDAT		

Navigation icons for adding (+), deleting (-), and confirming (checkmark) are visible on the right side of the table. A legend at the bottom indicates: M - Mandatory, N - Not Mandatory.

For more details on the above screen, refer the UDF (User Defined Fields) User Manual.

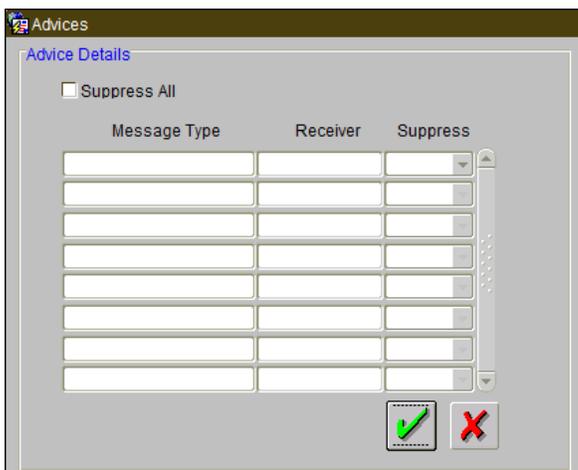
If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required for some select operations.

For details on operations that require dual authorization, refer the section 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

The UDF 'PAYOFF-FEE' attached to drawdown products is used to determine the flat fee amount. The value maintained for this UDF for the tranche contract is inherited to all linked drawdown contracts. If required, you can change the value at drawdown level. If the defaulted UDF value is overwritten at the drawdown level, then the tranche and drawdown UDF values will be different. In this case, the subsequent UDF changes at the tranche contract level will not be propagated to the drawdown.

6.2.19 Viewing Drawdown Advices

The advices associated with the drawdown product (in the 'Product Event Accounting Entries & Advices' screen) will be applicable for the drawdown. Click the  button to invoke the 'Advices' screen.



The screenshot shows a window titled 'Advices' with a sub-tab 'Advice Details'. At the top left, there is a checkbox labeled 'Suppress All'. Below it is a table with three columns: 'Message Type', 'Receiver', and 'Suppress'. The table contains several rows, each with a text input field for 'Message Type', a text input field for 'Receiver', and a dropdown menu for 'Suppress'. At the bottom right of the table area, there are two icons: a green checkmark and a red 'X'.

For more details on this screen, refer the heading 'Modifying tranche advice details' in this chapter.

After capturing the drawdown details, you have to save the same and have it authorized by your supervisor.

After you save the drawdown, you can view the following details of the contract:

- Diary Events for the contract
- Netting Cash Flow Summary
- Messages generated for the tranche
- Participant Summary details
- Events
- AER
- EI

This section will explain only those details that are unique to a drawdown. For details on the other options (Diary Events, Netting Cash Flow Summary, Message Preview, Participant Summary, Events), refer the following sections in this chapter:

- Viewing tranche diary events
- Viewing netting cash flow summary
- Viewing messages for the tranche
- Viewing tranche participant summary details
- Viewing events for the tranche

6.2.20 Viewing AER Details for the Drawdown

For drawdowns involving products marked for AER (Annual Effective Rate) Calculation (in the 'Loans Syndication - Borrower Product Preferences' screen, the option 'Annual Effective Rate Calculation Req'd' will be checked for such drawdown products), you can view the AER through the 'Annual Effective Rate Details' screen. Click the  button to invoke this screen.



The screenshot shows the 'Annual Effective Rate Details' window. At the top, there is a 'Contract Detail' section with the following information:

- Product Code: BLD3 BORROWER DRAWDOWN - 03 Drawdown
- Contract Ref No.: CT1BLD3051814001 User Ref No.: DD-50P-FEE
- Customer: DELLC01 DELL US
- Facility Name: (empty)

Below this is the 'Annual Effective Rate Details' table:

Event Seq No	Calc Date	Start Date	End Date	Annual Effect Rate
1	30-JUN-2005	30-MAR-2005	30-MAR-2006	0.0325000000
3	30-JUN-2005	30-MAR-2005	30-MAR-2006	0.0325000000

Oracle FLEXCUBE will calculate the AER using the interest rate applicable to the main interest component of the drawdown. The AER will be printed in the Drawdown Advice, Amendment Advice and Drawdown Statements.

 AER will not be calculated for Special Interest.

In addition to the AER value, the following details are also displayed in the screen:

- The event sequence number
- Date of AER Calculation
- Start date and End date of the period for AER calculation

The AER is calculated using the following expression:

$$[(\text{Contract Rate}/100) \times (\text{Tenor}/D) + 1]^{(D/\text{Tenor})} - 1$$

Where,

- Tenor is expressed in days
- D = Actual / 360 / 365, depending on the day count method applied on the interest component, and
- Contract Rate = Interest Rate applicable to the main interest component of the drawdown

The calculation of AER will be done when the following conditions are satisfied during the lifecycle of the drawdown:

For Fixed Rate Contracts and Floating Rate Contracts with auto rate revision (Contracts without any rate revision schedules):

- On booking the drawdown.
- In the event of any change in the rate or tenor of the drawdown. In this case, the AER is re-calculated for the entire drawdown tenor.

For Floating Rate Contracts with periodic rate revision schedules

- On booking the drawdown
- Every time a rate revision takes place. In this case, AER is calculated for the revision period
- In the event of any change in the rate or tenor of the drawdown. In this case, the AER is re-calculated for the current rate revision period



Note the following:

- Every instance of AER computation is displayed in this screen
- The Denominator Day Count method is taken to be '365' if your specification is 'Actual'

6.2.21 Viewing EI for the Drawdown

You can view the effective interest (EI) rates applied on the drawdown through the Effective Interest Rate details screen. Click the  button to invoke this screen.

Effective Interest Rate Details

Contract Detail

Product Code: BLD3 BORROWER DRAWDOWN - 03 Drawdown

Contract Ref No.: CT1BLD3051814001 User Ref No.: DD-50P-FEE

Customer: DELLC01 DELL US

Facility Name:

Effective Interest Rate Details

Start Date	Effective Interest Rate

In this screen you will be able to view the 'Effective Interest Rate' and the 'Start Date' from which interest rate is effective in the system.

6.2.22 Maintaining Escrow Account Details

You can link escrow accounts to a contract using the 'Escrow Account Maintenance' screen. Click the **ESC** button in the 'Drawdown Contract Online' screen to access this screen.

Escrow Account Maintenance

Contract Reference No: CT4ESC8050740009

Account Maintenance

Account Number	Account Desc	Escrow Type	Escrow Balance in LCY
LI0000001	Interest Suspense	ESC6	.000
LP0000001	Principal Suspense	ESC6	18,000.000

Green checkmark button and Red X button at the bottom right.

You can specify the following details in this screen:

Account Number

Select the account number of the customer from the adjoining option list.

Account Desc

System displays the description of the account number.

Escrow Type

System displays the Escrow type.

Escrow Balance in LCY

System displays the available escrow balance in local currency.



Note the following:

- You can select the escrow account from the option list, which will list all customer and GL accounts where Escrow Type UDF has been specified. Account Number is assumed to be unique across branches.
- System validates if the escrow account is a customer account (i.e. Escrow Type UDF = 'ECS3'). Such accounts can only be linked to a single loan contract. However, if the escrow account is a GL account, then it can be linked to multiple loan contracts.
- You can delink a previously linked escrow account using the contract amendment option. When you click Delete button, system validates that there is no balance in the account for this contract.
- When you perform contract liquidation or a reversal, system validates that there are no balances in linked escrow accounts.
- Rollover can be processed only if the balance in all the linked escrow accounts for the contract is zero. Thus during rollover, balances in the escrow account will not be automatically transferred to the new contract.
- If escrow balances exist for the contract, then during rollover instruction input, system alerts the user.
- Rollover instructions can be captured even if escrow balances exist, however before rollover is processed you must ensure that all such balances are nullified. Rollover will fail for a contract if the escrow balances have not been nullified.
- If a contract is marked for auto rollover, and if there is pending balance in any of the linked escrow accounts, then the rollover of the contract will fail.
- Escrow maintenances are not be copied to the rolled-over contracts from the parent contract. However you can amend the rolled-over contract and capture the Escrow accounts to be linked.
- When you launch the sub-screen from the contract main screen, system will fetch the EOD balance for the Contract Reference Number and Escrow Account combination for each linked Escrow Account. All entries posted during the day up to the time of the query are considered. Thus the balance displayed in 'Escrow Balance' field for each Escrow Account will be the current balance in real time for the contract.
- Impounding escrow components for tax and insurance are collected as per the payment schedule using the manual payment screen and liquidated into the escrow account mapped at the product level. Such Escrow accounts must be separately linked to the contract using 'Escrow Account Maintenance' screen so that the balance of such escrow accounts are displayed at contract level along with other Escrow balances.
- Back date adjustment entries are considered only after linking escrow account at contract.

Example

01-Jan-2005: Adjustment entries are posted for contract (No Escrow Accounts)

02-Jan-2005: Attached Escrow accounts for which adjustment entries are posted on 01-Jan-2005, these entries are not considered.

01-Jan-2005: Adjustment entries are posted with value date 01-Jan-2005 then this entries are considered.

6.2.22.1 Amortization for Escrow Components

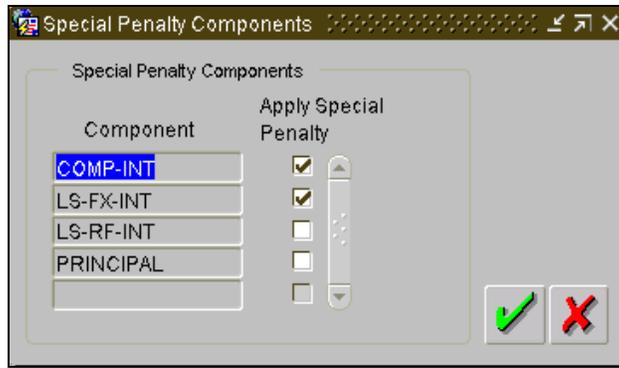
If the Escrow component is part of amortization constant amount, then while redefining the following validations are performed:

- Schedule total amount(sum amount of PRINCIPAL, Main Interest Component and other additional amount constant interest components on a schedule due date) cannot exceed the instalment amount after escrow interest amount change
- If EMI amount is exceeded for any of the schedules as part of the change in interest amount, VAMI will fail. In this case, you have to adjust other parameters(interest rate, instalment amount, interest amount, no. of schedules) involved in the EMI constant, to keep the schedule amount equal to the EMI amount without violating any other validations
- The above validations will not be done for escrow components, if they are not checked as Amortization constant component

 Escrow component can be amended only through schedules details tab and not through CAMD or VAMI. You cannot amend escrow interest amounts through contract amendment for Amortization schedule type contracts, if Escrow components are part of the amortization constant.

6.2.23 Specifying the Special Penalty Components

You can select components to which late payment charges are applicable for both commitment and loan contracts using the 'Special Penalty Components' screen. To invoke this screen, click the  button in 'Drawdown Contract Online' screen.



Specify the following details:

Component

System defaults the components selected for late payment charge application at the product level.

Apply Special Penalty

Check this box to indicate that system should apply special charges to the penalty component.

6.2.23.1 Processing the Late Payment Charges

System identifies the loan contracts where grace period has expired and tracks due date, amount paid and amount settled for each component of the loan. If late payment charge component has been defined for a loan contract, i.e. if the 'Special Penalty Component' is checked for a component in a contract, then system does the following:

- System identifies the late payment charge basis components (components for which late payment charges are applicable) from the loan contract details.
- Since late payment charges are applicable for partially paid overdue schedules also, system validates if there is any outstanding amount due on the current date for components selected for late payment charges.
- If there is any outstanding amount, then system calculates the total outstanding amount on all components in this schedule and stores the value in the amount tag 'SCH_AMT_OS'. This will form the basis of calculating the late payment charge.
- System then calculates the late payment charge by multiplying the value of 'SCH_AMT_OS' with Fixed Rate or Flat Amount, based on the setup.
- Each late payment charge schedule is separately stored with the due date same as the original schedule due date.
- The calculation date (schedule date + grace days) of each late payment charge calculated is also stored for information and reporting purpose.
- System does not pass any accrual entries for the special penalty component.

6.2.24 Specifying Media for Message Generation

You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking  button. This button will be enabled only if the 'FpML Type' option is unchecked and the 'Media Priority' option is checked at the product level.

Media

Specify the individual participants and media for primary entity of each participant if the 'Media for All Investors' option is not selected. The adjoining option list displays all valid media maintained in the system. You can select the appropriate one.

You are allowed to select any media for primary entity of individual participant only if that media is maintained for primary entity of individual participant in the 'Customer Entity Maintenance' screen and also message type corresponding to the media is maintained for the event at the product level.

If there are multiple events to be registered in a single transaction from the same screen, the system will validate such that message type corresponding to the media is maintained at least for one event at the product level.

In case, if the selected media is not available for any messages attached for some event, then the message for that event will be generated based on the priority maintained in the 'Customer Entity Maintenance' screen.

During the drawdown booking, if the 'Media for all investors' is selected as 'FPML', then the message generation corresponding to the events will be as follows:

Events	Message generation
DNOT	FPML message will be generated
IRFX	Since there is no message attached with media FPML for IRFX event system will check the priority of Entity1 of participant and message will be sent via media 'FAX'. If there is no media order maintained for Entity1, then system will generate the message using customer entity maintenance.

6.2.25 Amortize schedule type DD Contracts

You need to do the following set ups at the contract level for amortization schedule type contracts.

The 'Liqd Interest on Prepayment' flag is unchecked and disabled at the contract online screen. You are not allowed to perform any changes here. Partial payments is not allowed for agency amortization type of contracts and Partial payment allowed flag is unchecked and disabled for Amortization schedule type contracts. In CONTRACT tab, field 'Amortization Type' can be selected as 'Reducing Balancing' or 'Rule 78'. The default value is 'Reducing Balance' and Schedule type is displayed as 'AMORTISE'.

Contract schedules parameters like component, start date, number, frequency, units and other fields are defaulted. Amount is automatically derived by the system and is disabled. Based on these parameters, installment amount of each payment schedule is derived.

- Customer
- Amount
- Outstanding Balance
- Value Date
- Maturity Date
- Product
- Currency
- Branch Code
- Department Code
- Drawdown User Reference Number
- Prepayment – Indicates if the payment is done before the maturity date or not. Displays 'Yes' if the payment is done prior to the maturity date.

6.2.27 Fixing Exchange Rate After Drawdown Booking

If you do not fix the exchange rate during drawdown booking (the event 'EXFX' will not be fired for such drawdowns) you have the option to fix the same after the booking event. This is applicable if the drawdown currency is different from the tranche currency. To invoke the 'Exchange Rate Fixing' screen, select **LS Operations**, click on **Exchange Rate Fixing** and then choose the **Detailed** option.

The screenshot displays the 'Exchange Rate Fixing' window with the following data:

Contract Detail	
Product Code	BLD1 Borrower Drawdown Product 01 Drawdown
Contract Ref No	CT1BLD105181P6Y1
User Ref No	FUTURE
Customer	AIRBS01 AIRBUS US
Facility Name	
Branch	CT1
Department	DEP
Treasury Source	
Contract Ccy	GBP
Tranche Ccy	USD
Fixing Date	28-JUL-2005
Rate Code	STANDARD
Effective Start Date	31-JUL-2005
Rate Type	Mid
Effective End Date	31-DEC-2006
Fix Notification Date	27-JUL-2005
Exchange Rate	1.91599
Next Effective Start Date	
Remarks	
Maker Id	JOSPHIND2
Maker Dt Stamp	30/06/2005 18:36:23
Checker Id	JOSPHIND1
Checker Dt Stamp	30/06/2005 18:38:26
Contract Status	Uninitiated
Auth Status	Authorized

All subsequent exchange rate fixing after the drawdown booking is done through the above screen. Through this screen, you can fix the exchange rate for the current period (before the effective start date) as well as specify a rate for a new period. These options are discussed below.

6.2.27.1 Using the 'Unlock' option to fix the exchange rate before the start date

You can use the unlock option to fix the exchange rate before the effective start date of the exchange rate fixing period. If you attempt to fix the exchange rate after the effective start date, the following message will be displayed:

Exchange rate already fixed

To amend the exchange rate for the current fix period (i.e. before the effective start date), do the following:

35. Select the drawdown for which you want to fix the exchange rate. You can use the navigation button provided in the toolbar of the screen to select the drawdown. Alternatively, you can also use the F7 and F8 keys to fetch the required drawdown. The system will display the 'Fixing Date' based on the exchange rate fixing days maintained for the drawdown currency at the tranche level. The 'Fix Notification Date' will be one day prior to the 'Fixing Date' for such drawdowns (for which exchange rate fixing is done before the effective start date).
36. Unlock the selected drawdown. To do this, click the  button in the toolbar or select Unlock option from the Actions menu.
37. Specify the effective end date for the period. This date should not be greater than the drawdown maturity date and earlier than the 'Effective Start Date'. When you specify the end date, system will accordingly display the 'Next Effective Start Date' (Effective End Date + 1).
38. Change the default exchange rate, if required. This rate is picked up from the 'Currency Rates Maintenance' screen. You may also capture any remarks, if required.
39. Click the  button or select Save from the Actions menu to save the changes. The system will display a confirmation message if the save operation is successful.



Note the following:

- If you have defined revaluation schedules for a period, you cannot fix the exchange rate for that period
- In case of future dated drawdowns, exchange rate should be fixed before the value date of the drawdown
- If you fix the exchange rate for a contract wherein the advices 'BORR_EXFX_ADV' or 'PART_EXFX_ADV' are suppressed for the EXFX event, then the system will display the following override when you save:

'Advice for event EXFX is suppressed for the product, Do you want to continue?'

- Similarly, If you fix the exchange rate for a contract wherein the advices 'BORR_ROEX_ADV' or 'PART_ROEX_ADV' are suppressed for the ROEX event, then the system will display the following override:

Advice for event ROEX is suppressed for product, Do you want to continue?

- Similarly, If you fix the exchange rate for a contract wherein the advices 'BORR_CREX_ADV' or 'PART_CREX_ADV' are suppressed for the CREX event, then the system will display the following override:

Advice for event CREX is suppressed for product, Do you want to continue?

6.2.27.2 Using the 'New' option to fix the exchange rate after the effective start date

You can use the 'New' option to fix the exchange rate for the next period. Follow the steps given below to fix the exchange rate using this option:

40. Click the  button in the toolbar or select New from the Actions menu
41. Select the reference number of the drawdown for which you want to fix the exchange rate for the next period. The option list will display the reference numbers of drawdowns with effective start date earlier than the current system date. This indicates that you are fixing the exchange rate for the next period. By default, the effective end date of the previous period+1 will become the effective start date of the new period. The system will display the 'Fixing Date' for the next period based on the exchange rate fixing days maintained for the drawdown currency at the tranche level.
42. Change the effective start date, if required. By default, the system displays the current date. You can change it to date in the future such that the date is not beyond the drawdown maturity date. However, if the end date of the previous exchange rate fixing period is greater than the system date, the effective start date of the current period should be greater than the previous period end date.
43. Specify the effective end date for the period. This date should not be greater than the drawdown maturity date but may be equal to the effective start date.
44. Change the default exchange rate, if required. This rate is picked up from the 'Currency Rates Maintenance' screen. You may also capture any remarks, if required.
45. Click the  button or select Save from the Actions menu to save the changes. Since you are fixing the exchange rate before the actual fixing date, the system will display an override message indicating the date and time when the actual fixing should have taken place, before saving the details. A confirmation message will be displayed if the save operation is successful.

6.2.28 Fixing Interest Rate after Drawdown Booking

For the first time, you can fix the interest rate as part of drawdown booking through the 'Rate Fixing Details' screen. Subsequent rate fixing should be performed through the 'LS Interest Rate Fixing' screen. To invoke this screen, select **LS Operations**, click on **Interest Rate Fixing** and then choose the **Detailed** option.

You can view the agent reference number in this screen.

Just as for exchange rate fixing, for interest rate fixing also you have the 'Unlock' (to fix the interest rate before the effective start date) and 'New' (to fix the interest rate after the effective start date) option. For more details on negative rate processing, refer the title 'Maintaining Loans Parameters Details' in the chapter 'Bank Parameters' in Core Services User Manual. For details on the two options, refer the heading 'Fixing exchange rate after drawdown booking' in this chapter.

For more information on the editable fields in the above screen, refer the heading 'Fixing interest rate for the drawdown' in this chapter.

You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking **Media** button. This button will be enabled only if the 'FpML Type' option is unchecked at the contract level and the 'Media Priority' option is checked at the product level.

If this button is enabled, then the system will display an override message saying to view the 'Media for Message Generation' screen. If not, the system will handoff the message as per the details maintained in the 'Customer Entity Maintenance' screen.

For more information on the 'Media for Message Generation' screen, refer the heading 'Specifying Media for Message Generation' in this chapter.

6.3 Viewing Borrower Drawdown Input Summary

You can view the Borrower Drawdown input summary in the 'Borrower Drawdown Summary' screen. To invoke this screen from the application browser, click **LS Operations**, and then click **Summary** below **Borrower Drawdown Input**.

Auth Stat	Cont Stat	Drawdown Ref. No.	Tranche Ref. No.	Facility Ref. No.	Facility Name
A	A	CT1BLD1050151001	CT1BLT1050153001	CT1C123050151003	LOANPPTEST
A	A	CT1BLD1050152001	CT1BLT1050153001	CT1C123050151003	LOANPPTEST
A	A	CT1BLD1050152002	CT1BLT1050150001	CT1BLF1050150001	CT1BLF1050150001
A	A	CT2BLD1043660001	CT2BLT1043660001	CT2BLF1043660002	BF1
A	A	CT2BLD1043660003	CT2BLT1043661002	CT2BLF1043661001	NEWFAC02
A	A	CT2BLD1043660005	CT2BLT1043661005	CT2BLF1043660002	BF1
A	A	CT2BLD1043660006	CT2BLT1043661007	CT2BLF1043661001	PRAW0001
A	L	CT2BLD1043661001	CT2BLT1043662003	CT2BLF1043660002	RETRO22
A	A	CT2BLD1043661002	CT2BLT1043662005	CT2BLF1043661001	DC VC
A	V	CT2BLD1043661003	CT2BLT1043662001	CT2BLF1043661001	RETRO7532

Auth Stat
A - Authorised
U - Unauthorised

Contract Status
A - Active L - Liquidated
H - Hold Y - Yet to be initiated
V - Reversed

The system allows you to perform a case-independent query (upper, lower, or mixed case) using the following fields:

- Drawdown Ref No
- Tranche ref No
- Facility ref no
- Short Name
- Customer
- Product
- Ccy
- Branch Code
- Drawdown User Ref No

You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

6.4 Capturing LC Balance Movements

You can capture and process value date wise principal movements for LC Draw downs in the 'LC Balance Movement' screen. To invoke this screen from the **Application Browser**, select **LS Operations** and **LC Balance Movement** under it.

Contract Details

Serial No ◀ 1 Of 1 ▶

Product BCD1 Borr commercial LC DD Product 01 Drawdown

Contract Ref No CT3BCD1043632001 User Ref No DD-TRA01-GAN-02

Customer MITST01 MITTAL STEELS

Facility Name CASCYESREVOLVING

Branch CT3 Department DEP Treasury Source

Currency and Date Details

Currency USD Value Date 01-DEC-04 Maturity Date 01-DEC-05

Principal Change Details

Seq No	Value Date	Principal Amount	Process Status
1	09-DEC-2004	6000	Processed
2	06-DEC-2004	-2000	Processed
3	08-DEC-2004	-1000	Processed

Input By Date/Time Auth By Date/Time Mod No

BHARAT01 28/12/2004 20:29:39 BHARAT02 28/12/2004 20:35:28 Open Authorised

The following details are displayed in this screen:

Contract Ref No

Select the reference number of the contract for which you want to specify principal amount changes.

The following details related to the contract are displayed, once you select the contract reference number:

- Product name
- User Reference number
- Customer Id
- Facility Name
- Branch Id
- Department
- Treasury Source
- Currency
- Value date and maturity date of the contract

You can capture the following details related to the principal changes in this screen:

Value Date

Specify the date on which the principal amount change becomes effective.

Principal Amount

Specify the increase or decrease in principal amount. A positive amount indicates increase in principal and negative amount indicates decrease in principal.

Process Status

This indicates the status of the balance change operation on completion of the job. The possible values are 'Processed', 'Unprocessed', and 'Failed'.

LC balance movement instructions are processed through job based method. The principal changes are processed in the order of the value dates specified for the same. Increase in principal balance for any date will be processed as value dated amendment (VAMI) with principal increase and decrease in principal balance will be processed as liquidation of the principal (LIQD).



Note the following:

- You can capture a second LC principal movement instruction only after the complete processing of the previous LC principal movement instruction.
- You can capture the LC balance movement only for drawdowns under revolving pro-rata tranches having cascade option specified as 'Yes'.
- The System performs availability check for the LC balance instruction captured across multiple days. If the availability check fails for any intermittent value date, the entire instruction will not be processed.
- You need to enter the net movement (of all LC balance movements) for the same value date.
- You cannot capture Future dated LC balance movements.

6.5 Amending Drawdown SKIM Details

You can amend the Skim details maintained for a drawdown in the 'Skim Amendment' screen.

For details on maintaining SKIM for a tranche, refer the section titled 'Defining SKIM details for tranche participants' in this chapter.

To invoke the 'Skim Amendment' screen from the Application Browser, select **LS Operations**, click on **Skim Amendment** in the sub-menu and then select the **Detailed** option under it.

Contract Detail

Contract Ref No: CT1BLD1043661001 User Ref No: DD-01
 Product Code: BLD1 Borrower Drawdown Prodi Counterparty: AIRBS01 AIRBUS US
 Product Type: Drawdown Department: DEP Branch: CT1 Treasury Source:

Skim Details

Payer Participant	Name	Payer Component	Receiver Participant	Name	Receiver Component	Value Date	Skim Rate
CITUS01	CITIBANK US	P-SKIM 1	NATWT01	NATWEST BANK	R-SKIM 1	31-DEC-2004	.8250000000
NATWT01	NATWEST BANK	P-SKIM 1	CITUS01	CITIBANK US	R-SKIM 1	31-DEC-2004	.7125000000
NATWT01	NATWEST BANK	P-SKIM 2	UBSUS01	UBS US	R-SKIM 1	31-DEC-2004	.5652000000

Value Date Wise Skim Rate History

Payer Participant	Receiver Participant	Value Date	Skim Rate	Event Seq No
NATWT01	UBSUS01	31-DEC-2004	.5652000000	1

Skim Rate History For:

Payer Participant	Receiver Participant	Value Date	Skim Rate
NATWT01	UBSUS01	31-DEC-2004	.5652000000

Maker Id: SYSTEM Maker Dt Stamp: 30/06/2005 22:25:14 Checker Id: SYSTEM Checker Dt Stamp: 30/06/2005 22:25:14 Authorised

You can use the 'New' option for amending the Skim details for an authorized drawdown. The 'Unlock' option is available only if the drawdown is unauthorized.



During amendment:

- You cannot remove an existing combination of payer and receiver maintained for the drawdown. However, you can change the value date and skim rate for the combination.
- You can add a new combination and delete only a new combination added as part of Skim amendment

When you 'Unlock' or select the 'New' option, as the case may be, do the following as part of amendment:

46. Add a new combination of Payer and Receiver Participants. The option list will display the participants selected for the drawdown. When you select a 'Payer Participant' or 'Receiver Participant', the corresponding name and component will also be displayed. The system will display the number of times you select the participant for a combination. However, you cannot repeat a combination of Payer and Receiver
47. Specify the value date when the amendment should be applied to the drawdown. This date should not be earlier than the drawdown value date or later than the drawdown maturity date.
48. Specify the Skim rate for the combinations maintained for the drawdown
49. The details will get updated to the drawdown upon save of the amendment. You can view the same in the 'Skim Details – Drawdown' sub-screen invoked from the 'Drawdown Contract Online' screen. The drawdown status will be 'Unauthorized' after an amendment. The same will get updated to 'Authorized' only after the amendment is authorized.

For more details on the 'Skim Details – Drawdown' sub-screen, refer the heading titled 'Specifying drawdown SKIM details' in this chapter.

6.5.1 Viewing the Skim Rate History

In the 'Value Date Wise Skim History' section of the 'Skim Amendment' screen, you can view the history of modifications/amendments made till date for a payer and receiver combination. The following details will be displayed here:

- Payer Participant and Receiver Participant
- Value Date
- Skim Rate
- Event Sequence Number: Will indicate the number of modifications done till date

In the 'Skim Rate History For:' section of the screen, you view the latest values associated for a payer and receiver combination, prior to the amendment. If only a single amendment is processed for the drawdown, both the history sections will display the same details.

Following points are noteworthy here with reference to interest rate changes:

- The interest receivable from a borrower on the schedule date can be more than the amount actually liquidated due to the interest rate increase. In such a case, the excess interest is receivable from the borrower and payable to the participants based on the participant sharing ratio for the associated business event (REVN).
- The interest receivable from borrower on the schedule date can be less than the amount actually liquidated due to the interest rate decrease. In such case, the excess interest is made payable to the borrower and made receivable from the participants based on the participant sharing ratio for the associated business event (REVN).

Also, the margin value can change due to changes in the tranche outstanding because of a back value dated drawdown. If the amount due from a borrower changes due to a back value dated drawdown, the amount receivable from the participants also change and this change is shared by the participants based on the participant sharing ratio for the associated business event (MRFX).

The following points are noteworthy with respect to payable/ receivable tracking:

- The payable/receivable tracking is done only for normal/bearing interest type of contracts. It is not applicable for prime and competitive bidding contracts.
- Payable/Receivable tracking is not applicable for liquidated and rolled over contracts
- The parent contract life cycle remains unaffected by the receivable and payable tracking. This means that the parent contract can move to the liquidated status on its maturity date, subject to all schedule payments, even though receivables/payables might be outstanding for the same.
- If the payable/receivable settlement is done after maturity date of the liquidated parent, the system fires the payable/receivable event (PRLQ) at the parent contract even after liquidation.
- If a parent contract is reversed before maturity, all receivables/payables get auto reversed by the system.



You can reverse a payment of a payable/receivable by clicking the  button in the Toolbar. This option is enabled only if you access the above screen directly from the Application Browser (to do this, you need to choose **LS Operations** and double click on the **Payment** option under **Receivable Payable**).

6.5.2 Processing Contracts For Secondary Loan Trading

If you have selected the 'Payment Browser' preference as part of the preferences for the branch for secondary loan trading (in the 'Secondary Loan Trading – Branch Parameters' screen), then the system will process the payments meant for trading through the 'Payment Browser' screen. The payments that will be processed through this browser are:

- Buy Trade payments
- Pay/Rec liquidation (applicable only for Lender of Record type of Trades)
- Fees on Trade 'Sells' for unfunded commitment.
- Rebooked trades due to reversal and rebooking of trades after settlement
- Transfer fees payable to Agents and Counterparties (where the transfer fee currency is different from the settlement currency)
- Buy Trade payments, Pay/Rec liquidation, fees on Trade Sells and transfer fees for agents and counterparties settled as part of EOD

6.6 Processing Future Value Dated Payments

Oracle FLEXCUBE allows future dated liquidation of Prime drawdown contracts if 'Liquidate Interest on Prepayment' option is selected for the drawdown contract in the 'Drawdown Contract Online' screen.

In this case, the interest computation is done for the prepaying principal and is computed till the value date of the future dated payment. On the value date of the payment, system recalculates the interest on the prepaid principal and compares the calculated interest amount with the interest amount that was calculated earlier by the system, while capturing the instructions for future dated payment. If there is a mismatch in the interest amount, system logs an exception and aborts the payment process.

You cannot do future dated payments for contracts which are instructed for a rollover or renewal. In such a case, you need to remove or reverse the rollover/re-price instruction on the contract in order to process a future dated payment. On the contrary, if you are reversing a future dated payment of a contract after instructing it for a rollover or re-pricing, then there will not be any change in the rollover/re-price amount. On the value date of the rollover /re-price, system will rollover/re-price the captured rollover/re-price amount. System liquidates the remaining future dated payment reversal amount based on the Liquidate Interest /Liquidate Principal options selected in the 'Rollover' tab of the 'Drawdown Contract Online' screen.



Note the following:

- System does not allow you to reverse FDLIQD event if there is an underlying re-price which will be over due for the drawdown contract due to FDLIQD reversal. To proceed with FDLIQD reversal you need to reverse the re-price instruction on the contract.
- System allows only one active future dated payment at any point of time.

6.7 Processing Revaluation of Drawdowns

When you initiate a new drawdown, Oracle FLEXCUBE checks whether revaluation is applicable for the drawdown. If selected, it will arrive at the revaluation schedule dates based on the following:

- Value Date
- Revaluation Frequency
- Start Month
- Start Day
- Holiday Treatment for Schedules

Even if revaluation schedules have been defined with the 'Start Date' as the Value Date, you have to manually fix the exchange rate at the time of booking the contract.

For more details, refer the heading 'Fixing exchange rate for drawdown currency' in this chapter.

During EOD batch, system checks if there is a revaluation schedule for any drawdown. If revaluation is due, system further checks if the rate is already fixed for the current date (Manual Exchange Rate Fixing). If it is already fixed, system skips the revaluation process and considers only the next revaluation date for subsequent revaluations.

However, if you have fixed the exchange rate on the value date as part of contract initiation, and revaluation schedules have been defined with the Start Date equal to the Value Date, system will again do a revaluation as part of EOD batch on the Value Date. The rate derived for the Rate Code and Rate Type combination at the time of running the batch, will be used for revaluation. System uses this rate to convert the amount in the drawdown currency into its equivalent in the tranche currency.



Note the following:

- If you do not fix the exchange rate for the current date when revaluation is due, system fetches the exchange rate for the Rate Code and Rate Type combination maintained as part of revaluation preferences. It automatically triggers the exchange fixing event (EXFX) with the rate fixing start date as the current application/system date and the end date as the next revaluation schedule date minus one.
- If revaluation fails due to the non availability of the rate or if the new rate is resulting in a negative availability, system logs the exception and proceeds with the batch process. During the next day's batch process, system checks for revaluations with 'Failed' status. If available, it attempts for the revaluation event. Upon successful revaluation, it updates the status of the failed schedules as 'Processed' with the Applied Date equal to the revaluation date. However, once the current application date becomes equal to the next revaluation schedule date, system does not consider the lapsed revaluation schedule as part of the EOD Batch.
- The system selects the contracts for revaluation in the order of their Contract Reference Number. So, if there is more than one drawdown linked to a tranche, system revalues the earliest drawdown first. In such cases, you may have a scenario where the first drawdown was revalued successfully but subsequent drawdowns could not be revalued as a result of the utilization exceeding the tranche available amount.
- Once auto revaluation commences, you cannot do a manual rate fixing till the end date of that schedule.

6.8 Allowing Back Valued Activities on a Drawdown Beyond the Trade Date

Oracle FLEXCUBE allows you to perform the following back valued activities on a drawdown, beyond the last trade date, for both revolving and non-revolving tranches:

- Back value dated drawdown initiation
- Back value dated drawdown amendment
- Back value dated drawdown liquidation



Note the following:

- You can perform back valued activities beyond the trade date only for drawdowns under pro-rata tranches.
- System does not allow back value dated drawdown initiation and liquidation, beyond the trade date, for drawdowns under Non-prorate tranches and of 'Lender of Record' type of distribution.
- System does not liquidate any of the back dated schedules as part of initiating a back value dated drawdown.

- System allows you to perform back value dated amendment of drawdowns in any of the following instances:
 - On the value date of another value dated amendment
 - Beyond the value date of another value dated amendment
 - Beyond the last payment value date

System performs the following activities as part of any back value dated activity on a drawdown, beyond the trade date:

- When a drawdown is initiated beyond the last trade date, system triggers a Participant Ratio Amendment (PRAM) event for each of the PRAM event at the tranche level, so that the new drawdown will have all the ratio changes that have happened in the tranches since the value date of the drawdown.
- In case of back value dated liquidation/amendment beyond the last trade/payment date, for a drawdown under a non-revolving tranche, the ratio for the subsequent PRAMs changes. System triggers PRCH event at tranche level to indicate that the ratio has changed at the tranche level due to the back valued drawdown activity. System updates the future principal schedules of the drawdown participants based on the latest asset ratio.
- For back value dated amendment beyond the last payment date of drawdowns having distribution type as 'Lender of Actuals', system updates the payable/receivable of the respective liquidated payment schedule.

6.9 Amending Global Amount for a Contract

You can specify the Global Tranche or Global Drawdown amounts in the 'Tranche Online' and 'Drawdown Online' screens respectively during contract booking. Any amendment to the Global Tranche or Global Drawdown amounts is done in the 'Global Amount Amendment' screen.

Using the 'Global Amount Amendment' screen, you can amend all non-lead Tranches; however, you can only amend those non-lead Drawdowns where the Cascade Participation is set to 'No'.

To invoke this screen from the Application Browser, click **LS Operations**, choose **Borrower Global Amount** and then click the **Global Amount Update** option below it.

Global Amount Amendment

Contract Detail

Contract Ref No: CT2BLT1050150001 User Ref No: CT2BLT1050150001

Product Code: BLT1 BORROWER TRANCHE PRODUCT - 01

Customer: BOROW01 BOROW01

Facility Name: _____

Tranche Ref No: _____ Event Seq No: _____ Contract CCY: GBP

Global Amount Detail

Amendment Date: _____

Current Global Amount: _____

New Global Amount: _____

Entry By	Entry Time	Auth By	Auth Time	Contract Stat	Auth Stat
_____	_____	_____	_____	_____	_____

To amend the Global Tranche or Drawdown amounts, do the following:

- Contract Ref No – specify the contract reference number of the Tranche or Drawdown whose Global Amount you wish to amend
- Amendment Date – the system defaults the current system date as the Amendment Date. You cannot modify this date.
- Current Global Amount – the system defaults the current Tranche or Drawdown Global Amount
- New Global Amount – specify the new Tranche or Drawdown Global Amount

The system automatically updates the Global Amount for non-lead Tranches or Drawdowns in the following scenarios:

- For any payments on non-lead drawdowns associated with non-revolver tranches, the global amount is updated based on the percentage of the drawdown payment amount and the tranche amount. The tranche amount includes the tranche availability and drawdowns outstanding.
- For any change in principal, as a result of Value-Dated Amendment on the non-lead Drawdown, for both, revolver and non-revolver tranches, the global amount is updated.
- No other events automatically update the Global amount for a Tranche or Drawdown.

The latest Global Amount for tranche as on the date of handoff is used for handoff of the Commitment Reduction to the Loans QT system.

6.9.1 Global Amount for Tranche

 Note the following for the global amount for tranche:

- Global Tranche Amount is available for input only for non-lead tranches
- Global Tranche Amount is specified in Tranche currency
- Global Tranche Amount in Tranche Online will be available for input during new tranche booking only and it will not be amendable during Tranche amendments

6.9.2 Global Amount for Drawdown

 Note the following for the global amount for drawdown:

- Global Drawdown Amount is always specified in Drawdown currency
- Global Drawdown Amount is available for input only for non-lead drawdowns and if the corresponding Tranche has 'Cascade Participation' set to 'No'
- Global Drawdown Amount will be computed and populated during new drawdown booking based on the Tranche Amount, Global Tranche Amount and Drawdown Amounts.
- Global Drawdown Amount is computed as $(\text{Global Tranche Amount} / \text{Tranche Amount}) * \text{Drawdown Amount}$
- The Tranche Amount will be computed as $(\text{Tranche Available} + \text{Drawdowns Outstanding})$
- Global Drawdown Amount will not be amendable while drawdown booking if the underlying Tranche has 'Cascade Participation' as 'Yes'
- Global Drawdown Amount can be amended while drawdown booking to over-ride the computed amount, only if the underlying Tranche has 'Cascade Participation' set to 'No'
- Global Drawdown Amount will be validated to ensure that the Global Drawdown Amount is not greater than the Global Tranche Amount during new Drawdown booking
- Global Drawdown Amount in Drawdown Online will not be available for update during drawdown amendments
- The GAMD event will fire on the Drawdown contract when you amend the global amount from the Global Amount Amendment/Update screen.
- If global amount for drawdowns for which the corresponding tranche has the 'Cascade Participation' box unchecked in the 'Global Amount Update screen', then system updates the outstanding amount and allocation amount in the 'Tranche Repayment Schedules' screen for the respective drawdown by applying the ratio between the old drawdown outstanding amount and old global drawdown amount on the new drawdown outstanding amount.

6.10 Specifying Diary Events for a Borrower Syndication Contract

For a borrower facility, tranche or drawdown contract, you can specify diary events to be processed. A diary event signifies occurrences (other than accounting entries being passed) in the life cycle of a contract, at which appropriate messages would need to be generated.

The details for processing diary events are defined in the 'Diary Event Maintenance' screen, where the appropriate message types, formats, tags and user-defined fields are maintained. When you maintain products for borrower contracts, you also associate the diary events to be applicable to contracts using the products (in the 'Diary Event Association' screen).

To specify the details of processing diary events for a borrower contract, you can use the 'Contract Diary Event' screen. To invoke this screen, click on **LS Operations**, select **Contract Diary Events** and then click on the **Detailed** option under it.

6.10.1 Selecting the Syndication Contract

To select the syndication contract for which you want to specify the diary events, click the  button in the toolbar or select **New** from the **Actions** menu.

From the option list provided, select the reference number of the borrower contract (facility, tranche or drawdown) for which you want to define the events. Upon selection of the contract, the following details of the selected contract appear on the screen:

- Branch and Department Codes
- Facility Reference Number
- Tranche Reference Number
- Drawdown Reference Number (applicable for drawdowns)
- Drawdown No (applicable for drawdowns)

Select the following details in the screen:

Diary Event

You must also indicate the code of the event which you wish to be processed for the contract. The option list will display the diary events associated with the product (in the 'Diary Event Association' screen) that the selected contract uses. If the event you select is defined as an internal event (in the 'Diary Event Maintenance' screen), the box 'Internal Event' will be checked.

6.10.1.1 If the event is an internal event

If the event you select is an Internal Event (if you have checked the box 'Internal Event' in the 'Diary Event Maintenance' screen):

- Only the tab 'Main' will be enabled. The tabs 'Field Tags', 'UDFs' and 'Receiver', will be disabled.

- The buttons **Participant FFT M...** and **Borrower FFT MSG** will not appear in the screen.

The 'Contract Diary Event' screen will appear as follows:

In the 'Main' tab, specify the following details:

Frequency

You must define the frequency at which the specified diary event must be processed for the selected contract. The available options are:

- Daily
- Weekly
- Monthly
- Quarterly
- Half-yearly
- Yearly
- Bullet

If for the selected event, you have specified the 'Occurrence' as 'Once' (in the 'Diary Event Maintenance' screen), the frequency is defaulted to 'Bullet' and you cannot change it.

Frequency Unit

You can specify the units in which the specified frequency will be reckoned, that is, the factor by which the frequency must be multiplied to arrive at the final diary event frequency.

If the event can only occur once, as specified in the Event Maintenance, the frequency is defaulted to 'Bullet' and cannot be changed, and the frequency unit can only be specified as '1'.

Start Date and End Date

The start date is the date on which the specified diary event would be processed for the first time in the life cycle of the selected contract. Both the start and end dates for the event should be beyond the maturity date of the contract. For events with multiple occurrences (as specified in the 'Diary Event Maintenance' screen), based on the frequency, the event would be repeated as many times as possible, till the end date that you define in this screen.



If you select the Frequency Unit as 'Bullet', the field End Date will be disabled.

The end date is the date beyond which the selected diary event will not be processed again for the selected contract. For events with multiple occurrences, you can specify an appropriate end date which is later than the start date.

If the event can only occur once the end date is the same as the start date and you cannot change it.

Number of Events

You can specify the number of times the specified diary event must be repeated, for the selected contract. For events with multiple occurrences, based on the frequency, the event would be repeated as many times as specified in this field, before the end date that you define in this screen.

If the event can occur only once, this field will be blank and disabled.

Message

If you have marked the event for which you are entering details here as an internal event (the option 'Internal Event' will be checked for such events in the 'Diary Event Maintenance' screen), you will be able to enter a message here in the space provided. This message will serve as an internal reminder.

Click the  button to view the details of the contract. The information will be displayed as shown in the screen shot below:



The screenshot shows a window titled 'Syndication Details' with a sub-section 'Borrower Details'. It contains a table with three columns: 'Contract Ref No', 'User Ref No', and 'Custom Ref No'. The rows are as follows:

	Contract Ref No	User Ref No	Custom Ref No
Facility	CT1BLF1043661001	FAC-01	FAC-01
Borrower	BOEIND01	BOEING US	
Tranche	CT1BLT1043663001	TRA-02	TRA-02
Drawdown No	3		
Drawdown	CT1BLD1043667001	DD-05	DD-05

6.10.1.2 If the Event is an External Event

If the event you have selected an external event, the below 'Contract Diary Event' screen gets displayed.

STOP All the tabs will be enabled in this screen. The section 'Message' in the 'Main' tab will be disabled.

'MAIN' TAB

In the tab 'Main', all fields will be enabled and are as explained in the previous section.

You can enter a message to be sent to multiple participants involved in the contract in the 'Free Format Messages – Multiple Participants' screen, click the **Participant FFT M...** button to invoke this screen. Similarly, you can enter a message which is to be sent to multiple borrowers in the 'Free Format Messages – Multiple Borrowers' screen. Click the **Borrower FFT MSG** button to invoke this screen.

STOP When sending a message to multiple borrowers, the Message Type 'Pro-Rata' will not be applicable for the contract.

For further information on the Free Format Messages refer to the section 'Free Format Messages for Loan Syndication Contracts' in this chapter.

Click the **LS** button to view the details of the syndication contract.

'FIELD TAGS' TAB

The screenshot shows the 'FIELD TAGS' tab of the 'Contract Diary Event [DELL US]' window. The header contains fields for Contract Ref No (CT1BLD2050594001), User Ref No (DD-39), User Seq No, Diary Seq. No. (14), Branch (CT1), Department (DEP), Template, and Treasury_source. The 'Diary Event' dropdown is set to 'Disbursement'. Below the header are tabs for 'Main', 'Field Tags', 'UDFs', and 'Receiver'. The 'Field Tags' section contains three input fields: 'CUSTOMER', 'PRODUCT', and 'BRANCH'. At the bottom, there is a status bar with 'Input By' (DOC2), 'DateTime' (30/06/2005 14:28:16), 'Auth By', 'DateTime', 'Mod No' (1), and checkboxes for 'Open' (checked) and 'Authorized'. A red 'X' icon is in the bottom right corner.

The field tags maintained in the 'Diary Event Maintenance' for the module are displayed in the 'Field Tags' tab and you can specify appropriate values for these tags. The tag values can comprise a maximum of 35 alphanumeric characters.

'UDFs' TAB

The screenshot shows the 'UDFs' tab of the 'Contract Diary Event [DELL US]' window. The header and 'Diary Event' dropdown are the same as in the previous screenshot. Below the header are tabs for 'Main', 'Field Tags', 'UDFs', and 'Receiver'. The 'UDFs' section is divided into two parts: 'Narrative' and 'User Defined Fields'. The 'Narrative' section has five input fields labeled 'Narrative 1' through 'Narrative 5'. The 'User Defined Fields' section has three input fields labeled '1.BOOK-DATE', '2.VALUE-DATE', and '3.REMARKS'. At the bottom, the status bar is identical to the previous screenshot, showing 'Input By' (DOC2), 'DateTime' (30/06/2005 14:28:16), 'Auth By', 'DateTime', 'Mod No' (1), and checkboxes for 'Open' (checked) and 'Authorized'. A red 'X' icon is in the bottom right corner.

You can also specify appropriate narratives, if required, for the selected diary event that you have specified for the contract. You can also capture values for the User Defined Fields (UDFs) associated with the contract.

For more information on UDFs, refer the User Defined Fields User Manual.

'RECEIVER' TAB

Contract Ref No CT1BLD2050594001 User Ref No DD-39 User Seq No Diary Seq. No. 14 Branch CT1 Department DEP

Template Diary Event DISB Disbursement Internal Event Treasury_source

Main Field Tags UDFs Receiver

Receivers

Customer

0001000	AIRBUS
0000000	APPLE

Entity

Entity	Primary
LEG legal desk	<input checked="" type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

Input By DOC2 DateTime 30/06/2005 14:28:16 Auth By Mod No 1 Open Authorised

In this tab, you have to specify the following:

Customer

You have to select the customer who would be the recipient of the messages. When you select the customer code, the name will also be displayed alongside. Click the  button to select the next customer, if required.

Entity

For each recipient customer, you have to select the applicable entities. The entities maintained for the customer through the 'Customer Entity Details' screen will be available in the option list.

Click the  button to select the next entity for the customer, if required.

Primary Entity

From the list of entities, you can designate one of them as the 'Primary' entity. The primary entity will be the recipient of notices and messages for the borrower,

These details will be defaulted in the 'Receiver' tab of the 'Customer Diary Status' screen.

Click the  button to move between the 'Receivers' and 'Entity' sections of the tab.

After specifying the required details, click the  button or select **Save** from the **Actions** menu to save the same.

6.10.2 Generating Messages for Diary Events

After you have identified the diary events to be processed for a syndication contract in the 'Contract Diary Event' screen, you can generate messages for the selected diary events in the 'Contract Diary Status' screen. To invoke this screen, click on **LS Operations** in the Application Browser, choose **Diary Event Status** from the sub-menu and then click on the **Detailed** option under it.

Input By	DateTime	Auth By	DateTime	Mod No
PRASANNA01	30/06/2005 16:51:05	PRASANNA02	30/06/2005 16:51:28	2

In this screen, the following details of the contract will be displayed:

- Contract Reference Number
- User Reference Number
- Sequence Number and Sub-Sequence Number
- Event
- Effective Date on which the changes will become applicable for the contract.
- Status whether the event is 'Processed' or 'Unprocessed'
- Whether the event is internal or external

6.10.2.1 If the event is an internal event

If the event you have selected is an internal event, (if you have checked the box 'Internal Event' in the 'Diary Event Maintenance' screen):

- The box 'Internal Event' will be checked

- Only the tab 'Message' will be enabled. The tabs 'Field Tags', 'UDFs' and 'Receiver', will be disabled

The 'Contract Diary Status' screen will appear as follows:

The screenshot shows the 'Contract Diary Status' window for 'DELL US'. The top section contains several input fields: Contract Ref No (CT1BLF305181B4MP), User Ref No (CT1BLF305181B4MP), Diary Seq. No (6), Event (CAMT - Contract Amendment), Diary Sub Seq. No (1), Effective Date (30-JUN-2005), Status (Processed), Internal Event (checked), Generate Message? (checked), Branch (CT1), and Department (DEP). Below these fields are four tabs: 'Field Tags', 'UDFs', 'Receiver', and 'Message'. The 'Message' tab is active, displaying a text area with the message 'test message for internal events'. At the bottom, there is a table for audit information:

Input By	Date/Time	Auth By	Date/Time	Md No	Open	Authorized
PRASANNA01	30/06/2005 16:51:05	PRASANNA02	30/06/2005 16:51:28	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

'MESSAGES' TAB

This tab is enabled only if the event is an internal event. The 'Messages' section of this tab will display the message you captured (if any) in the 'Contract Diary Event' screen. This message will be treated as an internal reminder. You will not be able to make changes to the message.

6.10.2.2 If the Event is an External Event

If the event you have selected is an external event, the 'Contract Diary Status' screen will appear as follows:

The screenshot shows the 'Contract Diary Status' window for 'DELL US'. The top section contains various input fields: Contract Ref No (CT1BLD2050594001), User Ref No (DD-39), Diary Seq. No (14), Event (DISB Disbursement), Effective Date (30-JUN-2005), Status (Processed), Internal Event (unchecked), Generate Message? (checked), Branch (CT1), Department (DEP), and Treasury_source. On the right, there are buttons for Participant FFT M..., Borrower FFT MSG, and Message Preview. Below this is a tabbed interface with 'Field Tags', 'UDFs', 'Receiver', and 'Message' tabs. The 'Field Tags' tab is active, showing three input fields for CUSTOMER, PRODUCT, and BRANCH. At the bottom, there is a table for user information:

Input By	Date/Time	Auth By	Date/Time	Mod No	Open	Authorised
DOC3	30/06/2005 16:29:09			2	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A red 'X' icon is visible in the bottom right corner of the window.

STOP For an external event, the tabs 'Field Tags', 'UDFs' and 'Receiver' will be enabled. However, the tab 'Message' will be disabled.

'FIELD TAGS' TAB

The field tags that you have entered through the 'Contract Diary Event' screen will be displayed here. You will not be able to make any changes to the same.

'UDFs' TAB

Contract Diary Status [DELL US]

Contract Ref No: CT1BLD2050594001 User Ref No: DD-39 Diary Seq. No: 14

Event: DISB Disbursement Diary Sub Seq. No: 1

Effective Date: 30-JUN-2005 Internal Event: Treasury_source: _____

Status: Processed Generate Message?: Branch: CT1 Department: DEP

Participant FFT M...
Borrower FFT MSG
Message Preview

Field Tags: UDFs Receiver Message

Narrative

Narrative 1: Loan Syndication Document Collection
 Narrative 2: DCOL - External Diary Event
 Narrative 3: _____
 Narrative 4: _____
 Narrative 5: _____

User Defined Fields

1.BOOK-DATE: _____
 2.VALUE-DATE: _____
 3.REMARKS: _____

Input By: DOC3 DateTime: 30/06/2005 16:29:09 Auth By: _____ DateTime: _____ Mod No: 2 Open: Authorised:

The narratives that you have maintained through the 'Contract Diary Event' screen will be displayed here. You will not be able to make any changes to the same. You can, however, capture values for the UDFs displayed here.

'RECEIVER' TAB

Contract Diary Status [DELL US]

Contract Ref No: CT1BLD2050594001 User Ref No: DD-39 Diary Seq. No: 14

Event: DISB Disbursement Diary Sub Seq. No: 1

Effective Date: 30-JUN-2005 Internal Event: Treasury_source: _____

Status: Processed Generate Message?: Branch: CT1 Department: DEP

Participant FFT M...
Borrower FFT MSG
Message Preview

Field Tags: UDFs Receiver Message

Receivers

Customer

0001000 AIR BUS

Entity

Entity Primary

LEG legal desk

Input By: DOC3 DateTime: 30/06/2005 16:29:09 Auth By: _____ DateTime: _____ Mod No: 2 Open: Authorised:

The recipients of the message that you have specified in the 'Contract Diary Event' screen will be displayed here. You can make changes to the same (i.e. add or delete the receiver customers, if required).

When you click the **Participant FFT M...** button, the 'Free Format Messages – Multiple Participants' screen is invoked. You would have entered a message to be sent to multiple participants involved in the contract, by invoking this screen through the 'Contract Diary Event' screen. You will be able to view this message and also make changes to the same, if required.

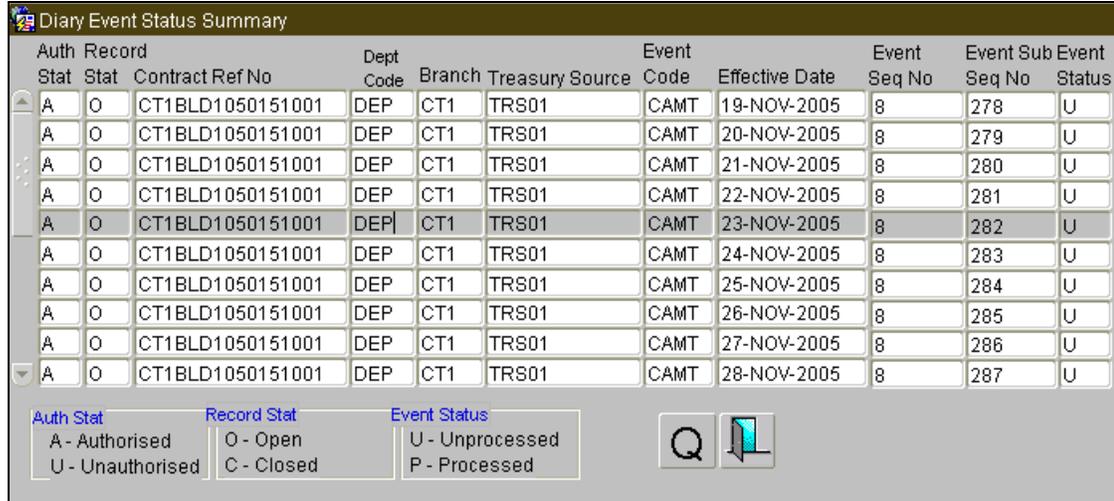
For further information on the 'Free Format – Multiple Participants' screen, refer to the section 'Free Format Messages to Multiple Participants' in this User Manual.

When you click the **Borrower FFT MSG** button, the 'Free Format Messages – Multiple Borrowers' screen is invoked. You would have entered a message to be sent to multiple borrowers involved in the contract, by invoking this screen through the 'Contract Diary Event' screen. You will be able to view this message and also make changes to the same, if required.

For further information on the Free Format – Multiple Borrowers screen, refer to the section Free Format Messages to Multiple Borrowers in this User Manual.

6.10.3 Viewing Diary Event Status Summary

You can view the Diary Event status summary in the 'Diary Event Status Summary' screen. To invoke this screen from the application browser, click **LS Operations**, and then click **Summary** below **Diary Event Status**.



Auth Stat	Record Stat	Contract Ref No	Dept Code	Branch	Treasury Source	Event Code	Effective Date	Event Seq No	Event Sub Seq No	Event Status
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	19-NOV-2005	8	278	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	20-NOV-2005	8	279	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	21-NOV-2005	8	280	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	22-NOV-2005	8	281	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	23-NOV-2005	8	282	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	24-NOV-2005	8	283	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	25-NOV-2005	8	284	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	26-NOV-2005	8	285	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	27-NOV-2005	8	286	U
A	O	CT1BLD1050151001	DEP	CT1	TRS01	CAMT	28-NOV-2005	8	287	U

Auth Stat

A - Authorised
U - Unauthorised

Record Stat

O - Open
C - Closed

Event Status

U - Unprocessed
P - Processed




The system allows you to perform a case-independent query (upper, lower, or mixed case) using the following fields:

- Contract Ref No
- Branch
- Event code

You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

6.10.4 Processing an Event

To process an 'Unprocessed' event you will have to first 'Unlock' the contract. To unlock, click the  button in the toolbar or select **Unlock** option from the **Actions** menu. After unlocking the record, do the following:

- Change the Status to 'Processed'
- Check the 'Generate Message' option

When the record is saved and authorized, the event will be processed and a message generated. To view the message, click the  button.

6.11 Specifying Disclosure Details for a Contract

Once you associate disclosure codes to a product, you can specify the disclosure codes for contracts (facility, tranche and drawdown) booked using the product. This can be done using the 'Contract Disclosure Schedule Details' screen.

To invoke this screen, select **LS Operations** in the Application Browser, click **Contract Disclosure** in the sub-menu and then click the **Detailed** option under it.

Contract Disclosure Schedule Details

Contract Details

Contract Ref No

Disclosure Details

Disclosure Code	Disclosure Description	Parent Disclosure Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Schedule Details

Start Date	Period End Date	No.	Frequency	Unit
<input type="text"/>				
<input type="text"/>				
<input type="text"/>				
<input type="text"/>				

Input By Date Time Auth By Date Time Mod No

Open Authorised

6.11.1 **Specifying Contract Details**

You can specify the contract details here.

Contract Ref No

You can specify the contract reference number. Alternatively, you can also select the reference number of the contract for which you want to specify the disclosure details from the option list.

6.11.2 **Specifying Disclosure Details**

You need to specify the following disclosure details:

Disclosure Code

You can select the disclosure code that you want to link to the contract from the list of values. The list will display all disclosure codes linked to the corresponding product.



UCC disclosure code linked to a tranche contract will not be defaulted to linked drawdown contracts. You can manually attach a UCC disclosure code to individual drawdown contracts.

Disclosure Description

On selecting the disclosure code, the corresponding description is displayed here.

Parent Disclosure Code

You can indicate if a disclosure code should be associated as a Main event or a Sub event. If a disclosure code is associated with a parent disclosure code, it indicates that the disclosure code is a sub event.

The list of values will display disclosure codes that are already linked to the contracts. In other words, the codes existing in the 'Disclosure Code' field will be displayed in the option list.

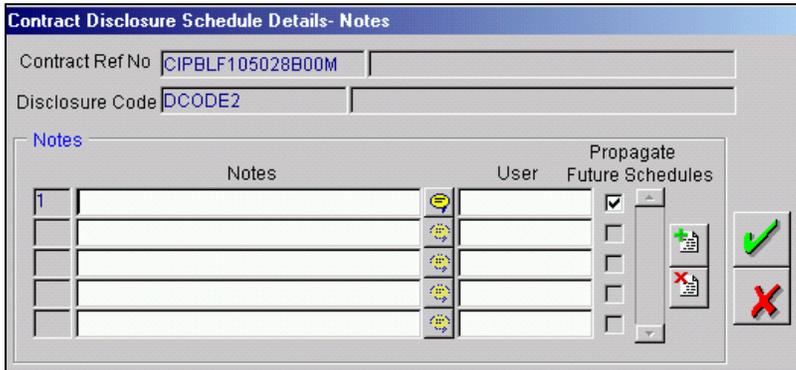
For a UCC disclosure code, this field is disabled.



Note the following:

- You cannot define a schedule if a disclosure code is associated with a parent disclosure code
- Once you link a disclosure code to a parent, you cannot link the child disclosure code as a parent to another disclosure code
- You can link multiple disclosure codes to the same parent
- You can delete a parent disclosure code only after you delete the underlying child disclosure codes, save and authorize the transaction.
- On authorization, you cannot de-link a disclosure from a parent or map a disclosure to new parent.

Click  to invoke the 'Contract Disclosure Schedule Details – Notes' screen. You can specify notes for the disclosure code, if any, in this screen.



On opening this screen, the Contract Reference Number and the corresponding Disclosure code is displayed.

Notes

You can specify the remarks for the disclosure code here. A maximum of 105 characters is allowed.

User

Specify your name or identification details here.

Propagate Future Schedules

Check this box to indicate that the specified notes should be propagated to all future schedules.

Click  button in the 'Contract Disclosure Schedule Details' screen to add new notes. To delete an existing note, click  button.



You cannot amend or delete a note after authorization.

6.11.3 Specifying Schedule Details

You need to specify the following schedule details for the disclosure code:

Start Date

Specify the date from when the schedule should commence. This date should be future-dated and not back-dated.

For a UCC disclosure code, system automatically defaults the current date as the start date.

Period End Date

Specify the end date on which the schedule ends. For a UCC disclosure code, system automatically defaults the expiry date maintained in the 'UCC Details' screen.

For details on the 'UCC details' screen, refer the heading 'Maintaining UCC Details' under the section 'Maintaining Reporting Requirements' in the chapter 'Reference Information for Loan Syndication'.

No.

Specify the number of schedules required. For example, if you require the details for 3 quarterly schedules starting from 01 Jan 2007 (01 Jan '07, 01 Apr '07, 01 Jul '07), enter the start date as 01 Jan 2007 and the number of schedules as 3.

For a UCC disclosure code, system sets this field as '1' and disables it.

Frequency

Select the frequency of the schedule from the drop-down list. The list displays the following values:

- Daily
- Monthly
- Quarterly
- Half Yearly
- Yearly
- Weekly
- BULLET

With reference to the above example, the frequency should be indicated as 'Quarterly'.

For a UCC disclosure code, system sets the frequency as 'BULLET' and disables it.

Unit

Specify a number here. For example, if you want the schedule details once in 2 months, indicate the frequency as 'Monthly' and enter the value for 'Unit' as 2.

For a UCC disclosure code, system sets this field as '1' and disables it.

Click  to view the schedule details.



Note the following:

- While saving the schedule details, system will not check if the due date falls on a holiday.

- System will validate to ensure the schedule date is not beyond the maturity date of the contract.
- For each disclosure code, it is mandatory to define a schedule. However, for disclosure codes associated with a parent, you cannot define a schedule.
- If a disclosure code is linked to a parent, the schedule defined for the parent is copied to the child while saving the Disclosure maintenance.

You can execute the following operations in the 'Contract Disclosure Schedule Details' screen:

- Add
- Amend
- Delete

As part of amendment, system allows you to define new schedules. However, you cannot amend the schedule. For a UCC disclosure code, you cannot add a schedule or delete the automatically generated disclosure schedule.

If you click on 'Add' button in the Schedule Details section, system will display the following error message:

Multiple schedules are not allowed for UCC disclosure codes.

If you click on 'Delete' button in the Schedule Details section, system will display the following error message:

Cannot delete the schedule for UCC disclosure codes.

You can only modify 'Start Date' and 'Period End Date' fields for the contract.

6.12 Viewing the Disclosure Schedule Status for Contracts

After you have linked a contract to a disclosure code and defined schedules for the same, you can view the status of the schedule in the 'Contract Disclosure Schedule Details Status' screen. To invoke this screen, click **Contract Disclosure status** under the **LS Operations** menu in the Application Browser.

Contract Details	
Contract Ref No	CIPBLF105028B00M P-FEE-01
Disclosure Code	DCODE4 D CODE 4

Schedule Status Details			
Due Date	Closure Date	Notes	Closure Flag
		Notes	<input type="checkbox"/>

Input By	Date Time	Auth By	Date Time	Mod No
GAYATHRI	31/01/2005 14:08:56	GAYATHRIAU	31/01/2005 14:09:53	14

Open Authorised

Enter the following details here:

Contract Ref. No.

Select the reference number of the contract whose disclosure code details you want to query. The option list will display all contracts that have been linked to disclosure codes.

Disclosure Code

Select the disclosure code you want to query from the option list. The list will display all disclosure codes linked to the contract.

Due Date

System displays the due date of the schedule. However, at the time of amendment, you can change the due date. System will validate to ensure that the modified due date is not beyond the next due dated item.

Closure Date

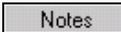
This is the date on which the disclosure code for the current schedule was closed. System will update the closure date for the Disclosure Code-Due Date combination after the details specified in this screen is saved.

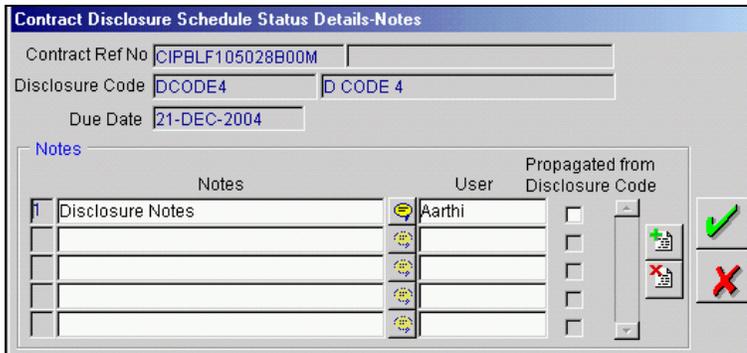
Closure Flag

Check this box to indicate that the schedule status is marked as closed for that due date. This is disabled for Parent disclosure codes.

 Note the following:

- Once you have checked 'Closure flag' and the transaction has been authorized, you cannot reopen or modify the disclosure code details
- After you check 'Closure Flag', when you save the transaction, a configurable message will be displayed prompting you to specify notes.

Click  to invoke the 'Contract Disclosure Schedule Status Details – Notes' screen. You can capture and display the notes associated with each schedule date in this screen.



Notes	User	Propagated from Disclosure Code
Disclosure Notes	Aarthi	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

On opening this screen, the Contract Reference Number, the Disclosure code and the Due date are displayed.

Notes

You can specify notes associated with each schedule date here. The maximum allowed characters is 105.

User

Specify the name of the user or user's identification details here.

Propagated from Disclosure Code

This box will be checked to indicate that these notes were created using the 'Contract Disclosure Schedule Details – Notes' screen. This is a display field and cannot be amended.

To add new notes, click  in the 'Contract Disclosure Schedule Details' screen. To delete an existing note, click  button.

 You can amend/delete the notes captured as part of the current activity. However, you cannot amend/delete the notes captured as part of the previous activities

You can execute the following operations in the 'Contract Disclosure Schedule Status Details' screen:

- Amend

- Delete

For more information on maintaining Disclosure Codes, refer the section 'Maintaining Reporting Requirements' in the chapter titled 'Reference Information for Loan Syndication'.

6.13 Processing Participant Contracts

When you 'BOOK' a borrower tranche, the system will create the related participant contracts. It will pick up the participant tranche product linked to the borrower tranche product (in the 'Loans Syndication – Facility Product Preferences' screen) and the participant details maintained for the borrower tranche contract to create the corresponding participant tranche.

In the same manner, it will pick up the participant drawdown product to create the participant drawdowns. The contract will use the participant details maintained for the borrower tranche contract.

The processing of participant contracts depends on the 'Participant Process' mode, whether 'Job' or 'Online', set for your branch. You have to specify this as part of defining parameters for your branch in the 'Branch Parameters – Detail View' screen.

6.13.1 Processing in the 'Online' Mode

If the 'Participant Process' mode is set to 'Online' for your branch, the system will automatically process the related participant contracts, as mentioned above. In the 'Online' mode, you can save and authorize the borrower side contracts (facility, tranche or drawdowns) ONLY if the corresponding participant side contracts are processed successfully. You can view the status of the participant contracts in the audit trail section at the bottom of the respective borrower contract. For successfully saved borrower contracts, the 'Participant Processing Status' will be displayed as 'Processed'.

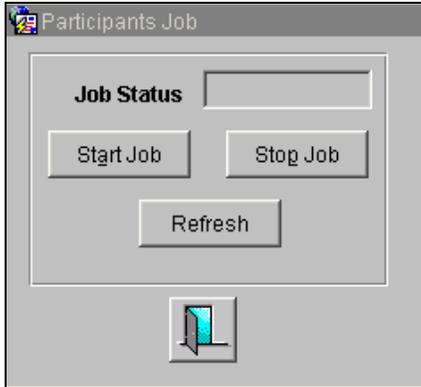
You can also view the details of borrower and participant contracts processed in Oracle FLEXCUBE in the 'JOB PROCESS STATUS' screen.

For more details on the above screen, refer the heading 'Viewing borrower/ participant contract processing status' in this chapter.

6.13.2 Processing in the 'Job' Mode

If the 'Participant Process' mode is set to 'Job' for your branch, you have to initiate a Background Job which will pick up the participant contracts created in the system for further processing.

You have to initiate the Background Process as part of BOD programs run for the branch. The initiation is done through the 'Participants Jobs' screen. To invoke this screen, select **EOC Operations** in the Application Browser, click on **Jobs** in the sub-menu and then choose the **Fire Participant Job** option.



The 'Job Status' will be 'Job'. When you click the  button, the Background Job gets initiated in Oracle FLEXCUBE. In the 'Job' mode, after you save the borrower side contract, you can proceed with the next contract while the system processes the participant side contracts in the background. However, you can authorize the borrower side contracts only if the corresponding participant side contracts are processed successfully.

For successfully saved borrower contracts, the 'Participant Processing Status' (in the audit trail section at the bottom of the respective borrower contract) will display any one of the following statuses:

- Work in Progress
- Unprocessed

The status will get updated when the Background Job processes the participant contracts. After processing, the status will read 'Processed' or 'Failed', as the case may be.

Before executing the EOD operations for the branch, you have to stop the Background Job. This is mandatory. To stop the process, you have to click the  button in the 'Participants Jobs' screen.

You can also view the details of borrower and participant contracts processed in Oracle FLEXCUBE in the 'JOB PROCESS STATUS' screen.

For more details on the above screen, refer the heading 'Viewing borrower/ participant contract processing status' in this chapter.

6.14 Viewing Participant Contracts

To recall, when the BOOK event for borrower facility, tranche or drawdown is triggered, the system creates the related participant facility, tranche or drawdowns. You can view the participant contracts initiated by the system in the 'Loans Syndication – Participant Contract Online'. You can also view the position identifier description in case the participant is self participant. The features of this screen are discussed in the following sections.

6.14.1 A Description of the 'Loans Syndication – Participant Contract Online'

To invoke the 'Loans Syndication – Participant Contract Online' screen, select **LS Operations** in the Application Browser, choose **Participant Contract Input** from the sub-menu and then click on the **Detailed** option under it.

The screenshot shows the 'Loans Syndication - Participant Contract Online' interface. At the top, there are input fields for Product (PDLL), Branch Name (001), Department (Treasury), Contract Ref No. (001PDLL12227D1K6), User Ref No. (001PDLL12227D1K6), and Custom Ref No. (001BDLL12227D33E). Below these are sections for Contract Details (Customer, Currency, Amount, Booking Date, Value Date, Maturity Date, Auto Collection, Auto Disbursement) and Reporting Details (Amount, USD). A vertical menu on the right includes options like Entity, Settlements, MIS, UDF, Tax, Pmt. Sch., Rate History, Diary, Events, and LS. At the bottom, a table displays entry and authentication information:

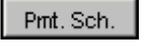
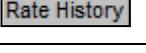
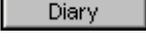
Entry By	Entry Time	Auth By	Auth Time	Contract Status	Auth Status
SMITA01	14-AUG-2012 08:53:59	SMITA02	14-AUG-2012 08:54:42	Active	Authorized

In the above screen, you can view the following details about the contract:

- Code of the product being used
- System generated reference number for the participant contract is displayed here
- User reference number, which is defaulted to the contract reference number. You can change it if necessary, and specify the appropriate user reference number
- Custom reference number
- Outstanding balance on the participant contract reporting currency
- System generated reference number for the borrower facility contract, under which the participant contract was created.
- System generated reference number for the borrower tranche contract, under which the participant contract was created
- If it is a participant drawdown contract, the serial number of the drawdown under the tranche
- Customer of the contract

- Contract currency
- Contract amount in contract currency and reporting currency
- Contract booking date, value date and maturity date
- For participant tranche or drawdown contracts, whether collection from the participant must be initiated automatically (auto collection).
- Whether the amount repaid by the borrower must be disbursed automatically (auto disbursement)
- Remarks

In addition, a vertical toolbar is also provided in the screen. These buttons are used to invoke other sub-systems required for processing a participant contract. These buttons have been described briefly below:

Button	Description
	Click on this button to view the entities defined for the participants, defaulted from the participant details in the parent borrower tranche or drawdown.
	Click this button to view the settlement details for the participant, defaulted from the SSI Mnemonic selected for the participant in the borrower tranche.
	Click this button to view the MIS details for the contract, defaulted from the participant details in the parent borrower tranche or drawdown.
	Click on this button to view the User Defined Fields (UDFs) for the contract, defaulted from the participant details in the parent borrower tranche or drawdown.
	Click on this button to view the 'Participant Tax Details' screen.
	Click on this button to view the payment schedule details.
	Click on this button to view the participant margin rate history.
	Click on this button to view the diary events defined for the participant contract, defaulted from the parent borrower tranche or drawdown.
	Click on this button to invoke the 'Event Log Details' screen. Here, you can view the accounting entries for each event and the overrides encountered, if any.
	Click on this screen to view the syndication details

6.15 Modifying Participant Details

You can amend the participant details, if required. To do this, you have to first select the contract that needs to be amended. After selecting the contract, click the  button to unlock the contract for making the amendment. Alternatively, you can also select **Unlock** from the **Actions** menu.

You cannot amend the following details:

Contract Reference Numbers

When the participant contracts are initiated, the system generates reference numbers (Contract Reference Number and User Reference Number) for them in the same manner as for normal borrower contracts.

For the purpose of tracking a borrower tranche, the reference numbers of the resultant participant tranche contracts are linked to the reference number of the parent borrower tranche.

For the purpose of tracking a borrower drawdown, the reference numbers of the resultant participant drawdown deposit contracts are linked to the reference number of the parent borrower drawdown, as well as to its' parent borrower tranche.

Product and contract details

As mentioned earlier, in the product preferences for a borrower facility product, you specify the corresponding participant facility product that is to be used for the related participant facility contract created by the system. This is the product that would be used for the creation of the participant facility contract, along with the participant details specified in the borrower facility contract.

Similarly, in the product preferences for a borrower tranche or drawdown product, you specify the corresponding participant tranche or drawdown product that is to be used for the related participant tranche or drawdown created by the system. This is the product that would be used for the creation of the participant tranche or drawdown, along with the participant details specified in the borrower tranche.

In the 'Contract Details' section of the screen, you can specify the following details:

Auto Collection

You have to check this option to indicate that collection from the participant must be initiated automatically. The specification made in the preferences for the participant tranche or drawdown product used by the participant contract is displayed here. You can change it, if required.

Auto Disbursement

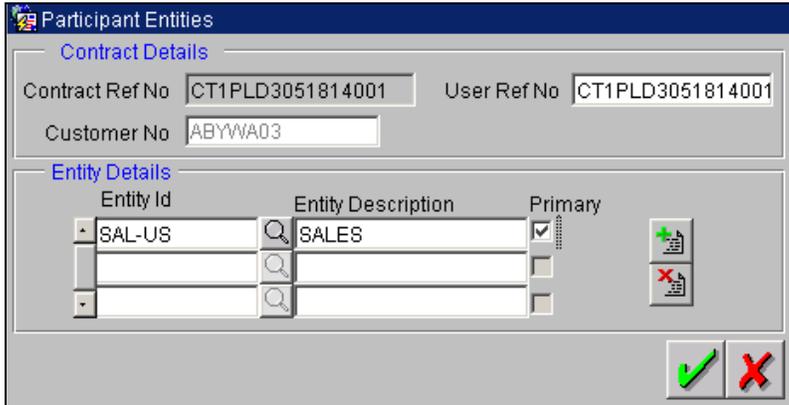
This option indicates whether the amount repaid by the borrower must be disbursed automatically. The specification made in the preferences for the participant facility, tranche or drawdown product used by the participant contract is displayed here. You can change it, if required.

Remarks

The remarks specified for the parent borrower facility, tranche or drawdown, under which the participant contract is created, will default here. You can modify these remarks appropriately, if required.

6.15.1 Viewing Participant Entity Details

You can view the participant entity details in the 'Participant Entities' screen. These details are defaulted from the participant details maintained for borrower facility/tranche/drawdown associated with the participant facility/ tranche/drawdown. Click the  button to invoke this screen.



The screenshot shows the 'Participant Entities' window. It has a title bar with a small icon and the text 'Participant Entities'. Below the title bar is a section titled 'Contract Details' with three input fields: 'Contract Ref No' containing 'CT1PLD3051814001', 'User Ref No' containing 'CT1PLD3051814001', and 'Customer No' containing 'ABYWA03'. Below this is a section titled 'Entity Details' containing a table with three columns: 'Entity Id', 'Entity Description', and 'Primary'. The first row has 'SAL-US' in the 'Entity Id' column, 'SALES' in the 'Entity Description' column, and a checked checkbox in the 'Primary' column. There are search icons in the 'Entity Id' and 'Entity Description' columns. To the right of the table are two buttons: a green plus sign and a red minus sign. At the bottom right of the window are two large buttons: a green checkmark and a red X.

Entity Id	Entity Description	Primary
SAL-US	SALES	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

You can add or delete entities and also assign a different primary entity for the participant, if required. You can view the position identifier description in case the participant is self participant.

For more details on the options available in this screen, refer the heading 'Specifying drawdown entity details' in this chapter.

6.15.2 Viewing Settlement Instructions for the Participant

You can view the settlement instructions for the contract in the 'Settlement Message Details' screen. Click the **Settlements** button to view the details. The details are defaulted based on the SSI Mnemonic selected for the participant in the borrower tranche/drawdown.

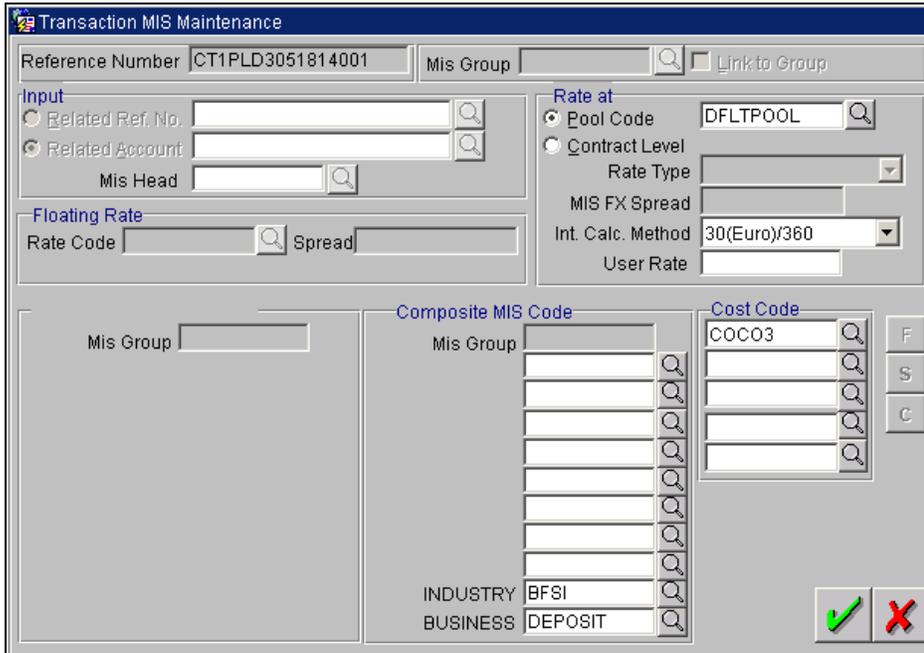
The screenshot shows the 'Settlement Message Details' window. At the top, the 'Contract Reference Number' is 'CT1PLD3051814001' and the 'Component' is 'ADHFEE-ADV_LIQD'. Below this are several tabs: 'Acct Details', 'Msg Details', 'Msg Details', 'Pay Parties', 'Pay Parties', 'Recv. Notice', 'DD Parties', and 'Clearing'. The main area contains a table with the following columns: Gen Msg, Gen Recv, Gen DD, Component, CCY, SSI Mnemonic, Branch, Account, A/c CCY, and Accol. The table lists ten rows of settlement instructions, all with 'PRIMARY' SSI Mnemonic and 'CT1' Branch. Below the table is a 'Settlement Direction' section with a dropdown menu set to 'P - Pay', an 'Account Desc' field containing 'CITIN01 USD ACCOUNT 01', and an 'IBAN A/C Number' field. There are also 'SV' and 'GJ' buttons and a green checkmark and red X icon.

Gen Msg	Gen Recv	Gen DD	Component	CCY	SSI Mnemonic	Branch	Account	A/c CCY	Accol
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ADV_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ADHFEE-ARR_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ADHFEE-SA_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DD-CHG_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LS-FX-INT_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LS-PR-PTY_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	P-SKIM_LIQD	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	P-TAX1_AMT	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	P-TAX2_AMT	GBP	PRIMARY	CT1	CITIN01USD1	USD	CITIN01

For more details about the 'Settlement Message Details' screen, refer the Settlements User Manual.

6.15.3 Viewing Participant MIS Details

If you have maintained MIS details for the participant tranche/drawdown product, the same will default to the participant tranche/drawdown. To view the details, click the  button.



The screenshot shows the 'Transaction MIS Maintenance' window. At the top, the title bar reads 'Transaction MIS Maintenance'. Below it, there are several input fields and sections:

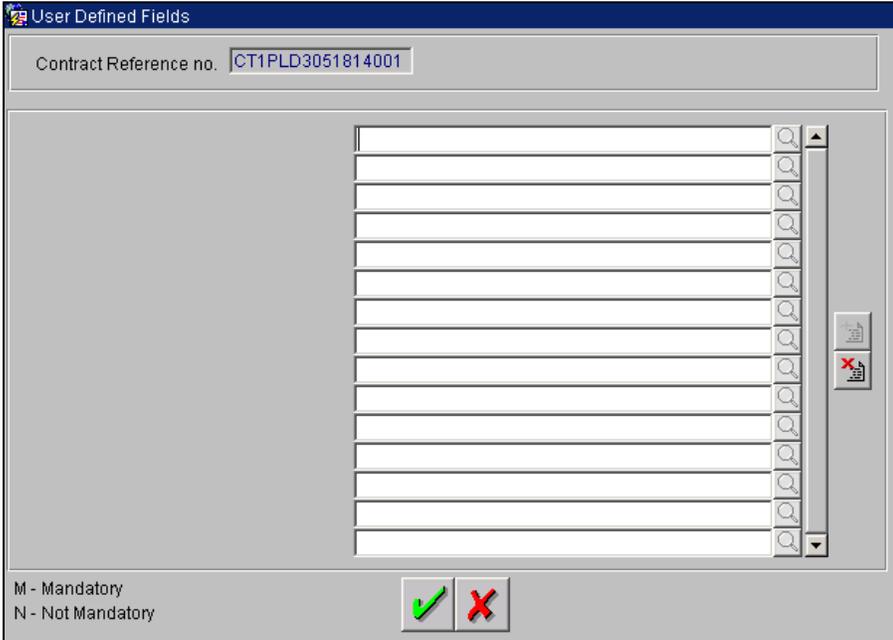
- Reference Number:** CT1PLD3051814001
- Mis Group:** [Empty field]
- Link to Group:** [Checkbox]
- Input:** Radio buttons for 'Related Ref. No.' and 'Related Account', with corresponding search fields. A 'Mis Head' field is also present.
- Floating Rate:** 'Rate Code' and 'Spread' fields.
- Rate at:** Radio buttons for 'Pool Code' (selected) and 'Contract Level'. 'Pool Code' is set to 'DFLTPOOL'. Other fields include 'Rate Type', 'MIS FX Spread', 'Int. Calc. Method' (set to '30(Euro)/360'), and 'User Rate'.
- Composite MIS Code:** A table with columns for 'Mis Group', 'INDUSTRY', and 'BUSINESS'. The 'INDUSTRY' is 'BFSI' and 'BUSINESS' is 'DEPOSIT'. Each row has a search icon.
- Cost Code:** A field containing 'COC03' with a search icon.
- Buttons:** 'F', 'S', 'C' buttons on the right, and 'OK' (green checkmark) and 'Cancel' (red X) buttons at the bottom right.

For details on the 'Transaction MIS Details' screen, refer the MIS User Manual.

6.15.4 Viewing UDF Values for the Participant Contract

The UDFs defined for the participant product will be applied for contracts processed under it. You can view the UDFs and its values, if applicable, in the 'User Defined Fields' screen. Click the

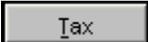
 button to invoke this screen.

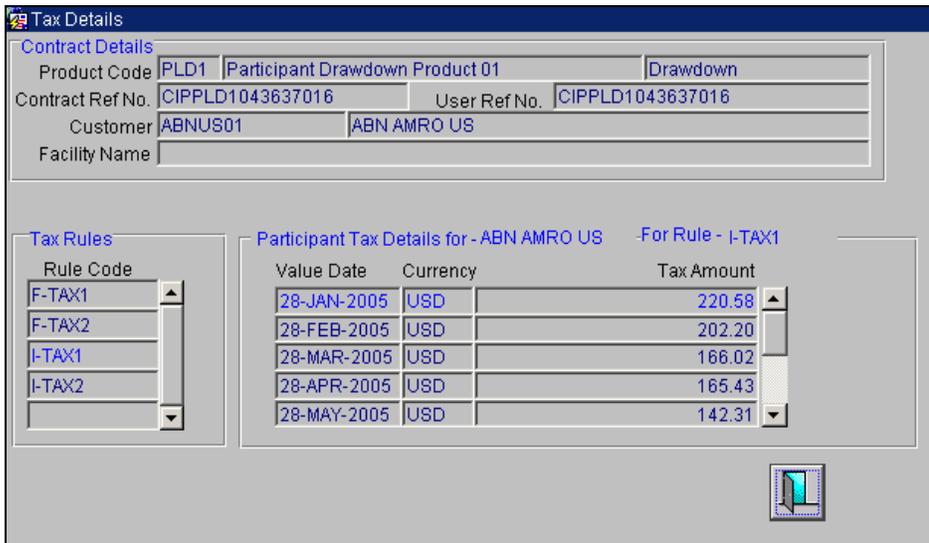


For more details on the above screen, refer the UDF (User Defined Fields) User Manual.

6.15.5 Viewing Participant Tax Details

You can collect withholding tax from participants on the interest and fee components. If you have associated tax rules with the participant tranche/drawdown product, the same will become applicable to the contract. You can view the tax details for the contract in the 'Tax Details' screen.

Click the  button to invoke the screen.



The screenshot shows a software window titled "Tax Details". It contains a "Contract Details" section with fields for Product Code (PLD1), Participant Drawdown Product 01, Drawdown, Contract Ref No. (CIPPLD1043637016), User Ref No. (CIPPLD1043637016), Customer (ABNUS01), and ABN AMRO US. Below this is a "Tax Rules" section with a dropdown menu showing F-TAX1, F-TAX2, I-TAX1, and I-TAX2. To the right is a table titled "Participant Tax Details for - ABN AMRO US - For Rule - I-TAX1".

Value Date	Currency	Tax Amount
28-JAN-2005	USD	220.58
28-FEB-2005	USD	202.20
28-MAR-2005	USD	166.02
28-APR-2005	USD	165.43
28-MAY-2005	USD	142.31

The following details are displayed in this screen:

- Tax Rules associated with the product
- Value date for tax computation
- Tax Currency
- Tax Amount
- Position identifier description in case the participant is self participant

For details on maintaining tax rules and schemes, refer the Tax User Manual.

6.15.6 Viewing participant payment schedules

Based on the payment schedules captured for the components due to the participants (Interest, Fee, Skim etc), Oracle FLEXCUBE will compute the schedules and the amount payable for each schedule in the 'Payment Schedule Details' screen. You can view the position identifier description in case the participant is self participant.

To view the details, click the **Pmt. Sch.** button.

Payment Schedule Details

Contract Ref No: CT1PLD3051814001 Product: PLD3 Participant Drawdown Product 03
 User Ref No: CT1PLD3051814001 Customer: ABYWAD3 ABBEY NATIONAL - WT

Due Date	Total Amount Due	Total Amount Settled	Total Amount Adjusted	Expected Balance
30-APR-2005	3,426.56	3,426.56	.00	36,717.84
30-MAY-2005	3,422.76	3,422.76	.00	33,423.36
30-JUN-2005	3,420.96	3,420.96	.00	30,123.05
30-JUL-2005	3,417.33	.00	.00	26,810.95
30-AUG-2005	3,415.35	.00	.00	23,492.38

Component	Amount Due	Amount Settled	Adjusted Amount	Expected Balance
LS-FX-INT	110.42	110.42	.00	.00
P-SKIM.001	33.98	33.98	.00	.00
PRINCIPAL	3,282.16	3,282.16	.00	36,717.84

Input Date	Value Date	Amount Settled	Lcy Equivalent Settled
30-JUN-2005	30-JUN-2005	110.42	211.56

6.15.7 Viewing Rates History

To view the margin rate history, click the **Rate History** button. The 'Rates History' screen will be displayed, as shown below:

Rates History

Contract Detail
 Product Code: PDLL Participant LIBOR Drawdown Product Drawdown
 Contract Ref No: 031PDLL12278C66B User Ref No: 031PDLL12278C66B
 Customer: 060087 BLACKSTONE REAL STATE
 Facility Name: 031BFPR122160002

Interest Components
 Component: INTEREST Component Description:

Margin History

Value Date	Rate Type	Rate Code	Rate Code Usage	Borrow / Lend	Base Rate	Spread	Margin	Adjustment Rate	Final Rate
11-OCT-2012	Fixed	LIBOR	User Input		5.000000000	.000000000	3.000000000	.000000000	8.000000000

Margin Details

Margin Component	Margin Rate	Margin Basis
UTILMAR	.000000000	TRANCHE
LIBORMRN	3.000000000	TRANCHE
CDS MARGIN	.000000000	DRAWDOWN

The following details are displayed on this screen.

- Interest component name and description
- Value Date

- Rate Type
- Rate Code
- Rate Code Usage
- Borrow/Lend
- Base Rate
- Spread
- Margin
- Adjustment Rate
- Final Rate
- Margin Component
- Margin Rate
- Margin Basis

6.15.7.1 Viewing Margin History

You can view the participant's margin details that are applicable for the contract, by clicking the **Margin History** button. The 'Rates History' screen will be displayed, as shown below:

The screenshot shows the 'Rates History' window with the following sections:

- Contract Detail:**
 - Product Code: PDLL | Participant LIBOR Drawdown Product: Drawdown
 - Contract Ref No.: 031PDLL12278C66B | User Ref No.: 031PDLL12278C66B
 - Customer: 060087 | BLACKSTONE REAL STATE
 - Facility Name: 031BFPR1221600C2
- Margin History:**
 - Interest Component: INTEREST
 - Component Description: [Empty]
- Margin Details:**

Margin Component	Component Description	Margin Basis
CDS MARGIN	CDS MARGIN COMPONENT	DRAWDOWN
LIBORMRN	LIBOR MARGIN	TRANCHE
UTILMAR	Margin Based on Utilization	TRANCHE
- Margin Rates:**

Value Date	Margin Rate
11-OCT-2012	.000000000
- il Rate:** 00000000

The system displays the following details.

Margin History Interest Component

The system displays the following component details.

- Component
- Component Description

Margin Details

The system displays the following margin details.

- Margin Component
- Margin Rate
- Margin Basis

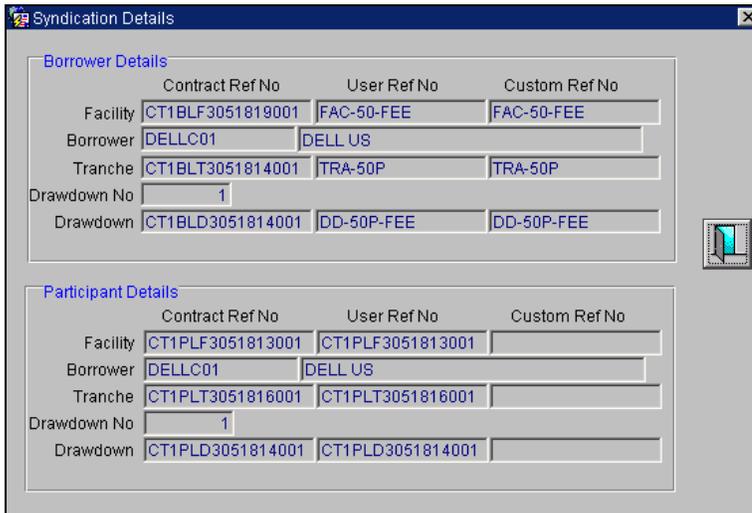
Margin Rates

The system displays the following margin rate details.

- Value Date
- Margin Rate
- Final Rate

6.15.8 Viewing the Syndication Details

To view the details of the syndication, click the  button. The 'Syndication Details' screen will be displayed, as shown below:



The screenshot shows a window titled "Syndication Details" with two main sections: "Borrower Details" and "Participant Details". Each section contains a table of contract reference numbers.

	Contract Ref No	User Ref No	Custom Ref No
Facility	CT1BLF3051819001	FAC-50-FEE	FAC-50-FEE
Borrower	DELLC01	DELL US	
Tranche	CT1BLT3051814001	TRA-50P	TRA-50P
Drawdown No	1		
Drawdown	CT1BLD3051814001	DD-50P-FEE	DD-50P-FEE

	Contract Ref No	User Ref No	Custom Ref No
Facility	CT1PLF3051813001	CT1PLF3051813001	
Borrower	DELLC01	DELL US	
Tranche	CT1PLT3051816001	CT1PLT3051816001	
Drawdown No	1		
Drawdown	CT1PLD3051814001	CT1PLD3051814001	

In this screen, you can view the reference numbers of contracts created both for the borrower and the participant involved in the syndication.

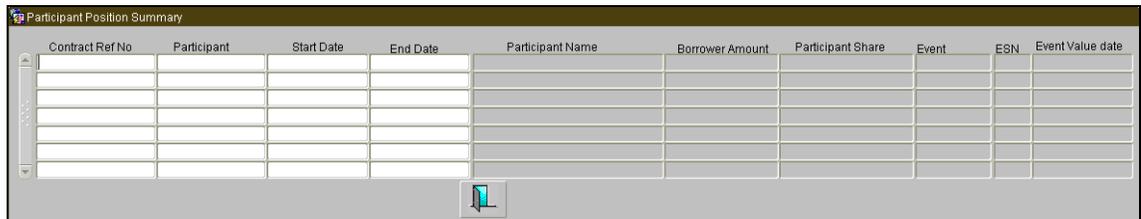
After you save the contract, you can view the following details of the contract:

- Diary Events for the contract

6.16 Participant Position Summary

You can view the participant position summary in the Participant Position Summary screen.

To invoke this screen from the Application Browser, click **LS Operations**, choose **Participant Positions** and then click the **Summary** option below it.



Contract Ref No	Participant	Start Date	End Date	Participant Name	Borrower Amount	Participant Share	Event	ESN	Event Value date

You can view the position details of the participants, for different dates, using this screen. To view details, query using any of the following fields in the Participant Position summary screen:

- Tranche or Drawdown Reference Number
- Participant Id

The following fields are displayed in this screen

- Contract Reference Number
- Participant Id
- Start Date
- End Date
- Participant Name
- Borrower Amount
- Participant Share Amount
- Event which resulted in the current position for the corresponding start and end dates
- ESN
- Event Value Date

You can use this screen to query the details for self-participants and also for external participants.

6.17 Transferring Participant Assets

If you wish to make changes in the asset ratio of participants for a borrower tranche or drawdown, use the 'Participant Transfer Details' screen. To invoke this screen, click **LS Operations** in the **Application Browser**, select **Participant Transfer** and then click **Detailed** under it.

The screenshot displays the 'Participant Transfer Details' screen. At the top, it shows contract and user reference numbers (001BDAB122270001), a borrower name (PORT NEWARK CONTAINER TER), and a branch (001). Below this, there are checkboxes for 'Cascade Participation', 'Detailed Instruction', and 'HFS Transfer'. The 'Transfer Type' is set to 'Primary'. The screen is divided into several sections: 'Transfer From' and 'Transfer To' tables, an 'Existing Ratios' table, and three detail sections: 'Participant Preferences', 'Settlement Details', and 'Entity Details'. The bottom of the screen features a navigation bar with buttons for 'Log', 'Validate', 'Billing', and 'Fee Not...'. The title bar reads 'Participant Transfer Details [PORT NEWARK CONTAINER TERMINAL L]'.

The specification for 'Cascade Participation' (whether checked or not) will default from the contract and you cannot modify the same. When you execute a participant transfer at the tranche level and the 'Cascade Participation' option is checked for the tranche, the impact of the transfer will automatically affect all the drawdowns under the tranche. However, if the option is not checked, you will be required to update the underlying drawdowns manually. In this case, only new drawdowns, processed subsequent to the transfer will reflect the changes.

You can also capture multiple transfer instructions with the value date different from the existing authorized/unauthorized transfers for a tranche with the 'Cascade Participation' option checked. For a 'Non Cascade Participation' type of tranche, you can capture new transfer instructions with the same value date as of the existing unauthorized transfers across the underlying drawdowns and the reporting tranche. If there are no unauthorized instructions, you can capture new transfers with the value date greater than or equal to that of the latest PRAM.

When you specify the transfer percentage for a transfer instruction, the system will arrive at the transfer amount based on the existing actual balance as on the value date of the instruction. In this case, it will not consider the impact of the unauthorized PRAM instructions. You cannot authorize a transfer instruction if there are other unauthorized events like CAMD, LIQD etc under the tranche/drawdown.

You can perform participant transfers between the booking date and value date of drawdowns under 'Non- Cascade Participation' type of tranches. In this case, the value date of the transfer instruction will be equal to the value date of the forward dated drawdown and you cannot change this date. In this screen, you can amend the participant details for a borrower drawdown only if the 'Cascade Participation' option has not been set for the underlying tranche. If this option is not selected, you will not be able to choose the contract reference number of such contracts in this screen, and amendment is not possible.

In case of participant amendments involving PIK components, only the Principal amount should be considered for transfer and the calculated PIK margin should be apportioned among the participants based on the resultant ratio. If you amend the participant details for a borrower tranche that uses a product for which the 'Cascade Participation' option has been selected, the changes are applied to all active drawdowns under the tranche. The 'Cascade Participation' option is available as part of additional preferences for a borrower product.

In case Sighting Funds is applicable for the contract, then the system does not allow transfer between investors who have pending funding for any of the underlying drawdowns. Also, the system does not allow participant transfer beyond the latest actual receipt date for any of the underlying drawdowns for the investors involved in the transfer. However, future dated Participant Transfer is allowed on sighting funds enabled tranches only if 'Part Transfer for FD VAMB/INIT on SF DD' box is checked in the 'Loans Parameters' screen, and the existing participants in that tranche involved in the participant transfer must be funded till the application date.

For more details on 'Part Transfer for FD VAMB/INIT on SF DD' checkbox, refer section 'Maintaining Loans Parameters Details' in chapter 'Bank Parameters' in the Core Services User Manual.

For details on participant transfer for sighting funds enabled tranches, refer section 'Participation Transfer for Sighting Funds' in this User Manual.

In case 'Dual auth for Assignment required' field is selected for the investor involved in the participant transfer, then dual authorization is enforced for any assignment activity involving such investors even if that investor has Normal Classification.

Refer the heading 'Specifying Additional Preferences for Loan Syndication' in the 'Defining Products for Loan Syndication' chapter of this User Manual for more details.

You can also transfer position from HFI to HFS portfolio during participant transfer, by checking the box 'HFS Transfer.' This box will be enabled only if the box 'HFS Transfer and Sale' is checked in the 'Loan Parameters' screen.

When you check the box 'HFS Transfer', the system will validate that the transfer operation has only two participants both whom are self participants where one participant belongs to Origination desk and the other participant belongs to the Origination HFS Desk.

If you check the box 'HFS Transfer,' you will have to specify the transfer price in the field 'Transfer Price.' Input to this field will be mandatory if the transferor is an HFI portfolio and the transferee is an HFS portfolio. If the box 'HFS Transfer' is unchecked, the field 'Transfer Price' will be disabled.

You can differentiate primary transfer and secondary transfer for a participant transfer by selecting the option provided here. In case of Primary Transfer, Transfer fee screen gets disabled in the Participant Ratio Amendment screen and in the Draft Transfer. Transfer Fee Billing screen gets incorporated in the Draft Transfer, however the fee billings or ledger entries will be processed only upon the confirmation of Draft Transfer.

The ledger entries and the corresponding Payment messages are applicable only for the Primary transfers if it is selected for the applicability of ledger entries and the payment messages.

The system triggers the 'PRAM' event to propagate the change. Note that PRAM will be triggered only if the margin rates of the participants involved in the transfer are the same as on the PRAM value date. Oracle FLEXCUBE allows you to change the participation ratio at tranche/DD level beyond the liquidation of schedules when there is transfer of shares between participants. If you do any changes to back valued Participant Ratio beyond the last liquidation/schedule date, it will result in the change of the scheduled amounts for the affected participants. You need to track the Payables and Receivables for the difference between the old and new amounts for those participants.



Ledger entries posting as part of PRAM/PAMI events is applicable only for Pro-Rata Tranches.

You can use the 'Participant Transfer Details' screen for the following purposes:

- To transfer assets from an existing participant to another
- To add new participants within the Facility/Tranche/Drawdown contract

Addition of new participant is allowed from a facility and will be available for the tranches and drawdowns processed under it. When you invoke the screen, the following contract details are available:

- Contract Reference Number
- User Reference Number
- Ticket Id (Only if the VAMI is initiated from the trading activity)
- Value Date
- Contract Reference Number and User Reference Number of the corresponding Facility and Tranche contracts
- Branch
- Department Code
- Borrower Code and Borrower Name
- Drawdown No (applicable if the contract is a drawdown)

When you perform a back value participant transfer and when tranches for which 'Cascade Participation' is selected, the following happens:

- You can move the changed participation to all the drawdowns under the tranche

- You can handle the receivable/payable through receivable/payable screen if there is any change in the past fee/interest/principal schedules of the Tranche/ Drawdown due to Back Valued Participants Ratio Amendment. You can track receivable/payable with PRAM. You will be able to settle the normal payment cycle when there are any changes made to the unpaid (Overdue) schedules.

When you perform a back value participant transfer and when tranche contracts for which 'Cascade Participation' is not selected following happens:

- You can manually move the changed participation to all the drawdowns under the tranche
- For the tranches without the cascade participation, the Oracle FLEXCUBE will not allow the Back valued Participants Ratio Amendment on or beyond any of the conditions mentioned below:
 - Latest Non-Prorata payment date
 - Last schedule/liquidation date of bidding contract

You can perform future dated participant transfers for pro-rata tranches. You can specify a future date as the value date for the transfer.

The following table lists out the events associated with future dated participant transfer.

Event	Description
PAMB	Future dated PRAM instruction booking
PAMI	Future dated PRAM instruction Initiation (will happen on value date)
PAMA	Modification of future dated PRAM instruction
PAMC	cancellation of future dated PRAM instruction

If any back/current dated activity is performed on a tranche and underlying drawdowns before the value date of the future dated Participant Transfer instruction, the System rebuilds the asset ratio for the future dated transfer.

The following events will result in a change in the asset ratio of FD PRAM:

- Current/back/forward dated (value date less than the value date of FD PRAM) tranche amendment (VAMI) for principal increase or decrease
- Current/back/forward dated (value date less than the value date of FD PRAM) repayments/prepayments (LIQD) at drawdown contracts under a non-revolving tranche
- Current/back value dated participant transfers (PRAM) at the tranche contract
- Current/Back/Forward dated (value date less than the value date of FD PRAM) partial renewals (ROLL) under a non-revolving tranche

The following events will be impacted by future dated Participant Transfers:

- Forward dated tranche amendment for principal increase or decrease, where the value date is greater than FD PRAM value date

- Forward dated renewals under a non-revolving tranche, where the value date is greater than FD PRAM value date
- Forward dated prepayments/repayments under a non-revolving tranche, where the value date is greater than FD PRAM value date

If the future dated Participant Transfer instruction is unauthorized you are allowed to perform activities like LIQD, VAMI, and PRAM. If an unauthorized FDPAM exists along with other unauthorized current/back dated PRAM instructions, authorization will be allowed for the earliest instruction based on the value date.



Note the following:

- Only one active, unprocessed FD PRAM instruction can exist for a contract at a time, but there can be more than one current dated or back dated PRAMs co-existing with the FDPAM.
- If a P+I rollover instruction is present, you cannot capture future dated Participant Transfer instructions.
- Interest capitalization will not be allowed if an unprocessed FD PRAM instruction exists ('Lender of Actuals' method of interest distribution)
- When any current/back/forward dated activity is performed after capturing the FD PRAM instructions, tranche balances are checked to ensure that FD PRAM does not result in negative transfer.
- Participant transfer can be done between participants only if they have the same margin rates. If they have different margin rates, you will have to amend the margin rates to make them the same for the affected participants as on the PRAM effective date. Then you can initiate the transfer.

6.18 Processing HFI to HFS Transfer

You will have to manually perform PRAM on the tranche contract to transfer position from HFI portfolio to HFS portfolio as mentioned below:

- Transferor should be an HFI portfolio.
- Transferee should be an HFS portfolio.
- Transfer price should be entered.
- You should check the box 'HFS Transfer.'
- You should input the PRAM value date and HFS Transfer amount.
- If the HFS participant is new to the tranche, then you should input SSI mnemonic.

The system will perform the following validations during PRAM event to transfer position from HFI to HFS portfolio:

- The TRANSFER_AVL (Tranche Available + Drawdown Outstanding) balance for the HFI participant at the tranche level should match with the TRANSFER_AVL (Commitment available + Loan Outstanding) balance for HFI commitment. Otherwise, PRAM will not be allowed. This validation will be done only during HFI to HFS Transfer.

Note that position validation will be done during PRAM reversal where transferor is HFS portfolio and transferee is HFI portfolio having 'HFS Transfer' box checked during PRAM. You will have to manually update the position in origination (Loans) module whenever HFS transfer or reversal of HFS transfer is processed in the agency (LS) module.

- Value Date of PRAM cannot be lesser than the value date of the below mentioned agency activities that can change the TRANSFER_AVL balance of the tranche:
 - PRAM on tranche
 - LIQD on Drawdown
 - VAMI on tranche or drawdown
- The system will validate that there should be only one HFI and HFS portfolio, when HFS portfolio is involved in the transfer.
- You will not be allowed to perform PRAM for HFI to HFS Transfer if there are any open trades (both buy and sell) in the trading module for the CUSIP and the HFS portfolio. You will have to settle the open trades and then perform HFS transfer in such cases.

If all the details are input and the validations are successful, then PRAM will be saved and authorized successfully and thus HFS transfer is successful in the Agency module. If you have entered a wrong transfer amount or transfer price then you will have to manually perform another PRAM to reverse the HFS transfer and perform a new PRAM with correct amount or price.

You will not be allowed to capture transfer price during reversal of the PRAM i.e. when the portfolio of Transferor is HFS and Transferee is HFI. However, you need to ensure that the box 'HFS Transfer' is checked.

LS-LT Interface browser will be updated upon save and authorization of PRAM for the HFS transfer. Prorata amount of CoC balance and HFS Transferred Cost Basis will be computed during PRAM processing and will be stored internally in the LS-LT browser for the internal trade processing. Internal Sell and Buy trades will be processed systematically to update the position for HFI and HFS portfolios in trading module.

6.18.1.1 Computation of HFS Transferred Cost Basis

The system will compute the HFS Transferred Cost Basis as under:

- LOCOM (Lower of Cost or Market) will be applied to compute the HFS Transferred Cost Basis as the lower of LOCOM Carry Value or the Transfer Price entered.
- LOCOM Carry Value is the HFI Commitment Transfer AVL (Commitment Available + Loan Outstanding) less Write-offs, Contra, FAS 91 Fees, and Asset Transfer Marks). Note: FAS 114 reserves are excluded from this computation.
- CoC balances (CoC) from the origination (Loans) module at the time of PRAM processing will be computed on a prorata basis. The same balances will be considered during internal trade processing in the trading (LT) module. These balances will not be displayed in the PRAM screen. However, you can verify them in the origination queue for the HFI internal sell deal.
- CoC valuation will be performed for HFI commitment during authorization of PRAM. HFS transferred Cost basis will be arrived at after the valuation. Prorated CoC balances will be calculated and stored internally after all these activities.

PRAM value date can be less than or equal to the application date. The internal trades will be booked in the trading (LT) module with value date and expected settlement date as the PRAM value date.

LS – LD STP processing for PRAM event for HFS transfer will fail in the interface browser. You need to manually update HFI positions in the origination module for the associated commitment and loan contracts. Upon updating the position in origination module, you will have to manually mark the process status as 'Processed'.

If the HFS participant is new to the tranche, then you will have to link the HFS commitment contract booked from RAPID through the 'STP Relink' screen. If the HFS participant is an existing tranche participant, then you will have to manually mark the process status as 'Processed' upon updating the position in origination. You will also have to manually mark the process status as 'Processed' for the reversal and rebooking of PRAM events for HFS transfer.

Reversal of HFS transfer will not be shown in the LS-LT Interface browser. You will have to manually reverse the internal trades in the trading (LT) module and then manually adjust the balances in the origination (Loans) module.

6.19 Processing Sighting Fund Rollover/Reprice

Future dated participant transfer is allowed on sighting funds enabled tranche when any of the following future dated events exist for Drawdowns under the tranche:

- Uninitiated drawdown with value date in future - BOOK
- Future dated principal increase – VAMB
- Rollover Child Processing
 - Split rollover
 - Future dated drawdown (BOOK) created as part of Future dated Split Rollover Instructions
 - Future dated Principal Increase (VAMB) on Parent contract for Split Rollover with principal increase
 - Consolidated rollover
 - Future dated drawdown (BOOK) created as part of Consolidated Rollover Instruction
 - Future dated Principal Increase (VAMB) on Driver contract of Consolidated Rollover with principal increase
 - Consol + Split rollover
 - Future dated drawdown (BOOK) created as part of Future dated Consol + Split Rollover Instructions
 - Future dated Principal Increase (VAMB) on Driver contract during Consolidated + Split Rollover with principal increase
- Reprice processing

- Partial Split Processing
- Future dated drawdown (BOOK) created as part of Future dated Split Reprice Instructions
- Future dated Principal Increase (VAMB) on Parent contract for Split Reprice with principal increase
- Merge Processing
- Future dated Principal Increase (MRGB) on parent contract

6.19.1 Participant Transfer for Sighting Funds

In the 'Payment Processing Browser' screen, the following details are updated for participant transfer with existing participants during participant transfer authorization based on the latest ratio for future-dated events:

- Pro-rata share amount of participants in Event-wise Fronting Details tab
- Unfunded amount in Investor-wise Funding Details tab

For participant transfer with new participants, system adds the new participants to the existing list of participants in the 'Payment Processing Browser' screen. The fronting value is defaulted as follows:

- Fronting – If the investor fronting captured in the Borrower Details sub-screen is 'Fronting All' and the funding status is 'Fronted'.
- No Fronting – If the investor fronting captured in the Borrower Details sub-screen is not 'Fronting All' and the funding status is 'Unfunded'.

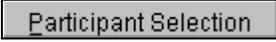
For more details, refer section 'Processing the Release of Payment Messages' in this User Manual.

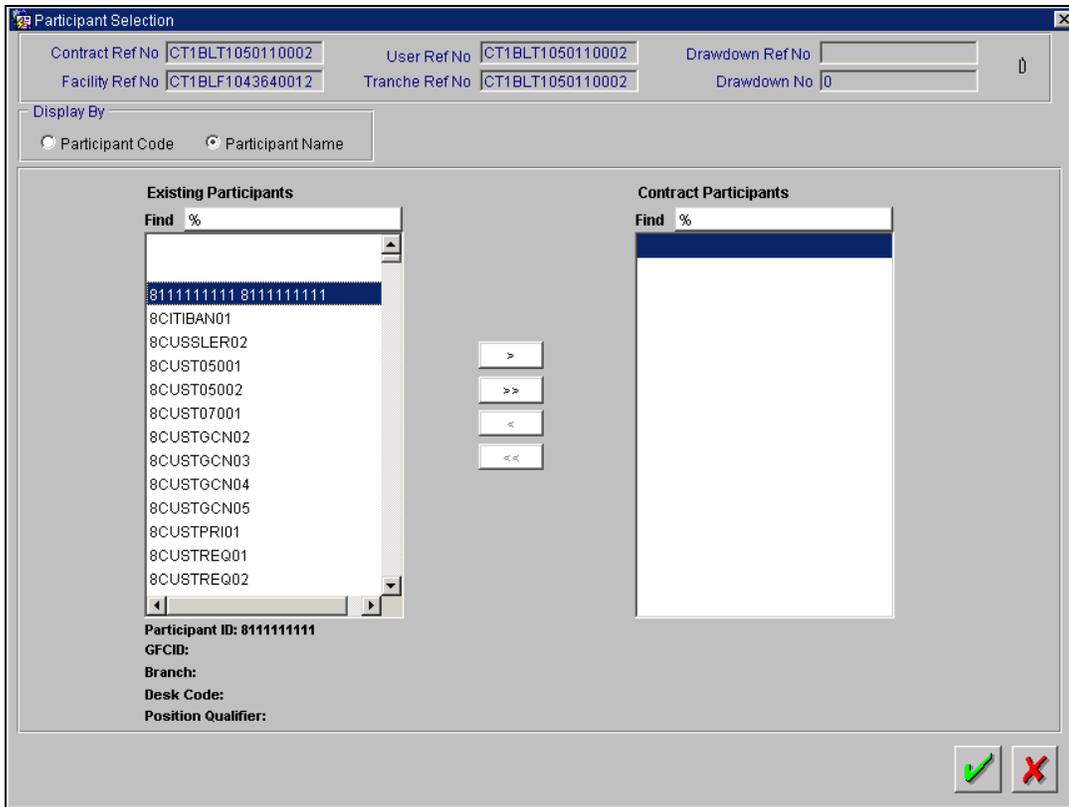
6.19.2 Transferring assets between existing participants

To transfer assets from one participant to another, you have to select the reference number of the contract for which you want to initiate the asset transfer amongst the participants. You can use the navigation buttons -  provided in the toolbar of the screen for this purpose.

After you select the relevant contract (Tranche or Drawdown), click on the  button to unlock the same for the transfer. Alternatively, you can also select **Unlock** from the **Actions** menu. The current system date will default as the 'Value Date'. You can, however, do a back valued transfer if:

- The value date of the transfer is within the value date of the contract in the case of 'Cascade Participation' type of tranches.
- The value date is not beyond the last Participant Ratio Amendment date for 'Non-Cascade Participation' type of tranches.

To select the participants for the transfer, click  button (it gets enabled only after you unlock the contract). The 'Participant Selection' screen will be displayed.



In this screen, you can view the existing participants of the contract.

By default, the participants are displayed based on the 'Participant Code' and in this case, you can view the Customer Number and Position identifier at the bottom of the column. However, you also have the option to display them based on the 'Participant Name' and in this case, you can view the Customer name and Position Identifier description to select the participants at the bottom of the column. You can also view the mapping detail for position identifier's as well. When you select a participant from the list, depending on the 'Display By' option chosen, participant name (if displayed by 'Participant Code') or code and the Global Financial Customer ID (GFCID) will be displayed at the bottom of the column.



GFCID is specified at the time of maintaining customer details in the 'Customer Information Maintenance' screen.

To select the participants for the transfer, do the following:

50. Select a participant from the 'Existing Participants' list and click the  button to move it under the 'Contract Participants' list.

51. Select the next participant also in the same manner. To move all the participants under the 'Contract Participants' list, click the  button.

52. To remove a participant from the transfer, select the same and click the  button. To move all participants back to the 'Existing Participants' list, click the  button.

53. After selecting the participants for the transfer, click the  button to return to the 'Participant Transfer Contract' screen.

You can also double-click on the participant name/code (this depends on the 'Display By' option you select) to move it from the 'Existing Participants' list to the 'Contract Participants' list.

The 'Participant Transfer Details' screen will now, display the following details:

- Full name of the Participants involved in the transfer
- Asset Sharing Ratio and Current Asset Amount for each participant
- Fee, Charge and Interest (along with the respective components) for each participant, if applicable
- The SSI Mnemonics for each participant
- System displays the currency wise mnemonic and the entity details of all the participants new or existing for checker's verification.

You have the option to capture a consolidated type of transfer instruction or a detailed instruction for each participant. By default, the system takes you to the 'Consolidated' tab of the 'Participant Transfer Details' screen.

The system ensures the following when you capture the transfer instructions:

- You select a participant as a transferor only once
- You can select a participant as a transferee multiple times but under different transferors
- You can select a participant as a transferor as well as a transferee for a different transferor
- The transfer ratio is applied on the eligibility amount of the transferor as on the value date of the transfer to arrive at the transfer amount. The impact of current transfer instruction will not be considered.
- Only one one-one relationship exists between a transferor and transferee. For instance, if Participant 1 is the transferor and Participant 2 is the transferee, you cannot have a combination where Participant 2 is the transferor and Participant 1 is the transferee.

6.19.2.1 Capturing Consolidated Transfer Instructions

The names of participants selected through the 'Participant Selection' screen are displayed in the 'Consolidated' tab of the 'Participant Transfer Details' screen. For a given value date, you can capture the net amount transferred to and from each participant.

For the participant who is the transferor, specify the amount with a negative sign (to indicate that the transfer is 'From' the participant).

 The sum of the transfer amount across all participants should be zero.

Click  button to accept the values. The system will display the Primary Entity for each participant. While maintaining the consolidated transfer instruction, you cannot visit the 'Detailed' tab of the screen. The system will display the following error message:

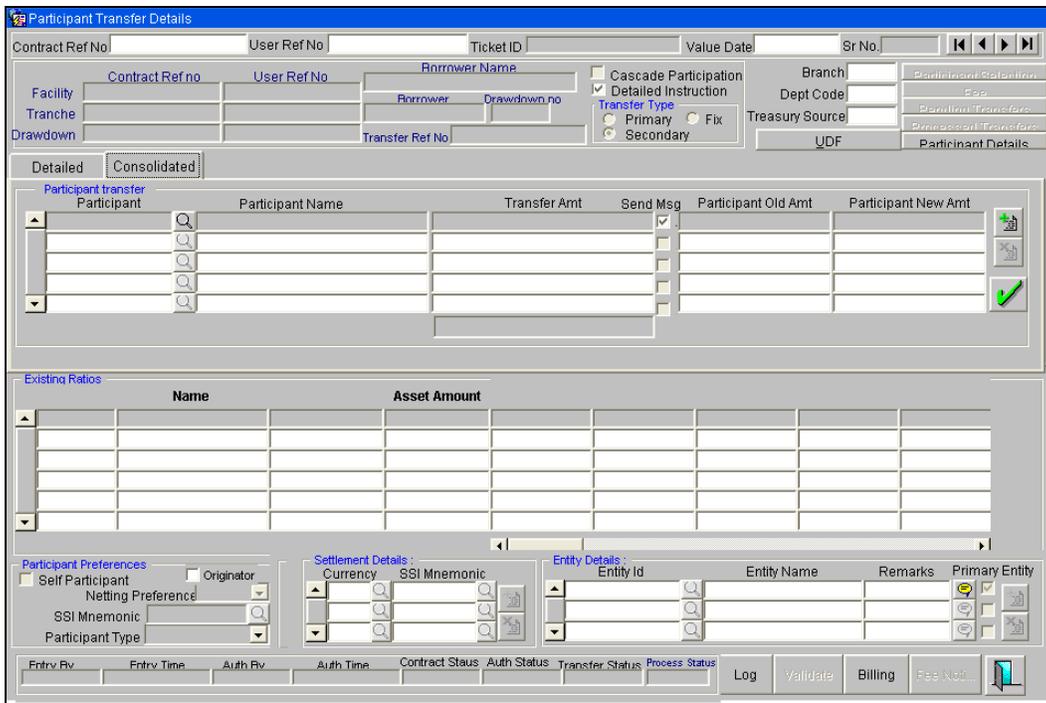
Transfer Instruction Type is consolidated. Cannot enter detailed transfer instructions.

Click  to save the transfer details.

The existing participant asset ratios do not get updated upon save. The ratios will be updated only on authorization of the instruction.

6.19.2.2 Capturing Detailed Transfer Instructions

To capture individual participant transfer details, check the 'Detailed Instruction' option. The system will display the 'Detailed' tab of the 'Participant Transfer Details' screen.



Participant	Participant Name	Transfer Amt	Send Msg	Participant Old Amt	Participant New Amt

Name	Asset Amount

To transfer assets between participants, you have to select the participants from the 'Participant Selection' screen and then specify the following for each:

Transfer From

You have to select the participant from whom the asset should be transferred. The option list will display the participants you have selected through the 'Participant Selection' screen. Upon selection of the participant, the name is displayed in the adjacent text box. The system also assigns a sequence number '1' to the first transferor and this number automatically increments by 1 for every subsequent addition of a transferor.



If the selected transferor has zero balance, the system will display a message to indicate the same. You will be prompted to select a different transferor.

Transfer To

You have to select the participant who is receiving the transfer amount. Click  button to enable the selection of a transferee. After you identify the participant from whom the asset is being transferred, the names of other participant(s), as selected through the 'Participant Selection' screen, are available in the option list. Select a participant from this list.

You may delete a participant(s) if you do you want to include it as a transferee(s). To delete, click  button. However, atleast one transferee is mandatory for a transferor.



If you want to transfer the asset to a new participant, you will have to first add a participant to the facility under which the tranche/drawdown is processed.

Transfer Ratio and Transfer Amount

Specify the ratio in which the asset should be transferred. You can either specify the 'Transfer Ratio' or the 'Transfer Amount'. If you specify the transfer ratio, the system will compute and display the transfer amount.

Likewise, if you specify the transfer amount, the system will compute and display the transfer ratio.

Send Message

Select this check box to indicate if the fax messages have been generated for this participant with the details of the transfer.

For consolidated type billing instruction, you have to define the transferee fee amount against each participant. Transfer Fee amount defined at the Tranche Level is applicable only for the Detailed Transfer Instruction type and not for the Consolidated Transfer Instruction type.

Accounting Entries and messages for the Transfer Fee Billing will go with the Participant Tranche contract Reference number. Accounting Entries and messages for the ledger Entries will go with the Participant Drawdown contract Reference number.

Payment message generation at the tranche level for Transfer fee Billing goes with the settlement days defined for the Transfer fee Settlement currency.



Note the following:

- At the tranche level, the system will consider the available amount as on that day to validate the transfer amount for tranches of 'Non Cascade Participation' type. In the case of tranches of 'Cascade Participation' type, system will consider the available amount + outstanding amount for validating the transfer amount.
- At the drawdown level, the system will consider the outstanding amount for validating the transfer amount.
- If the asset ratio or amount of one of the participants is reduced to zero, the participant will be excluded from the tranche.

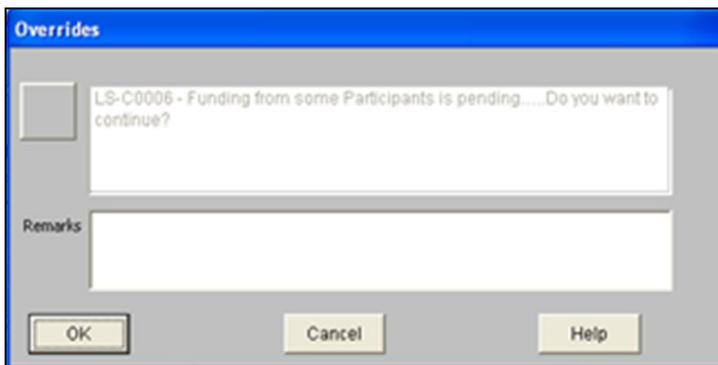
Click  button to navigate to the 'Transferor' section of the screen and then click  button to select the next transferor from the option list provided.

In addition, you can do the following, if required:

- Change the income sharing ratio for the fee components and charge components in the respective field.
- Amend the SSI Mnemonic for each participant
- Specify component wise SSI Mnemonics

After specifying the changes, click  button to confirm the transfer details. The system will arrive at the net of the transferor/transferee amount for each participant and you can view it in the 'Consolidated' tab of the screen.

Click  to save the transfer details. On save of Participant Transfer of a contract, if funding is pending (Fund sighted is No) for any participants involved in transfer, the system provides an override message as shown below.



'Funding from Participant(s) is pending...Do you want to continue?'

Click 'OK' to save the Transfer. The existing participant asset ratios do not get updated upon save.

The ratios will be updated only when your supervisor authorizes the details. The following details the updated:

- Asset ratio for the participants
- Outstanding amount for the participants
- New asset amount for the transferor

6.19.2.3 Capturing Transfer Fee Details

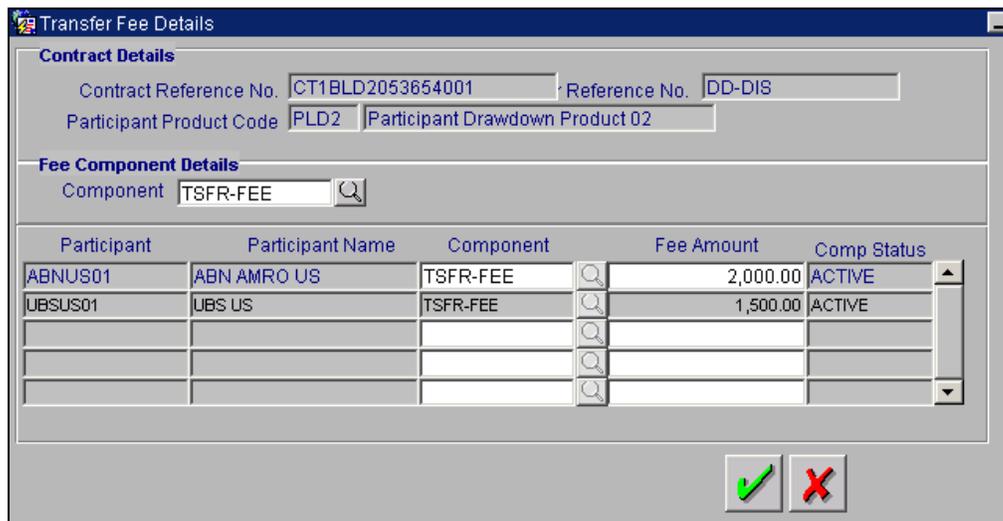
You, as the lead agency, have the option to collect transfer fee for the asset transfer between participants. The fee can be charged to both the transferor and the transferee.

 You can collect fee from participants only if fee components are associated with the participant product involved in the contract. In addition, the fee components should be defined with the following attributes:

- Fee Collection Mode: Advance
- Stop Association: Unchecked

For details on defining product level fee components, refer the heading 'Specifying fee components with the product' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

You can capture the fee details in the 'Transfer Fee Details' screen. Click  button to invoke this screen.



Participant	Participant Name	Component	Fee Amount	Comp Status
ABNUS01	ABN AMRO US	TSFR-FEE	2,000.00	ACTIVE
UBSUS01	UBS US	TSFR-FEE	1,500.00	ACTIVE

You can capture the following transfer fee details in this screen:

Component

The applicable fee components defined for the participant product will be available in the option list. You can select one of them to collect the transfer fee. After you select the component, the following details are displayed:

- Participants involved in the transfer (both code and name)
- Fee component associated with each component
- Component Status – The first time the status will be ‘Active’. May change to ‘Reversed’ or ‘Liquidated’, as the case may be.

Fee Amount

Specify the amount to be collected as fee. The fee will be expressed in the contract currency. This will be collected as one time fee and hence requires no schedule definition.

Click on the  button to save and exit the screen.

Oracle FLEXCUBE allows you to capture multiple Participant Ratio Amendments (PRAMs) without authorizing the earlier PRAMs. You can use the navigation buttons -  in the screen to view the PRAM instructions under a tranche/drawdown.

There is an accounting entry set up at the Participant Drawdown Product for PAMI/PRAM Event to facilitate the ledger entries in case of Primary transfers for the Participant transfer amount captured at the Tranche contract level.

Transferee side accounting entries for PRAM/PAMI Event that would be passed

DR/CR	Accounting role	Amount tag
DR	Customer	Principal_INCR
CR	Syndication pool	Principal_INCR

Transferor side accounting entries for PRAM/PAMI Event that would be passed

DR/CR	Accounting role	Amount tag
CR	Customer	Principal_DECR
DR	Syndication pool	Principal_DECR

 Ledger entries at the Drawdown level get posted only for the Primary Syndication transfers and not for the Secondary Transfers.

6.19.2.4 Operations Allowed on Tranches/Drawdowns with Unauthorized Prams

You can perform the following operations on a tranche/drawdown even if there are multiple unauthorized PRAMs under it:

- PRAM (Participant Ratio Amendment)
- VAMI (Value Dated Amendment Initiation)
- LIQD (Liquidation)

- CAMD (Contract Amendment)
- Initiation of new drawdowns

Saving a tranche/drawdown with multiple unauthorized PRAMs

During the 'Save' operation, the system will take into account only the authorized PRAMs when validating normal transaction operations like VAMI, CAMD and LIQD. However, in the case of a PRAM, the system will take into account the unauthorized PRAMs only if the value date of the unauthorized PRAMs is less than or equal to that of the current PRAM instruction.

The system will maintain a sequence in which the transactions (PRAMs) are booked.

Authorizing multiple PRAMs under a tranche/drawdown

You can authorize the transactions only in the sequence of the value date and for a value date, in the sequence in which the transactions are saved in the system. If PRAMs are captured with different value dates, Oracle FLEXCUBE will authorize a transaction only if the earlier PRAMs are authorized. In the case of PRAMs captured on the same value date, the sequence number will determine the order for authorization. For a given value date, the transaction with the lowest sequence number will be authorized first. If you do not authorize as per the sequence, the system will display an error message to indicate the same.

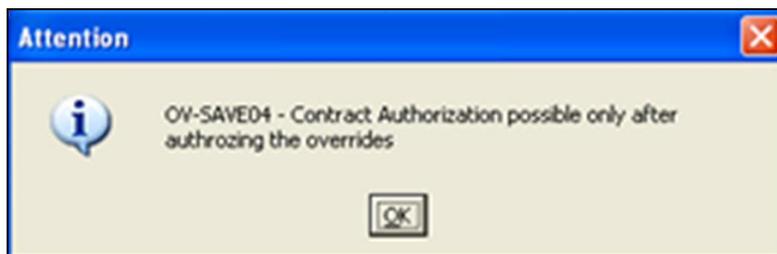
During authorization of the Participant Ratio Amendment, Oracle FLEXCUBE will revalidate the tranche availability and if the same is not sufficient to process the transfer, the authorization will fail. The system will display an error message to indicate the same.

The PRAM event is triggered only upon successful authorization of the transaction.



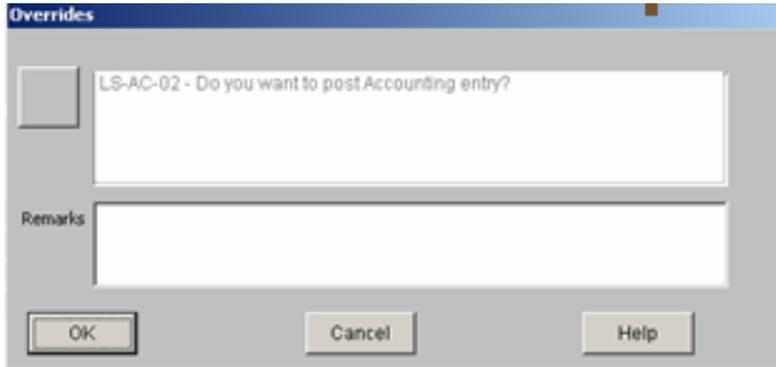
Note the following:

- After you authorize the amendment/transfer, the system will amend the corresponding facility, tranche or drawdown and it will also apply the ratio changes to the relevant participant. The 'PRAM' event will be triggered for the contract for which you have amended the participant details. For modifications to existing participants, the relevant participant contract is also amended. For new participants, the relevant participant contract will be created.
- During authorization, the system throws the following message. In order to authorize the assignment activity, you have to authorize the overrides in the 'Details of overrides requiring dual authorization'.



'Contract Authorization possible only after authorizing the overrides'

While authorizing the Participant Transfer an override message is thrown if the flag indicating the Transfer is Participant Transfer.



Do you want to post Accounting entry?

If select yes, a payment to the Transferor's Standard Settlement appears on the Forward Processor for the full amount of the Transfer. If No is selected payment ledger entry is not posted. The payment message will be sent to Forward processing browser, if the liquidation mode is Semi Auto.

6.19.2.5 Viewing the Participant Details After the Transfer

You can view the new asset sharing ratio and new income sharing ratio for the participants involved in the contract in the 'Participant Ratio Details' screen. Click the Participant Details button.

Contract Detail

Product Code: BLT1 | BORROWER TRANCHE PRODUCT - 01 | Tranche

Contract Ref No: CT1BLT1043640003 | User Ref No: CT1BLT1043640003

Customer: ABNUS01 | ABN AMRO US

Facility Name: FAC01

Buttons: Participant Select, Download To File, Upload From File

Participant Name	Participant Code	Asset Amount	Current Participation	Asset Ratio	Charge		COM
					ADMN-CHG	BOOK-CHG	
CITIBANK US	CITUS01	300,000,000.00	300,000,000.00	030.0000000000	030.0000000000	030.0000000000	030.0
NATVT01	NATVT01	400,000,000.00	400,000,000.00	040.0000000000	040.0000000000	040.0000000000	040.0
UBS US	UBSUS01	300,000,000.00	300,000,000.00	030.0000000000	030.0000000000	030.0000000000	030.0
		1,000,000,000.00	1,000,000,000.00	100.0000000000	100.0000000000	100.0000000000	100.0

Participant Preferences for CITIBANK US

Self Participant Originator

Netting Preferences: [Dropdown]

SSI Mnemonic: [Text Box]

Branch: [Text Box]

Desk Code: [Text Box]

Position Qualifier: [Text Box]

Settlement Details for CITIBANK US

Currency: USD | SSI Mnemonic: PRIM

Entity Details for CITIBANK US

Entity Id	Entity Name	Remarks	Primary
ADM-UK	Administration		<input checked="" type="checkbox"/>

Payment message generation at the drawdown level for the Ledger entries goes with the Settlement days defined for the respective drawdown currencies. You can view the unique transfer reference number in the 'Participant Transfer Details' screen which is preceded with the Branch code, Product code, and PTFR sequence number.



Note the following

- Any change in the Asset Share Ratio (ASR) or Income Share Ratio (ISR) at the tranche level as a result of asset transfer will be applied to the new drawdowns entered under the tranche. Similarly, any change to ASR or ISR at the drawdown level will be applied to the subsequent repayment done after the transfer.
- You can view the position identifier description in case the participant is self participant.

6.19.2.6 Adding a New Participant

As mentioned earlier, you can add a new participant only at the facility level. To add a participant, click the **Participant Select...** button (it gets enabled only after you unlock the contract). The 'Participant Selection' screen will be displayed.

Existing Participants

In this screen, you can view the 'Existing Participants' of the contract. By default, the participants are displayed based on the 'Participant Code'. However, you also have the option to display them based on the 'Participant Name'.

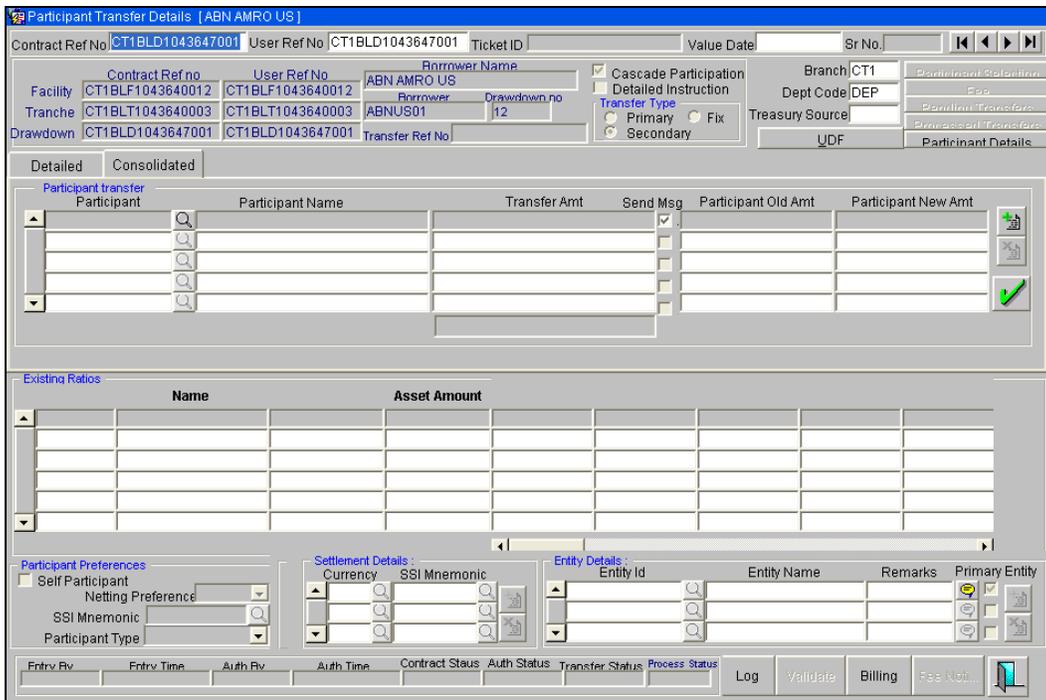
Customers

The names of all the customers defined in Oracle FLEXCUBE will be displayed in this column. From this list, you can select the new participants for the facility. When you select the customer, the 'Customer Name' and 'GFCID' are displayed at the bottom of the column. Select the customer and click the  button to move it to the 'Contract Participants' column.

After making the selections, click the  button to return to the 'Participant Transfer Contract' screen. This screen will now display the names of the new participants added for the facility. In addition you can define the following:

- Netting Preference
- SSI Mnemonic which the system will use to obtain the settlement details for the participant.
- Entities for the participant, to whom notices and advices related to the contract, will be sent. A primary entity must be designated.

The 'Participant Transfer Details' screen will look as shown below:



After capturing the necessary details, save and authorize the record. You can then select the tranche processed under the facility (to which new participants have been added) and transfer the assets appropriately between the existing and new participants.

6.19.2.7 Viewing Details of Processed Transfers

You can view all 'Detailed' authorized transfer instructions in the 'Processed Transfer Details' screen. To invoke this screen, click  button.

Value Date	Event Seq No	Transferor	Transferor Name	Transferee	Transferee Name	Transferred Amount	Transfer Ratio
15-NOV-2004	8	ABNUS01	ABN AMRO US	AMEXU01	AMEX US	10,000,000.000	020.000000000
10-DEC-2004	9	ABNUS01	ABN AMRO US	NATWT01	NATWEST BANK	20,000,000.000	050.000000000
10-DEC-2004	9	NATWT01	NATWEST BANK	AMEXU01	AMEX US	5,000,000.000	000.000000000



In this screen, you can view the following details of a transfer transaction:

- The value date of the transfer
- The customer code associated with the transferor
- The name of the transferor
- The customer code associated with the transferee
- The name of the transferee
- The amount transferred
- The transfer ratio

You can also view the net amount transferred from/to each participant (for both 'Detailed' and 'Consolidated' transfer instructions) in the 'Processed Transfers - Consolidated' screen. To invoke this screen, click button.

Value Date	Event Seq No	Participant	Participant Name	Transfer Amt	Participant Old Amt	Participant New Amt
15-NOV-2004	8	ABNUS01	ABN AMRO US	-10,000,000.000	50,000,000.000	40,000,000.000
15-NOV-2004	8	AMEXU01	AMEX US	10,000,000.000	50,000,000.000	60,000,000.000
10-DEC-2004	9	ABNUS01	ABN AMRO US	-20,000,000.000	40,000,000.000	20,000,000.000
10-DEC-2004	9	AMEXU01	AMEX US	5,000,000.000	60,000,000.000	65,000,000.000
10-DEC-2004	9	NATWT01	NATWEST BANK	15,000,000.000	.000	15,000,000.000
31-DEC-2004	10	ABNUS01	ABN AMRO US	5,000,000.000	19,000,000.000	24,000,000.000
31-DEC-2004	10	AMEXU01	AMEX US	-2,500,000.000	61,750,000.000	59,250,000.000
31-DEC-2004	10	NATWT01	NATWEST BANK	-2,500,000.000	14,250,000.000	11,750,000.000

The 'Transfer Amount' with a negative sign indicates that the transfer is 'From' the participant. If the transfer is 'To' the participant, the amount will be shown with a positive sign.

6.19.2.8 Viewing Details of Pending Transfers

You also have the facility to view details of all unauthorized transfer instructions in the 'Pending Transfers – Detailed' screen. To invoke this screen, you have to click button in the 'Participant Transfer Details' screen.

Value Date	Serial No.	Transferor	Transferor Name	Transferee	Transferee Name	Transferred Amount	Transfer Ratio
15-APR-2005	1	ABNUS01	ABN AMRO US	AMEXU01	AMEX US	1,100,000.000	002.500000000
15-APR-2005	2	ABNUS01	ABN AMRO US	AMEXU01	AMEX US	4,400,000.000	010.000000000



For each unauthorized transfer, you can also view the net amount transferred from/to each participant in the 'Pending Transfers - Consolidated' screen. To invoke this screen, click  button.

Value Date	Serial No.	Participant	Participant Name	Transfer Amt	Participant Old Amt	Participant New Amt
15-APR-2005	1	ABNUS01	ABN AMRO US	-1,100,000.000	44,000,000.000	42,900,000.000
15-APR-2005	1	AMEXU01	AMEX US	1,100,000.000	46,000,000.000	47,100,000.000
15-APR-2005	2	ABNUS01	ABN AMRO US	-4,400,000.000	42,900,000.000	38,500,000.000
15-APR-2005	2	AMEXU01	AMEX US	4,400,000.000	47,100,000.000	51,500,000.000
15-APR-2005	3	ABNUS01	ABN AMRO US	100,000.000	38,500,000.000	38,600,000.000
15-APR-2005	3	AMEXU01	AMEX US	-100,000.000	51,500,000.000	51,400,000.000

6.19.3 Viewing Participant Margin Details

You can view margin details maintained for participants of the drawdown contract, using the 'Participant Margin Maintenance' screen. To view this screen, you have to click the  button.

Participant Margin Maintenance

Contract details

Product Code: Borrower Tranche Product (commt)

Contract Ref No. User Ref No.

Customer

Facility Name

Component Details

Contract Ref No

Customer No

Component

Component Type Slab Tier Flat Amount Type Amount Percent

Dept Code Branch Code

Currency Details

Currency	Currency Name

Effective Dates

Effective Date

Borrower Margin Details

From Amount	To Amount	Margin Rate

Participant Margin Details

Participant Selection

Participant	Participant Name	Asset Ratio	Margin Rate
000021	CFPI SECONDARY TRAC		5
000058	CUST1		15
000021	CFPI SECONDARY TRAC		2
000058	CUST1		8
000060	kk		5
Total Margin Rate			

All details captured in the 'Margin Maintenance' screen are defaulted here.

For a given effective date and currency, you can view the margin maintained for the borrowers and participants.

To add a new participant, click the  button. The system displays all participants linked to the tranche. You can specify the margin rate applicable for the required participants from the required effective date.

Note that you can maintain margin rates for participants only for margin components of the main interest components of the Tranche's Drawdown products.

Place your cursor on a participant and click the  button to delete that participant.

Click the  arrow to move to the borrower margin details section.

Click  button to save the details and exit the screen.

The system will ensure that the total margin rate of all the participants is the same as the borrower margin rate for the effective date for which margin rate is captured/ amended. It will also check the rates for each participant, margin component, currency, effective date and amount slab combination. You should have computed the required margin rates prior to capturing or amending the margin rate using this screen. If the validation for margin rates fails, the system will display an error message and will abort the transaction. You will have to correct the margin rates and then proceed.

If base rate is negative or borrower margin rate is negative then system will not allow user to maintain participant margin. If user has captured positive margin rate for borrower and participant then system will not allow user to amend the margin rate from positive to negative.

The system displays the below error:

Borrower margin is lesser than 0, hence participant margin cannot be captured.

6.19.4 Generating Third Party Faxes

Oracle FLEXCUBE enables you to send faxes to all the participants on Participant transfer (Assignment) Processing with the following details:

- Transfer Date
- Trade Commitment Amount
- Original Balance
- Ending Balance

After the Participant Transfer is authorized, an override message gets generated for regeneration of Pending Advices. Regeneration of pending advices/notices is for the existing participants with event based notices, event based rate fixing advices and event based payment notices. You can view the list of existing affected participants and advices for the existing affected participants with Pending Status in the 'Advice Generation Due to Participant Transfer' screen.

To invoke the 'Advice Generation Due to Participant Transfer' screen, choose **LS operation** from the Application Browser. Thereafter, choose **Participant Transfer** and **Message Regeneration** under it.

Borrower Ref No	Contract Type	Participant Ref No	Participant	Participant Name	Generate
CT2BLD105123C001	Drawdown	CT2PLD105123B4MP	ABNUS01	ABN AMRO US	<input checked="" type="checkbox"/>
CT2BLD105123C001	Drawdown	CT2PLD105123B4MR	SCBUK02	STANDARD CHARTERED	<input checked="" type="checkbox"/>
CT2BPL105123A2BD	Drawdown	CT2PPL105123A2BD	ABNUS01	ABN AMRO US	<input type="checkbox"/>
CT2BPL105123A2BD	Drawdown	CT2PPL105123A2BF	SCBUK02	STANDARD CHARTERED	<input checked="" type="checkbox"/>

Event Seq No	Event Code	Event Date	Event Value Date	Status	Generate
2	DNOT	03-MAY-2005	05-MAY-2005	Pending	<input type="checkbox"/>
3	EXFX	03-MAY-2005	05-MAY-2005	Pending	<input checked="" type="checkbox"/>
4	IRFX	03-MAY-2005	05-MAY-2005	Pending	<input checked="" type="checkbox"/>

You can view the following details here:

- Investor details
- Advices details

Generate

The generate box is selected for all the investors and the events for regeneration. However, you can unselect if want it otherwise.

After the generation of selective advices, the status gets updated to 'Regenerated' from pending.



Note the following:

- Regeneration of Free format is possible only when billing date is in future.. The contracts which got the cascade participation are applicable for regeneration. Advices are also regenerated for new participants added as part of participant transfer. The system identifies the events for which advices have to be regenerated based on the advice events whose value dates are greater than the system date. Event value date should be greater than or equal to assignment date for the events other than NOTC and for NOTC it should be greater than the assignment date.

6.20 Draft Transfer Details

For transferring any other fee associated with the participants, you can use Draft Transfer Screen to transfer the amount. To invoke the 'Draft Transfer Details' screen, choose **Loans Syndication** from the Application Browser. Thereafter, choose **Draft Transfer** and **Detailed** under it.

The screenshot displays the 'Loan Syndication Draft Transfer' interface. It is divided into several sections:

- Contract details:** Includes fields for Contract Ref No (CT1BLT1050624003), Transfer Effective Date (09-MAR-2005), Customer (MITTAL STEELS), Contract Amt (USD 1,000,000.00), Transfer Type (Primary/Secondary), User Ref No (CT1BLT1050624003), Facility Ref No (CT1BLF1050610003), Contract Value Date (02-MAR-2005), and Maturity Date (02-MAR-08).
- Participants:** A table with columns: Participant, Participant Name, Asset Ratio, Asset Amount, Status, and Participant Type. It lists MATCH02, PARTP02, and SHELL01.
- Settlement Details:** Fields for CCY (USD), CCY Name (USA DOLLAR), and SSI No (0).
- Messaging contacts:** A table with columns: Entity, Entity Name, and Primary?. It lists ADM-US and ADMINISTRATION.
- Draft info:** Fields for Drafted By (KARTIKI), Timestamp (08/03/2005 18:53:37), and Draft Status (Submitted).

You can specify the following details here:

Contract Reference Number

Select the contract reference number for which you wish to transfer the fee amount.

Transfer Effective Date

Specify the effective date for the draft transfer.

Transfer Type

Specify the draft transfer type as:

- Primary
- Secondary

When you save the details for a draft transfer, the billing notice gets generated for the draft transfer fee amount for the applicable participants for any other fee associated with the participants.

Click button to invoke the 'Transfer Fee Billing Screen'.

Tranche Ref No Transfer Fee Ccy Transfer Fee Amt

Transferor Details

Transfer Fee By Seq.	Transfer From	Transferor Name	Transferor Fee Amount
1	CITIBANK UK	CITIBANK UK	0

Transferee Details

Transfer To	Transferee Name	Transferee Fee Amount
BNPBK02	BNP	12,500.00

The transfer fee billing details for which the actual accounting entries are passed get displayed in this screen. This amount is calculated based on the transfer FEE billing instructions specified for each transfer instruction sequences.

6.21 Remitting Withheld Tax

Oracle FLEXCUBE enables you to remit the withheld tax amount that was not remitted for a period, to the Central Bank. The tax administrators will review the tax withholdings of all participants at regular intervals. They will select the tax withholdings that need to be sent to the internal Treasury Tax Loan (TTL).

Tax is remitted to the Central Bank using the 'Tax Remittance' screen. To invoke this screen, click **Tax Processing** under the **LS Operations** menu in the Application Browser. Select the **Tax Remittance** option under it.

Tax Remittance

Remittance Ref No: CT1ZTRM0510400A1 Tax Payable GL: 160050201

Start Date: 01-APR-2005 End Date: 12-APR-2005

Transaction Code: 013 MIS Group: 1042

Currency: USD

Contracts for Remittance

Contract Ref No	Currency	Amount
CT1BLD1051043001	USD	177.20
CT1BLD1051047001	USD	122.01
CT1BLD1051049004	USD	132.03
CT1BLD105104A337	USD	295.70
CT1BLD105104A4MP	USD	652.82
CT1BLD105104A5EI	USD	500.67

Entry By: MANJULA Entry Time: 14/04/2005 16:13:08 Auth By: Auth Time: Authorised

Enter the following details:

Remittance Ref No

For any remittance, you need to click  button. System will generate a unique 16 digit reference number and populate the same here. For example, the format of the reference number will be as follows - CT4ZTRM043660065 where;

- CT4 is the Branch Code
- ZTRM – fixed format for tax liquidation
- 04 – Year
- 366 – Julian Date
- 0065 – Sequence No.

You can query the remittance made in the past using the remittance reference number.

Tax Payable GL

The tax remitted amount will be credited into this GL account. The option list will display all internal GLs of the branch.

Start Date

Select the date from when you want to remit the tax withholdings. The drop-down list will display all the withholding tax have been booked from this date.

End Date

Select the date till when you want to remit the tax withholdings. The drop-down list will display all the withholding tax have been booked till this date.

Transaction Code

The transaction code you specify here will be used to pass liquidation entries. The option list will display all transaction codes maintained in the 'Transaction Code Maintenance' screen.

For more details on transaction codes, refer the chapter 'Transaction Code Maintenance' in the Core Services (CS) User Manual.

MIS Group

Select the MIS Group from the list of values. The accounting entries will be posted with MIS details associated with the MIS group.

Currency

This is the currency in which the tax that has been withheld needs to be remitted.



System will not post accounting entries or fire events after remitting tax for any LS contract.

Once you enter the above details, click the **Populate** button to view details under 'Contracts for Remittance'. Here, system will display all the withheld tax entries for the specified period in the currency you have selected.

If you change the Start Date, End Date or Currency, you will need to click the **Populate** button to update the details displayed under 'Contracts for Remittance'.

Contract Ref No.

The reference number of the facility, tranche and drawdown contracts against which the tax was withheld is displayed here.

System will display the tax currency and the total tax amount that was withheld against the participants of the contract. Click **Events** to view the 'Event Log Details' screen.

For more details on the 'Event Log Details' screen, refer the section titled 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter of this User Manual.

You can execute the following operations in the 'Tax Remittance' screen:

- Create
- Authorize
- Delete
- Query



Note the following:

- You cannot reverse a remittance
- If the total amount for the specified period and currency is negative, system will not allow tax remittance for that transaction.

6.22 Refunding Withheld Tax

Oracle FLEXCUBE enables you to refund the withheld tax amount when there is fluctuation in the interest rate, or change in the tax status. The tax administrators will review the previous tax withholdings of all participants and select those withholdings that need to be refunded. System will calculate and refund the total amount to the participants through wire transfer.

Tax is refunded to the participants using the 'Tax Refund' screen. To invoke this screen, click **Tax Processing** under the **LS Operations** menu in the Application Browser. Select the **Tax Refund** option under it.

Tax Refund

Borrower Ref No: 814BDPL122142003

Participant:

Participant Ref No:

Component Details

Tax Rule	Component	Ccy	Refund Amount

Schedule Details

Tax Rule	Tax Due Date	Tax Collection Date	Amount	Refund Amount

Buttons: Settlements, Events, Media

Auth Status:

In the above screen, system will display all the withheld tax components. The following details will be displayed:

Borrower Ref No.

Specify the reference number of the borrower contract for which you want to refund the tax.

Participant

From the option list select the participant for whom you want to refund the tax.

Participant Ref No.

System displays the reference number of the participant.

Tax Rule

System displays the tax rule associated with the contract.

Component

System displays the component against which the tax rule is associated.

Ccy

This is the currency in which the Tax that has been withheld which needs to be remitted.

Refund Amount

This is the sum of all the Refund Amount specified under 'Schedule Details'.

System will display the schedule details of the components:

Tax Rule

This is defaulted from the Tax Rule under 'Component Details'.

Tax Due Date

System displays the due date of the component with which the tax rule is associated.

Tax Collection Date

This is the date on which the component was liquidated.

Amount

This is the maximum tax amount that can be considered for the refund for a Tax rule, Due Date and collection date combinations for the given participant of an LS contract. System calculates this amount considering the impact of the past refunds and the remittances.

Refund Amount

You can specify the amount you wish to refund to the participant. You can choose to refund the tax withholdings in partial or full. The amount in the Amount field is defaulted here. You can, however, change the amount. If you specify zero, it indicates that you do not want to refund any amount.

Click  button in the 'Tax Refund' screen to invoke the 'Settlement Message Details' screen. This screen will display the customer's account where the refund amount will be credited.

Click  button to invoke the 'Event Log Details' screen. This screen displays the accounting entries posted with TXRF (Tax Refund) and TXRV (Reversal of refund) events.

Click  button to invoke the 'Media for Message Generation' screen. You can specify the media for the message generation in this screen. This button will be enabled only if the 'FpML Type' option is unchecked at the contract level and the 'Media Priority' option is checked at the product level.

If this button is enabled, then the system will display an override message saying to view the 'Media for Message Generation' screen. If not, the system will handoff the message as per the details maintained in the 'Customer Entity Maintenance' screen.

For more information on 'Settlement Message Details' screen, refer the Settlements User Manual.

For more details on the 'Event Log Details' screen, refer the section titled 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter of this User Manual.

For more information on the 'Media for Message Generation' screen, refer the section 'Specifying Media for Message Generation' of this chapter.

You can execute the following operations in the 'Tax Refund' screen:

- Create
- Reverse
- Authorize
- Delete



Note the following:

- You can refund the amount even after a contract is liquidated
- You can refund the amount only for components that have not been remitted.
- You can reverse the refund, if required
- System will not refund the amount if the underlying contract for which refund is being made is not authorized
- You cannot execute a transaction if the refund is unauthorized

6.22.1.1 Forward Processing for Investor Tax Refund Payments

The payments generated or handed off to the investors as tax refunds can be sent for Sanction Check avoiding maker/checker process. You can view the payments and their sanction screening ACK code.

If the option, 'Forward Processing Required' in Loans Parameter screen is selected, the system populates the payments details to the forward processing browser, and the full message is sent to Sanction Check system immediately.

If the status from sanction check system is '-1' (Complete) and the INIT/Liquidation mode is selected as 'Auto', the tax refund payment from Forward Processing browser is released. And if the INIT/Liquidation mode selected at the contract level is 'Semi-Auto', then you have to manually confirm the release of payment message.



Sanction check functionality is applicable only for the new payment messages.

6.22.1.2 Viewing separate fee liquidation entries in Forward Processing Browser

The system supports fee payment messages in modules LS, LD and SLT where the messages are released from 'Forward Processing browser'. Firstly, the system populates the ADHOC Fee and derived fee payments into Forward Processing browser if the 'forward processing required' flag is checked and if fee liquidation mode at the product level is set to the following criteria's:

- 'Semi-Auto' / 'Auto' / 'Manual' for ADHOC Fee
- 'Semi-Auto' / 'Auto' for derived Fee

You will be able to release the message if the liquidation mode is 'Semi-Auto' and 'Auto' for derived Fee in LS module. For Adhoc Fee component in LS and LD modules, the system will release the messages based on the sanction check without user intervention

Therefore, in a contract if more than one fee liquidation is performed, on the same value date and for the same currency, 'Forward processing browser' contains entries even when multiple fee liquidation are performed for the same reference, Counterparty, value date and currency.

6.23 Processing Back Valued Interest and Fee for Payables and Receivables

Oracle FLEXCUBE recalculates the interest/fee for the paid/liquidated schedule and tracks the payables and receivables for the difference in the interest/fee amounts as a result of:

- At the drawdown level,

- Back value dated interest rate revisions (REVN) beyond the last liquidation/schedule date which results in receivable/payable from the borrower to the participants.
- Back value dated margin (MRFX) changes due to the new back valued drawdowns beyond the last liquidation/schedule date which results in receivable/payable from the borrower to the participants.
- Backdated amendment (VAMI) beyond the last liquidation/schedule date which results in receivable from the borrower and payable to the participants.
- Backdated participant transfer (PRAM) beyond the last liquidation/schedule date which results in receivable/payable among the participants due to the new asset sharing ratio.
- Back valued (before the maturity date of the parent of the rolled over contract) change in the interest rate/spread/margin for a liquidated component of a rolled over contract.
- Change in Interest Rate/Spread (VAMI) prior to the last PRAM date.

 The recalculation of interest due to change in interest rate happens across all drawdowns which use the modified interest rate code.

- At the tranche level,
 - Backdated Participant Ratio Amendment (PRAM) beyond the last liquidation/schedule date of system calculated fee which results in receivable/payable among the participants due to the new asset sharing ratio.
 - Backdated amendment (VAMI) beyond the last liquidation/schedule date of system calculated fee which results in receivable/payable from the borrower to the participants.

 Note the following:

- Any difference between the revised schedule amount and the amount already settled for a borrower and the participants due to the above mentioned scenarios for a fully paid schedule only, are tracked by Oracle FLEXCUBE as a receivable/payable amount. Partially settled/unsettled past schedules are tracked through the normal payment cycle.
- The payables and receivables are tracked for each of the associated events i.e. interest rate revision (REVN) and margin rate changes (MRFX).
- Appropriate advices are sent to the participants and the borrower for rate revision, margin revision and participant transfer events giving details for the amount due, the amount received and the receivable or payable amount.
- Whenever a parent drawdown is reversed before the maturity date, all the generated receivables/payables are also be reversed for the same.
- The payable/receivable tracking is done only for normal/bearing interest type of contracts
- The payable/receivable tracking is not applicable for competitive bidding contracts.
- The parent contract life cycle remains unaffected by the receivable and payable tracking. This means that the parent contract can move to the liquidated status on its maturity date, subject to all schedule payments, even though receivables/payables might be outstanding for the same.

For a drawdown/tranche, this screen displays the receivable/payable amounts for each component and the associated event. Based on the last event which has occurred in the life cycle of the contract, the corresponding event sequence number gets defaulted in the 'Event Seq No' field. Once the payable and the receivable amounts are settled across all the components for a particular contract, the system updates the 'Settled Status' field to 'Settled'.

All the components for a contract are displayed in the 'Component Details' section.

For each component of the drawdown/tranche, the system displays the following details:

- The party name
- The party type (borrower or participant)
- The applicable currency
- The amount due
- The amount settled (if settlement has not happened, zero will be displayed here)
- The tax amount: This amount gets calculated upfront if tax is applicable for each of the participants (at the tranche/drawdown level).
- The settlement status: The status can be any one of the following:
 - Settled
 - Unsettled
 - Partial
- Whether the amount is a payable or a receivable
- Whether tax is to be applied or not. This gets updated on the basis of your selection at the time of payment (in the 'Payable-Receiveable Payment' screen).



If the tax rules are tagged to the components and if the tax is applicable, the system also passes the necessary accounting entries for tax.

You can use the navigation buttons -  provided in the toolbar to scroll through the tranches and drawdowns.

6.23.2 Processing Settlement of Receivables/Payables for a Contract

You can process settlement of a payable/receivable amount in the 'Payable – Receivable Payment' screen. Click the  button to access this screen. This screen shows the amounts payable and receivable for the contract chosen in the 'Payable – Receivable Details' screen.

Liqd Reqd

By default, this option is checked for all the participants. However, you can choose to liquidate the payable/receivable amount for selective participants only. To do so, you need to check this option against the appropriate participant (s) and uncheck the same for the others.

 The receivables from any party (participant or borrower) should be liquidated in a single instance. For instance, if the amount receivable from a borrower is USD 6000, the same has to be settled entirely including the settlement of individual participant share. Likewise, the amount receivable from participants can be settled individually or with other participants. However, you are not allowed to do a partial liquidation within the individual participant amount.

Apply Tax

Tax will be calculated upfront based on whether tax is applicable for the contract. However, at the time of payment, you can check this option to apply tax on the receivable/payable amount. To waive tax, uncheck this option. Your selection here will be updated in the 'Payable-Receiveable Details' screen.

Click  button to move between the 'Component Details' and 'Participant Due Details' sections of the screen.

After capturing the amounts to be settled against the components, click  button to save the payment. Click  button to exit the screen and return to the 'Payable-Receiveable Details' screen. The 'Amount Settled' field in this screen is updated accordingly.

 You can reverse a payment of a payable/receivable by clicking the  button in the toolbar. This option is enabled only if you access the above screen directly from the Application Browser (to do this, you need to choose **LS Operations** and double click on the **Payment** option under **Receivable Payable**).

In addition, the 'Borrower Contract Process Summary' section of the screen will display the following details:

- Total borrower contracts processed in Oracle FLEXCUBE
- Number of unprocessed contracts
- Number of contract with status 'Work in Progress'
- Number of contracts that failed

For each borrower contract, the above details are displayed for the corresponding participant contracts, in the 'Participant Contract Process Summary' section of the screen. You can double click on any contract to view the contract details in the respective contract online screen.



The system displays the processed contracts in 'Green' while the contracts that fail are displayed in 'Red'.

6.24.1 Reinitiating the Job Process

You have the option to reinitiate the 'Background Job' on an adhoc basis. This option is available only if the 'Participant Process' mode is set to 'Job'. You have to specify this as part of defining parameters for your branch in the 'Branch Parameters – Detail View' screen.

For more details on maintaining branch parameters, refer the heading 'Creating branches and maintaining branch level parameters' in the 'Branch Parameters' chapter of the Core Services (CS) User Manual.

You can also use the reinitiate Background Job to process the failed contracts after making the necessary corrections. To re-execute the job, you have to click on the  button in the 'JOB PROCESS STATUS' screen. The contracts may be processed successfully.

You cannot use the reinitiate option if the 'Participant Process' mode is set to 'Online' for the branch. .

6.25 Maintaining Special Penalty Component Waiver Details

You can waive late payment charge schedule(s) for a component using 'LS Special Penalty Component Waiver' screen. To invoke this screen, select **LS Operations** in the Application Browser. Thereafter, select **Special Penalty Waiver** and then click **Detailed** under it.

Contract Detail

Contract Ref No: CT3BLD1050326001 CUSIP/ISIN: 1005TR01
 External CUSIP: 1005TR01
 Module Code: LS CCY: USD User Ref No: CT3BLD1050326001
 Department Code: DEP Treasury Source:
 Product Code: BLD1 Borrower Drawdown Product:
 Counterparty: AMEWAD3 AMERICAN BANK - WT
 Facility Name: LATEPAYMENT1005

Penalty Waiver Detail

Penalty Comp	Due Date	Grace Days	Penalty Calc Date	Penalty Amount Due	Penalty Amt Settled	Basis Amount Due	Basis Amount Settled	Remarks	Waive
LS-PEN1	01-FEB-2004	0	02-FEB-2004	150.00	.00	1,802.67	.00		<input checked="" type="checkbox"/>
LS-PENALTY	01-FEB-2004	0	02-FEB-2004	144.21	.00	1,802.67	.00		<input checked="" type="checkbox"/>
									<input type="checkbox"/>
									<input type="checkbox"/>

Audit Detail

Entry By: SUNDAR01 Entry Time: 01/02/2005 20:32:28 Auth By: SUNDAR02 Auth Time: 01/02/2005 20:33:02 Auth Status: Authorized Contract Stat: Active

Specify the following details:

Contract Ref No

Specify the reference number of the contract for which the late payment charge schedules should be waived.

System displays the following details based on the specified contract reference number:

- Module Code
- CCY
- Department Code
- Product Code
- Counterparty
- Facility Name
- CUSIP/ISIN
- External CUSIP
- Treasury Source

Penalty Comp

Select the penalty component from the adjoining option list. This list displays all the late payment charge schedules for the contract which are not fully paid of waived.

Due Date

System displays the due date for the penalty component selected. However, you can edit the due date.

System displays the following details based on the selected penalty component:

- Grace Days
- Penalty Calc Date
- Penalty Amount Due
- Penalty Amt Settled
- Basis Amount Due
- Basis Amount Settled

Remarks

Specify a brief description regarding the waiver for late payment charges for a schedule.

Waive

Check this box to indicate that the late payment charge schedule should be waived for a component. You can save the waiver operation only if the 'Waive' box is checked for all schedules.

You can waive a partially paid late payment charge schedule. In this case, the unpaid amount is treated as waived and the already paid amount is treated as settled. No further dues are tracked for this schedule.

Before allowing the waiver of each schedule, system checks that all preceding schedules have been paid or waived. If there are any unpaid schedules preceding this schedule, then system displays the following override message:

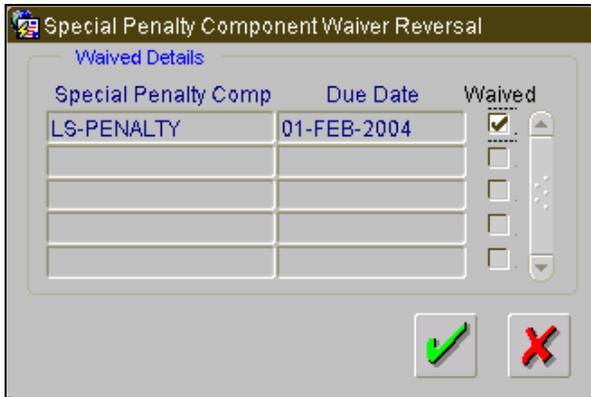
'Prior schedules are unpaid for this component. Please pay/waive all such schedules before proceeding'

On waiving a late payment charge, the previously calculated charges will no longer be due.

The accounting entries are posted against the event 'SPWV' (Special Penalty Waiver). If multiple schedules are waived as part of the same waiver operation, then system triggers a single 'SPWV' event with separate accounting entries for each schedule. The accounting entries are posted for information and tracking purposes only.

6.25.1 Reversing the Waiver of Late Payment Charges

You can reverse the waiver of late payment charges by selecting the original waiver record using the 'Special Penalty Component Waiver Reversal' screen. You can invoke this screen by clicking the 'Reversal' button in the 'LS Special Penalty Component Waiver' screen.



If multiple schedules are waived as part of the original waiver operation, then system allows you to select any or all of such waived schedules for waiver reversal and uncheck the 'Waive' box. Reversal can be done only if the 'Waive' box is unchecked for at least one schedule.

System allows you to undo the waiver operation only if the basis component for the late payment schedule is unpaid/partially paid. If basis component for the late payment charge schedule is fully paid, then you cannot undo the waiver operation.

On waiver reversal, system re-computes late payment charges using values of basis component, grace days and late payment charge fixed rate/flat amount as on the current date. Calculation date will be the original schedule due date.

Waiver reversal accounting entries are posted against the event 'RSPW' (Reversal of special penalty waiver). If waiver reversal of multiple schedules is performed simultaneously, then system triggers a single RSPW event with separate accounting entries for each schedule. The accounting entries are posted for information and tracking purposes only.

Accrual entries are not passed and late payment charges are booked to P&L only upon liquidation.



At the loan product level, system validates to check that event 'SPWV' is mandatorily maintained for a component for which 'Special Penalty Component' is checked. System also validates to check that no accounting entries are maintained for the event 'RSPW' at the loan product level. System automatically associates the reversal event 'RSPW' for such products.

6.26 Viewing the Waiver Details of Special Penalty Components

You can view current status of all unpaid late payment charge components for a contract using 'LS Special Penalty Component Waiver Summary' screen. To invoke this screen, select **LS Operations** in the Application Browser. Thereafter, select **Special Penalty Waiver** and then click **Summary** under it.

Contract Ref No	ESN	Event	Auth Stat	Penalty Component	Penalty Due Date	Penalty Calc Date	Penalty Amt Due	Penalty Amt Settled	Waive Stat	Basis Amount Due
CT3BLD1050326001	7	SPWW	A	LS-PENALTY	01-FEB-2004	02-FEB-2004	144.21	.00	Yes	1,802.67
CT3BLD1050326001	8	RSPW	A	LS-PEN1	01-FEB-2004	02-FEB-2004	150.00	.00	No	1,802.67

Auth Stat
U - Unauthorized
A - Authorized

In this screen, you can view the following details:

- Contract Ref No
- ESN
- Event
- Auth Stat
- Penalty Component
- Penalty Due Date
- Penalty Calc Date
- Penalty Amt Due
- Penalty Amt Settled
- Waive Stat
- Basis Amount Due
- Grace Days
- Basis Amount Settled
- Remarks

6.27 Netting Cash Flows for a Tranche

You can maintain netting preferences for borrowers and participants of a tranche in the 'Borrower Details' sub-screen and the 'Participant Ratio Details' sub-screen of the 'LS Tranche Contract Online' screen.

For a borrower, you can choose one of the following as the netting preference (in the 'Borrower Details' sub-screen of the 'LS Tranche Contract Online' screen):

- All Components

- None
- Principal Only

Similarly, for a participant, the following options are available for netting (in the 'Participant Ratio Details' sub-screen of the 'LS Tranche Contract Online' screen):

- All Components
- None

You can view the borrower and participant side contracts for a tranche, for which netting is applicable, in the 'Loans Syndication Netting Cash Flow Summary' screen.

Netting will take place only if the following parameters for a cash flow are same:

- Tranche contract
- Customer (Borrower/Participant)
- Value Date
- Currency

Auth Stat	Netting In/Out	Tranche Reference	Branch Code	Dept Code	Treasury Source	Customer No	Customer Type	Currency	Amount	Value Date	Netting Reference
U	IN	CT1BLT1043661001	CT1	DEP		BMWUK01	Borrower	USD	1,000,000.00	03-JAN-2005	CT1ZNET05059061G
U	OUT	CT1BLT1043661001	CT1	DEP		BOEIN01	Borrower	USD	20,000,000.00	28-FEB-2005	CT1ZNET0505905JL
U		CT1BLT1043661001	CT1	DEP		BOEIN01	Borrower	USD	172,526.02	28-MAR-2005	CT1ZNET0505905JK
U	IN	CT1BLT1043661001	CT1	DEP		BMWUK01	Borrower	USD	4,056,360.54	03-MAR-2005	CT1ZNET04366009G
U	OUT	CT1BLT1043661001	CT1	DEP		BMWUK01	Borrower	USD	11,800,495.91	03-FEB-2005	CT1ZNET04366009F
U	IN	CT1BLT1043661001	CT1	DEP		BMWUK01	Borrower	USD	4,036,600.81	30-MAR-2005	CT1ZNET04366009D
U	IN	CT1BLT1043661001	CT1	DEP		BMWUK01	Borrower	USD	4,051,757.80	28-FEB-2005	CT1ZNET04366009C
U	IN	CT1BLT1043661001	CT1	DEP		BOEIN01	Borrower	USD	30,112,967.11	30-MAR-2005	CT1ZNET043660099
U	IN	CT1BLT1043661001	CT1	DEP		BOEIN01	Borrower	USD	5,348,898.61	28-FEB-2005	CT1ZNET043660098
U	OUT	CT1BLT1043661001	CT1	DEP		BOEIN01	Borrower	USD	15,000,000.00	31-JAN-2005	CT1ZNET043660097

6.27.1 Viewing the Contracts for Netting

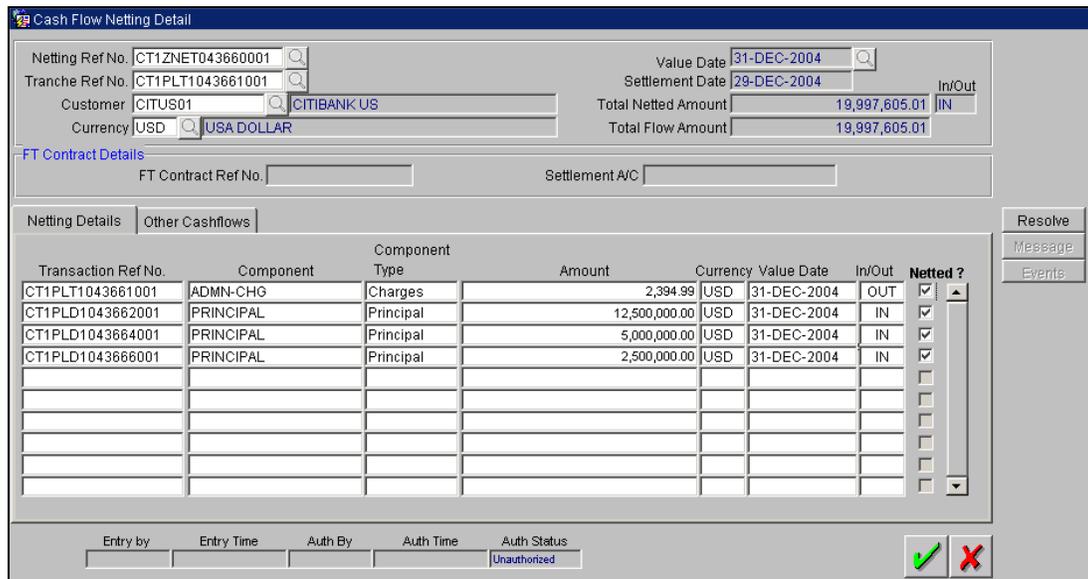
In this screen, you can specify the following to view:

- The Borrower Tranche Reference Number for which you want to view the borrower and participant side contracts. The option list will display the borrower tranches for which netting preferences have been set (the option 'Net Across DD' is checked).
- You can specify preferences based on which the system will filter the contracts. You can select the 'Borrower' option to view only the borrower contracts. Likewise, select 'Participant' to view only the participant side contracts and 'Both' to view the both legs of the selected borrower tranche.

- After specifying the preference, click the  button to filter the contracts.

6.27.2 Netting the Components

To net the components for a contract, select the contract from the summary screen and double click on it. The 'Cash Flow Netting Detailed' screen will be displayed, as shown below:



Cash Flow Netting Detail

Netting Ref No. CT1ZNET043660001 Value Date 31-DEC-2004
 Tranche Ref No. CT1PLT1043661001 Settlement Date 29-DEC-2004 In/Out
 Customer CITUS01 CITIBANK US Total Netted Amount 19,997,605.01 IN
 Currency USD USA DOLLAR Total Flow Amount 19,997,605.01

FT Contract Ref No. Settlement A/C

Netting Details Other Cashflows

Transaction Ref No.	Component	Type	Amount	Currency	Value Date	In/Out	Netted ?
CT1PLT1043661001	ADMN-CHG	Charges	2,394.99	USD	31-DEC-2004	OUT	<input checked="" type="checkbox"/>
CT1PLD1043662001	PRINCIPAL	Principal	12,500,000.00	USD	31-DEC-2004	IN	<input checked="" type="checkbox"/>
CT1PLD1043664001	PRINCIPAL	Principal	5,000,000.00	USD	31-DEC-2004	IN	<input checked="" type="checkbox"/>
CT1PLD1043666001	PRINCIPAL	Principal	2,500,000.00	USD	31-DEC-2004	IN	<input checked="" type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>

Entry by Entry Time Auth By Auth Time Auth Status Unauthorized

Resolve Message Events

You can view the following details in the 'Netting Details' tab of this screen:

- Transaction Reference Number
- Name of the component and the component type
- Amount and currency
- Value Date
- Cash Flow: In or Out
- Netted: If the 'Netting Preference' is selected as 'All Components' (specified in the 'Borrower Details' sub-screen of the 'LS Tranche Contract Online' screen), all the components will appear in the netting queue. However, you will have to confirm the netting manually. If you set the 'Netting Preference' to 'Principal Only', then only the principal component will be automatically confirmed for netting. You can check or uncheck the required contracts.

The 'Other Cashflows' tab of the screen will display all contracts till date which need to be netted.

Cash Flow Netting Detail

Netting Ref No. CT1ZNET043660005 Value Date 30-APR-2005
 Tranche Ref No. CT1PLT1043661001 Settlement Date 28-APR-2005 In/Out
 Customer CITUS01 CITIBANK US Total Netted Amount 387,508.39 OUT
 Currency USD USA DOLLAR Total Flow Amount 387,508.39

FT Contract Details
 FT Contract Ref No. Settlement A/C

Netting Details Other Cashflows

Transaction Reference	Netting Reference	Component	Component Type	Amount	Value Date	In/Out	Netted?
CT1PLT1043661001	CT1ZNET043660002	LS-UTIL-FE	Fees	61,275.23	31-JAN-2005	OUT	<input checked="" type="checkbox"/>
CT1PLT1043661001	CT1ZNET043660003	LS-UTIL-FE	Fees	56,580.61	28-FEB-2005	OUT	<input checked="" type="checkbox"/>
CT1PLT1043661001	CT1ZNET043660004	LS-UTIL-FE	Fees	62,642.82	31-MAR-2005	OUT	<input checked="" type="checkbox"/>
CT1PLD105059D4NB	CT1ZNET04366008Z	LS-RF-INT	Interest	2,499.31	30-MAR-2005	OUT	<input type="checkbox"/>
CT1PLD105059D4NB	CT1ZNET0505905JM	P-SKIM.001	Interest	4,305.47	28-MAR-2005	OUT	<input checked="" type="checkbox"/>
CT1PLD105059D4NB	CT1ZNET04366008Z	P-SKIM.001	Interest	307.53	30-MAR-2005	OUT	<input checked="" type="checkbox"/>
CT1PLD105059D4NB	CT1ZNET043660003	PRINCIPAL	Principal	5,000,000.00	28-FEB-2005	IN	<input checked="" type="checkbox"/>
CT1PLD105059D4NB	CT1ZNET04366008Z	PRINCIPAL	Principal	5,000,000.00	30-MAR-2005	OUT	<input checked="" type="checkbox"/>
CT1PLD105059D4NB	CT1ZNET0505905JM	R-SKIM.001	Interest	2,886.30	28-MAR-2005	IN	<input checked="" type="checkbox"/>

Entry by Entry Time Auth By Auth Time Auth Status Unauthenticated

Resolve Message Events

You can check the 'Netted' option for these contracts if you wish to net them along with the current contracts.

After selecting the contracts for netting (in the 'Netting Details' tab of the screen), you have to click the **Resolve** button to continue. If pending cashflows are present in the 'Other Cashflows' tab, system will display a message to indicate the same. The system will display a message to seek confirmation to resolve the selected contracts. Select 'OK' in the message window to continue.

If netting is successful, system will update the 'FT Contract Details' section of the screen with the following details:

- Reference number of the FT contract that gets created as a result of netting
- Settlement Account used for netting

6.27.2.1 Viewing the Messages

After successfully resolving the netted contracts, you can view the messages in the message details in the 'Settlement Message Details' screen. To invoke this screen, click the **Message** button.

6.27.2.2 Viewing the Events

You can also view the events triggered for the contracts after netting the contracts. Click the **Events** button to view the same.

6.28 Free Format Messages for Loan Syndication Contracts

You can enable the system to generate free format messages with respect to loan syndication contracts, by using either of the following options:

- Selecting a template containing pre-defined contract tags for the message

- Specifying free format text, choosing from pre-defined tags defined for the loan syndication module.

You can generate free format for multiple participants or borrowers.

6.28.1 Generating Free Format Messages for Multiple Participants

To invoke the 'Free Format Message – Multiple Participants' screen, choose **Messaging Maintenance** from the Application Browser. Select **LS/LD - Free Format Messages** and the option **Participants** under it.

Thereafter, select 'New' from the Actions Menu or click  on the tool bar. The Free Format Message screen is displayed without any details. Alternatively, you can also select invoke this screen by clicking the  button in the 'Contract Diary Event' screen.

When you click on the 'New' button, system will automatically generate a unique 'FFMT Reference No' for the free format message.

6.28.1.1 Importing a File

You can import a loan syndication contract template using the 'Import' option if you choose to select a template containing pre-defined contract tags. To import a file, specify the following details:

Import File

Indicate the source of the file you want to import. A format file can be imported from an area either on the Server or the Client. Select the appropriate option. After you indicate the source of the file, enter the full path to the file containing the format you want to import.

Thereafter, click the  button. The file containing the format of the message will be displayed on the screen.

The details to be captured in the 'Free Format Message – Multiple Participants' screen are discussed below:

6.28.1.2 Specifying Message Details

You have to specify the following in the 'Message Details' section of the screen:

Contract Ref No

Select the reference number of the loan syndication contract (facility/tranche/borrower) in respect of which you wish to generate free format messages. Upon selection of the contract, system will display the counterparty code and name of the customer involved in the contract. The system will also display the names of participants involved in the contract.

Hold

You have the option to place the free format message on hold. To do this, check this option.

If you have indicated that messages should be generated on-line the free format message will be displayed in the 'Outgoing Message Browser' once it is saved. You can generate it from the browser. If you indicate that the message should be put on hold, you will first have to release the message before you generate it from the 'Outgoing Message Browser'.

Receiver

You have to select the recipient of the message. The available options are:

- NONE: You may select this option to indicate there are no recipients for the free format message
- ENTITY: If you select this option, the system will display the entities defined for each participant in the 'Entity Details for Participant' section of the screen.
- ENTITY TYPE: If you select this option, you will be able to select the entity type to which the message should be sent

Entity Type

If you select the receiver as 'ENTITY TYPE', you have to select the type here. The entity types defined for the participants will be displayed in the option list. You can select the required type from this list.

The message will be sent to only those entities of the selected entity type linked to participant at the facility level.

6.28.1.3 Selecting the Participant(S) for Sending the Message

When you select a syndication contract, the associated participants will get displayed in the 'Participant Details' section of the screen. Here, you can select the participant(s) to whom you would like to send the free format message. To indicate you want to send a message to a participant, check 'Send Message' against the required participant(s).

By default all the participants will be marked for sending the message. However, it is mandatory to capture the message that has to be sent in the 'Message' section at the bottom of the screen.

6.28.1.4 Specifying Entity Details

If you specify the 'Receiver' as 'ENTITY', the entities linked to each participant will be displayed in the 'Entity Details for Participant' section of the screen. You can indicate the following for the entities:

Media

Indicate the media through which the free format message should be transmitted. The media through which you can channel a free format message depends on the media types that you have maintained for your branch in the 'Media Maintenance' screen. You can choose a media code from the option list that is available. For each customer, you can maintain a default media in the 'Customer Address Maintenance' screen. The default media will be applicable for all the entities under that participant. Hence, you can send the message through different media for each participant simultaneously.

A participant entity for which 'Send FPML' option has been selected in 'Customer Entity Details' screen, will have the media defaulted as 'FPML'.

Depending on the media selected, you can capture the message details in the 'SWIFT', 'MAIL', 'TELEX' and 'FPML' tab of the screen.

Primary

By default, one of the entities will be designated as the primary entity based on the specification for the participant. You can designate a different entity as the primary entity to receive the message.

Send Message

To instruct the system to send the free format message to the selected primary entity, you have to check the 'Send Message' option against the primary entity. However, if the participant of the entity is not marked for sending the message (the 'Send Message' option against the participant should be checked), you cannot send a message to the entity.

In this case, system will display the following message:

Since participant is not marked for sending the message, cannot mark entity/entity type for sending the message.

6.28.1.5 Selecting the Type of Free Format Message

You have to indicate the type of free format message that has to be sent to the receiver. The available options are:

- Normal
- Custom
- Pro-Rata

6.28.1.6 Capturing the Free Format Message

You can enter the free format message to be sent to the recipient in the 'Message' section of the screen. You have the option of using one of the templates that you have maintained in the 'Message Format Template Maintenance' screen. To do this, right-click on the screen. The following two choices will appear:



Select the option 'Template'.



You can select the template you would like to use. Upon selection of the template, the message will be displayed in the box. You can amend the message that gets defaulted from the template. The code of the selected template will be displayed in the 'Template Code' field.

STOP Although you are allowed to make changes to the message defaulted from the template, these changes will not affect the template itself. You can make changes to a template through the 'Message Format Template Maintenance' screen alone.

6.28.1.7 Capturing Details for FpML Messages

You can capture the details of messages in FpML format in the 'FpML' tab. For FpML messages, you need to select the message template in the 'MAIL' tab initially. The FpML template to which the MAIL template is mapped gets automatically updated in the 'FpML' tab. This value also gets displayed in 'FpML Template' field.

STOP If a participant has only 'FpML' messages enabled, then you won't be able to select the message template using 'MAIL' tab. In such cases you need to select the FpML template in 'FpML' tab.

6.28.1.8 Specifying 'Custom' Message Details

The following options are available only if the 'Message Type' is 'Custom':

Related Event

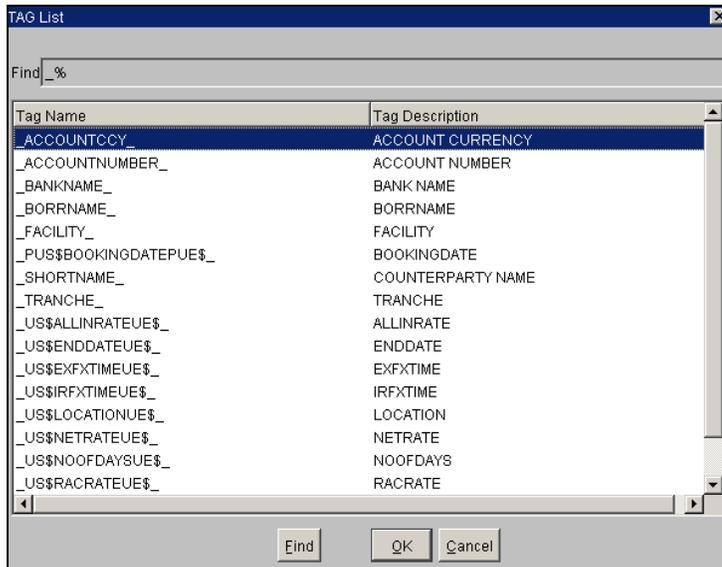
You have to select the event for which the message should be generated. The events at the product level will be displayed in the option list provided. Select an event from this list. When you select the event code, the description will be displayed alongside.

6.28.1.9 Selecting Message Tags for the Message

If the Message Type is 'Custom', you can include free format message tags for the message, right-click on the 'Message' section of the screen. The following two choices will appear:

TAGS
TEMPLATE

When you select the 'TAGS' option, a list of pre-defined loan syndication module tags will be displayed as shown below:



From this list, you can select the required tags one by one, to be included in the message.

6.28.1.10 Specifying Participant Tag Details

You can specify the message tag details for participants only if the following criteria are met:

- Message Type is 'Custom'
- Free format message is captured in the 'Message' section of the screen
- Free format message tags are included in the message

You can specify the tag details in the 'Participant TAG Details' screen. Click the **TAGS** button to invoke this screen.

TAG Name	TAG Value
ACCOUNTNUMBER	AAP-1234
BANKNAME	HDFC BANK

You can enter the values for the tags that you have already selected from the TAG List screen.

STOP Only those Tag IDs that you have defined for the Message Type 'Custom' in the 'Free Format Message Tags' screen will be available for use.

If the 'Message Type' is 'Custom', the screen will appear, as shown below:

The screenshot displays the 'Free Format Messages - Multiple Participants' interface. Key sections include:

- Message Details:** FFMT Reference No. CT2ZFFT0500906YE, Contract Ref. No. CT2BLD1043640001, Counterparty ABNUS01, Name ABN AMRO US, Participant as of Date 09-JAN-2005, Receiver ENTITY.
- Participant Details:** A table listing participants: CITUS01 (CITIBANK US), NATWT01 (NATWT01), and UBSUS01 (UBS US). Each row has a 'TAGS' field and a 'Send Message?' checkbox.
- Entity Details for Participant - CITUS01:** A table listing entities: ADM-UK (Administration) with Media FPML and MAIL. It includes 'Primary' and 'Send Message?' checkboxes.
- Message Configuration:** 'Message Type' is set to 'Custom'. 'Template Code' is PR_NOTC and 'FpML Template' is TEST. 'Related Event' is NOTC, with a 'Billing Notice Generation' button.
- Message Preview:** Shows the message content: #RH, <Billing Notice to Banks>, and fields for DATE and PAGE.
- Footer:** Input By: MANAS02, Date time: 09/01/2005 18:45:20, Auth By: [blank], Date time: [blank], Authorized checkbox.

For a 'Custom' Message Type, you also have the following option:

6.28.1.11 Viewing the Message Details

After capturing the required message details, you can preview the message. To do this, click the **Message Preview** button.

The 'Free Format Messages' screen will be displayed, as shown below:

Contract Ref No.	User Ref No.	Auth Stat	DD No.	FFMT Ref No.	Template Code	Related Event	Customer	Entity	ESN
CT1PLD1043660018		U	1	CT1ZFFT0505900RW	BR_IRFX	IRFX	UBSUS01	FIN-US	3
CT1PLD1043660016		U	1	CT1ZFFT0505900RW	BR_IRFX	IRFX	CITUS01	FIN-US	3
CT1PLD1043660017		U	1	CT1ZFFT0505900RW	BR_IRFX	IRFX	NATWT01	FIN-US	3

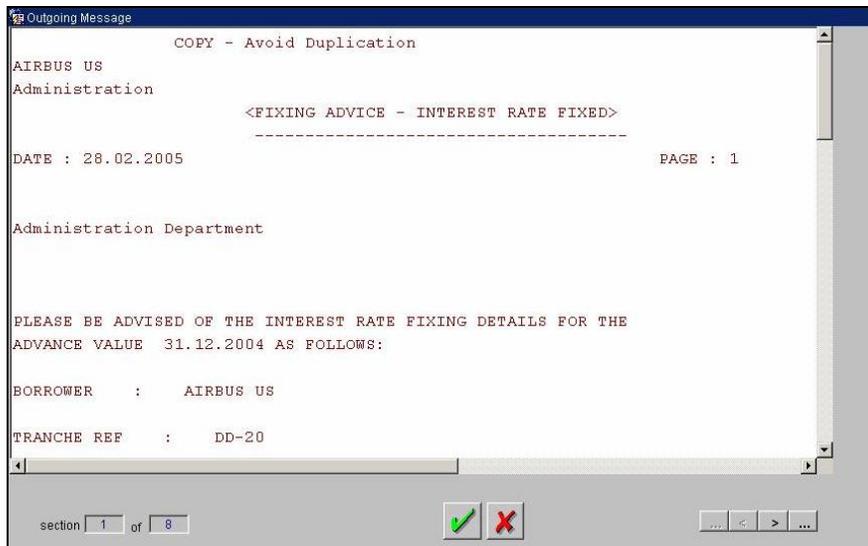
Auth Stat
A - Authorised
U - Unauthorised

View Message

This screen will display the following details:

- The contract reference numbers of the participant contracts
- Auth status of the message - will always be unauthorized at this point of time
- Drawdown Number
- FFMT Reference Number
- Template Code
- Related Event
- Customer
- Entity
- Event Sequence Number (ESN)

Through this screen, you also view the actual format of the message that would be generated. To do this, click the  button in the screen above.

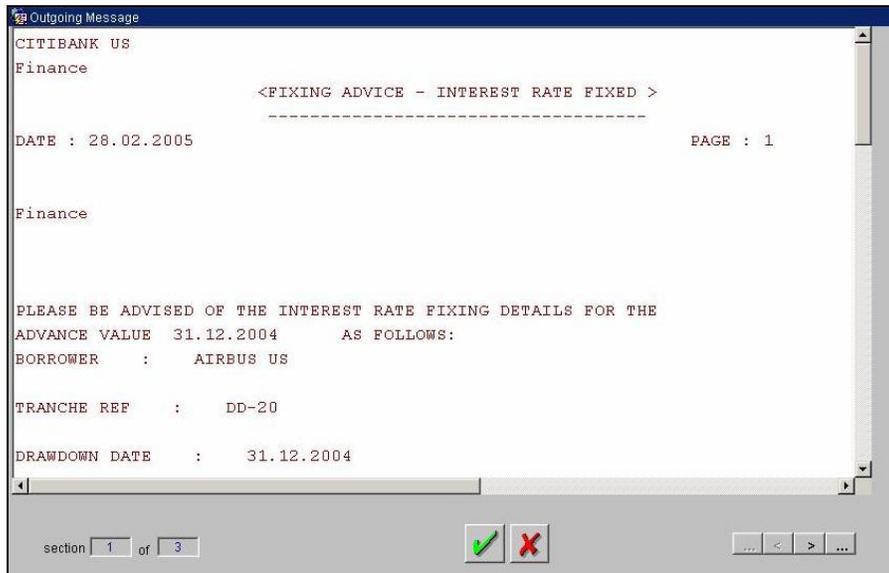


 In the free format messages for the primary entity, first line of the message will display the borrower/participant name and the second line will display the entity name. In the case of free format messages for non-primary entity, the first line of the message will display 'Copy - Avoid Duplication'. The second line will display the borrower/participant name and the third line will display the entity name. These positions are fixed and you are allowed to change them.

6.28.1.12 Generating the Message

To generate the 'Custom' message, click the  button in the 'Free Format Messages – Multiple Participants' screen.

The message will be displayed in the following format:



In the screen above, you can modify the advice details, if required. Click the  button to generate the message.

After you opt to generate the message, you have the option to cancel the generation of the message. To do this, you have to click the  button in the 'Free Format Messages – Multiple Participants' screen.



For entities having the media as 'FpML', FpML notices also get generated in addition to the MAIL notices.

While generating the free format messages for participant, If the 'FpML Type' option is checked for borrower tranche / drawdown then the system will do the following:

- Generate only FpML messages for the entity for which media is selected as 'FpML' in 'Free Format Message Generation' screen, provided all required maintenances and validations are available and satisfied.
- Generate the message with FpML media for that entity only and all other messages with different media, incase If for an entity, record with multiple medias are available including FpML in 'Free Format Message Generation'screen

- Generate the message with the next priority media maintained for the 'Customer Entity Maintenance' screen in case if any FpML maintenance is not available for the message or participant does not have 'Send FpML' chosen at the entity level

If the 'FpML Type' is not checked, then for free format message, the system will not check the media priority setup.

6.28.1.13 Specifying 'ProRata' Message Details

If you select the 'Message Type' as 'ProRata', you have to specify the pro-rata tag values. To do this, click the **ProRata TAG Values** button in the 'Free Format Messages – Multiple Participants' screen. However, you can enter the tag values only if the message is specified in the 'Message' section of the screen. If not maintained, the system will display an override to indicate the same.

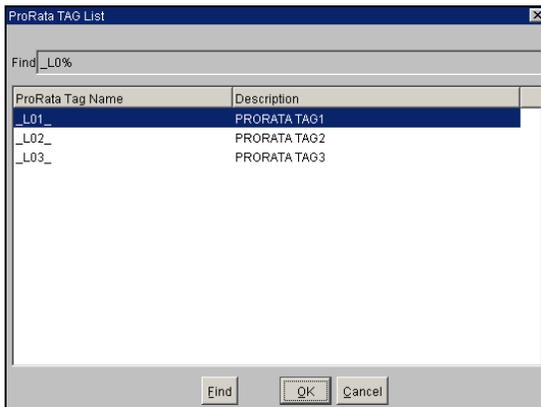
You can use a template to capture the message format. Refer the heading 'Capturing the free format message' in this chapter for details on the same.

6.28.1.14 Selecting Pro-Rata Tags for the Message

When you right-click on the 'Message' section of the screen. The following two choices will appear:



When you select the 'TAGS' option, a list of pre-defined loan syndication module tags will be displayed as shown below:

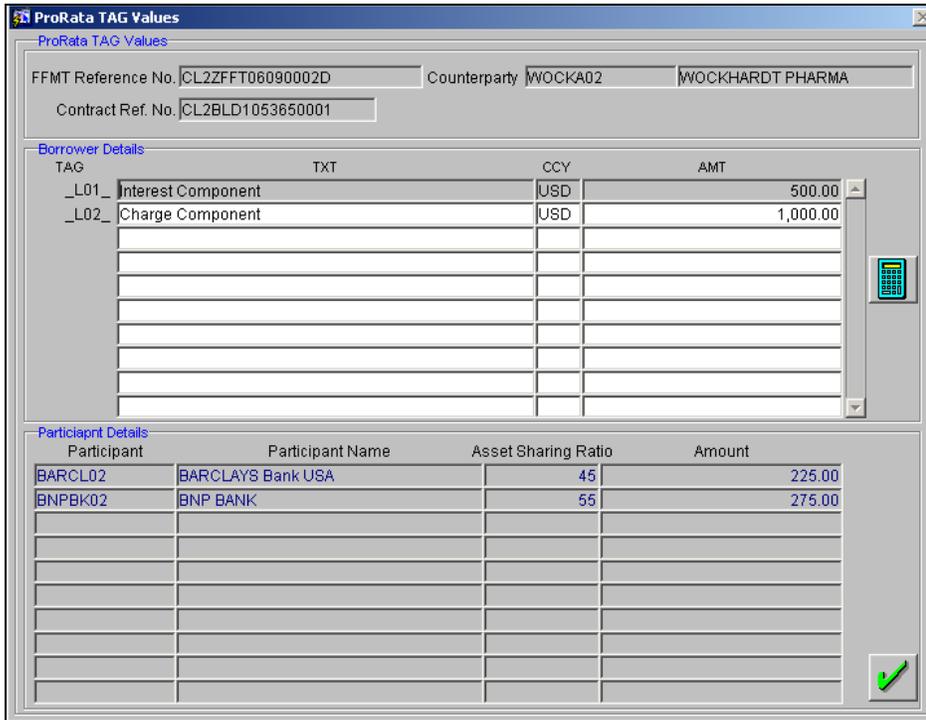


You can select the required tags one by one, to be included in the message. After selecting the tags, you have to specify the values for the same.

STOP Only those Tag IDs that you have defined for the Message Type 'ProRata' in the Free Format Message Tags screen will be available for use.

6.28.1.15 Specifying Pro-rata Tag Values

You can specify the tag values in the 'ProRata TAG Values' screen. To invoke this screen, click the  button.



ProRata TAG Values

ProRata TAG Values

FFMT Reference No. Counterparty

Contract Ref. No.

Borrower Details

TAG	TXT	CCY	AMT
L01	Interest Component	USD	500.00
L02	Charge Component	USD	1,000.00

Participant Details

Participant	Participant Name	Asset Sharing Ratio	Amount
BARCL02	BARCLAYS Bank USA	45	225.00
BNPBK02	BNP BANK	55	275.00

Specify the following details in the screen:

- A description for the tags selected
- The currency and the amount

The system will automatically compute the breakup details of the components for the participants

based on the amount you enter and the asset sharing ratio. To view the details, click the  button in the screen above.

The following details are displayed in the 'Participant Details' section of the screen:

- Participant Code and Participant Name
- Asset Sharing Ratio and Amount

Click the  button to move from one section of the screen to the other.

6.28.2 Generating Free Format Messages for Multiple Borrowers

You can enable the system to generate a normal advice, as well as custom messages to borrowers through the 'Free Format – Multiple Borrowers' screen. To invoke this screen, click on **Messaging Maintenance** in the Application Browser, select **LS/LD - Free Format Messages** and the option **Borrowers** under it. Alternatively, you can also select invoke this screen by clicking the **Borrower FFT MSG** button in the 'Contract Diary Event' screen.

Free Format Messages - Multiple Borrowers

Message Details

FFMT Reference No. Counterparty Hold

Module Name

Contract Ref. No. Industry Code

Receiver

Borrower Details

Borrower	Borrower Name	Send Message?
BOROW01	BOROW01	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Entity Details for Borrower - BOROW01

Entity	Entity Name	Media	Primary Send Message?
ADM-UK	Administration	MAIL	<input checked="" type="checkbox"/>
ADM-US	Administration	MAIL	<input checked="" type="checkbox"/>
FIN-UK	Finance	MAIL	<input checked="" type="checkbox"/>

Import File Client Server

Message Type

Normal Custom Template Code

Related Event

Message

#B

Date: _PAYOFF-DATE_

TO:

Payoff Notice Component

Input By Date time Auth By Date time Authorized

The details to be captured for 'Normal' and 'Custom' message types are as explained under 'Generating Free Format Messages for multiple participants', the only difference being that you will be capturing the details for 'Borrowers' this time. In addition, you have to select the following:

Module

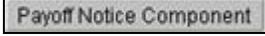
You have to select the module for which the free format message details are being captured. The available options are:

- LD
- LS
- LN

Select 'LS' (Loans Syndication) option here to indicate that the messages are being maintained for loan syndication contracts. When a free format message specification is authorized, the pre-defined event for free format messages (ZFFT) is triggered for the contract. The pre-defined tags available for the Loan Syndication module are:

- '_SYNREFNO_': This tag denotes the facility reference number
- '_TRREFNO_': This tag denotes the tranche reference number, and is available only for drawdown contracts.
- '_CREFNO_': This tag denotes the contract reference number
- '_CAMT_': This tag denotes the contract amount
- '_CCCY_': This tag denotes the contract currency
- '_CDATE_': This tag represents the contract value date
- '_DRDWNNO_': This tag represents the sequence number of the drawdown. This tag is available only for drawdown contracts
- '_BRREFNO_': This tag denotes the borrower contract reference number
- '_MONTHTAG_': This tag indicates the month for which the interest amount is being credited
- '_ACNOTAG_': This tag indicates the interest amount being credited

6.28.2.1 Maintaining the Payoff Notice Components

You can maintain the message components for Payoff Notice using the 'Payoff Notice Components' screen. You can invoke this screen by clicking the  button in the 'Free Format Messages – Multiple Borrowers' screen.



In this screen, system displays the following components that can be included in the Payoff Notice:

- Escrow1
- Escrow 2
- Escrow 3
- Escrow 6
- Special Penalty
- Prepayment Premium
- Statement Fee

By default, all the Payoff Notice components are checked. However, you can uncheck any component that you wish to exclude from the notice. The unchecked components are shown in the Payoff Notice with zero value.

System displays the UDF maintained in 'Payoff Fee' field for a loan or drawdown contract as the statement fee. This fee is always displayed in the Payoff Notice, independent of whether the fee is paid or not. However, you can edit the Payoff Fee (Statement Fee) amount during the Notice generation stage. If you input a value during the Notice generation stage, then system does not pick the value defined in the contract level UDF for this Fee in the Notice. If the fee needs to be waived, then you can input the value as Zero during the Notice generation stage.



Note the following:

- For Payoff Notice, you should maintain the value of 'Notice Type' UDF as 'Payoff' in the 'Message Format Template Maintenance' screen.
- Only current dated and future dated Payoff Notice generation is allowed.

- Based on the specified bill date during message generation, payment projection details are provided in the Payoff Notice for loan and drawdown contracts.

6.28.2.2 Specifying Billing Date

You can specify the billing date in the 'Billing Date' screen. You can invoke this screen by clicking the 'Message Preview' or 'Generate' button in the 'Free Format Messages – Multiple Borrowers' screen.

BILLING DATE

Schedule date: 14-OCT-2012

Prepay Amount: []

Cash Interest Amt: 100.00

Part Int Share []

Full Payment [✓] [✗]

Prepayment

Specify the following details:

Billing Date

Specify the date on which the free format message needs to be generated.

Cash Interest Amount

Specify the cash interest amount. If cash interest amount is not zero, then it is mandatory to input cash interest amount at participant level.

6.28.3 Specifying Payment Breakup for Participants

Click 'Part Int share' button to invoke the screen, 'Payment Breakup for Participants' with details of all the participants under the drawdown and outstanding interest (Cash Interest) for each participant under the field 'Amount Due'.

Payment Breakup for Participants

Borrower details

Product Code: BDLL | Borrower LIBOR Drawdown Prod | Drawdown

Borrower Ref No: 001BDLL12286B6Y1 | User Ref No: 001BDLL12286B6Y1 | Borrower Amt Due: 4,105.00

Customer: 023388 | 88JAGUAR12 | Borrower Amt Paid: 1,000.00

Facility: DCFTEST1

Participant Interest Detail

Participant Ref No	Participant	Participant Name	Component	Amount Due	Amount Paid
001PDLL12286C2BD	026075	SHERIDAN HEALTHCARE IN	INTEREST	410.50	0.00
001PDLL12286C2BE	162646	CITIBANK, N.A. - ORIGINATIO	INTEREST	3,694.50	0.00
				Total	0.00

[✗] [✓]

Refer the section, 'Specifying Payment Breakup for Participants' in the Repay Chapter for more details.

Amount Paid

Specify the individual participant share amount for the interest being paid.

Existing participant free format advices having interest payment details can include cash interest payment that is captured by user during free format message generation (for interest liquidation and principal + interest liquidation).

Rollover notification advices that are generated systematically during rollover booking, can include cash interest payment that is captured by user during rollover booking (for interest liquidation and principal + interest liquidation).

Specify the proper cash amount for borrower and participant during free format message generation and payment should be processed for the same amount which is operationally controlled by user.

Property Code

Select the property code during Payment Notice message generation from the adjoining option list. This list displays only those property codes that are linked to the loan/drawdown selected.

This option list is enabled only if the value of 'Property Selection Required' UDF is 'Yes'. Otherwise, this option list is disabled.

The following UDFs in the 'Message Format Template Maintenance' screen are used for message generation based on the predefined parameters by the user:

UDF	Values
Property Selection Required	Yes/No
Notice Type	Payoff/Payment/Null

If the value of 'Property Selection Required' UDF is 'Yes', then system does the following:

- The 'Property Code' option list is enabled in the 'Free Format Messages - Multiple Borrowers' screen and property related details are shown in the notice.
- If the loan/drawdown is linked to the property and you do not select the 'Property Code' in the 'Free Format Messages - Multiple Borrowers' screen, then system displays an appropriate error message.
- If the loan/drawdown is not linked to any property, then system does not allow message generation and gives an appropriate error message.

If the value of 'Property Selection Required' UDF is 'No', then system does the following:

- The 'Property Code' option list is disabled during message generation and system shows all the properties linked to the loan/drawdown in the notice.

- If the loan/drawdown is not linked to any property, system does not allow message generation and gives an appropriate error message.

The event 'PNTC' is used as a related event to generate the Payment Notice and Payoff Notice for loans and drawdowns. The event 'ZFMG' (Free Format Messaging) is triggered at the contract level for processing free format messages.

The following points on Payment Notice are noteworthy:

- Payment Notice is a free format message generated manually, prior to the component due date. You should maintain a template for Payment Notice using 'Message Format Template Maintenance' screen.
- If only one property detail is required in the message, then you should maintain the value of 'Property Selection Required' UDF as 'Yes'. During message generation, you should select the property code that needs to be displayed in the message.
- For Payment Notice, you should maintain the value of 'Notice Type' UDF as 'Payment' in the 'Message Format Template Maintenance' screen. On selecting the Payment Notice free format template, you can define values for user input fields.
- On clicking the 'Message Preview' or 'Generate' button, you can define the property code linked to the loan, date on which the free format message needs to be generated in the 'Billing Date' screen.
- Only current dated and backdated dated payment notice generation will be allowed.
- Based on the value defined for the UDF 'Escrow Type' at the interest class level, the escrow impounding components are identified.

Escrow Type	Component
ESC1	Tax escrow component
ESC2	Insurance escrow component
ESC3	Other escrow components

- If there are multiple escrow components with same 'Escrow Type', then the balance of each component is added to arrive at the escrow balance.

While generating free format messages for borrower or participant drawdown contracts, if the UDF value for 'COMPONENT-TYPE' at interest class level is 'SERVICER-FEE' for payment or rollover notices, then system does the following:

- System displays the servicer fee (interest component) details along with main interest component will in the notices
- The total interest due for borrower message is the sum of main interest due and servicer fee amount due
- Total interest due for participant message is the actual main interest due excluding servicer fee amount due

6.29 Processing the Release of Payment Messages

On the booking date of the contract, Oracle FLEXCUBE queues up payments due for the value date and then you can release payment messages based on approvals and /or funds received in the system using 'Payment Processing Browser' screen. To invoke this screen, choose **LS Operations** from the Application Browser. Thereafter, choose **Sighting Funds** and **Payment Processing Browser** under it.

You can also invoke this screen by typing '**LSPMTPRC**' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

You can specify the following fields in this screen:

Contract Reference Number

Specify the borrower contract reference number to capture the fronting/funding details for the disbursement/payment activities of the contract.

The system displays the event wise borrower details for the disbursement and payment events in the Borrower Details frame of this screen.

Borrower Fronting

Select the fronting for the borrower, in case of payment activities, from the following options.

- Fronting
- No fronting

Investor Fronting

Select the fronting for the investor, in case of disbursement activities, from the following options.

- Fronting All
- No fronting
- Fronting Partial

Actual Receipt Date

The date on which the borrower is funding for the payment is displayed in this field; however, you can choose to modify this date.



Note the following:

- You can change the fronting options before the value date of the event.
- If bank is fronting or if the fund is sighted without bank fronting, the current application date is defaulted to the Payment sent date.

Funds Sighted

Select 'Yes' if the fund is sighted for the borrower repayment; otherwise, select 'No'.

The following fields are displayed in this screen.

Borrower Details

- Contract Reference Number - Borrower contract ref number
- Counterparty - Borrower ID
- Counterparty Name - Borrower Name
- Classification - Borrower Classification
- Value Date - Value date of the event
- Amount - Event Amount
- Currency - Contract Currency
- Transaction Event - Event code (BOOK/VAMB/LIQD)
- Payment Date - Date on which the payment is made to the investors (in case of actual funding by the borrower or fronting by bank for the payment)
- Funds Sighted - Indicates if the fund is sighted for the borrower payments, 'Yes' for Fronting All, 'No' for No Fronting and 'NA' for Partial Fronting

Eventwise Fronting Details

You can capture the investor fronting details for each event in this frame.

Default Investor Fronting

Select any of the following options to indicate the type of participant fronting.

- Fronting

- No Fronting
- Seek Approval

Fronting

Select the fronting for the investor, for the disbursement event, from the following options.

- Fronting All
- No fronting
- Seek Approval

Note the following:

- You can change the fronting options before the value date of the event.
 - Seek approval can be changed to Fronting or No Fronting Options before the value date of the disbursement event.
 - Seek approval can be changed only to No Fronting Option on or after the value date of the disbursement event.
 - By default, Seek approval is considered as No fronting.
- if there is a mismatch between the fronting option specified in the browser and the ORR maintained at the customer level for the respective investor, the system throws an override while saving the respective Payment browser activity
- For the investors who are funding, payment date is defaulted from the Investor wise Funding Details tab and will not be allowed to change. This date will be used for the interest computation for the borrowers.
- For the fronted investors, the payment date is updated internally as the application date on the payment date and interest is calculated accordingly.

Actual Receipt Date

The actual receipt date is defaulted from Investor wise Funding Details Tab for each Investor; however, you can modify this date. The system uses this date for the interest computation for the investors

Recall Date

In case of Recall for the fronted portion, specify the recall date for Fronted investors for the respective disbursement events.



Note the following:

- You can specify the recall date for the latest disbursement event only, the system updates the same recall date for all the previous disbursements. It validates if the Recall date is greater than or equal to the latest disbursement event value Date.

- Recall Date is used in Interest Calculation for the borrower and investor. For the borrower, the total recall amount is treated as unfunded from the recall date. For the investor, the amount is treated as unfunded from the value date of the contract itself.

The following fields are displayed in this frame:

- Contract Reference Number - Participant contract reference number
- Counterparty - Participant ID
- Counter Party Name - Participant Name
- Classification - Participant Classification
- 'Pro Rata Share - Pro Rata share of the investor for an event
- Payment Sent - Indicate if the payment message is sent to the investors in case of payments
- Payment Date - Date on which the payment is made to the borrower (in case of actual funding by the participant or fronting by bank for the disbursement)
- Funding Status - Indicates the funding status of the investor (funded, unfunded or fronted)

Investorwise Funding Details

The screenshot displays the 'Payment Processing Browser' window. At the top, the 'Contract Ref No' is CT1BSF104363B5ET. Below this, the 'Borrower Details' section shows a table with columns for Contract Ref No, Counterparty, Counterparty Name, Classification, Value Date, Amount, CCY, Transaction Event, Borrower Fronting, Investor fronting, Payment Date, Funds Sighted, and Actual Receipt Date. The first row shows Contract Ref No CT1BSF104363B5ET, Counterparty AIRBS01, Counterparty Name AIRBUS US, Classification No, Value Date 01-DEC-2004, Amount 1,000.00, CCY USD, Transaction Event BOOK, and dropdown menus for Borrower Fronting, Investor fronting, Payment Date, Funds Sighted, and Actual Receipt Date.

The 'Investorwise Funding Details' section is also visible, showing a table with columns for Contract Ref No, Counterparty, Counterparty Name, Unfunded Amount, and Fronting. It lists three entries: CT1PSF104363B3VS (NATWEST BANK, 250.00), CT1PSF104363B3VT (CITUS01, CITIBANK US, 500.00), and CT1PSF104363B3VU (UBSUS01, UBS US, 250.00). Each entry has a 'Funding History' checkbox.

Below the table, there is a 'Payment Breakup' section with fields for Funds Sighted, Payment Date, Actual Receipt Date, and Funding Amount. A 'Borrower Payment History' button is also present.

At the bottom, the 'Entry by' field shows DEV07, 'Entry Time' is 28/12/2004 19:01:11, 'Auth by' is DEV68, and 'Auth Time' is 28/12/2004 19:01:42.

Funds Sighted

Select 'Yes' to Indicate if the fund is sighted for the Investor for the disbursements.

Payment Date

Specify the date on which the amount is disbursed to the borrower.

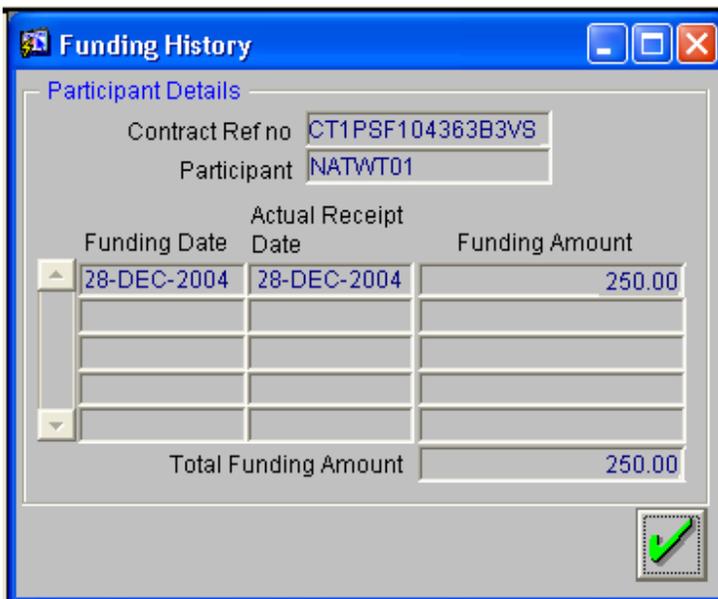
Actual Receipt Date

Specify the date on which the investor is funding the amount.

The following fields are displayed in this screen:

- Contract Reference Number - Participant contract reference number
- Counterparty - Participant ID
- Counter Party name - Participant Name
- Unfunded Amount - Total unfunded amount across the disbursement events for the investor
- Fronting - This will be defaulted from the fronting option chosen for the latest disbursement event for the investor in the 'Event wise Fronting Details' tab
- Funding Amount - Total unfunded amount across the disbursement events for the investor will be defaulted here as the investor is expected to fund the complete amount at a time

Click **Funding History** to display the funding history for the chosen investor in the 'Funding History' screen.



The screenshot shows a window titled "Funding History" with a blue title bar. Below the title bar, there is a section for "Participant Details" with two input fields: "Contract Ref no" containing "CT1PSF104363B3VS" and "Participant" containing "NATWT01". Below this is a table with three columns: "Funding Date", "Actual Receipt Date", and "Funding Amount". The table has one data row and a summary row. The data row shows "28-DEC-2004" for both dates and "250.00" for the amount. The summary row shows "Total Funding Amount" and "250.00". A green checkmark icon is visible in the bottom right corner of the window.

Funding Date	Actual Receipt Date	Funding Amount
28-DEC-2004	28-DEC-2004	250.00
Total Funding Amount		250.00

The following fields are displayed in this screen:

- Contract Reference Number
- Participant
- Funding date
- Actual Receipt Date
- Funding Amount
- Total Funding Amount

The Payment Processing browser is populated during the participant transfer authorization of future-dated events. This is based on the following conditions:

- Participant Transfer with existing participant(s) - following details will be updated based on the latest ratio
 - Pro-rata share amount of participants in Event-wise Fronting Details tab
 - Unfunded amount in Investor-wise Funding Details tab
- Participant Transfer with new participant(s) - the new participant(s) will be added to the existing list of participants in the screen. All the other relevant details for the new participant will be populated. Fronting value for such participants will be defaulted as
 - 'Fronting' - If Investor Fronting captured at Borrower details is 'Fronting All' and funding_status will be populated as 'Fronted'
 - 'No Fronting' – If Investor Fronting captured at Borrower details is not 'Fronting All' and funding_status will be populated as 'UnFunded'
- Payment processing browser will be populated with the new child contracts which are created as part of renewal of Drawdowns during Batch or Online, as per the current functionality
 - Existing funded investors will be populated as 'Funded' with the latest amount and new investors will be treated as Unfunded
 - User has to capture the funding details for such investors from the Payment Processing browser

Click **Borrower Payment History** to display the borrower payment details for the chosen borrower contract for the past disbursement events based on investor funding.

The screenshot shows a window titled "Borrower Payment History" with two main sections: "Borrower Details" and "Participant Details".

Borrower Details

Contract Ref No	Counterparty	Payment Date	Funding Amount
CT1BSF104363B5ET	AIRBS01	28-DEC-2004	750.00

Participant Details

Contract Ref No	Participant	Payment Date	Funding Amount	Fronting
CT1PSF104363B3VS	NATWT01	28-DEC-2004	250.00	<input type="checkbox"/>
CT1PSF104363B3VT	CITUS01	28-DEC-2004	500.00	<input checked="" type="checkbox"/>
CT1PSF104363B3VU	UBSUS01	28-DEC-2004	.00	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
Total Funding Amount			750.00	

A green checkmark icon is located in the bottom right corner of the window.

The following fields are displayed in this screen:

Borrower Details

- Contract Reference Number
- Counterparty
- Payment Date
- Funding Amount

Participant Details

- Contract Reference Number
- Participant
- Payment Date
- Funding Amount

- Fronting
- Total Funding Amount

6.29.1 Processing Disbursement

On authorization of disbursement events, the system defaults the Payment Processing Browser with the following values:

- Contract Reference Number is defaulted with the Borrower Contract Reference Number
- In Borrower Details frame, Contract Ref No, Customer name, Counterparty number, Classification, disbursement Value Date, disbursement Amount, disbursement CCY, and Transaction Event (BOOK/VAMB) fields are defaulted.
- In Event wise Fronting Details Tab, Contract Ref No, Counterparty Number, Customer Name, Classification, Pro rata Share fields are defaulted.
- In Investor wise Funding Details Tab, Participant Details frame are defaulted with Contract Ref No, Counterparty, Counterparty Name and Unfunded Amount(Pro Rata Share is defaulted as Unfunded Amount during INIT).

You have to capture the Fronting Details of Borrower and Participants before proceeding with any other activity. You can query for the borrower contract and unlock it to capture the Fronting and Funding details.

6.29.1.1 Capturing the Fronting Values

Investor Fronting field in borrower details has the options, Fronting All, Fronting Partial and No Fronting for Disbursement Events. Borrower fronting flag is not applicable for disbursement events. Payment date, funds sighted flag and actual receipt date in Borrower details is not applicable for Borrower disbursements

6.29.1.2 Capturing Event wise Fronting Details

Default Investor fronting flag is enabled only if investor fronting is selected as 'Fronting partial' in the borrower details. It will have the three options, Fronting, Seek Approval and No Fronting

Fronting flag is enabled for Disbursement events and it will have the three options, Fronting, Seek Approval and No Fronting.

- At Borrower details, if investor fronting flag is selected as Fronting All, then Participant Fronting is set as Fronting and you are not allowed to modify it.
- At Borrower details, if investor fronting flag is selected as No Fronting, then Participant Fronting is set as No Fronting and you are not allowed to modify it.
- At Borrower details, if investor fronting flag is selected as Fronting Partial, then Participant Fronting is defaulted based on the default fronting option maintained for the investors and you are allowed to modify it.
- Participant Fronting can have any of the three options, Fronting, Seek Approval, and No Fronting and you are allowed to modify it till Value date of the event.
- On or after Value date, Seek Approval can be changed only to No Fronting.

- By default, Seek Approval will be considered as No Fronting.

If the investor is funding for the disbursement, then the payment date is defaulted from Investor wise Funding Details tab and you are not allowed to modify it.

Actual Receipt Date is defaulted from Investor wise Funding Details Tab for each Investor and you are allowed to modify it. It is not populated until the Fund is sighted for the respective investor.

For the fronted investors, the current application date is defaulted to the payment date on the date of such borrower payments and you are not allowed to modify it.

6.29.1.3 Capturing Investor wise Funding Details

The system updates the Unfunded Amount for each investor after each Disbursement or Repayment. All the fields in Participant Details frame are display fields.

On receiving the funds from an investor, you have to update the Funds Sighted field to Yes for that investor. The current application date is defaulted to the payment date and actual receipt date and you are allowed to modify these dates. The complete unfunded amount is defaulted as the funding amount.

For the fronted investors, it is assumed that the investor has funded and the system populates the funding details internally and the unfunded amount is decreased accordingly. Actual receipt date is updated with the current application date. This updation happens at the time of saving the instruction for the current dated or back dated disbursement events. For the future dated disbursement events, this defaulting happens as part of the Beginning Of Day Batch processing.

The system does not allow Partial funding if the funding is due across many disbursement events. The complete amount should be funded when the Fund is sighted for an investor.

Example:

in case the investor has not funded few of the last disbursements, he cannot fund for only the first VAMI while second VAMI is already in place.

If there are multiple investors funding as part of the current activity, then payment date should be the same for all the investors. However, actual receipt date can be different for each investor.

Payment Date/Actual Receipt Date cannot be beyond the latest disbursement event value date. In case if the funding is due across multiple disbursement events for any investors, such investors are expected to fund all the pending disbursements together on or after the latest disbursement event date. (Future dated disbursements are not considered here). Payment date/Actual Receipt date cannot be in the future.

If there are multiple investors funding on the same date for a contract, you should capture the funding details across all investors in a single activity to facilitate the combined payment message to the borrower. However, system allows the user to capture the funding details for various investors on different time period in a day. In such cases, separate payment messages are generated for each distinct funding activity.

Payment date is defaulted to the Payment date in the Event Wise Fronting Details tab and you are not allowed to modify it.

Actual Receipt Date is defaulted to the Actual Receipt date in the Event wise Fronting Details Tab and you are allowed to modify it during subsequent activities.

On saving the fronting details and/or funding details, the system triggers the event 'SFNT'. If funding details are captured as part of the current instructions, the screen, 'Payment Details' is displayed. It shows the funded and fronted amount captured for the current activity.

The screenshot shows a window titled "Payment Details" with the following content:

Borrower
 Contract Ref No: CT1BSF104363B5ET
 Borrower: AIRBS01

Participant

Participant	CCY	Payment Date	Funding Amount	Fronting
CITUS01	USD	28-DEC-2004	500.00	<input checked="" type="checkbox"/>
NATWT01	USD	28-DEC-2004	250.00	<input type="checkbox"/>
UBSUS01	USD	28-DEC-2004	.00	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
Total Amount Funded by Investor			250.00	
Total Amount Fronted by CITI			500.00	
Total Amount Paid to Borrower			750.00	

A green checkmark icon is visible in the bottom right corner of the window.

This screen displays the investor funding details, bank Fronting amounts (If applicable) and also the total amount to be paid to the borrower.

In case of any funding by an investor for whom bank has fronted, the amount is not paid to the borrower; instead it is settled with the bank Sighting Fund GL specified as per the branch parameter setup. Upon confirmation and its authorization in the Payment Processing browser, system populates the new payment infrastructure (if funding details captured for any of the investors).

The event 'BPMT' processes the disbursement accounting entries and sends payment messages to the borrower on receiving the fund from the investor(s). This event is triggered on the borrower and affected investor contracts.

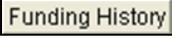
It also generates the Payment message for the borrower contract for the funded amount (funded by the investors or Fronted by bank).

In case of backdated and current dated disbursements, the accounting entries and payment messages match with the current application date. In case of future dated disbursements, the accounting entries and payment messages match with the event value date.

The system processes the future dated disbursements (INIT/VAMI) for which the fronting details are captured in advance.

When the funding is done by the Fronted investors, BPMT is triggered for the funded amount, but Payment Message is not generated for the amount which is funded against bank fronted amount.

You can view the borrower payment details by clicking the  button in the Investor Funding Details Tab in the Payment Processing Browser.

You can view the funding details for each investor by clicking  in the Investor Funding Details Tab in the Payment Processing Browser.

6.29.1.4 Opting for Recall

In case of Recall for the fronted portion, specify the recall date for Fronted investors for the respective disbursement events.

You can specify the recall date for the latest disbursement event only, the system updates the same recall date for all the previous disbursements. It validates if the Recall date is greater than or equal to the latest disbursement event value Date.

Recall Date is used in Interest Calculation for the borrower and investor. For the borrower, the total recall amount is treated as unfunded from the recall date. For the investor, the amount is treated as unfunded from the value date of the contract itself.

6.29.2 Processing Repayment (LIQD, MRLQ, SPTI, ROLL, FLIQ)

On authorization of repayment events, Payment Processing Browser will be populated with the following values.

- Contract Ref No is defaulted to the Borrower Contract Ref No
- In borrower Details frame, Contract Ref No, Customer name, Counterparty number, Classification, Value Date, Amount, CCY, and Transaction Event (Transaction Event as LIQD, MRLQ, SPTI, ROLL, FLIQ) fields are defaulted.
- In Event wise Fronting Details Tab, Contract Ref No, Counterparty Number, Customer Name, Classification, Pro rata Share (Principal + Actual Interest Liquidated) fields are defaulted.
- In Investor wise Funding Details Tab, Participant Details frame is defaulted to Contract Ref No, Counterparty, Counterparty Name and Unfunded Amount(Unfunded Amount gets updated based on previous Funding and Fronting Details).

You have to specify the Fronting Details of Borrower before proceeding with any other activity. You can query for the contract and unlock it to capture the Fronting and Sighting Fund details for the Repayment Event.

6.29.2.1 Borrower Details

Borrower Fronting has the options, Fronting and No Fronting for Repayment Events: Investor fronting is not applicable for repayment events. On receiving the funds from the borrower, you have to update the Funds Sighted field to Yes. The current application date is defaulted to the actual receipt date and you are allowed to modify it.

If bank is fronting or fund is sighted from the borrower, then the current application date is defaulted to the payment date.

You can only view the Investor wise Funding Details tab for Repayment Events since there is no investor funding for the payment events.

6.29.2.2 Payment Process

On saving the fronting details and funding details, system triggers the event 'SFNT'. On confirmation and its authorization in the Payment Processing browser, system populates the payment infrastructure (if fund is sighted from borrower or if Fronting Option is chosen).

The event 'PPMT' processes the payment accounting entries and sends payment messages to the investors. On capturing the details for the repayment event, this event is triggered on the borrower and all investor contracts, if fund is sighted from the borrower or fronting is set to Yes.

The event 'PPMT' generates the Payment message for the Participant contract for the liquidated amount (Pro rata Share of the amount repaid by the Borrower).

In case the investor has not funded at the time of borrower repayment, the payment is not made to such investors and the net unfunded amount is reduced to the extent of expected payment amount for such investors as per their pro rate share.

In case of bank fronting the borrower payment, bank sighting fund GL is debited for the borrower amount and paid to the investors.

Fronting options at the borrower level only governs the payment to the investors and fronting option at the investor level does not have any significance for the borrower payments.

When the borrower payment is funded or fronted, the payment is made to all the investors (if they have fully funded).

In case of backdated and current dated payments, the accounting entries and payment messages match the current application date.

In case of bank fronting the borrower payment, upon fund sighted from the borrower, PPMT is triggered for the funded amount, but payment message is not generated for the amount already fronted by bank.

Multiple payments cannot be funded together. In case of multiple payments being funded on the same date, you have to capture each funding as a separate instruction.

 Note the following:

You can view the events, BPMT and PPMT and the corresponding accounting entries and the payment messages through the Events sub screen in the Drawdown/Tranche Contract Online screen.

If fronting details have not been captured for the previous disbursement/repayment event, then the following will not be allowed:

- Capture of new payment instruction
- Capture of new disbursement instruction (VAMI)
- Capture of new participant transfer instruction
- Capture of new rollover/reprice instruction (In case of consol rollover/merge reprice, the fronting details should have been captured for all the contracts involved).

If Overwrite Settlement Instructions is yes at the time of BPMT/PPMT event triggering, accounting entries for BPMT/PPMT events are not passed to Customer Accounts; instead they are passed to the internal GLs mentioned in the Overwrite SI screen for the respective components.

In case if the borrower payment is made in multiple splits (based on number of investors funding), it has multiple BPMT events on different time frames. While triggering each of the BPMT events, the Overwrite SI is checked and accounting entries are passed accordingly.

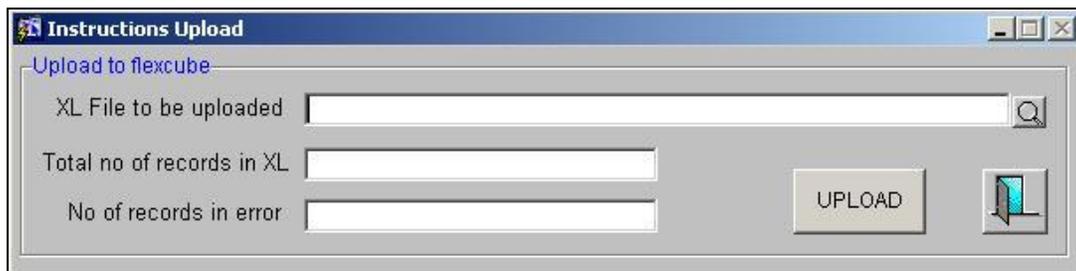
The payable receivable processing is not be handled for sighting funds.

Sighting Fund Process (PPMT) is applicable for the Fee payments at the Tranche contract level. However, the fee computation remains the same.

6.30 Uploading Settlement Instruction Maintenance Information

You can upload the Settlement Instruction Maintenance information to Oracle FLEXCUBE using 'Instruction Upload' screen. To invoke this screen, choose **Wire/Payment Instructions** from the Application Browser. Thereafter, choose **Instructions Upload** under it.

You can also invoke this screen by typing '**ISXLUPLD**' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.



The screenshot shows a window titled "Instructions Upload" with a subtitle "Upload to flexcube". Inside the window, there are three input fields: "XL File to be uploaded", "Total no of records in XL", and "No of records in error". To the right of these fields is an "UPLOAD" button and a right-pointing arrow button.

Enter the following detail:

XL File to be Uploaded

Choose the excel sheet from which you want to upload the details into Settlement Maintenance.



Click  to start the upload of Settlement Instruction Maintenance information from the selected source. After the upload is complete, the following details are displayed:

- Total No. of Records in XL
- No of Records in Error

6.31 Viewing Syndication Contracts

At any point during the tenor (or life cycle) of a syndication contract, you can view its status. You can view the tranche contracts as well as the drawdown contracts, for the borrower and the participants. Summary screens are available listing the currently active contracts entered at each level. These screens can be invoked from the respective contract input screens or from the Application Browser.

6.31.1 Viewing the Automatic Rate Set Browser

To invoke the 'Automatic rate set Browser' screen, choose 'LS Operations' from the Application Browser. Select **Auto Rate Set Browser** and the option **Detailed** under it.

Auto Rate Set Browser											
Contract Details											
Select all											
Contract Ref No	Facility Name	Component	Split Serial no	Split No	Event Seq No	Rate	Rate Fixing Date	Processing Status			
<input type="checkbox"/> 031BDLL122733001	DCFCase18	INTEREST	0	0	1	625000000	29-SEP-2012	Processed	Exception		
<input type="checkbox"/> 031BDLL122735004	DCFCase18	INTEREST	1	1	5	570000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226303W1	INTERNAL CUSIP AMEND	INTEREST	1	1	7	375000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226305E1	CUSIP01	INTEREST	0	0	1		19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226305FW	CUSIP01	INTEREST	0	0	1		19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263071S	YUI789	INTEREST	0	0	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263071S	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263002G	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263002K	YUI789	INTEREST	0	1	1		19-SEP-2012	Failed	Exception		
<input type="checkbox"/> 001BDLL12263002L	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263002M	YUI789	INTEREST	0	1	7	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263002O	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263002Q	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL12263003S	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226300JA	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226300UB	YUI789	INTEREST	0	1	1	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 031BDLL122738001	DCFCase18	INTEREST	2	1	1	625000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226304NS	YUI789	INTEREST	0	1	7	354000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL1226301LI	DFHD56	INTEREST	0	1	1	350000000	19-SEP-2012	Processed	Exception		
<input type="checkbox"/> 001BDLL122634002	TESTING1	INTEREST	1	1	1	350000000	19-SEP-2012	Unprocessed	Exception		

Input By: SANGHA1 Date Time: 03-JUL-2014 12:50:57 Auth By: SANGHA1 Date time: 03-JUL-2014 12:52:21 Mod No: 1 Open Authorized

The system automatically process the rate set events for the following events on authorizing the following operations:

- IRAM event for Future dated Drawdown Booking
- ROIX for Future Dated Split Rollover Processing
- CRIX for Future Dated Consol Rollover Processing
- SPIX Future Dated Split Re-Price Processing

While authorizing the future dated transactions, the Rate set browser gets populated with future dated event details with processing status as 'Unprocessed'. On the Rate Fixing Date, the Rate set event gets processed and the processing status will be updated as 'Processed'/'Failed' based on the event processing.

If the Rate Set Event is successfully processed, then

- The Rate will be fixed successfully for the drawdown interest components and following details will be updated
- The Processing status will be updated as 'Processed'
- the event sequence number of the processed rate set event will be populated
- The Interest Rate is automatically fixed when the rate set event is processed

The IRAM/ROIX/CRIX/SPIX event will be auto authorized if the flag Auto auth Rate fixing events is checked.

The IRAM/ROIX/CRIX/SPIX event will not be authorized if the flag Auto auth Rate fixing events is not checked. User will have to manually authorize the event

If the Rate Set Event processing is failed, then

- The Rate Set Browser will be updated with Process status as Failed
- You have to manually reprocess the failed event
- The Rate Set Browser will have an option to reprocess the failed events in bulk or one event at a time

The Re-processed event will have maker/checker id as below

If Auto Auth Rate Fixing event is Yes, then the User id of who is reprocessing the event will be displayed as Maker/Checker ids

If Auto Auth Rate Fixing event is No, then the User id of who is reprocessing the event will be displayed as Maker id. Checker will be the approver id

For example,

The USER1 books future dated drawdown and USER2 approves it. On authorization of the future dated drawdown, rate set browser will be populated with below details:

- Drawdown ref no
- Main interest component

- Rate Fixing Date
- Process status as Unprocessed
- Maker/checker details as blank

If the Rate fixing event is processed automatically on the rate fixing date, below details will be updated for the drawdown ref no. and for the main interest combination

- Interest rate
- Event Sequence number
- Event (IRAM)
- Interest Rate
- Process status as Processed
- Maker/Checker as 'USER1'. (Maker of Base event).

The IRAM gets authorized when the flag 'Auto auth Rate fixing events' is checked. Else IRAM gets unauthorized and checker id will be blank in this case.

In the above example, the USER1 will be allowed to delete the unauthorized IRAM event from Interest Rate Fixing Screen when the flag 'Auto auth Rate fixing events' is not checked.

Note that on click of 'Select All' checkbox. all the unprocessed or Failed records will be selected and user will be allowed to reprocess all the selected records

You are not allowed to amend the fields in the browser, except the check box to select the event for reprocessing

All the processed records will be removed from the browser to history data store. This will be a daily activity which will be done as part of End of Day process

6.31.2 Automatic Rate Set Process

Auto rate setting process will fix the Base Rate of Drawdown Main Interest component having Rate Fixing Required as Yes for the contract in Agency module of the types:

- DD
- Consolidated rollover
- Split rollover
- Split re price
- Current dated
- Back dated
- Future dated

This is defining the appropriate rate rule through rate setting screen for the above said contracts in their

6.31.2.1 Automatic rate set for Future Dated Transactions

The future dated events, found in the system for the Rate set events pending to be processed. The Job will automatically initiate online process on the Rate Fixing Date as soon as the LIBOR Daily rate maintenance is available for the day. The Jobs will be automatically started based on the 'Auto rate set Job start time' for all the branches. While processing Rate Set Events automatically, the Job will skip the contract and proceed with next contract in the below scenarios:

- Valid Rate Setting Rules not maintained by user
- Rate Code or Rate Effective End Date is not maintained by user
- If Rate Fixing is already done by user manually
- If the contract is not authorized
- If the contract is not in uninitiated status for the new Drawdown

The Rate Set event Processing Date and Value Date should pick the rate from Daily LIBOR Rate, this will always be same which will be Interest Rate Fixing Date.

For future dated transactions, Auto Rate Set event will not be processed on the rate fixing date, if rate fixing is not done / rate setting rule screen is not visited while capturing the future dated transactions. Also, User will have to visit Rate Setting Rule screen before visiting Rate Fixing screen while capturing the future dated transactions

If Future dated rate setting events pending to be processed on the same day for multiple Drawdown under a tranche and if the flag 'Auto Auth Rate fixing Required' is unchecked then

- The system processes the first Drawdown and keep the event unauthorized
- Subsequent events of other Drawdowns will be marked as failed with the exception as 'Drawdown 1 under the tranche is unauthorized'

You have to manually re-process the failed events individually

6.31.2.2 Automatic rate set for Future Dated Transactions

In system a job processes automatic rate fixing on the Rate Fixing Date and IRAM event will be registered for this process. The Base rate will be picked up from Daily LIBOR Rate for the Rate fixing date for Drawdown currency and for Interest Rate Period and Rate Code. The System picks the IRFX message template and generates the advice for the IRAM event. If the Rate is input as 0 during future dated Drawdown booking, then the IRFX event will be registered but IRFX advice will not be generated. The IRAM is processed online once the Job starts processing and also when the rate maintenance available for the Rate fixing date.

If the flag 'Auto Auth Rate Fixing Events' is 'Yes' at loans parameters screen, then the IRAM will be auto-authorized with maker/checker as SYSTEM

If the flag 'Auto Auth Rate Fixing Events' is 'No', then the IRAM will not be authorized. The Maker Id for IRAM event will be the user id of BOOK event. you are allowed to authorize this event in the existing Interest Rate Amendment Screen.

The Uninitiated Rolled over child contracts will not be considered for automatic rate setting as the you have already captured the Rate Setting Rules during Rollover booking and processing of ROLL event will initiate the Rolled over child contract. You have to manually amend the interest rate through Interest Rate Amendment screen (IRAM), if further amendments required for the Drawdown interest components.

The Job will fail the IRAM event if rate maintenance is not available for the day and the appropriate exception will be logged saying rate maintenance is not available.

- If Rate Fixing Date falls on holiday for any future dated events, then the event will be processed on the next working day. Value date will still be the Rate fixing date to pick up the LIBOR rate
- If the rate sent from PMC is 0 or NULL, then the system will not process the Automatic rate setting

6.31.2.3 Automatic Rate Set Process for Future Dated Split Rollover

The system processes the ROIX on the Rate Fixing Date. The Interest rate is not picked from Daily LIBOR Rate for the Rate fixing date for Drawdown currency, Interest Rate Period and Rate Code. The ROIX get processed online once the Job starts processing and also when the rate maintenance available for the Rate fixing date.

If the flag 'Auto Auth Rate Fixing Events' is 'Yes' at loans parameters screen, then the ROIX is auto-authorized with maker/checker as SYSTEM. If the flag 'Auto Auth Rate Fixing Events' is 'No', then ROIX will not be authorized. Maker Id for ROIX event will be SYSTEM. You are allowed to authorize this event from Drawdown Contract Online Screen

You have to manually amend the interest rate through Interest Rate Amendment screen (IRAM), if further amendments required for the Drawdown interest components. The Job will fail the ROIX event if rate maintenance is not available for the day and an Appropriate exception will be logged saying rate maintenance is not available.

6.31.2.4 Automatic Rate Set Process for Future Dated Consol Rollover

The Interest Rate will not be defaulted from Daily LIBOR rate while booking future dated Rollover. The system processes CRIX on the Rate Fixing Date. The Interest rate will be picked up from Daily LIBOR Rate for the Rate fixing date for Drawdown currency and Interest Rate Period and for Rate Code. The CRIX will be processed online once the Job starts processing and also when the rate maintenance available for the Rate fixing date.

If the flag 'Auto Auth Rate Fixing Events' is 'Yes' at loans parameters screen, then CRIX will be auto-authorized with maker/checker as SYSTEM. If the flag 'Auto Auth Rate Fixing Events' is 'No', then CRIX will not be authorized. Maker Id for CRIX event will be SYSTEM. User will be allowed to authorize this event from Consolidation Rollover Screen. You have to manually amend the interest rate through Interest Rate Amendment screen (IRAM), if further amendments required for the Rolled over Drawdown interest components. In case of Consol and Split rollover, Rate setting rules should be maintained for each split instruction individually. The Job will fail the CRIX event if rate maintenance is not available for the day and an appropriate exception will be logged saying rate maintenance is not available.

7. Processing Repayments

7.1 Repayments

When you disburse loans to a borrowing customer through a drawdown against a tranche under a borrower facility, you also define the terms according to which the loan components should be repaid. You can define your own repayment schedules. For instance, you could choose to have the principal repaid at maturity, with the interest component being repaid monthly. You could also define the repayment terms to suit your customer's requirements.

In Oracle FLEXCUBE, you can define the repayment schedules when you define a product. These will default to all contracts processed under the product. However, Oracle FLEXCUBE gives you the flexibility to change the schedules for a specific contract, if required.

Repayments, in the context of a syndication contract, involve liquidation of the following components:

For tranche contracts

- Charges
- Ad-hoc fees

For drawdown contracts

- Loan Principal
- Interest /Charges
- Ad-hoc fees

7.1.1 Reversing a Payment

Currently, in Oracle FLEXCUBE you can reverse a payment only if liquidation is the last event of the contract. However, this process has been amended to allow reversal of payment even if liquidation is not the last event.

System makes the following validations before reversing a payment:

- The last payment is not beyond the last PRAM date for a tranche or drawdown
- The reversal of any Non-Prorata payment is not beyond the last VAMI date
- If Payable/Receivable is populated for a schedule for which payment has already been made, system will not allow reversal of payment.

7.2 Defining Schedules for a Product

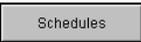
You can define the following attributes for repayment schedules, when you define them for a drawdown product:

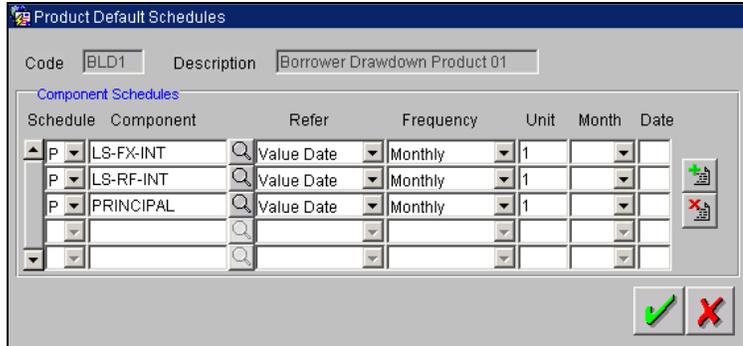
- The mode of liquidation (automatic or manual)
- Liquidation of schedules due before the date on which a drawdown is initiated
- The type of schedule – Capitalized or Normal

You define these attributes in the 'Product Preferences' screen that you invoke by clicking  in the Loan Syndication **Product Definition** main screen.

If the mode of liquidation specified for a schedule is automatic, it will be liquidated by the 'Automatic Contract Update' function. If the mode is specified as manual, you must manually liquidate them through the 'Contract Schedule Payments' function.

After specifying the attributes for repayment schedules, you can specify the repayment details for each component of a drawdown loan, such as the reference date, the frequency and the month and date, in the 'Product Default Schedules' screen.

This screen is invoked when you click the  button in the 'Product Preferences' screen.



Schedule	Component	Refer	Frequency	Unit	Month	Date
P	LS-FX-INT	Value Date	Monthly	1		
P	LS-RF-INT	Value Date	Monthly	1		
P	PRINCIPAL	Value Date	Monthly	1		

These are the attributes for repayment schedules that would apply to all drawdown loan contracts involving the drawdown loan product for which they have been specified.

The manner in which you specify the attributes for the repayment schedules for a drawdown borrower or participant product is much the same as for a normal loan product.

For a detailed description, refer to the chapter 'Processing Repayments' in the Loans User Manual.

 To indicate Forward Processing is applicable to the borrower tranche or drawdown product during the event LIQD, select the option 'Semi-Auto' against the field 'Liquidation Mode'. The system will process the two events, but will hold messages. The messages will be held in the 'Forward Processing Queue'.

For details on forwards processing, refer the heading titled 'Processing events marked for forward processing' in the 'Loan Syndication Contracts' chapter of this User Manual.

7.3 Defining Drawdown for a Contract

You can capture Drawdown contract details in the in the 'DRAWDOWN' tab of the 'Drawdown Contract Online' screen.

The screenshot displays the 'Drawdown Contract Online' interface. At the top, it shows the contract reference number 'CIPBLD104359G66Y' and the facility name 'SLT14'. The 'DRAWDOWN' tab is selected, showing contract details such as Customer 'ABNUS01', Currency 'USD', and Amount '1,000,000.00 USD'. The 'CONTRACT' sub-tab is active, displaying fields for Booking Date, Drawdown Date, Original Start Date, Maturity Date, DD Notice Date, Int Rate Fixing Date, and Exch Rate Fixing Date. The 'SCHEDULE' sub-tab shows Drawdown Type 'New', Renewal Mode 'Auto', Split Msg Type 'Consolidated', and SSI Pickup At 'Currency'. The 'ROLLOVER' sub-tab shows Unapplied amount and New maturity Date. A table at the bottom shows entry details for 'KAVMTHA01' on '24/12/2004 14:29:14' with an 'Active' status and 'Authorized' auth status.

Special Amount

Specify the special amount for swing line draw down, in case you wish to do a special swing line disbursement.



The value of the special amount can be positive or negative or it can be zero.

7.4 Defining Schedules for a Contract

The repayment schedules that you define for a drawdown loan product will apply to all drawdown contracts involving the product. When you are entering a drawdown in the 'Drawdown Contract Online' screen, the schedules defined for the product involving the drawdown will be displayed in the 'SCHEDULES' tab of the screen.

You can change the attributes of the schedule for an individual drawdown that it inherits from the drawdown product.

Drawdown Contract Online [DELL US] 555

Template: [] Contract Ref No. CIPBLD1043638024 | 1 | Or | 1 |

Product: BLD1 Borrower Drawdown Product 01 User Ref No. CIPBLD1043638024 Outstanding Bal 4,000,000.00

Branch: CIP Department: DEP Treasury Custom Ref No. SOU-TEST1 Facility Name 555

DRAWDOWN | CONTRACT | SCHEDULE | ROLLOVER

External Details
External Ref No. []

Holiday Treatment For Schedule
 Include Branch Holiday Ignore Holidays Holiday Currency []
 Move Forward Move Backward Move Across Months
 Cascade Schedules Move Payment Sch Move Revision Sch
 Use Contract Currency Use Tranche Currency Use Local Currency

Schedule Details

Type	Component	Start Date	No.	Frequency	Unit	Amount
P	LS-FX-INT	28-JAN-2005	59	Monthly	1	
P	LS-FX-INT	28-DEC-2009	1	Bullet	1	
P	LS-RF-INT	28-JAN-2005	59	Monthly	1	
P	LS-RF-INT	28-DEC-2009	1	Bullet	1	
P	PRINCIPAL	28-JAN-2005	59	Monthly	1	66,666.66

Principal Schedule Definition [MANUAL]

Linkage Details

Type	Linked To Ref No. / AC	Ccy	Available Amount	Exchange Rate	Linked Amount
C	CIPBLT104363A0T0	USD	6,000,000.00	1	4,000,000.00
Total Linked Amount					4,000,000.00
Unlinked Amount					.00

Entry By: KAVTHA02 Entry Time: 28/12/2004 11:57:20 Auth By: KAVTHA01 Auth Time: 28/12/2004 11:59:31 Contract Status: Active Auth Status: Authorized Participant Processing Status: Processed

The schedule payment type that is defined for a drawdown product (Amortized, Capitalized or Normal) is inherited by all drawdowns involving it. This attribute cannot be changed when you enter a drawdown.

The manner in which you specify the attributes for repayment schedules for a drawdown is the same as for a normal loan contract.

For a detailed description, refer to the chapter 'Processing Repayments' in the Loans User Manual.

Only those aspects of specifying attributes for repayment schedules that are specific to borrower tranche or drawdown contracts are explained in this chapter.

7.4.1 Specifying Holiday Treatment for Schedules

Schedule dates for a drawdown could fall on holidays defined for your branch or on holidays defined for the drawdown currency. In addition, schedules may also fall due on the other currencies, as per your specification in the 'SCHEDULE' tab of the 'Drawdown Contract Online' screen.

In the Product Preferences for the borrower facility product, you can specify whether the system should check for schedule dates falling on holidays, and how such schedule dates must be handled. These specifications would default to any borrower facility using the product. It will also default to underlying borrower tranches or drawdowns that are opened under the facility if you specify the 'Holiday Default Basis' as 'Facility' when maintaining a Borrower/Tranche product (in the 'Additional Preferences for Loans Syndication' screen).

You can specify that any of the following:

- Holidays must be ignored
- Checks must be made for schedule dates falling on holidays

You can specify the holiday treatment type for schedules falling due on holidays in the 'Holiday Treatment for Schedule' section of the 'SCHEDULE' tab of the 'Drawdown Contract Online' screen. The Holiday Treatment Type is the parameter that defines how the system checks for schedule dates falling on holidays. You can specify one of the following options:

Ignore Holidays

You have to check this option to instruct the system to ignore the holiday. Payment schedules will be processed as per the due date even if the schedule falls due on a holiday.

Include Branch Holiday

Select this option to indicate that you want the system to check whether a schedule date falls on a local holiday defined for the branch.

The system checks the holiday table for your branch. If it encounters a contract entered in your branch, with a schedule date falling on a branch holiday, the holiday is handled according to the holiday-handling preferences you specify.

Holiday Currency

You can also select a currency for the holiday check. The system will check the holiday calendar maintained for the selected currency before arriving at the schedule due date.

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a schedule date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

Move Backward or Forward

You can indicate whether the schedule date falling on a holiday must be moved forward to the next working day, or backward to the previous working day.

Move Across Months

If you have indicated either 'Forward' or 'Backward' movement of a schedule date falling due on a holiday, and the moved schedule date crosses over into a different month, you can indicate whether such movement is allowable; it will be allowable only if you check this option.

Cascade Schedules

If one schedule has been moved backward or forward in view of a holiday, cascading schedules would mean that the other schedules are accordingly shifted. If you do not want to cascade schedules, then only the schedule falling on a holiday is shifted, as specified. The other schedules remain unaltered.

Move Payment Schedules

You may check this option to indicate that the holiday processing rule should be applied on repayment schedules as well. This will be applicable only to drawdown products.

Move Revision Schedules

You may check this option to indicate that the holiday processing rule should be applied to interest rate revision schedules as well.

Use Tranche Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the currency of the tranche (borrower), if this currency is different from the holiday currency you have indicated.

Use Contract Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the currency of the drawdown contract, if this currency is different from both the holiday currency and the facility currency (if any) you have indicated.

Use Local Currency

If you choose this option, the system checks whether the schedule date falls on a holiday defined for the local currency, if this currency is different from the holiday currency, facility currency and contract currency you have indicated.

The system checks the holiday table for the currencies you have specified. If it encounters a contract using any of the specified currencies, with a schedule date falling on a holiday for any of the currencies, the holiday is handled according to the holiday-handling preferences you specify.

7.4.2 Specifying Holiday Treatment for Maturity Dates/Value Dates

The maturity date for a contract could fall on holidays defined for your branch. In the Product Preferences for the borrower facility product, you can specify whether the system should check for maturity dates falling on holidays, and how such dates must be handled. These specifications would default to any borrower facility using the product. It will also default to underlying borrower tranches or drawdowns that are opened under the facility if you specify the 'Holiday Default Basis' as 'Facility' when maintaining a Borrower/Tranche product (in the 'Additional Preferences for Loans Syndication' screen).

You can specify any of the following:

- Holidays must be ignored
- The maturity date falling on a holiday must be moved according to the holiday-handling preferences that you specify

The holiday handling preferences for maturity date/value defined at the product level will default to the 'CONTRACT' tab of the 'Drawdown Contract Online' screen.

The holiday treatment methods that are explained for a schedule dates are applicable for maturity dates and value dates as well.

7.5 Processing Repayments Manually

The components of a drawdown can be liquidated either manually or automatically, according to the definition you make for the product involving the drawdown, or at time of entering the drawdown. If you have defined automatic liquidation, the Automatic Contract Update function will perform the same on the schedule payment day.

If you have defined auto liquidation for the drawdown, you can manually liquidate the components before the liquidation schedule falls due. Also, if, for reasons of non-repayment, the liquidation does not take place, you can manually liquidate the components when the repayment is made.

If you have defined manual liquidation for the drawdown, then you must manually liquidate the components a day before the schedule date.

You process payments through the 'Contract Payment' screen. To invoke the 'Contract Payment' screen, click **LS Operations** in the **Application Browser**, and then click the option **Manual Payment**.

Contract Payment [88JAGUAR12]

Reference No. Department Branch
 O/S Balance .00 Currency Treasury
 Counterparty Status ◀ 1 of 1 ▶

O/S Bal - Rep .00 Syndication Ref. No
 Agent Ref No

Value Date Amount Paid Lcy Eqvt
 Limit Date Limit Amount Lcy Eqvt
 Sch Date Liquidated Nominal
 Special Amount

Payment Breakup

Component	Amount Due	OD	Amount Paid	Tax
INTEREST	78.61		78.61	.00
PRINCIPAL	1,000.00		1,000.00	

Prepayment

Liqd of int. on Prepaid Principal Prepaid Principal Interest Rate
 Reapply Interest on Prepaid Amount Penalty Rate Full Payment
 Reapply Interest on Outstanding Amount Penalty Amt
 Refund Tax to Customer Tranche Repayment Rule

Adjust Amt Addl. Adj. Amt

Remarks

Entry By	Entry Time	Auth By	Auth Time	Trn Type	Workflow Stat	Auth Stat
Payment	YASH01	10-OCT-2012 09:11:54				A
Reversal						

Participant Processing Status

Payment Stat Contract Stat

The manner in which you perform manual liquidation for a drawdown in the 'Contract Payment' screen is the same as for a normal loan contract.

Special Amount

Specify the special amount in case you wish to do a special payment or to facilitate the special amount disbursement. The value of the special amount can be positive or negative or it can be zero. You are allowed to make special payment even for future value dated payments.



Note the following:

- Accounting entries for this special swing line disbursement / payment are routed through the borrower's internal cash collateral DDA account that is defined at the Tranche contract level.
- Special swing line disbursement / payment are allowed only if the borrower's internal cash collateral DDA account is defined at the Tranche.

- Value dated Amendment will not be allowed for special amount.

Principal Funding Amount paid

Specify the principal (funded) amount to be liquidated.

Based on this amount and the total funded amount for the contract, the system arrives at the actual amount to be liquidated. This actual amount is used for the subsequent payment processing.

Example

The logic to arrive at the actual amount for which the payment is being processed has been explained below:

Consider a contract booked with amount of 2M with participants P1, P2 and P3 having asset sharing ratios as 30, 20 and 50 respectively.

Participant	Asset Sharing ratio (%)	Amount (million)
P1	30	0.6
P2	20	0.4
P3	50	1

Assume P1 has not funded and P2 and P3 have funded completely.

Participant	Asset Sharing ratio (%)	Funded Amount (million)	Unfunded Amount (million)
P1	30	0	0.6
P2	20	0.4	0
P3	50	1	0

Total funded amount for the contract is 1.4 M and Total unfunded amount for the contract is 0.6 M

For a borrower repayment of 1M, 1M should be entered in the new field 'Funding amount paid' in the manual payment screen.

Actual amount to be liquidated = Funding amount paid * Contract Outstanding amount / Total Funded amount

In this case, actual amount = (1M * 2M) / 1.4M = 1,428,571.43M

This amount will be used for all the subsequent payment processing.



Note the following:

- This field is enabled only for those contracts where 'Sighting Funds' option is applicable.
- The amount you specified here cannot be greater than the total funded amount for the contract.

- If Main interest component is due for payment and if it is identified for liquidation, the compensatory component also is defaulted along with the main interest component and you can not change the compensatory interest amount being liquidated.
- For prime contracts with liquidate interest on prepayment as 'Y', the compensatory component is calculated based on the total unfunded amount and not the unfunded portion of the principal being liquidated.
- If compensatory interest exceeds the main interest amount being liquidated, then compensatory component is liquidated only to the extent of the main interest amount (effectively the net interest being paid to the borrower/investor will be zero). The residual amount is stored and liquidated as part of subsequent prepayment.
- Liquidation date cannot be beyond the earliest borrower payment date for the contract.

Tranche Repayment Rule

Select the redefinition rule for tranche repayment schedule applicable for the prepayment amount. The possible options are LIFO, FIFO, and PRO-RATA.

At the time of manual payment of schedules, a borrower may wish to prepay a part of the payment to the participants involved in the drawdown. Occasionally, in such a scenario, one or more participants may refuse to accept the prepayment.

Hence, the prepaid amount will have to be:

- Distributed among the other participants or
- Returned to the borrower

If the prepaid amount is distributed among the remaining participants, the asset sharing ratio at the drawdown level will need to be modified. This will in turn affect the availability amount at the tranche level. This is applicable only if the tranche is of revolving type.

If payment is done without sending the participant faxes system displays the following override message:

Participant Share amount not matching with the fax send. Do you want to continue?

Click OK to proceed with the repayment. On authorization of the contract the following error message will be displayed:

Contract authorization possible only after authorizing the overrides

You will be allowed to authorize the repayment of the contract only if you authorize the override in the 'Credit Authorization Outstanding' screen.

After specifying the Limit Date and Value Date, click 'Pop till Dt Accrual' and the following details get displayed. The system displays the interest amount accrued till the least of value date and limit date in the 'Amount Due' column. Only main interest component will be displayed in the 'Payment Breakup' screen.

The System recalculates the interest on the prepaid principal on the value date of the payment. This result is compared with the earlier calculations performed during instruction capturing. The System logs an exception and aborts the payment process if there is any mismatch.



Note the following:

- For Prime contracts, 'Liqd of Int on Prepaid Principal' check box value will be defaulted from contract preferences and it will be disabled
- For prepayments, the future value date can not be greater than the next schedule date if the liquidation mode is Auto.

When you book a future dated payment, events will be fired, but there will be no accounting entries for these booking events. The outstanding balances are updated when you perform the booking. You can generate payment FFT advices after authorization of future dated liquidation, by tagging suitable advices to the instruction booking event in the FFT Generation screen. . After the prepayment is done for partial amount, billing notice generated will have the interest amount calculated on the remaining principal amount and not the original principal amount. If the drawdown is completely paid ahead of the maturity date, then the maturity date will automatically be changed to the date of the drawdown paid.

You can reverse a future dated payment instruction, if required. Events will be generated and the balances at the Tranche will be reinstated during the reversal of future dated payment instruction.

The following are the events generated while booking a future value dated payment and reversing the same:

Event Code	Event Description	Sequence of Occurrence
BLIQ Drawdown Products	Booking of Future dated Principal and Interest Liquidation	Triggers while booking the future value dated Principal and Interest Liquidation. BLIQ event will be fired in drawdown on booking future dated liquidation
RLIQ Drawdown Products	Reversal of Future dated Principal and Interest Liquidation	Triggers while reversing the future value dated Principal and Interest Liquidation
LIQD Drawdown Products	Future dated Principal and Interest Liquidation	LIQD event will be fired after liquidation batch is run

When you initiate the batch for processing the future dated payment instructions, accounting entries will be passed based on the settlement accounts prevailing at the value date of liquidation.



Note the following:

- The System does not populate the schedule captured for a future dated liquidation to the next future dated liquidation.
- You can perform future dated liquidations only for Pro-Rata draw downs. You can not do partial liquidations, except for the principal component.

- For future dated liquidations having Auto liquidation mode, you can not specify a value date greater than or equal to the next schedule date.
- You cannot perform reversal of a captured FD payment if underlying reprice is going to be overdue due to reversal of the captured FD Payment instruction.

7.5.3 **Capturing Overwrite Settlement Instructions**

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest etc, using the 'Overwrite Settlement Instruction Details' screen. Using this screen, you can post liquidation entries into an Internal GL account instead of the customer account at the time of rollover. Click **Overwrite SI** in the 'Contract Payment' screen to invoke the following:

Component	Internal GL	Overwrite default settlement instruction
ADHFEE-ARR		<input type="checkbox"/>
ADMN-CHG	AS1111000	<input checked="" type="checkbox"/>
BOOK-CHG	AS2222000	<input checked="" type="checkbox"/>
DDCT-FEE		<input type="checkbox"/>
F-TAX1		<input type="checkbox"/>
F-TAX2		<input type="checkbox"/>
LS-UNUTIL		<input type="checkbox"/>
LS-UTIL-FE		<input type="checkbox"/>
TSFR-FEE		<input type="checkbox"/>

Component

This screen displays the all the components displayed in the Settlement Message Details screen i.e. fees, charges, principal, interest etc.

Internal GL

Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite Default Settlement Instruction

Check the 'Overwrite default settlement instruction' box to confirm that the liquidation entries should be posted into the Internal GL account. System will post the entries to the Internal GLs only if you check this box. Otherwise, system will post the entries as per the settlement instructions specified for the component of the contract.



You can maintain the Internal GL account anytime during the life cycle of the contract.

7.5.4 Processing Non-Prorata Payments

The system also allows you to process non-prorata payments on the maturity date of the drawdown if the drawdown is not a 'Prime' loan. In the 'Contract Payment' screen, click

NonProrata button to invoke the 'Participant Ratio Details' screen.

Contract Detail

Product Code: BLT1 BORROWER TRANCHE PRODUCT - 01 Tranche
 Contract Ref No: CT2BLT1050255001 User Ref No: CT2BLT1050255001
 Customer: BOROW01 BOROW01
 Facility Name: 1050255001

Participant Ratio details for component PRINCIPAL

Participant	Participant Name	Component Ratio	Current Participation
BARCL02	BARCLAYS	100.0000000000	-900,000.00
		Total	100.0000000000 -900,000.00

BARCL02 : BARCLAYS

Participant Preferences

Self Participant Originator
 Netting Preferences: NONE
 SSI Mnemonic:
 Participant Type: Lender

Settlement Details

Currency	Mnemonic
USD	PRIMARY

Entity Details

Entity Id	Entity Name	Remarks	Primary
ADM-US	Administration		<input checked="" type="checkbox"/>

In this screen, you can maintain the following details:

- Select the participant who is not maintained at the tranche level
- Add participant amount
- Provide asset ratio/participation amount of VAMI amount
- Maintain settlement currency, mnemonic and entity for the new participant
- Provide settlement details for new participants for all currencies maintained in the tranche.

For existing participants, system displays the settlement details for all currencies maintained at the tranche level. Note that you cannot modify these details.

STOP If 'Propagate Ratio to Drawdown' box is checked, then on save of the tranche amendment, system triggers the VAMI event at the tranche contract level. Also, system increases the tranche amount and updates the new asset ratio at the tranche contract. System triggers the PRAM event at the underlying drawdown contracts for propagating the new asset ratio.

To select the participants for processing the payment, click  button in the above screen. In the 'Participant Selection' screen that is displayed, the names of all the participants of the drawdown are listed. Select the participants you wish to include for payment processing. Click



button to save the details and return to the 'Participant Ratio Details' screen. The system displays the selected participants' names and the relative payment distribution ratio (in the 'Component Ratio' field of the screen) arrived at based on the asset sharing ratio of each participant. You cannot amend the ratio that is displayed here.

Click  button to return to the 'Contract Payment' screen. In this screen, you have to specify the 'Amount Paid' which is distributed amongst the selected participants as per the relative distribution ratio.

When you save a non-pro rata payment for a drawdown under a pro-rata type of tranche (the 'Cascade Participation' box is checked in the 'LS Tranche Contract Online' screen), the system converts the tranche into a non-pro rata type (the 'Cascade Participation' option is unchecked). The system also recalculates the asset ration for the drawdown.

For information on non-prorata rollover, refer the section titled 'Processing Non-Prorata Rollovers' in the 'Rolling over a drawdown' chapter of this User Manual.



ORACLE FLEXCUBE will not allow participants to contribute an amount more than the asset amount maintained at the tranche level.

Refer the chapter 'Loans Syndication Contracts' in this manual for more information on computing Participant Ratio based on non pro-rata basis.

For a detailed description on processing manual repayments, refer to the chapter 'Processing Repayments' in the Loans User Manual.

7.5.4.1 Processing Non-Prorata Payments for Sighting Fund enabled Tranches

For non-prorata VAMI for the sighting fund enabled tranches, system checks the drawdown outstanding does not exceed the tranche availability.

System allows to 'Propagate VAMI to Drawdown' as well as 'Propagate Ratio to DD' for existing investors based on the following validations:

- Participants who are unfunded with 'No Fronting' for past events will not be allowed
- Participants will not be allowed beyond the latest actual receipt date for any of the underlying drawdowns for the investors involved in the transfer.



Note the following:

- System does not allow NPVAMI decrease with a new investor.
- System populates the new investor details in the SF payment browser with event as VAMB for which fronting details need to be captured, only after triggering the PRAM and VAMI events.
- System updates the new ratio/adds the new participant for future dated drawdowns if NPVAMI is done when the 'Propagate Ratio to DD' box is checked.
- 'Non-Prorata' button is disabled if the amendment date is beyond the last VAMI/PRAM/Liquidation date.
- Back valued activities which are possible under the Pro Rata Tranche till the value date of the NPVAMI are listed in 'Back Valued Scenarios' tab
- System does not allow you to change participation for existing participant and adding new lender as part of same NPVAMI.

7.5.5 Marking Contracts as Liquidated

You can select active tranche and drawdown contracts and change the status to 'Liquidated', if the contract satisfies all criteria for liquidation status. This can be done through the 'Mark Liquidated' screen.

To invoke this screen, select **LS Operations** in the Application Browser, click **Prepayments** in the sub-menu and then click the **Mark Liquidated** option under it.

The screenshot shows the 'Mark Liquidated' screen in Oracle. The title bar reads 'Mark Liquidated'. Below the title, there is a section titled 'Mark Liquidated' with several input fields: 'Contract Ref No' (with a search icon), 'Facility Name', 'Principal Outstanding' (with a value of .00), 'Contract Amount', 'Counterparty', 'Value Date', 'Maturity Date', and 'Remarks' (with a speech bubble icon). To the right of these fields are 'Branch' and 'Department' dropdown menus. At the bottom of the screen, there is a table with columns: 'Entry By', 'Entry Time', 'Auth by', 'Auth Time', 'Contract Status', and 'Auth Status'. Each column has a corresponding empty input field. A small icon of a computer monitor is located at the bottom right of the table area.

Specify the following in this screen:

Contract Ref No

Specify the contract reference number. Alternatively, you can also select it from the option list. The list displays borrower tranche and drawdown contracts.



Note the following:

- When tranche or drawdown contract is marked as liquidated then the corresponding participant contracts also gets marked as liquidated, if the individual investor balance is zero.
- When tranche contract is marked as liquidated, the linked collateral online and settlement contract also gets marked as liquidated, if the collateral online and settlement contract balances are zero.

Facility Name

System displays the facility name once the contract reference number is chosen. You cannot modify this field.

Branch

System displays the branch once the contract reference number is chosen. You cannot modify this field.

Department

System displays the department name once the contract reference number is chosen. You cannot modify this field.

Principal Outstanding

System displays the outstanding principal amount once the contract reference number is chosen. You cannot modify this field.

Contract Amount

System displays the contract amount once the contract reference number is chosen. You cannot modify this field.

Counterparty

System displays the counterparty once the contract reference number is chosen. You cannot modify this field.

Value Date

System displays the value date once the contract reference number is chosen. You cannot modify this field.

Mature Date

System displays the maturity date once the contract reference number is chosen. You cannot modify this field.

Remarks

You may add remarks if you wish to, in this field.



You can only change status from 'Active' to 'Liquidated'; no other status change can be done from this screen.

The following operations can be performed through this screen:

- New - This operation initiates contract status change for a contract. When you click on 'New' button, the 'Contract Ref No' is enabled and you can select the required contract to be liquidated.
- Save - During this operation, system performs the contract lock check and if the selected contract is locked by any other user, save operation fails.
 - When there is no contract lock, system validates whether the status of the contract can be changed to 'Liquidated'. Once all validations are successful, the following override message will be displayed:

Contract will be liquidated. Proceed?
 - If the override is selected as 'Yes', the contract status will be changed from 'Active' to 'Liquidated' and LIQD event will be registered. If the override is selected as 'No', save operation will fail.
- Authorization - During this operation, LIQD event is authorized.
- Delete - During this operation, saved and unauthorized status change of the contract is deleted.



The branch and department code restrictions and maker and checker functionality is applicable to this screen.

The sequence for marking a tranche contract as liquidated is as follows:

54. Mark the loan as 'Liquidated'. For self participant, drawdown cannot be liquidated if any underlying loans are active.
55. Mark the commitment as 'Liquidated'. For self participant, tranche cannot be liquidated if any linked/STP commitments are active.
56. Mark the underlying drawdowns as 'Liquidated'.
57. Mark the tranche as 'Liquidated'.

7.5.5.1 Validations

The system performs the following validations during the save operation in 'Mark Liquidated' screen.

- Validation for drawdown contracts:
 - Contract should be in 'Active' and authorized status.
 - There should be no outstanding amount of any Principal and Interest/Fee component.
 - All Escrow customer and General Ledger (GL) accounts linked to the drawdown contract should have zero balance.
 - The origination loans contracts that are linked to the self-participants in the drawdown should be in 'Liquidated' or 'Reversed' status.
 - For sighting funds enabled drawdowns, there should not be any pending transaction in sighting funds browser.
- Validation for tranche contracts:
 - Contract should be in 'Active' and authorized status.
 - Tranche cannot be liquidated if any underlying drawdowns are in 'Active' or 'Uninitiated' or 'Hold' status.
 - There should be no outstanding amount of any Principal and Fee components.
 - All underlying commitments of self participants in the tranche should be 'Liquidated' or 'Reversed' status.
 - All Escrow customer and GL accounts linked to the tranche contracts and underlying drawdowns should have zero balance.
 - For sighting funds enabled tranches, there should not be any pending transaction in sighting funds browser.
 - Maturity date of the tranche should be less than or equal to application date.
 - There should be no individual investor balance of the participant contracts for the Borrower tranche or drawdown contract.
 - There should be no collateral online and settlement contract balances.

7.6 Processing Prepayments

Prepayments are repayments of principal before it falls due to be repaid. Typically, a penalty is imposed on prepayments, since there is a violation of the contract.

When you define products for borrower leg contracts, you can choose to specify levying a penalty on prepayments, in the Product Preferences screen. You can also specify that the interest on any future schedules must be recomputed when a prepayment is made. The system will consider the margin rates maintained for individual participants while recalculating interest.

You specify the prepayment penalty as a percentage, in the 'LS Schedule Payment' screen, when you enter the prepayment.

Interest is calculated on the prepaid portion of the principal, from the value date of the last liquidated schedule till the value date of the prepayment. The penal percentage is also applied on the prepaid principal after adjusting the interest due.

When the borrower makes a prepayment for a drawdown, the redefinition of the tranche repayment schedule takes place as follows:

- 'Tranche Repayment Rule' provided in the 'Contract Payment' screen captures the redefinition rule for tranche repayment schedule, on applying the prepayment amount.
- 'BorrFFT' and 'PartFFT' buttons invoke the Free Format advices screens for borrower and participants. You need to use a new template for prepayment advices.
- Redefinition of the tranche repayment schedule takes place as part of end of day process irrespective of their allocation, using the rules tagged with the prepayment instruction.



You can capture prepayment on the tranche repayment schedule date provided there is no repayment schedule for the same drawdown captured for that day.

Redefinition of tranche repayment schedule takes place based on the repayment rule mentioned when the actual liquidation amount across drawdowns is greater or lesser than the tranche repayment schedule amount for a given schedule date. The future schedules are adjusted based on the repayment rule (LIFO/FIFO/PRO-RATA) specified for the respective schedule date in the following cases:

- Prepayment/payment redefinition follows the repayment rule in the 'Manual Payment' screen
- For unscheduled payment processing, system follows the repayment rule in the 'Unscheduled Repayment' screen which is defaulted from 'Repayment Rule' provided in the 'Manual Payment' screen
- For drawdown booking, if there is no tranche repayment schedule defined for drawdown payment schedules, the system defaults the repayment rule as specified in tranche online schedule tab.
- For payment reversal, system follows the repayment rule specified for the respective schedule date.
- For tranche value dated amendment redefinition, system follows the repayment rule specified in tranche online schedule tab.



Note the following:

- For auto/manual liquidation for the current day, redefinition of tranche repayment schedule takes place as part of current end of day process. As the redefinition happens in current end of day process, if there are multiple drawdown payments with different rules for the same schedule date, then redefinition for each of the drawdown paid amount is done based on the repayment rule defined in payment screen for each drawdown.
- In case of tranche value dated amendment redefinition, redefinition of tranche repayment schedule takes place along with VAMI.
- You can redefine the tranche repayment schedule based on differential global amount resulted and update the outstanding amount and allocation amount in 'Tranche Repayment Schedules' screen for the respective drawdown as part of Global Amount Amendment authorization.

You can liquidate interest on the principal prepaid in the 'Contract Payment' screen. To do this, click **Pop PL Interest** button after specifying the principal amount. Subsequently, system will display the interest applicable for the specified principal.



The **Pop PL Interest** button will be displayed in the 'Contract Payment' screen only for contracts that uses a prime loan product.

The system uses the amount tag INTEREST_ADJ to post interest accounting entries due to prepayment.

Example

Let us suppose that for a drawdown under a tranche of a syndication contract has the following schedule for repayment:

Total Loan Principal: 100000 USD

Value Date of the contract: 1st December 1999

Schedule:

1st January 2000 20000 USD

1st February 2000 20000 USD

1st March 2000 20000 USD

1st April 2000 20000 USD

1st May 2000 20000 USD

Let us suppose that the interest percentage applicable on the loan is 5%, and the penalty rate for prepayment is 2%.

Let us suppose a prepayment of 30000 USD is made on 15th February 2000. The two previous schedules, for 1st January and 1st February, have been liquidated)

- Interest payable would be computed at 5 % for 14 days (from 1st of February 2000 till the 15th February 2000), on the schedule amount = $(20000 * 14/365 * 5) / 100 = 38.4$ USD. This interest would be adjusted against the repaid amount.
- Penalty amount for prepayment (at 2 %) = $(2/100 * (30000 - 38.4)) = 599.23$ USD

The interest component that has been adjusted against the repaid amount will be booked under the amount tag INTEREST_ADJ.

7.6.1 Prepayment Processing for Value-Dated Amendments

Redefinition of tranche repayment schedule takes place online for tranche value dated amendments as follows.

- In case of current dated tranche amendments for principal, system redefines the current and future schedules based on the differential global amount and the tranche repayment redefinition rule available in tranche online screen.
- In case of decrease in maturity date of the tranche, sum of the tranche repayment amount available on/after the new maturity date is allocated to the new maturity date.
- In case of increase in maturity date of the tranche, tranche repayment schedule available on the old maturity date is allocated to the new maturity date.
- The redefinition of tranche repayment schedule is based on the differential global amount and not the differential tranche amount.

8. Processing Charges and Fees

8.1 Introduction

A syndication contract (facility, tranche or drawdown) could have various components other than the Principal, such as Interest, Charges, Fees, Margins or SKIM components.

Given below is the sequence of steps you need to follow to apply and process fees levied on a syndication contract:

- Maintain a Fee Rule through the 'Fee Rule – Definition' screen
- Define the attributes of a Fee Rule through the 'Fee Rule Maintenance' screen
- Once you have defined the attributes of a Fee Rule, you have two options:
 - Define a Fee Class through the 'Fee Class' screen. If you define a Fee Class, you will be able to associate it with a Product directly (through the 'Borrower Product – FEE Details' screen) and the product will inherit all the attributes of the Fee Class.
 - Do not define a Fee Class, instead, associate a Fee Rule directly with a product and define the other properties through the 'Borrower Product – FEE Details' screen.
- The contracts booked under various products, inherit the properties of the product. For each contract, you can add, edit or remove fee components through the 'Fee Components' screen.
- Capture fee schedules for a facility through the 'Fee Schedules' screen (invoked from the 'Facility Contract Online' screen). For tranche and drawdowns, capture the fee schedules in the 'Schedule Details' section of the 'SCHEDULE' tab in the 'LS Tranche Contract Online' screen and 'Drawdown Contract Online' screen respectively.
- Liquidate the outstanding fee schedules (if the Liquidation Mode of the component is 'Manual') and prepay future schedules through the 'Fee Liquidation' screen.

8.1.1 Defining a Fee Rule

You can define a fee rule through the 'Fee Rule – Definition' screen. You can attach the fee rule to a Fee Class or directly to a syndication product.

To invoke the 'Fee Rule – Definition' screen, click on **ICCF Maintenance** in the Application Browser, select **Fee Rule Definition** from the sub-menu and then click on the **Detailed** option under it.

Input By	Input Time	Auth By	Auth Time	Mod No
KARTHI01	28/12/2004 17:47:44	KARTHI02	28/12/2004 17:49:18	1

Specify the following details in this screen:

Fee Rule

Every fee rule you define in Oracle FLEXCUBE must be identified by a unique code. Assign a unique code to the rule you are creating. You can define a code comprising of a maximum of nine alphanumeric characters.

Description

Briefly describe the rule you are creating to facilitate identification from a list of similar rules. The description can consist of a maximum of 30-alphanumeric characters.

Slab/Tier

When defining a fee rule, you can specify whether the rule should have a Slab or Tier structure. However, the actual Slab or Tier structure should be maintained in the 'Fee Rule Maintenance' screen.

Rate/Amount

You can indicate the basis on which the rule being defined will calculate the applicable fee for the fee component – as a percentage or amount. Accordingly, you can capture the fee rate or fee amount applicable for the various Slabs/Tiers defined for the rule in the 'Fee Rule Maintenance' screen.

For more details on this screen, refer the heading 'Maintaining Fee Rule details' in this chapter.

8.1.2 Maintaining Fee Rule Details

Once you have created a fee rule, you will have to define attributes for the rule through the 'Fee Rule Maintenance' screen. To invoke the same, select **ICCF Maintenance** in the Application Browser, click on **Fee Rule Maintenance** in the sub-menu and then choose the **Detailed** option under it.

Alternatively, you can also access this screen from the 'LS Tranche Contract Online' screen.

For more details on defining fee rules when capturing a tranche, refer the section titled 'Specifying tranche fee details' in the 'Loan Syndication Contracts' chapter of this User Manual.

Fee Rule Maintenance

Contract Details

Module: Loans Syndication

Contract Ref No:

Counter Party: DIGITAL REALTY TRUST INC

Fee Rule: Standby LC fee

Facility Ref No:

User Ref No:

Book Date:

Value Date:

Component Type: Slab Tier Amount Rate Amount Percentage

Currency Details

CCY: Currency Name:

Effective Dates

Effective Date:

Fee Details

Amount From	Amount To	Fee Rate
<input type="text" value=".00"/>	<input type="text" value="9,999,999,999,999,999.00"/>	<input type="text" value="1.62500"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Input by: Date Time: Checked By: Date Time: Mod No: Open Authorized

The details to be maintained for a fee rule are explained below:

8.1.2.1 Specifying Contract Details

The following details have to be captured in the 'Contract Details' section of the screen:

Module

You have to select the module for which the fee rule details are being maintained. Choose LS to indicate that the fee rule details are specific to the Loans Syndication (LS) module.

When you select the module, the description associated with it will be displayed alongside.

Contract Ref No

You have to select the reference number of the syndication contract (facility/tranche/drawdown) for which fee details have to be maintained. According to the contract you select, the following will default:

- Facility Ref No
- User Ref No
- Book Date

- Value Date

You also have the option to select 'ALL' here, to indicate that the rule details can be applied to all contracts processed in the LS Module.

In this case, the following details will be displayed:

- Facility Ref No: All Facility
- User Ref No: All Contracts

Counter Party

Selection in this screen depends on your specification in the 'Contract Ref No' field. If you choose to maintain the fee details for a specific contract, the option list here will display the names of the borrowers maintained for the selected contract and also the 'ALL CUSTOMERS' option. If you select a specific customer, the components will be applicable for only the selected customer. If you select 'ALL', the components will be applicable to all counterparties of the selected contract.

If you select 'ALL' in the 'Contract Ref No', you can select only the 'ALL' option here. This will indicate that the fee details may be applied to all LS contracts and all counterparties of all contracts.

Fee Rule

You have to select the rule for which you want to maintain details. The fee rules you define through the 'Fee Rule – Definition' screen are available in the option list provided. Select a rule from this list. When you select the rule, the following attributes that have been defined through the 'Fee Rule – Definition' screen will also default and you cannot change these:

- Component Type – Slab or Tier
- Fee Type – Rate or Amount

Amount/Percentage

You can define the Slab/Tier structure for the contract, based on which fee will be applicable either in terms of amount or percentage. Select the appropriate option.

8.1.2.2 Specifying Currency Details

Capture the following in the 'Currency Details' section of the screen:

CCY

You have to select the currencies for which the rule details will be applicable. If you are maintaining fee details for a specific contract, the contract currency will be displayed here. You can select additional currencies, if required. The option list will display all the currencies allowed for your branch.

When you select a currency code, the name of the currency will also be displayed.

Click the  button to select the next currency, if required.

8.1.2.3 Specifying Effective Dates

Capture the effective date in the 'Effective Details' section of the screen:

Effective Date

For each currency you select, specify the date from which the fee amount that you specify for an amount Slab/Tier should become effective in the system. Fee will be applied to contracts based on the Slab/Tier (specified for the contract currency) from this date onwards. Capture the date in 'DD-MMM-YYYY' format.

For each effective date captured for a currency, you have to maintain the Slab/Tier structure in the 'Fee Details' section of the screen.

8.1.2.4 Maintaining the Slab/Tier Structure

You can maintain the Slab/Tier (as specified in the 'Fee Rule – Definition' screen) in the 'Fee Details' section of the screen. Specify the following for the structure:

Amount From/Percent From

Enter the amount slabs for which you want to specify a fee amount. You can maintain different Slab/Tier structures for each effective date captured for the fee. Depending on the 'Amount Type' you select, whether Amount or Percent, the system will display zero as the 'Amount From' or 'Percent From' for the first Slab/Tier. For subsequent slabs, the 'Amount To' or 'Percent To' of the previous slab will be displayed.

Amount To /Percent To

Capture the upper limit for the various Slabs/Tiers here. For type 'Amount', the maximum limit allowed is 999,999,999,999.99. The amount/percent specified here will become the 'From Amount/Percent' for the next Slab/Tier.

Fee Amount/Rate

Depending on the fee type you specify (whether Rate or Amount), capture the rate/amount applicable for each Slab/Tier. The rate specified here will be applicable on the tranche amount which will vary based on the percentage utilization.

Click the  button to move from the 'Fee Details' section to the 'Effective Dates' section of the screen. Similarly, click the  button to move from the 'Effective Dates' section to the 'Currency Details' section.

Example

The following example illustrates the way in which Oracle FLEXCUBE applies the slab based fee rule details that you have maintained:

Refer to the Fee Rule Maintenance above; the following are the details entered:

Currency – EURO

Effective Date – 1st January 2004

Slab Details:

Amount From	Amount To	Fee Amount
0	20,000,000	2,000
20,000,000.01	40,000,000.00	4000
40,000,000.01	60,000,000.00	6000
60,000,000.01	80,000,000.00	8000
80,000,000.01	100,000,000.00	10,000

Say, for example, the contract amount is 50,000,000 currency units. On the 1st of January 2004, for the contract currency EURO, the fee amount applied will be 6000 currency units.

You can enter the Effective Date for various other currencies and the fee amount that should be applied to the contract. If you enter a back value dated contract, the appropriate fee amount will be taken.

8.1.2.5 Specifying Media for Message Generation

You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking  button. This button will be enabled only if the 'FpML Type' option is unchecked at the contract level and the 'Media Priority' option is checked at the product level.

If this button is enabled, then the system will display an override message saying to view the 'Media for Message Generation' screen. If not, the system will handoff the message as per the details maintained in the 'Customer Entity Maintenance' screen.

For more information on the 'Media for Message Generation' screen, refer the section 'Specifying Media for Message Generation' in the Loan Syndication Contracts - Part 2' chapter of this User Manual.

8.1.3 Maintaining a Fee Class

You have the option of defining a Fee Class through the 'Fee Class' screen. If you define a Fee Class, you can attach the same directly to a product. The product will automatically inherit the attributes of the class.

If you do not define a Fee Class, you have the option of attaching a 'Fee Rule' to a product. In this case, however, you will have to specify the fee preferences for the product at the time you associate the product with the rule.

To invoke the 'Fee Class' screen, select on **ICCF Maintenance** in the Application Browser, click on **Fee Class Maintenance** in the sub-menu and then select the **Detailed** option under it.

The screenshot shows the 'FeeClass' application window. At the top, there are two input fields: 'Class Code' with the value 'FAS91T' and 'Description' with the value 'FAS91 Fee component for Tranche'. Below these is a 'Module' dropdown set to 'LS' and another 'Description' field with the value 'Syndication Loans and Commitments'. The main area is divided into several sections:

- Main Preferences:** Includes checkboxes for 'Agency Fee' (checked), 'FAS91 Fee' (checked), and 'Participant Driven Fee' (unchecked). It also has a 'Basis Amount Tag' dropdown set to 'USERINPUT', a 'Fee Rule Type' dropdown, a 'Fee Collection Mode' dropdown set to 'ADVANCE', and a 'Fee Rule' field.
- Date Preferences:** Includes checkboxes for 'Allow Start Date Input' and 'Allow End Date Input', both of which are unchecked.
- Liquidation Preferences:** Includes a 'Liquidation Mode' dropdown set to 'Auto'.
- Other Preferences:** Includes checkboxes for 'Allow Rule Amendment', 'Billing Notice Required', 'Allow Amt Amendment', and 'Participant Propagation', all of which are unchecked.
- Accrual Preferences:** Includes a checked checkbox for 'Accrual Required' and an 'Accrual Method' dropdown set to 'Straight line'.

 At the bottom, there is a table with columns: 'Input By', 'Input Date Time', 'Auth By', 'Auth Date Time', and 'Mod No'. The first row contains the values: 'MARY02', '28/12/2004 14:00:48', 'MARY01', '28/12/2004 14:01:55', and '1'. To the right of this table are two checked checkboxes labeled 'Open' and 'Authorised', and a small icon of a computer monitor.

The details to be captured in this screen are explained below

8.1.3.1 Specify Basic Details of the Fee Class

The basic details include the following:

Class Code

When defining a fee class, identify it with a unique code. The code will help you identifying the fee class in the system. You can devise a code consisting of a maximum of 10-alphanumeric characters.

Description

Briefly describe the fee class you are creating to facilitate identification of the same. The description can consist of a maximum of 30-alphanumeric characters.

Module

You have to select the module for which the fee class details are being maintained. Choose LS to indicate that the details are specific to the Loans Syndication (LS) module.

When you select the module, the description associated with it will be displayed alongside.

8.1.3.2 Specifying Class Preferences

In the 'Main Preferences' section of the screen, you have to specify the following:

Agency Fee

You may check this option to indicate that the fee income received on a contract will be meant for the leading agent alone. It will not get propagated to the other participants of the syndication contract.



If you check this option, you will not be allowed to select the 'Participant Propagation Required' option.

FAS91

Check this box to perform FAS91 computations. System will validate if:

- The 'Agency Fee' check box is selected
- The 'Basis Amount Tag' is maintained as USER INPUT
- The 'Fee Collection Mode' is ADVANCE
- The 'Accrual Required' box is checked

Participant Driven Fee

If you check this box, system will allow you to define an individual fee amount for each participant.



Note the following:

- If you check this option, you will not be allowed to select the 'Agency Fee' option
- System will perform the following validations on checking the 'Participant Driven Fee' box:
 - The 'Basis Amount Tag' is maintained as USER INPUT
 - The 'Fee Collection Mode' is ADVANCE

Basis Amount Tag

When defining a fee class, select the basis amount tag on which the fee amount should be calculated. The applicable amount tags will be displayed in the option list provided. The description of the tag will be displayed when you select the amount tag.

System will compute a fee for issuing a letter of credit. This amount will be paid only to the banks that have issued the LC. You can define a maximum of 10 such issuer fee components for 10 different issuers. You can associate each fee component with the corresponding basis amount tag.

The following table illustrates the amount tags used at the facility, tranche and drawdown levels.

Basis Amount Tag	Facility	Tranche	Drawdown
Utilized	No	Yes	No
UNUTIL	No	Yes	No

Basis Amount Tag	Facility	Tranche	Drawdown
DD count	No	Yes	No
User input	Yes	Yes	Yes
Principal	No	No	No
Principal-Outstanding	No	No	No
Tranche-Current-Limit	No	Yes	No
Tranche Outstanding	No	Yes	No
ISSUER1_LCOS	No	Yes	No
ISSUER2_LCOS	No	Yes	No
ISSUER3_LCOS	No	Yes	No
ISSUER4_LCOS	No	Yes	No
ISSUER5_LCOS	No	Yes	No
ISSUER6_LCOS	No	Yes	No
ISSUER7_LCOS	No	Yes	No
ISSUER8_LCOS	No	Yes	No
ISSUER9_LCOS	No	Yes	No
ISSUER10_LCOS	No	Yes	No
COMMERCIAL_LCOS	No	Yes	No
STANDBY_LCOS	No	Yes	No
COMPONENT_AMOT	Yes	Yes	No
COMPONENT_SPLT	Yes	Yes	No
TRANSFER_AVL	No	Yes	No
OUTSTANDING	No	Yes	No
AVAILABLE	No	Yes	No

Example

For an 'Advance' fee component, the following amount tags can be used:

- USERINPUT
- TRANSFER_AVL
- OUTSTANDING
- COMMERCIAL_LCOS
- STANDBY_LCOS
- AVAILABLE
- UNUTIL
- UTILIZED

Fee Rule Type

While defining a class, you can specify the rule type for the fee component. The available options are:

- Margin Rule
- ICCF Rule

For calculating fee on contracts, you have to select 'Margin Rule' as the rule type.

Fee Rule

Select the applicable fee rule from the option list. The option list will include the rules that you have maintained through the 'Fee Rule – Definition' screen. When you select the rule, the description of the rule will also be displayed.

Fee Collection Mode

Select the mode of collecting the fee. The available options are:

- **Advance:** Typically, an advance fee component will be collected on the value date of the contract. However, you can define a schedule for the component if the whole amount is not liquidated upfront. An advance fee component with bullet schedule can have multiple instances (i.e. you can use the same component multiple times to collect the fee). If the advance component has predefined schedules, you cannot reuse the component.
- **Arrears:** An arrear fee component cannot have schedules with Start Date equal to the Value Date of the contract.



Fee rate maintenance is done for 'Advance' and 'Arrear' fee components.

8.1.3.3 Specifying Date Preferences

The following options are available in the 'Date Preferences' section of the screen:

Allow Start Date Input

By default, a fee component (if applicable for the product involved in the contract) will become effective on the 'Start Date' of the contract (facility/tranche/drawdown). However, if you check the 'Allow Start Date Input' for the fee class (which would subsequently be associated with a syndication product), you will be allowed to modify the start date of the fee component in the 'Fee Components' screen.

Allow End Date Input

Similarly, by default, a fee component (if applicable for the product involved in the contract) will cease to be associated with a contract on the contract 'End Date'. However, if you check the 'Allow End Date Input' for the fee class (which would subsequently be associated with a syndication product), you will be allowed to modify the end date of the fee component in the 'Fee Components' screen.



If you do not check the above options, you will not be allowed to change the 'Start Date' and 'End Date' for a fee component in the 'Fee Components' screen.

For more details on this screen, refer the heading 'Specifying facility fee details' in the 'Loan Syndication Contracts' chapter of this User Manual.

8.1.3.4 Specifying Liquidation Preferences

In the 'Liquidation Preferences' screen, you have to select the following:

Liquidation Mode

Select the mode of liquidating the fee components under this fee class. You have the following options:

- Auto - Select this option to indicate that fee is to be liquidated automatically. The system will liquidate the components as per schedule due dates maintained for the contract.
- Manual Liquidation - Select this option to indicate the fee is to be liquidated manually. In this case, you will have to liquidate the fee through the 'Fee Liquidation' screen.
- For details on this screen, refer the heading 'Liquidating Fee Components' in this chapter.
- Semi-Auto – Select this option to indicate the fee is to be liquidated semi-automatically. If you select this option, forward processing will be applicable to the fee. The fee liquidation event will be processed as on due date, but the message will be held in the 'Forward Processing Queue'.

For more information on forward processing, refer the heading 'Forward Event Processing' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

8.1.3.5 Specifying Preferences for Fee Accrual

In the 'Accrual Preferences' section, specify the following:

Accrual Required

You have the option to accrue the fee earned on syndication contracts. To do this, you have to check this option.

Accrual Method

If accrual is required, you can specify the accrual method. You can accrue a fee using any one of the following methods:

- **Straight Line:** In this method of fee accrual, the fee amount is equally spread over the tenor from the fee calculation start date to the fee calculation end date of the loan or commitment.
- **Discount Accrual Method:** In this method, accruals are done based on the balance and the repayment schedules of the contract.

8.1.3.6 Accrual of FAS91 Fee

You can amortize the portion of the FAS91 fee components and accrual will start from the date of the liquidation of the FAS91 FEE. For amortizing the fees, you should set the Accrual Method to 'Straight Line'. The amortization amount will be calculated based on the end date of the facility or tranche. For example, if the fee is linked to a facility, the facility end date will be used as the last day to calculate the amortization amount.

8.1.3.7 Specifying Other Preferences for the Class

In the 'Other Preferences' section, you can opt for the following:

Allow Rule Amendment

You can check this option to allow amendment of the fee rule associated with the contract. If you check this option, you will be allowed to change the default fee rule in the 'Fee Components' screen.

Allow Amount Amendment

You can check this option to allow amendment of the system calculated fee amount (utilized fee and unutilized fee) at the contract level (in the 'Fee Schedules' screen).

For more details on this screen, refer the heading 'Maintaining facility fee schedules' in the 'Loan Syndication Contracts' chapter of this User Manual.



This field is applicable only if you select the 'Fee Collection Mode' as 'Advance'.

Billing Notice Required

You can check this option to instruct the system to send a billing notice to the concerned borrower/participant as a reminder of the payment. The notice will be sent predefined days before the due date of the fees.

You can capture the number of days, before which the notice should be generated, in the 'Borrower Product – FEE Details' screen.

Participation Propagation Req

While entering fee details, you have the option of passing the fee collected from the borrower to the participants of a facility, tranche or drawdown. The participants will share the fee received as per the fee sharing ratio for a facility and as per the 'Asset Sharing Ratio' for tranche and drawdowns. This information is captured in the 'Participant Asset Ratio' screen.

However, you will not be allowed to propagate the fee to the participants if you have marked the fee as an 'Agency Fee'. In this case, only the lead agent will be eligible to receive the fee amount.

8.1.4 Associating a Fee Class or Fee Rule with a Product

You can associate a 'Fee Class' or 'Fee Rule' with a borrower product through the 'Borrower Product – FEE Details' screen.

For more information on this screen, refer the heading 'Specifying fee components for a borrower product' in the 'Defining Products for Loan Syndication' chapter of this User Manual.

8.1.5 Associating Fee Components with a Contract

You can associate various fee components with a contract through the 'Fee Components' screen.

For more details on this screen, refer the heading 'Specifying facility fee details' in the 'Loan Syndication Contracts' chapter of this User Manual.

8.1.6 Entering Schedules for Fee Components

You can capture the fee schedules for a contract in the respective contract screen

For a facility

For a borrower facility, you can specify schedules for fee components through the 'Fee Schedules' screen. To invoke this screen from the 'Facility Contract Online' screen, click the

 button.

Fee Schedules

Contract Detail

Product Code: BLF3 SYNDICATION Syndication

Contract Ref No. CT1BLF305181C001 User Ref No. CT1BLF305181C001

Customer: DELLC01 DELL US

Facility Name

Schedule Details

Component	Sch Start Date	No.	Frequency	Unit	Amount
ADHFEE-ADV	15-MAR-2005	1	Monthly	1	300.00
ADHFEE-ARR	15-MAR-2005	1	Monthly	1	550.00

✓ ✗

For details on this screen, refer the heading 'Maintaining facility fee schedules' in the 'Loan Syndication Contracts' chapter of this User Manual.

For a Tranche

For a borrower tranche, you can capture the fee schedules in the 'Schedule Details' section of the 'SCHEDULE' tab of the 'LS Tranche Contract Online' screen.

LS Tranche Contract Online [DELL US]

Template: Cont Ref No. CT1BLT3051814001 1 of 1

Product: BLT3 BORROWER TRANCHE PRODUCT User Ref No. TRA-50P 98,000,000.00

Branch Name: CT1 Department: DEP Treasury Custom Ref No. TRA-50P NORM

Facility Name

CONTRACT **SCHEDULE**

External Interface Details

External Ref No.:

Processing Rules

Repayment: LIFO

Drawdown Expiry: LIFO

Cancellation: LIFO

Prepayment:

Reduction Schedule Appl.

Auto Repay Schedule

Exchange Rate Details

Exchange Rate Code: STANDARD

Exchange Rate Type: Mid

Holiday Treatment for Schedules

Include Branch Holiday Ignore Holidays Holiday Ccy:

Move Forward Move Backward Move Across Months

Cascade Schedules Apply Contract Ccy Apply Local Ccy

Apply Facility Ccy Move Commitment Redn Sch

Revaluation Preferences

Reval Req: Yes No

Type: Frequency: Start Month: Start Date:

Trigger: Applicability: Claim Excess?

Positive Tolerance: % Negative Tolerance: Pass Benefit to Customer?

Schedule Details

Type	Component	Start Date	End Date	No.	Frequency	Unit	Percent	Amount
P	ADHFEE-ADV	01-APR-2005	01-JAN-2006	10	Monthly	1	.000	100.00
P	ADHFEE-ADV	30-MAR-2006	30-MAR-2006	1	Bullet	1	.001	1,000.00
P	ADHFEE-ARR	01-APR-2005	01-JAN-2006	10	Monthly	1	.000	200.00
P	ADHFEE-ARR	30-MAR-2006	30-MAR-2006	1	Bullet	1	.002	2,000.00
C	PRINCIPAL	01-APR-2005	01-JAN-2006	10	Monthly	1	10.000	10,000,000.00

✗

Entry By: MARY02 Entry Time: 30/06/2005 11:51:28 Auth By: MARY01 Auth Time: 30/06/2005 11:59:23 Contract Status: Active Auth Status: Authorized Participant Processing Status: Processed

Schedules are defined for fee components like 'Advance' and 'Arrears' for tranche using this screen.

STOP For 'Advance' fee component, it is possible to define schedules on the value date of tranche.

For details on this, refer the heading titled 'Specifying schedule details' in the 'Loan Syndication Contracts' chapter of this User Manual.

For a Drawdown

For a borrower drawdown, you can capture the fee schedules in the 'Schedule Details' section of the 'SCHEDULE' tab of the 'Drawdown Contract Online' screen.

The screenshot displays the 'Drawdown Contract Online' application window. At the top, there are fields for Contract Ref No. (CIPBLD1043638024), User Ref No. (CIPBLD1043638024), Outstanding Bal. (4,000,000.00), Branch (CIP), Department (DEP), Custom Ref No. (SOU-TEST1), and Facility Name (555). The 'SCHEDULE' tab is selected, showing 'External Details' and 'Holiday Treatment For Schedule' options. The 'Schedule Details' table lists components like LS-FX-INT, LS-RF-INT, and PRINCIPAL with their respective start dates, frequencies, and amounts. The 'Linkage Details' table shows a linked amount of 4,000,000.00 USD. The interface also includes a 'Principal Schedule Definition' button and a status bar at the bottom.

For details on this, refer the heading titled 'Specifying repayment schedule details' in the 'Loan Syndication Contracts' chapter of this User Manual.

8.1.7 Amending fee Component Details

You may want to amend certain details of a fee component or reverse the fee of a component for a syndication contract (facility, tranche or drawdown). This can be done through the 'Fee Amendment' screen. For a fee component which has not been liquidated, is active and future dated, you can:

- Change the fee component amount (if the fee amount has not been computed by the system, but has been entered)
- Change the End Date of the fee schedule
- Add/Remove fee components
- Reverse the fee

To invoke the 'Fee Amendment' screen, select **LS Operations** in the Application Browser, click on **Fee Amendment** and then select the **Detailed** option under it.

This screen will display the fee component details associated with the selected contract. The following details are displayed:

- Component name
- Fee Rule
- Fee Currency
- Date of Association of the component with the contract
- Component Start Date
- Component End Date
- Mode of liquidation, whether 'Auto', 'Semi-Auto' or 'Manual'
- Status of the component whether 'Active' or 'Liquidated'
- The fee basis to calculate the fee amount for schedules
- Whether billing notice should be generated for the contract

To make an amendment, you have to unlock the contract. To do this, click the  button in the toolbar or select **Unlock** option from the **Actions** menu.

 Note the following:

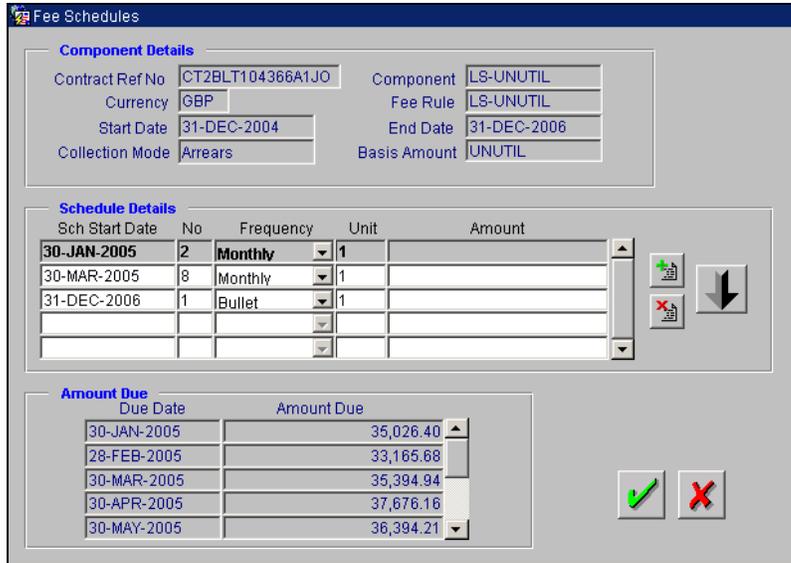
- You cannot amend the details of a component with status as 'Liquidated'
- For existing fee components you cannot change the fee basis as part of amendment. However, you can specify the fee basis for new components

You can amend the fee for FAS91 fee components by clicking  in the 'Fee Amendment' screen. However, this is applicable only if the 'Pass FAS91 Accounting Entry' check box was not checked at the time of booking a contract.

For more details on FAS91 computation, refer the section 'Computing FAS91 fee details' in the Loan Syndication Contracts chapter.

In the Fee Amendment screen, you can also change the settlement account of the borrower by clicking the **Settleme...** button.

To amend the fee schedules defined for a component, select the component and then click the  button in the 'Fee Amendment' screen. The schedules maintained for the selected component will be displayed in the 'Fee Schedules' screen, as shown below:



The screenshot shows the 'Fee Schedules' window with the following data:

Component Details

Contract Ref No	CT2BLT104366A1JO	Component	LS-UNUTIL
Currency	GBP	Fee Rule	LS-UNUTIL
Start Date	31-DEC-2004	End Date	31-DEC-2006
Collection Mode	Arrears	Basis Amount	UNUTIL

Schedule Details

Sch Start Date	No	Frequency	Unit	Amount
30-JAN-2005	2	Monthly	1	
30-MAR-2005	8	Monthly	1	
31-DEC-2006	1	Bullet	1	

Amount Due

Due Date	Amount Due
30-JAN-2005	35,026.40
28-FEB-2005	33,165.68
30-MAR-2005	35,394.94
30-APR-2005	37,676.16
30-MAY-2005	36,394.21

The following details will default to the 'Component Details' section of the screen:

- Contract reference number
- Name of the fee component
- Currency in which the fee is expressed
- Component start date and end date
- Collection Mode
- Basis Amount

In the 'Schedule Details' section of the screen, you can amend the following for an 'Active' component:

- Frequency
- Number
- Unit of frequency
- Amount: You can amend the fee amount only if the 'Basis Amount Tag' for the component is defined as 'User Input'.

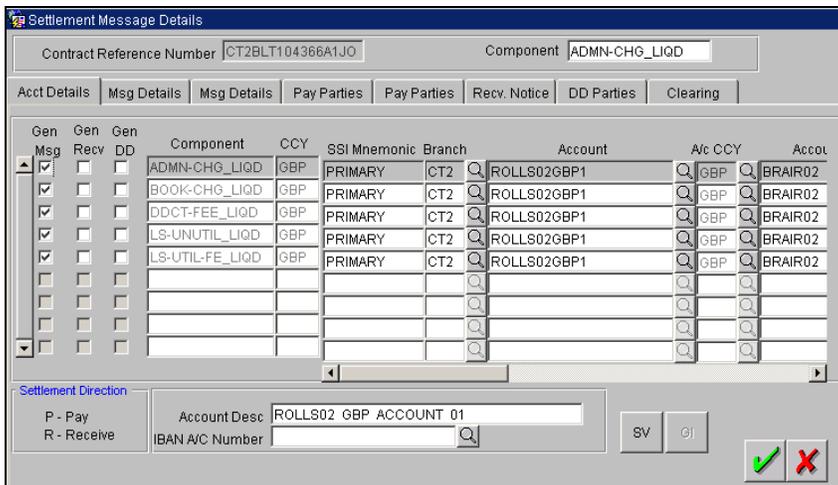
In the 'Amount Due' section of the screen, the system will display the 'Due Date' and the 'Amount Due' for each schedule.

After making the required amendments, click the  button to save and exit the screen.

Similarly, select the next component and change the schedule details, if required.

8.1.7.1 Amending the Settlement Account

To view the settlement details for the fee components, click the  button in the 'Fee Amendment' screen.



The screenshot shows the 'Settlement Message Details' window. At the top, there are fields for 'Contract Reference Number' (CT2BLT104366A1JO) and 'Component' (ADMN-CHG_LIQD). Below this are tabs for 'Acct Details', 'Msg Details', 'Pay Parties', 'Recv. Notice', 'DD Parties', and 'Clearing'. The main area is a table with columns: Gen Msg, Gen Recv, Gen DD, Component, CCY, SSI Mnemonic, Branch, Account, A/c CCY, and Accol. The table contains five rows of data for various fee components like ADMN-CHG_LIQD, BOOK-CHG_LIQD, DDCT-FEE_LIQD, LS-UNUTIL_LIQD, and LS-UTIL-FE_LIQD, all with CCY GBP and Account ROLLS02GBP1. At the bottom, there is a 'Settlement Direction' section with 'P - Pay' and 'R - Receive' options, and an 'Account Desc' field showing 'ROLLS02 GBP ACCOUNT 01'. There are also 'SV' and 'GI' buttons and a green checkmark icon.

In this screen, you can change the settlement account for a fee component, if required.

8.1.7.2 Viewing Participant Ratio Details

You can view the ratio in which a fee component is shared among the participants of the contract.

To do this, select the fee component and then click the  button.

For more details on this screen, refer the section titled 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter of this User Manual.

8.1.7.4 Adding a New Component to the Contract

By default, all the fee components defined for a borrower product will become applicable to contracts processed under it.

Example

The 'Advance' fee component is attached at the Borrower Tranche product level, which is then defaulted to the tranches under this product.

However, you may add new components to a product after having processed contracts under it. The new component will be automatically associated with the contracts processed under the product after the addition of the fee component.

Oracle FLEXCUBE allows you to include the new component for the existing contracts as well. You can do this through the 'Fee Amendment' screen.

Follow the steps given below to include a new component:

58. Unlock the 'Fee Amendment' screen

59. Click on the add button -  to add the new component

60. Select the component from the option list provided. This list will display all the components that are not yet associated with the contract.

61. Upon selection of the component, the Fee Rule, Ccy, Association Date (current system date) will from the product. You are not allowed to amend these values.

62. Specify the 'Start Date' and 'End Date' of the period for which the component will be applicable for the contract. This date should be within the 'Value Date' and 'Maturity Date' of the contract.

63. Invoke the 'Fee Schedules' screen and define the schedule for the new component. Based on the schedule you define, system will explode the same and display the 'Due Date' and 'Amount Due' for each schedule defined.

64. In the 'Settlement Message Details' screen, change the default settlement account, if required.

65. In the 'Fee Component Sharing Ratio' screen, specify the ratio in which the component will be shared amongst the participants of the contract.

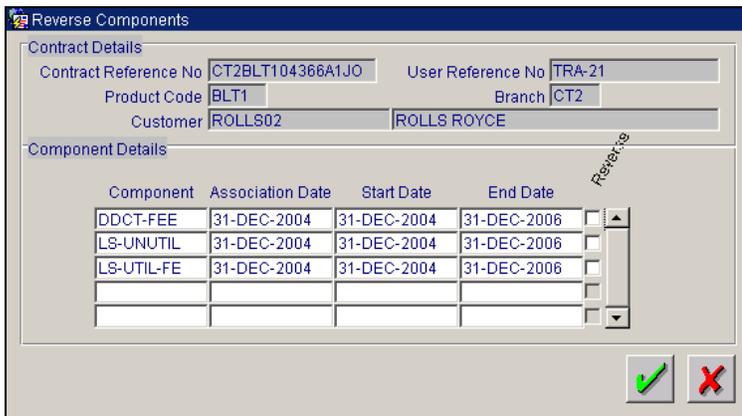
66. After capturing the necessary information, click the  button in the toolbar or select **Save** from the **Actions** Menu

67. The component will become effective after the details are authorized by your supervisor/manager.

8.1.7.5 Reversing a Fee Component

You can reverse a fee component through the 'Fee Reverse' screen. To do a reversal, select the contract for which you want to reverse a fee component in the 'Fee Amendment' screen. Then, click the  in the toolbar of the screen, or select **Actions** from the menu bar, click on **Processing** in the sub-menu and then select **Reverse**.

The 'Reverse Components' screen will be displayed, as shown below:



Component	Association Date	Start Date	End Date	Reverse
DDCT-FEE	31-DEC-2004	31-DEC-2004	31-DEC-2006	<input checked="" type="checkbox"/>
LS-UNUTIL	31-DEC-2004	31-DEC-2004	31-DEC-2006	<input type="checkbox"/>
LS-UTIL-FE	31-DEC-2004	31-DEC-2004	31-DEC-2006	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

The following details will be displayed in the 'Component Details' section of the screen:

- Names of all the components associated with the contract
- Association Date
- Start Date and End Date of the component

Select the component you want to reverse and check the 'Reverse' option. Then, click the  button. Oracle FLEXCUBE will reverse all the liquidation entries posted for the component.

 You cannot reverse an 'Active' component. A component will move to the 'Liquidated' status only after all the schedules of the component are liquidated.

8.1.8 Liquidating Fee Components

You can manually liquidate the fee schedules defined for fee components in the 'Fee Liquidation' screen. You can liquidate even future dated schedules through this screen. To invoke this screen, select **LS operations** in the Application Browser, click on **Fee Liquidation** in the sub-menu and then select the **Detailed** option under it.

The screenshot shows the 'Fee Liquidation [Citichecking]' application window. It includes a 'Contract Detail' section with fields for Product Code (BTPR), Contract Ref No (001BTPR1218402BE), Customer (018600), Facility Name (FAC6), Branch (001), and Department (702). Below this are fields for Value date, Limit Date, Sch Date, and ExternalTrn Ref No. The main area contains two 'Payment Breakup' tables. The first table has columns for Component, CCY, LIQD Mode, Amount Due, Amount Paid, Waiver Amount, Waiver, and Cash Prop. The 'Cash Prop' column is highlighted with a red box. The second table has columns for Due Date, Amount Due, and Amount Paid. At the bottom, there is a 'Participant Ratio' table with columns for Participant, Participant Name, Component Ratio, Component Amount, Fee BPS Rate, and Fee BPS Rate Applicable. The bottom of the screen shows a status bar with fields for Maker Id, Maker Dt Stamp, Checker Id, Checker Dt Stamp, Contract Status, Auth Status, and Participant Process Status.

To liquidate a fee component schedule, do the following:

68. Select the contract for manual liquidation

69. Click on the new button -  in the toolbar of the screen or select **New** from the **Actions** Menu. The 'Value Date' and 'Limit Date' will display the current system date. The accounting entries for liquidation will be passed as of the value date.

70. You can change the value date, if required. However, if you specify a back valued date, it cannot be earlier than the last schedule that was paid. The date you capture here will be the date on which liquidation will occur.

71. You can also change the limit date. This date indicates the date upto which you want to make the payment. This may include future schedules as well as unpaid past schedules. Again, a back valued limit date should not be earlier than the last liquidation date. Also, you can specify a limit date beyond the contract maturity date.

72. After capturing the value date and the limit date, click the button. The system will display all the components which are due till the limit date (both unpaid past and future schedules till the limit date). The following details are displayed in the 'Payment Breakup' section of the screen:
- Component
 - Currency
 - Mode of liquidation
 - Amount Due
73. The 'Payment Breakup For –' section of the screen will display the component-wise schedule breakup. The following details are displayed here:
- Due Date of each schedule defined for the component (upto the limit date)
 - Amount Due for each due date
 - Pending Amount Due (= Amount Due)
74. Select 'Cash Prop' box to indicate that the below component is for cash payment during fee liquidation:
- Facility Fee
 - Commitment Fee
 - Stand by LC Fee
 - Commercial LC fee



You can check the 'Cash Prop' flag only if the fee component which is getting liquidated is maintained in the static table. Otherwise the flag will not be allowed to be checked.

75. Capture the amount you want to pay for a component in the 'Amount Paid' field. This amount may be less than or equal to the 'Amount Due'.
76. After capturing the 'Amount Paid', click the button. The system will allocate the amount against each schedule and update the 'Amount Paid' against each schedule in the 'Payment Breakup For – (Component Name)' section of the screen.
77. For fee components of 'User Input' type (Basis Amount Tag = User Input), you can capture the component-wise sharing ratio for each participant. Click the button to do this. The system will display the names of the participants in the 'Participant Ratio' details screen.

78. Specify the 'Component Ratio' for each participant. The sum of the sharing ratio for each component should be equal to 100%. The system will compute the amount for each participant based on the ratio mentioned and also display the total amount shared amongst the participants.
79. In the case of system calculated fee components (Util Fee and Un-util Fee etc), you can only view the component sharing ratio. You cannot amend the same.
80. Specify the 'Fee BPS Rate'.
81. Specify 'Remarks' about the Fee BPS Rate, if any.
82. Click 'Populate' to default Fee BPS Rate for participants.
83. Check the 'Fee BPS Rate Applicable' check box for the respective participant.
84. Click the  button in the toolbar or select **Save** from the **Actions** Menu to save the details.



Note the following:

- You can specify the sharing ratio only if the 'Participant Propagation Required' option is checked for the component in the 'Borrower Product –FEE Details' screen.
- System will not allow partial liquidation for 'Participant Driven Fee'
- You cannot amend the component ratio for 'Participant Driven Fee'
- You can liquidate FAS91 fee components at the time of contract booking or contract FEE amendment by selecting the 'Pass FAS91 Accounting Entry' check box.
- For auto liquidation, the liquidation mode should be set to 'Auto' in the 'Fee Components' screen. Otherwise, you will need to manually liquidate the fee components in the 'Fee Liquidation' screen.
- 'Component Amount' and 'Component Ratio' fields will be disabled for components where 'Fee BPS Rate Applicable' option has been selected.

You can perform selective liquidation of the fee components as the payment happens, if required. For this, you need to specify the amount in the Amount Paid field for the fee component which needs to be liquidated. The System liquidates only those components for which Amount Paid value is the same as Amount Due. You cannot perform partial payments here.



For those components which are not part of the current fee liquidation, you need to specify the Amount Paid as zero.

8.1.8.1 Liquidating and Processing 'Advance' Fee Component

Fee amount to be collected from the customer in advance is calculated based on the balance type defined for the fee component.

Any 'Fee Rate' or 'Basis Amount' or 'Fee Basis' changes will update the fee amount due only for the next unpaid schedules on or after the effective date of the change for the 'Advance' fee component. The accrual for the current period will not be affected with this change and will be applicable only for the future unpaid schedules.



Note the following:

- For 'Advance' fee component the fee calculation/accrual happens with the actual details as of fee inception date, based on the liquidation amount.
- The fax tag 'ADV-FEE-DLY-ACCR-AMT' is used for the daily fee accrual amount for tranche 'Advance' fee component.

Updation of the fee amount due will happen as part of the below mentioned events, provided the unpaid fee schedule due date is equal or greater than the below event's effective date.

- FRFX Event triggered for Fee Rate change of Tranche.
- LIQD Event Triggered for Principal changes of Drawdown.
- VAMI Event Triggered for Principal Increase of Tranche and Drawdown.
- VAMI Event Triggered for Principal Decrease of Tranche.
- FAMD Event Triggered for Fee Basis change of Tranche.
- New Drawdown Booked under the Tranche.
- Reversal of an Existing Drawdown under the Tranche.
- Reversal of liquidations on drawdown under the Tranche

8.1.8.2 Specifying Future Date for Fee Liquidation

You can specify a future date as the value date for fee liquidation, if required. When you book a future dated Fee payment, events will be fired, but there will be no accounting entries for these booking events. You can generate Fee advices when you save a future dated fee liquidation by tagging suitable advices to the instruction booking event.

You can reverse a future dated Fee payment instruction, if required. Events will be generated during the reversal of future dated payment instruction.

The following are the events generated while booking a future value dated Fee payment and reversing the same:

Event Code	Event Description	Sequence of Occurrence
BFLQ (Facility, Tranche & Drawdown Products)	Booking of Future dated Fee liquidation	Triggers while booking the future value dated Fee liquidation
RFLQ (Facility, Tranche & Drawdown Products)	Reversal of Future dated Fee Liquidation	Triggers while reversing the future value dated Fee liquidation

Batch process created for processing forward dated Principal and Interest payment instructions will be enhanced to process the future dated Fee payment instructions on the value date of the instruction. When you initiate the batch, accounting entries will be passed based on the settlement accounts prevailing at the value date of liquidation.



Note the following:

- If the Utilized or Commitment Fee amount has changed between the booking date and the Fee payment value date, system will log an exception due to the mismatch in the amounts and Fee payment will not be processed.
- If you try to amend the Participant Ratio (PRAM) between the book date and value date of future dated Fee liquidation, an override message will be displayed informing about the existence of the underlying Future dated Fee liquidations. In such cases you can perform any of the following actions:
 - Reverse the Future dated Fee liquidation and re-input the same which would generate an advice having the latest ratios
 - Send a revised free format advice stating the ratio changes for the underlying Future dated Fee liquidation
- Schedule amendments, as part of Contract Amendment or Fee Amendment, will be allowed only for those schedules for which future dated payment instructions are not captured.
- A schedule captured for a future dated liquidation, will not get populated to the next Future dated Fee liquidation.
- You can not perform partial Future dated Fee liquidations

8.1.9 Viewing Overwrite Settlement Instruction Details

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest etc, using the 'Overwrite Settlement Instruction Details' screen. Using this screen, you can post liquidation entries into an Internal GL account instead of the customer account at the time of rollover. Click  in the Fee Liquidation screen to invoke the following:

Overwrite Settlement Instruction Details			
Contract Detail			
Product Code	BLT1	BORROWER TRANCHE PRODUCT - 01	Tranche
Contract Ref No.	CIPBLT104363C34C	User Ref No.	SFR9
Customer	AIRBS01	AIRBUS US	
Facility Name			
GL Detail			
Component	Internal GL		Overwrite default settlement instruction
ADHFEE-ARR			<input type="checkbox"/>
ADMN-CHG	AS1111000		<input checked="" type="checkbox"/>
BOOK-CHG	AS2222000		<input checked="" type="checkbox"/>
DDCT-FEE			<input type="checkbox"/>
F-TAX1			<input type="checkbox"/>
F-TAX2			<input type="checkbox"/>
LS-UNUTIL			<input type="checkbox"/>
LS-UTIL-FE			<input type="checkbox"/>
TSFR-FEE			<input type="checkbox"/>
			<input type="checkbox"/>

Enter the details specified below:

Component

This screen displays all the components displayed in the Settlement Message Details screen.

Internal GL

Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite default settlement instruction

Check the 'Overwrite default settlement instruction' box to confirm that the liquidation entries should be posted into the Internal GL account. System will post the entries to the Internal GLs only if you check this box. Otherwise, system will post the entries as per the settlement instructions specified for the component of the contract.

8.1.9.1 Viewing the Settlement Details

You can also view the settlement account details for the fee component in the 'Settlement Message Details' screen. Click the **Settlements** button to view the details.

Contract Reference Number: CT2BLF3043661001 Component: ADHFEE-ADV_LIQD

Acct Details Msg Details Msg Details Pay Parties Pay Parties Recv. Notice DD Parties Clearing

Gen Msg	Gen Recv	Gen DD	Component	CCY	SSI Mnemonic	Branch	Account	A/c	CCY	Accot
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADHFEE-ADV_LIQD	GBP	PRIMARY	CT2	BRAIR02GBP1	Q	GBP	Q BRAIR02
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADHFEE-ARR_LIQD	GBP	PRIMARY	CT2	BRAIR02GBP1	Q	GBP	Q BRAIR02
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						Q		Q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						Q		Q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						Q		Q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						Q		Q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						Q		Q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						Q		Q

Settlement Direction: P - Pay, R - Receive

Account Desc: BRAIR02 GBP ACCOUNT 01

IBAN A/C Number: [Search]

SV GI

8.1.9.2 Viewing Event Details

You can view the events triggered for the contract only after you save the details. Click the **Events** button to view the details in the 'Event Log Details' screen, as shown below.

Contract Ref No: CT2BLF3043661001 Product: BLF3 Borrower Facility Product 03

User Ref No: NONPRORATA Customer: BRAIR02 BRITISH AIRWAYS

Event Seq No	Event Date	Event	Event Description	Processed By	Processed Time	Authorized By	Authorized Time
43	03-JAN-2005	FLIQ	Advance/Arrears Fee Liquidation	MADHAN02	03-JAN-2005	MADHAN01	03-JAN-2005
42	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
41	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
40	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
39	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
38	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
37	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
36	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
35	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004
34	31-DEC-2004	NOTC	Billing Notice Generation	SYSTEM	31-DEC-2004	SYSTEMAU	31-DEC-2004

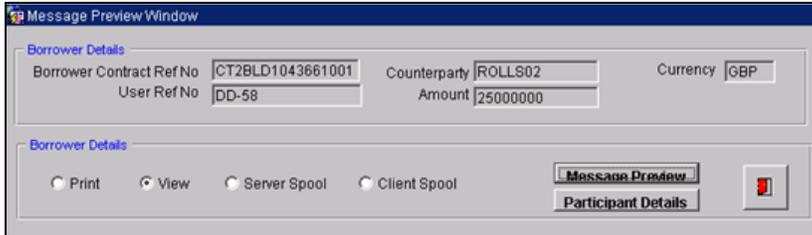
Events Displayed: BOOK , FLIQ , NOTC

REFRESH

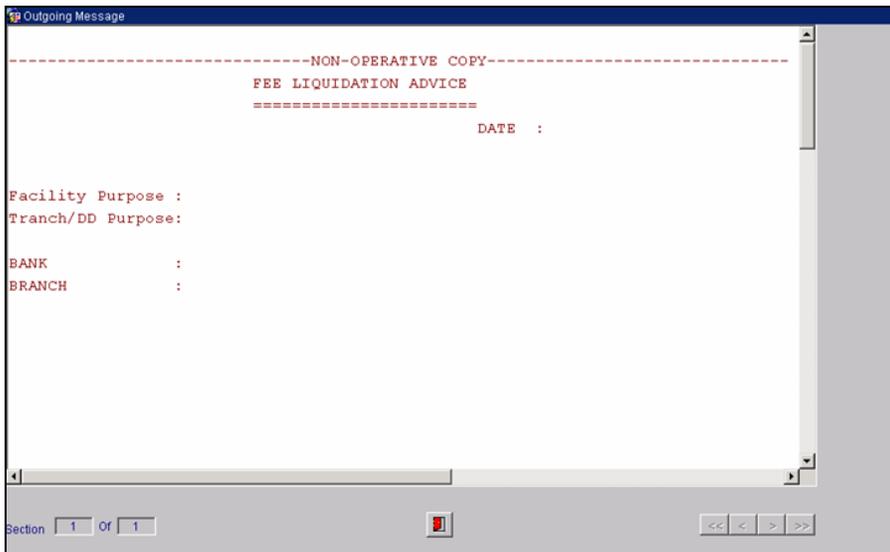
For more details on this screen, refer the section titled 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter of this User Manual.

8.1.9.3 Previewing the Message

If you are liquidating a fee component for a borrower drawdown, you can preview the message associated with the contract in the 'Message Preview Window'. You can preview the message only after saving the details and before authorizing the same. Click the **Msg Prv** button in the 'Fee Liquidation' screen to view the message.



Click the **Message Preview** button to view the message format.



8.1.10 Refunding Tax for Interest and Fees

In the product tax linkage of Tranche and Facility maintenance, you can add tax components for various Fee components. And the contract level, you can either withheld or waive of the tax for these components. You can maintain tax rate for a combination of individual tax component and a investor or for the combination of individual tax component which is common for all investors.

Oracle FLEXCUBE enables you to refund tax for a specific investor for all contracts or specific contract using 'Investor Tax Refund' screen. To invoke the 'Investor Tax Refund' screen, choose **LS Operations** from the Application Browser. Thereafter, choose **Tax Processing** and **Investor Tax Refund** under it.

You can specify the following details here:

Customer No

Select the customer for whom you wish to refund the tax from the investor list provided.

The name of the customer gets displayed in the adjacent field. The investor refund generates a unique refund number for the investor.



Tax refund can be processed only for those contracts for which the 'Tax Remittance' is yet to be processed.

Refund Percentage

Specify the percentage of tax refund for the withheld Tax Amount. This percentage gets applied on the tax amount eligible for refund and displays the refundable amount from all the contracts of the investor.

Apply Refund

Select this check box to specify tax refund for the displayed contract of the investor.



You cannot amend the refund amount, component and the tax schedules.

8.1.10.1 Reversal of Investor Tax Refund

You can do the reversal of refund against each refund number. To query a specific refund record of an investor you have to provide the customer number and refund number. The two events which are triggered for Investor Tax Refund and Investor Tax Refund Reversal are:

- PTRF – Participant Tax Refund
- PTRV – Participant Tax Refund Reversal

Every Investor Tax Refund and Refund Reversal will have the following events in all LS contracts for which Apply refund is refined:

- TXRF – Tax Refund
- TXRV- Tax Refund Reversal

8.1.11 Processing Servicer Fees

Agent collects servicer fee from borrower for the rendered syndication agent services. The UDF 'COMPONENT-TYPE' should be maintained at the interest class level to identify the Servicer fee interest component. The option list for this UDF displays the value 'SERVICER-FEE'.

You should define a tranche basis margin component in the 'Margin – Definition' screen and create an interest class with the value of the UDF 'COMPONENT-TYPE' as 'SERVICER-FEE'.

The interest component should be maintained at the Borrower Drawdown product level for servicer fee and the new margin component should be attached with the interest component. The servicer fee interest component should not be maintained as main interest component

While booking a tranche contract, margin rate (service fee rate) should be captured for the new margin component created for servicer fee processing. The margin rate for servicer fee margin component can be captured in the standalone margin maintenance screen as well, after the tranche is authorized

While booking a new drawdown, servicer fee margin component will be defaulted to the new drawdown level Interest component that has this margin attached, The other interest components should not have this margin attached

If the servicer fee margin rate is changed at the tranche level, then the propagation of the servicer fee margin rate to the underlying drawdowns will happen as part of end of day batch process.

During liquidation of the new interest component associated with the servicer fee margin component, the interest amount should be credited to income GL and this should be achieved by defining appropriate accounting entries for the liquidation (LIQD) event at the Borrower Drawdown Product level.

During liquidation of the new interest component associated with the 'servicer' fee margin component, the interest amount should not be credited to the participants, as 'servicer' fees should be received by the agent only. To achieve this, accounting entries should not be maintained for servicer fee interest component for participant drawdown products for LIQD event.

9. Rolling over a Drawdown

9.1 Introduction

A rollover is the renewal of a borrower drawdown under a borrower tranche of a borrower facility. Instead of liquidating a drawdown on maturity, you can roll it over into a new drawdown. The outstanding principal of the old drawdown is rolled-over with or without the interest outstanding on it. You also have the option to increase the principal when rolling over a drawdown.

You can rollover a drawdown you are processing, provided rollover is allowed for the drawdown product involved in the drawdown.

When a drawdown is rolled over, it can be processed in the following manner, depending upon your specification:

- A new drawdown with a different contract reference number is initiated
- The original drawdown could be split into multiple drawdowns as a result of the rollover.
- The original drawdown could be consolidated along with other drawdowns as a result of the rollover.

For a borrower drawdown, typically, a new drawdown would be required to be initiated on rollover, and further, a split or consolidation may be required.

9.2 Defining Product Rollover Preferences

When defining a borrower drawdown product, you have to specify whether drawdowns involving the product can be rolled-over. To enable this, you have to check the 'Allow Rollover' option as part of maintaining product preferences. If rollover has been allowed for a product, all the drawdowns involving the product can, by default, be rolled-over.

 However, a drawdown involving such a product will be rolled-over only if it is *not* liquidated, on its Maturity Date. You can choose not to rollover a drawdown involving a product with the rollover facility. This can be indicated when processing the drawdown.

The rollover details for the borrower drawdown product that you are defining can be specified in the 'Rollover Details' screen. To invoke this screen, you have to click  button in the 'Borrower Product Preferences' screen.

You define the rollover preferences for a borrower drawdown product in the same manner as you would for a normal loan product.



Only those preferences that you would define specifically for loan syndication borrower drawdown products are explained in this chapter.

You can capture the following details in this screen:

Rollover Mechanism

When defining rollover mechanism for a loans syndication product, the default rollover mechanism will be 'Spawn Contract' and you cannot change this specification. This will create a new drawdown on rollover.

Rollover Method

You have to indicate the method that you want to employ to rollover the drawdown. You can choose from the following methods:

- **Normal:** If you choose this option, a single new contract will be created for the amount you wish to rollover. In this case, you can capture the rollover details for a drawdown in the 'ROLLOVER' tab of the 'Drawdown Contract Online' screen.
- **Split:** If you select this option, you can split the original drawdown into multiple drawdowns. You can capture the preferences for split rollover in the 'SPLIT ROLLOVER' screen which you can invoke from the 'Drawdown Contract Online' screen.
- **Consolidated:** You can opt for this if you want to consolidate a drawdown with other drawdowns into a single new drawdown. You can capture the preferences in the 'Consolidation Rollover' screen available in the Application Browser.

Each of the above rollover types are discussed later in this chapter.

Maturity Date Basis

Select the basis on which the system should arrive at the maturity date of the rolled over drawdown. The options available are:

- **Product:** Select this option if you want the maturity date of the rolled over drawdown to be drawn up based on the default tenor maintained for the drawdown product.
- **Contract:** Select the option if you want the tenor of the original drawdown to be applied on the rolled over drawdown

Rollover Mode

You can select the rollover mode from the drop-down list. The options are:

- **Auto:** If you select this option, the system will automatically rollover the drawdown on the maturity date as per the preferences maintained for rollover.
- **Semi-Auto:** Select this option to indicate that 'Forward Processing' is applicable during roll-over. The system will process the event 'ROLL' before the schedule date but will hold messages till the value date, for manual release. The messages will be held in the 'Forward Processing Queue'.

Forward Processing has been explained in the chapter 'Reference Information for Loan Syndication'. Refer to the same for more information

Cont Booking for Addl Amt Only

You have to check this option if you want to rollover the drawdown for an additional amount only.

Apply Charge on Rollover Amt

You can check this option to indicate that charge is to be applied on drawdowns that are rolled over. However, for charge to be applicable on a rolled over drawdown:

- It should be applicable to the product involving the drawdown
- It should not have been waived for the original drawdown (one that is being rolled over).

Liquidate Overdue Schedules

You can check this option to liquidate the overdue schedules, if any, before rolling over a drawdown.

Repickup Interest Rate on Rollover

You may check this option to instruct the system to reapply the interest rate for the rolled over drawdown. If not checked, the interest rate applied for the original drawdown will be used for the new drawdown as well.

9.2.1 Impact of Liquidation Mode on Rollover

Rollover is applicable for both 'Manual' and 'Automatic' modes of liquidation. When the liquidation mode is 'Manual', system will allow you to specify the rollover instructions. On saving the same, the rollover option will be changed to auto and an override message gets displayed.

The mode of liquidation of a drawdown has the following impact when rollover is carried out:

Auto Liquidation and Auto Rollover

The original drawdown will be liquidated and a new one initiated on the maturity date of the drawdown. It is processed as a part of the BOD process by the Automatic Contract Update function. If the maturity date falls on a holiday, the liquidation and the rollover will be processed as per the holiday handling specifications maintained in the 'Branch Parameters' screen.

- If you have specified that processing has to be done today (the last working day before the holiday), then for automatic events, the schedule falling on the holiday, will be liquidated today during End of Day processing.
- If you have specified that processing has to be done only up to the System Date (today), then only the events scheduled for today (the last working day before the holiday) will be processed. The events falling on the holiday will be processed on the first working day after the holiday, during Beginning of Day processing.

9.3 Specifying Contract Rollover Details

Instead of liquidating a borrower drawdown loan on maturity date, you can renew it into a new borrower drawdown loan contract, or split it into multiple borrower drawdown contracts, or consolidate it into a single new borrower drawdown contract along with other borrower drawdowns. As part of rolling over a contract, the original contract should be liquidated and a new contract should be initiated. In FLEXCUBE, these two processes are done in a single step.

A borrower drawdown inherits the rollover preferences defined for the borrower drawdown product it uses. By default, the rollover mechanism is 'Spawn Contract' and you cannot change it. This indicates that rolling over the contract creates a new drawdown.

The rollover method indicates:

- whether a single new drawdown must be created when the original drawdown is rolled over (Normal Rollover)
- whether the original drawdown must be split into multiple drawdowns when rolled over (Split Rollover)
- whether the original drawdown must be consolidated into one single drawdown along with other drawdown, when rolled over (Consolidation Rollover)



The following are applicable for rollover, irrespective of the rollover method you opt:

- The system will not allow partial interest rollover
- Rollover will be allowed only if the interest rate is fixed till the maturity date for the original drawdown.

- You cannot reverse a drawdown for which consolidation rollover instructions are maintained.
- SKIM and Fee components will not be propagated to the rolled over drawdown. If required, you can add the components after the new drawdown is created on the rollover date.
- The drawdown count will increase to the extent of rolled over drawdowns.
- You will not be allowed to specify the rollover instructions if the future dated schedules are present in the drawdown.
- The system displays the name of the facility in the rolled over child contract.
- After you save the instructions for 'Normal' and 'Split' rollover, system triggers the 'CAMD' event. For consolidation rollover instructions, system triggers the 'RBOK' event. The following advices will be generated for these events:
 - BORR_ROLL_ADV (for the borrower side)
 - PART_ROLL_ADV (for the participant side)
 - Amendment Advice will be generated when you amend the rollover instructions
- Once rollover gets initiated on the maturity date, system triggers the 'ROLL' event for the original drawdown.
- Initiation of the child drawdown will not happen if you have not fixed the interest rate/exchange rate for the child drawdown.
- Utilized/Unutilized portion of tranche will get affected to the extent of rolled over amount less the outstanding principal amount. The system calculates the Utilization/Non-Utilization fee based on this.
- An event "RNET", for passing the netted accounting entries and for the netted payment message generation (in case of current dated instructions) will be fired along with ROLL event.
- An event RMNT will be fired which will have the message generated based on currency settlement days, if future dated rollover instruction is captured.
- As part of RNET event the actual entries will be passed against customer account which will be offset with the Netting suspense GL.



Irrespective of the type of renewal you select in the 'DRAWDOWN' tab of the 'Drawdown Contract Online' screen, the system allows you to capture instructions for any one of the renewal types – Normal, Split, or Consolidation. Depending on the type of instructions you capture, the system automatically updates the 'Renewal Type' with the latest value when you save the instructions.

9.3.1 Specifying Details for 'Normal' Rollover

You can capture normal rollover instructions in the in the 'ROLLOVER' tab of the 'Drawdown Contract Online' screen.

The screenshot shows the 'Drawdown Contract Online' interface for contract CT1BLT105007A001. The 'ROLLOVER' tab is selected, displaying the following sections:

- Amount:** Radio buttons for 'Principal' and 'Principal + Interest'. 'PIK Rollover Amount' is 0. 'Special Amount' is 1,100.00. 'Treat Special Amt. as' has radio buttons for 'Rollover Amount', 'Liquidation Amount', and 'Maximum Rollover Amt.'.
- Preferences:** Checkboxes for 'Liquidate Principal' (checked), 'Liquidate Interest', and 'Liquidate Interest on Prepayment'. 'Rollover Netting' is set to 'Principal Increase + Interest'. 'Rollover Product' is 'No Netting'. 'Refinancing Rate' is 'Principal Increase + Interest'. 'Schedule Basis', 'Interest Parameter Basis', 'MIS Basis', 'UDF Basis', 'Payment Basis', and 'Meters Basis' are all set to 'Product'.
- Interest Basis:** A table with columns: Component, Rate Type, Fixed Rate Type, Fixed Rate Code, Floating Rate Code, Rate.

Component	Rate Type	Fixed Rate Type	Fixed Rate Code	Floating Rate Code	Rate
LS-FL-INT	FI OATIN			LIBOR	1.132
LS-FX-INT	FIXED	USFRINPUT			4
- Margin Details:** A table with columns: Margin Component, Basis Amount Tag, Margin Basis, Margin Rate.

Margin Component	Basis Amount Tag	Margin Basis	Margin Rate
SLB-MRGN	Tranche Outstanding	TRANCHE	2

The bottom status bar shows: Entry By: SUNDAR01, Entry Time: 07/01/2005 15:17:33, Auth By: SUNDAR02, Auth Time: 07/01/2005 15:22:04, Contract Status: Active, Auth Status: Authorized, Participant Processing Status: Processed.

In the case of normal rollover, the system creates a new drawdown (with a new Contract Reference Number) for the original one being rolled over. After successful Rollover, the system displays the reference number of the new drawdown in the 'Rollover Contract Ref No' field.

For the component chosen for netting as part of rollover (ROLL and VAMI events), system will replace the customer account with the Netting suspense GL.

Only those preferences specific to Loan Syndication (LS) are explained in this chapter.

For explanation on the other fields in the screen, refer the chapter 'Rolling over a loan' in the Loans User Manual.

To be able to maintain rollover details, the following has to be ensured:

- Future dated schedules are not present for the contract
- Interest rate is fixed till the maturity date of the parent drawdown, if applicable

The following section explains the specifications to be captured for Loans Syndication.

9.3.1.1 Specifying Rollover Preferences

In this section, you have to specify the following details:

Amount

You have to specify the amount that needs to be rolled over. The options available are:

- **Principal** – In this case the system rolls over the outstanding principal. In addition, the system also allows you to amend (increase or decrease) the outstanding principal amount. You can specify the amount in the 'Special Amount' field. The system treats this as special amount rollover.
- **Principal + Interest** – If you select this option, the system rolls over the outstanding principal along with the interest component. It also displays the interest amount to be capitalized in the 'Interest Rollover Amount' field. Further, you can amend (increase or decrease) the principal outstanding amount. You can capture the amended value in the 'Special Amount' field. The system treats this as special amount rollover with interest.

Example

Consider a drawdown with an outstanding principal of 10M USD and interest due amount of 1M USD on the maturity date. The rollover amount for the drawdown in different scenarios is given below:

Case 1: If the Principal Roll Amount is 5M

In this case, the rollover amount is 5M + the interest due amount of 1M = 6M USD

Case 2: Complete Rollover i.e. the Principal Roll Amount is 10M

In this case, the rollover amount is 10M + 1M = 11M USD

Case 3: Additional Amount Rollover i.e. Principal Roll Amount is 15M

In this case, the rollover amount is 15M + 1M = 16M USD

The system performs certain validations at the time of rolling over with interest capitalization.

For details on the validations performed, refer the section titled 'Rolling over with Interest capitalization' in this chapter.

Liquidate Principal

By default, the system checks this box. It instructs the system to liquidate the outstanding principal on rollover. If you have chosen the automatic mode of liquidation, the system does not allow you to uncheck this box. You can amend this option only if the following criteria are met:

- If liquidation mode is defined as 'Manual' and
- If residual principal component is due for liquidation

Liquidate Interest

By default, this box is unchecked. If you check this box, the system liquidates the outstanding interest on rollover. If you have chosen the automatic mode of liquidation, the system automatically checks this box and does not allow you to change this preference. You can amend it only if:

- If the liquidation mode defined as 'Manual' and
- If residual interest component is due for liquidation

The following example illustrates the manner in which the system handles liquidation of interest and principal components when you check/uncheck the above options.

Example

The following assumptions are made:

- Principal outstanding on the maturity date = 1M USD
- Interest outstanding on maturity date = 0.5M USD
- Mode of Liquidation is 'Manual'
- Special Rollover Amount = 0.5M USD

Case 1: You only check the 'Liquidate Principal' option.

In this case, on the value date of the rollover, the system rolls over the Principal outstanding amount of 0.5M USD and liquidates the remaining portion of the principal amount of 0.5M USD. However, the system does not liquidate the Interest component of 0.5M USD and hence, the contract remains active.

Case 2: You check both 'Liquidate Principal' and 'Liquidate Interest' options.

In this case, on the value date of the rollover, the system rolls over the principal outstanding amount of 0.5M USD and liquidates the remaining portion of the principal amount of 0.5M USD and the Interest amount 0.5M USD.

Case 3: You do not check both the options.

In this case, on the value date of the rollover, the system rolls over the principal outstanding amount of 0.5M USD. However, it does not liquidate the rest of the principal amount of 0.5M USD and the interest amount of 0.5M USD. You have to manually liquidate these.



If the rollover amount is equal to or greater than the principal outstanding, you cannot check the 'Liquidate Principal' box. Likewise, if you are doing a P + I rollover, you cannot check the 'Liquidate Interest' box.

Liquidate Interest on Prepayment

The system allows you to check this option only if the rollover product you select is defined as a 'Prime Loan' product (in the 'Loans Syndication – Borrower Product Preferences' screen). If selected, the system liquidates the interest component along with the principal either on the frequency-based schedule date or at the time of principal prepayment. In case of the latter, system calculates interest only on the principal prepaid.

Rollover Netting

You have to specify the rollover netting indicating parameter here.

The options are:

- No Netting
- Principal Increase + Interest

The value defaulted will be No Netting.

If any of the netting option is selected, then the Liquidate Principal and Liquidate Interest boxes will be checked and disabled.

Rollover Product

Oracle FLEXCUBE allows you to select a product for the new rolled-over/child contract. The option-list displays the drawdown products defined in the linked tranche (under which the drawdown being rolled over is booked). As mentioned above, if the product you select is a 'Prime Loan' product, you have the option to check 'Liquidate Interest on Prepayment' box. If checked, whenever your customer makes a prepayment towards the rolled over loan, the system also liquidates the interest on the amount prepaid.

Schedule Basis

You have to specify the basis on which the system should compute the repayment schedules for the rolled over drawdown. The options are:

- Product: The repayment schedules defined for the product will become applicable to the rolled over drawdown.
- Contract: The repayment schedule specified for the original drawdown will be applicable to the rolled over drawdown.
- Auto: The system will define the repayment schedules based on the reduction schedule defined for the tranche under which the drawdown is rolled over.

Interest Parameter Basis

Specify the basis on which the interest components should be applied for the rolled over drawdown. The options are:

- Product
- Contract

MIS Basis

Here, you have to specify whether the MIS details for the rolled over drawdown should default from the product level or applied from the original drawdown.

UDF Basis

In this field, you can indicate whether user-defined fields (UDFs) for the rolled over drawdown must default from the drawdown product or the original drawdown that is being rolled over.

Settlement Basis

In this field, you can indicate the basis on which the system should pick up the settlement details for the rolled over drawdown. The options are:

- Product
- Contract

Holiday Parameter Basis

You have to specify the basis for holiday processing if schedules, value date and maturity date of the rolled over drawdown fall due on holidays. The options are:

- Product: Holidays will be processed based on the parameters defined for the drawdown product.
- Contract: The holiday processing rules maintained for the original drawdown will become applicable to the rolled over drawdown.

PIK Rollover Amount

If the product you have selected has an associated PIK component, then the calculated PIK margin amount for that contract gets displayed here.



Note the following:

- If the selected product has no associated PIK component, then the field name will be displayed as 'Interest Rollover Amount' instead of 'PIK Rollover Amount'.
- There will not be any additional tranche utilization due to the capitalization of the PIK amount.
- When a child contract is rolled over, only the PIK margin calculated for the child contract gets displayed in this field.
- While capturing the rollover instructions for a parent contract with PIK margin, only drawdown products with PIK margin component will be available for selection.

The following example demonstrates the way in which PIK component is handled across rollovers:

Example

Assume a Drawdown Contract 1, with Principal amount USD 10,000,000. Let the Calculated PIK amount for this contract be USD 1,000,000. This contract is rolled over to Drawdown Contract 2.

For the Child Contract the Principal and PIK amounts will be as follows:

- Total Principal amount - USD 11,000,000 (Original Principal amount + Capitalized PIK margin amount)
- Calculated PIK margin amount - USD 1,100,000 (Calculated on the total principal amount)

Case 1

In the Drawdown Contract 2, let us assume a special rollover of USD 9,000,000. The effective rollover amount in this case will be USD 9,000,000 + 1,100,000 (Special rollover amount + Capitalized PIK amount).

The remaining Principal amount of 2,000,000 will be liquidated during the rollover process. However, the utilization will be reduced by only 1,000,000 USD and the remaining liquidated amount will offset the capitalized PIK amount for drawdown 2, which has not increased the utilization during the capitalization.

Case 2

In case of split rollover, PIK margin will be split in the same proportion of the split rollover amount

Assume that the Drawdown Contract 1 is split as USD 6,000,000 and USD 4,000,000. Then the PIK margin will also get split as USD 600,000 and USD 400,000.

Case 3

Consider the case when the Drawdown contract 2 is rolled over with special rollover amount of USD 13,000,000

In this case, the Total Principal amount will be USD 11,000,000 (Original principal amount + Capitalized PIK margin amount from drawdown 1) and the Calculated PIK margin amount will be USD 1,100,000

Effective Rollover amount – USD 14,100,000 (Special amount + PIK amount being capitalized from Drawdown 2)

Tranche Utilization will be affected only to the extent of USD 2,000,000.

The following Accounting entries are posted on the borrower contract, when the calculated PIK margin is rolled over for the parent contract:

Event	Dr Cr Indicator	Account	Amount Tag
ROLL	Dr	Roll_Wash	PIK_MARGIN_COMPONENT_ROLL
ROLL	Cr	Syn_Pool	PIK_MARGIN_COMPONENT_ROLL

The following Accounting entries are posted on the borrower contract, when the capitalized PIK margin is rolled over for the child contract:

Event	Dr Cr Indicator	Account	Amount Tag
INIT	Dr	Syn_Pool	PRINCIPAL_ROIN
INIT	Cr	Roll_Wash	PRINCIPAL_ROIN

9.3.1.2 Fixing Exchange Rate for Rollover

If the drawdown currency is different from the tranche currency, you will need to fix the applicable exchange rate for the rolled over drawdown. You can do this through the 'Exchange Rate Fixing' screen.

For more details on this screen, refer the section titled 'Fixing exchange rate for drawdown currency' in the 'Loan Syndication Contracts' chapter of this User Manual.

9.3.1.3 Specifying the Maturity Date Preferences

For arriving at the maturity date of the rolled over drawdown, you can specify the following:

Maturity Date

You can capture the maturity date of the rolled over drawdown here. If you do not specify the maturity date, the system will arrive at the maturity date based on the 'Roll By' value and the 'Maturity Days' specified for the drawdown.

If you do not select any options here, system will display the maturity date based on the 'Maturity Date Basis' maintained at the product level (in the 'Rollover Details' screen).

Maturity Days

You have to specify the number of days that is to be added to the value date of the new split drawdown to arrive at the maturity date of the drawdown.

Roll By

Indicate the tenor basis upon which the maturity days specified for the rolled-over contract will be reckoned. The options are:

- Days
- Months
- Quarters
- Semi-annuals
- Years

9.3.1.4 Specifying Interest Basis Details

The interest components and the associated details defined for the drawdown will be applicable for the rolled over drawdown as well. However, you can amend the following details:

Rate Type

You have to indicate the nature the interest applicable for the rolled over drawdown. The options available are:

- Fixed: If you choose this option, the interest rate will be fixed and will be based on the 'Fixed Rate Type' you specify (explained below)
- Floating: If this option is chosen, the rate will be floating in nature and will be picked up based on the 'Floating Rate Code' you select (explained below).

Fixed Rate Type

This option is applicable only if you select the 'Rate Type' as 'Fixed'. The system will pick up the rate based on the option you select here. The options available are:

- Standard: If you select this option, system will pick up the rate based on the 'Fixed Rate Code' you select for the component.
- Treasury: If you select this option, system will pick the appropriate rate based on your maintenance in the 'Treasury Floating Rate Maintenance' screen.

For more details on the above screen, refer the heading 'Maintaining treasury floating rates' in the 'Loans Treasury Operations' chapter of the OPS User Manual.

- User Input: If you select this option, you will have to specify the applicable interest rate in the 'Rate' field.

Fixed Rate Code

You have to select the applicable fixed rate code if:

- Rate Type is 'Fixed'
- Fixed Rate Type is 'STANDARD'

The option list will display the rates codes maintained through the 'Standard Rates Maintenance' screen. You can select a code from this list. System will pick up the appropriate rate based on the effective date and the drawdown currency.

For more information on maintaining standard rate codes and rates, refer the sections 'Maintaining Standard Rate Codes' and 'Maintaining Standard Rates' in the 'Processing Auto Deposits' chapter of the OD (Overnight Deposits) User Manual.

Floating Rate Code

You have to select the applicable floating rate code if the 'Rate Type' is 'Floating'. The rate codes maintained through the 'Floating Rate Code Definition' screen will be available in the option list provided. The system will pick up the rate based on the rate code you select here.

For more details on maintaining floating rate codes, refer the heading 'Applying Floating Interest Rate' in the 'Processing Interest' chapter of the Interest User Manual.

Rate

You have to specify the interest rate if:

- Rate Type is 'Fixed'
- Fixed Rate Type is 'User Input'

However, if you have checked the 'Rate Fixing Required' for the interest component at the drawdown product level (in the 'Interest Definition' screen), you will have to specify the rate in the 'Rate Fixing Details' screen.

For more details on this screen, refer the heading titled 'Fixing interest rate for the drawdown' in the 'Loan Syndication Contracts' chapter of this User Manual.

For more details on negative rate processing, refer the title 'Maintaining Loans Parameters Details' in the chapter 'Bank Parameters' in Core Services User Manual.

Spread

If you have indicated the 'Rate Type' as 'Floating' for the rolled over drawdown and also specified the applicable 'Floating Rate Code', you can indicate the spread applicable for the rate.

Margin Rate

When you select an interest component, the margin components, if defined for the interest component, will default in the 'Margin Details' section of the 'ROLLOVER' tab. You can amend the margin rate ONLY for those margin components for which the 'Basis Amount Tag' is User Input'. The new rate will be applied for the rolled over drawdown.

If rollover is performed after Margin Rate amendment, on the same day, then the system will apply the margin change for the participants based on the margin maintained for individual participant. Similarly, if forward dated rollover is captured and margin amendment is done before the rollover effective date, margin will be applied as part of end of day margin batch. The system will consider the margin rates maintained for the individual participants while calculating participant interest.

Remove Rollover Instructions

After capturing the rollover instructions for the drawdown, if you do not wish to rollover the drawdown, you have the option to remove the instructions maintained. You have to check this option to remove the rollover instructions.

9.3.1.5 Identifying the Rolled Over Drawdown

After the system rolls over the drawdown on the maturity date of the original drawdown, a new drawdown will be created in the system. After the successful creation of the new drawdown, the system will display the reference number of the rolled over drawdown in the 'Rollover Contract Reference No' field (in the 'ROLLOVER' tab) of the original drawdown.

9.3.1.6 Rollover of Linked Escrow Accounts

Note the following for rollover of linked escrow accounts:

- Rollover can be processed only if the balance in all the linked escrow accounts for the contract is zero. Thus during rollover, balances in the escrow account will not be automatically transferred to the new contract.
- If escrow balances exist for the contract, then during rollover instruction input, system alerts the user.

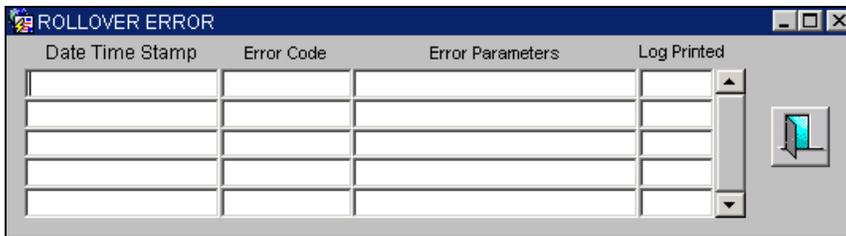
- Rollover instructions can be captured even if escrow balances exist, however before rollover is processed you must ensure that all such balances are nullified. Rollover will fail for a contract if the escrow balances have not been nullified.
- If a contract is marked for auto rollover, and if there is pending balance in any of the linked escrow accounts, then the rollover of the contract will fail.
- Escrow maintenances are not be copied to the rolled-over contracts from the parent contract. However you can amend the rolled-over contract and capture the Escrow accounts to be linked.

9.3.1.7 Viewing Errors

In case of any failure in the system while generating the rollover drawdowns due to exceptions like excess utilization of the borrower and participant limit, system will log an exception and stop the rollover processing. In this case, you will have to capture the child drawdowns manually after adjusting the limits.

You can view the errors message details in the 'ROLLOVER ERROR' screen. Click

[View Error](#)



Date Time Stamp	Error Code	Error Parameters	Log Printed

The following details are displayed in this screen:

- Date and time when the error was encountered
- Error Code
- Description of the error
- Log Printed

9.3.1.8 Viewing Events

You can view the event details associated to a normal rollover. These events occur on the rollover date.

Click [Events](#) tab to invoke the 'Event Log Details' screen.

Event Log Details

Event Details

Contract Ref No: CT2BLD1043646005 Product: BLD1 Borrower Drawdown Product 01
 User Ref No: CT2BLD1043646005 Customer: VODAF02 VODAFONE

Event Seq No	Event Date	Event	Event Description	Processed By	Processed Time	Authorized By	Authorized Time
3	29-DEC-2004	ROIX	Rollover Interest Rate Fixing	SOORAJ02	29-DEC-2004	MIT	29-DEC-2004
2	29-DEC-2004	RNOT	Rollover DD Notification	SOORAJ02	29-DEC-2004	MIT	29-DEC-2004
1	29-DEC-2004	ROBK	Rollover Booking	SOORAJ02	29-DEC-2004	MIT	29-DEC-2004

Events Displayed: RNOT, ROBK, ROIX

REFRESH

For more information on the 'Event Log Details' screen, refer to the section 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter of the Loan Syndication (LS) User Manual.

9.3.2 Specifying Details for 'Split' Rollover

You can capture instructions for a split rollover in the 'Split Rollover Details' screen. Click



in the 'Drawdown Contract Online' screen to invoke this screen.

SPLIT ROLLOVER

Contract Detail

Product Code: BLD1 Borrower LIBOR Drawdown Prod Drawdown View Error
 Contract Ref No: 001BDL112284W2BD User Ref No: 001BDL112284W2BD
 Customer: 023388 88JAGUAR12 Remove Rollover Instructions
 Facility Name: 00717

Default Fronting: Default Fronting Create New Contract

Amount: Principal Principal + Interest

Total Outstanding Amount: 20,000.00
 PIK Rollover Amount: 0
 Cash Interest Amount: Part Int Share

Preferences

Liquidate Principal Schedule Basis: Product
 Liquidate Interest Settlement Basis: Product
 Refinance Rate: MIS Basis: Product
 Holiday Parameters Basis: Contract UDF Basis: Product
 Rollover Netting Method: No Netting Interest Parameters Basis: Contract
 Interest Rate Fixing Date: Exchange Rate Fixing Date:

Split Details

Split No	Roll Prod	Liq Int On	Prepayment	Principal	Roll Amt	Interest Rollover Amt	PIK Rollover Amt	Total Roll Amt	Maturity Date
1		<input type="checkbox"/>				.00	.00	.00	

For Each Split: Recompute... ExRate Fixing DD Tags Advices

Interest Details

Component	Rate Type	Fixed Rate Type	Fixed Rate Code	Floating Rate Code	Rate	Spread

Rate Fixing Rate Setting

Margin Details for Components

Margin Component	Basis	Amount Tag	Margin Basis	Margin Rate

STOP This section will explain only those features that are specific to split rollover. The preference applicable for 'Normal' rollover will be applicable for 'Split' rollover as well.

When you indicate the rollover method as 'Split', the system creates multiple drawdowns out of the original drawdown. For each rolled over contract, the system generates a split number. After specifying the details for the first split drawdown, click  button to specify details for the next drawdown.

The defaulted value for the Netting Option will be No Netting.

Default Fronting

Indicate if the fronting detail has to be defaulted for the increase in amount during rollover / reprice. You can select one of the following options:

- 'Default Fronting' - select this option to default the front/fund details from the latest disbursement
- 'Create New Contract' – select this option to create a new contract for the increase in amount without the default front/fund details

On selecting the 'Default Fronting' option, the front/fund details is defaulted from the past disbursement events to the new disbursement event (VAMB/VAMI) which will be triggered as part of rollover processing. System generates BPMT to the borrower for the fronted/funded investor's portion and proceed with the rollover processing.

On selecting the 'Create New Contract' option, the system defaults the front/fund details to the new disbursement event (VAMB/VAMI) which will be triggered as part of rollover processing, but the BPMT event will not be fired based on these default options. Further, as part of Rollover processing, one of the child contracts will be created for the increase in amount without any default fronting/funding options. In the split child contract, for the increased amount, the funding details will be captured and borrower payment will also be sent from this child contract.

You have to specify the following split in the 'Split Details' section of the screen:

Amount

You have to specify the amount that can be rolled over to create each of the multiple drawdowns as part of the rollover split. This amount will depend on the 'Rollover Amount Type' you select. The rollover amount type can be any one of the following:

- Principal - In this case, the system rolls over the outstanding principal as displayed in the 'Total Outstanding Amount' field. In addition, the system also allows you to amend the outstanding amount. You can specify the amended amount in the 'Principal Roll Amt' field (by default, the outstanding amount is displayed here). This amount can be either greater than or lesser than the outstanding principal amount. This is treated as a special amount rollover.
- Principal + Interest – In this case, the system rolls over the outstanding principal along with the interest component. The 'Total Outstanding Amount' displays the sum of outstanding principal and interest. The system also displays the interest amount to be capitalized in the 'Interest Rollover Amount' field. If you amend the outstanding principal amount in the 'Principal Roll Amt' field, the system adds the interest to the principal rollover amount to arrive at the total amount to be rolled over and displays the same in the 'Total Roll Amt' field.



In the case of split renewals, the system apportions the interest amount against each split contract in the same ratio as the principal split break up.

PIK Roll amount gets updated if the PIK Rollover with capitalization is checked for parent contract.

Cash Interest Amount

Specify the interest amount to be liquidated for the borrower which should be lesser than or equal to the outstanding interest of parent drawdown.

This field is disabled during Principal+Interest Rollover (P+I) and enabled only for drawdown contracts under prorata non-lead tranches and the propagation value for the drawdown should be 'Cash'. Maturity Date

You can capture the maturity date of the rolled over drawdown here. If you do not specify the maturity date, the system will arrive at the maturity date based on the 'Roll By' value and the 'Maturity Days' specified for the drawdown.

If you do not select any options here, system will display the maturity date based on the 'Maturity Date Basis' maintained at the product level (in the 'Rollover Details' screen).

Maturity Days

You have to specify the number of days that is to be added to the value date of the new split drawdown to arrive at the maturity date of the drawdown.

Roll By

Indicate the tenor basis upon which the maturity days specified for the rolled-over contract will be reckoned. The options are:

- Days
- Months
- Quarters
- Semi-annuals
- Years

This value you specify here will be used in combination with the value specified for 'Maturity Days'. For instance, if the 'Maturity Days' is '90' and the 'Roll By' is 'Days', then the system will add 90 days to the rolled over drawdown value date to arrive at the maturity date of the rolled over drawdown.



Note the following:

- Rate fixing and exchange rate fixing will be applicable as per the explanation provided for normal rollover.
- For products with associated PIK component, the calculated PIK margin amount gets displayed in 'PIK Rollover Amount'.

Consider for Split

Check this box to specify the split that should be considered for the new contract created for the increase in amount without the default front/fund details.

It is mandatory to select this option for one of the splits if 'Create new contract' option is selected.



On selecting the 'Default Fronting' option, the 'Consider for Split' will be disabled.

Example

Case 1: Split rollover instruction is captured as follows:

Split No	Rollover Amount	Consider for Split
1	12M	Y

On completing the rollover processing, it will be as follows:

Split No	Rollover Amount	Consider for Split	Child Contract
1	2M	Y	C2
2	10M	N	C3

The split for 12M will be internally split into 2M (increase in amount) and 10M (12M-2M). Child contracts C2 and C3 will be created for 2M and 10M, respectively. For C3, all the participants will be treated as fronting (defaulted from parent contract C1). For C2, there will not be any default fronting. User will have to capture the fronting values manually using the payment processing browser.

Case 2: Split rollover instruction is captured as follows:

Split No	Rollover Amount	Consider for Split
1	10M	N
2	2M	Y

On completing the rollover processing, it will be as follows:

Split No	Rollover Amount	Consider for Split	Child Contract
1	10M	N	C2
2	2M	Y	C3

Child contracts C2 and C3 will be created for 10M and 2M respectively. For C2, all the participants will be treated as fronting (defaulted from parent contract C1). For C3, there will not be any default fronting. User will have to capture the fronting values manually using the payment processing browser.

Case 3: Split rollover instruction is captured as follows:

Split No	Rollover Amount	Consider for Split
----------	-----------------	--------------------

Split No	Rollover Amount	Consider for Split
1	7M	N
2	5M	Y

On completing the rollover processing, it will be as follows:

Split No	Rollover Amount	Consider for Split	Child Contract
1	7M	N	C2
2	2M	Y	C3
3	3M	N	C4

The second split for 5M will be internally split into 2M (increase in amount) and 3M (5M-2M). Child contracts C2, C3 and C4 will be created for 7M, 2M and 3M respectively. For C2 and C4, all the participants will be treated as fronting (defaulted from parent contract C1). For C3, there will not be any default fronting. User will have to capture the fronting values manually using the payment processing browser.

In case of rollover with capitalization of interest, and if 'Create New Contract' option is selected, the split rollover amount (principal + interest rollover amount) captured for the split marked for 'Consider for split', should exactly match with the increase in amount.

9.3.2.1 Identifying Split Drawdowns

As part of split rollover one drawdown will result into multiple drawdowns. After successful creation of new drawdowns, the system will display the reference number of the newly created drawdowns in the 'Roll Contract Ref No' field (in the 'SPLIT ROLLOVER' screen) of the original parent drawdown.



Note the following:

- Participants and Participant ratios in the split drawdowns will remain same as the parent drawdown
- Sum of the principals of the split drawdowns will be less than or equal to the outstanding principal of the parent drawdown

9.3.2.2 Authorizing Override for Split Drawdowns

If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required.

For more details, refer the section 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

9.3.2.3 Split Rollover with Increase in Principal Amount

Oracle FLEXCUBE allows you to do the rollover of the special amount exceeding the current outstanding amount of the parent contract. During the rollover process, system checks if the sum of the split amount exceeds the outstanding amount of the parent. System will initiate a value dated amendment process to increase the principal amount to the extent of the additional amount to be disbursed to the borrower. This value date of the amendment will be the rollover date.

Accounting entries for value dated amendment for borrower is as in the table below:

Amount Tag	Debit / Credit	Account
PRINCIPAL_INCR	Debit	SYND_POOL
PRINCIPAL_INCR	Credit	Customer

Accounting entries for value dated amendment for participant is as in the table below:

Amount Tag	Debit / Credit	Account
PRINCIPAL_INCR	Credit	Customer
PRINCIPAL_INCR	Debit	SYND_POOL

Example

If the outstanding amount at the time of rollover is USD 100,000 and Sum of Split Amount USD 150,000.

ORACLE FLEXCUBE will pass value dated amendment for USD 50,000 value dating the maturity date of the parent contract.

 When the rollover is captured with increase (by increasing utilization for the child contract) then, the system will re-calculate the PIK amount and same will be displayed in the PIK Amount in both split rollover and consol rollover.

9.3.2.4 View Events

For each split drawdown, you can view the associated events through the 'Event Log Details' screen. To recall, these events are triggered on the rollover date.

Click  tab to invoke the 'Event Log Details' screen.

Event Log Details

Event Details

Contract Ref No: CT2BLD1043646005 Product: BLD1 Borrower Drawdown Product 01

User Ref No: CT2BLD1043646005 Customer: VODAF02 MODAFONE

Event Seq No	Event Date	Event	Event Description	Processed By	Processed Time	Authorized By	Authorized Time
3	29-DEC-2004	ROIX	Rollover Interest Rate Fixing	SOORAJ02	29-DEC-2004	MIT	29-DEC-2004
2	29-DEC-2004	RNOT	Rollover DD Notification	SOORAJ02	29-DEC-2004	MIT	29-DEC-2004
1	29-DEC-2004	ROBK	Rollover Booking	SOORAJ02	29-DEC-2004	MIT	29-DEC-2004

Events Displayed: RNOT ROBK ROIX

REFRESH

For more information on the 'Event Log Details' screen, refer the section 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter in the Loan Syndication (LS) User Manual.

9.3.2.5 Rate Setting

To set the rate setting rules for the Splitrollover, click the **Rate Setting** button in the 'Splitrollover' screen and invoke the 'Rate setting' screen, as shown below:

Rate Setting Rules

Contract Detail

Product Code: BDLL Borrower LIBOR Drawdown Prod Drawdown

Contract Ref No: 001BDLL122260002 User ref no: 001BDLL122260002

Customer: 018600 Citichecking

Facility Name:

Split Details

Split Number: 0 Roll Product:

Principal Roll amount: Total Roll Amount:

Interest Roll Amount: Maturity Date:

Interest Rate Rounding rules

Rounding Rule: No Rounding

Rounding Unit:

Interest Rate Period

O/N 1MO 4MO 7MO

1WK 2MO 5MO 8MO

2WK 3MO 6MO 9MO

3WK 10MO 11MO 12MO

Tenor Details

WK-week

MO-Month

O/N-Over Night

Specify the following details.

Contract Details

Product code

The system displays the product code.

Contract Ref number

The system displays the contract ref number.

User ref number

The system displays the user ref number.

Customer

The system displays the customer name.

Facility name

The system displays the facility name.

Split Details**Split number**

The system displays the split number.

Principal roll amount

The system displays the principal roll amount.

Interest roll Amount

The system displays the Interest roll amount.

Roll Product

The system displays the roll product.

Total roll amount

The system displays the total roll amount.

Maturity date

The system displays the maturity date.

Interest rate rounding rules**Rounding rule**

Select the rounding rule from the adjoining drop down list. Select one of the options listed below:

- Down
- Upto

- No rounding
- Manual

Rounding Unit

The rounding unit will be enable only if the you have selected the 'rounding rule' as 'Down' and 'Upto' .

Interest rate period

Select one of the interest rate periods from the options given.

Note the following

Once all the Rate setting rules are maintained and when you come out of 'Rate Setting Rule screen' by clicking OK button (Green tick), following override message will be displayed

- If the Interest Rate Rounding Rule is 'Manual', then the message will be 'Rounding Rule is manual. Auto Rate Fixing will not be done'
- If Interest Rate Rounding Rule is not 'Manual', then the message will be 'Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted'. This message will appear only for the future dated events / contracts
 - You are allowed to change the Rounding Rule by clicking 'Cancel' button in the override message

9.3.3 Specifying Details for 'Consolidation' Rollover

You can capture instructions for a consolidation rollover in the 'Consolidation Rollover' screen. You can also define split instructions as part of capturing normal consolidation instructions. To invoke the 'Consolidation Rollover' screen from the Application browser, select **LS Operations** and then click **Consol Rollover Input** from the sub-menu.

Consolidation Rollover [88JAGUAR12]

Tranche Ref No 001BTPR1228302DF Counterparty 023388 Contract Ccy USD Consol Ref No 001BDLL12283077R
 Product Code BDLL Int Rate Fixing Date 09-OCT-2012 User Ref No 001BDLL12283077R
 Value Date 09-OCT-2012 Exch Rate Fixing Date Rollover Contract Ref No 001BDLL12283076U

Rollover Type: Consolidated (selected), Consolidated+Split, Default Fronting (selected), Create New Contract
 Amount: Principal (selected), Principal + Interest
 Preferences: Rollover Mode Auto, Interest Parameters Basis Product, Settlement Basis Product, Refinance Rate, Holiday Parameters Basis Contract, Schedule Basis Product, MIS Basis Product, UDF Basis Product, Netting Option No Netting

Consol details: Child Contract Ref No 001BDLL1228307CR mt 1,000.00 Cash Interest Amount 1,300.00 Participant Share Part Int Share
 Maturity Date 12-NOV-2013

Interest Details:

Component	Rate Type	Fixed Rate Type	Fixed Rate Code	Floating Rate Code	Rate	Spread	Rate Fixing
AGYFEEINT	Fixed	Standard	LIBOR				Rate Setting
INTEREST	Fixed	Treasury	LIBOR		8		DD TAGS

Margin Details:

Margin Component	Basis Amount Tag	Margin Basis	Margin Rate
LIRMGNAGYF	Tranche Outstanding	TRANCHE	0

Maker Id YASH01 Maker Dt Stamp 09-OCT-2012 12:40:48 Checker Id YASH02 Checker Dt Stamp 09-OCT-2012 12:42:59 ModNo 1 Contract Status Liquidated Authorized Open

 This section explains only those features that are specific to consolidation rollover.

To specify consolidation details for a new drawdown, click the new button -  in the toolbar of the screen or select **New** from the **Actions** Menu.

Rollover Netting allows you to capture the netting option for Consol Rollover. The available options are:

- Net Principal Decrease + Interest (Net the Principal decrease and Interest for rollover)
- Net Principal Increase + Interest(Net the Principal increase and interest for rollover)
- Net Interest for Rollover
- No Netting

 Note the following:

- The default value will be “No Netting”
- Netting will not be applicable for the Principal Increase or Principal decrease
- If any of the netting option other than “No Netting” is selected then the “Liqd Principal” and “Liqd Interest” will be checked and disabled.
- In case of Consol Rollover the netting will happen only for the driver contract.

The consolidation details to be captured in this screen are explained below:

9.3.3.1 Selecting parameters for consolidation

You can select the child drawdowns for consolidation rollover only if the child drawdowns:

- Fall under the same tranche contract
- Use the same drawdown product
- Of the same counterparty
- Are in the same currency
- Mature on the same date

Tranche Ref No

You have to select the reference number of the tranche under which you wish to consolidate drawdowns, as part of the rollover operation. The option list will display all active and authorized tranches maintained in ORACLE FLEXCUBE. Select the tranche of your choice from this list.

Product Code

You have to select the drawdown product based on which the system will select the drawdowns for consolidation. The option list will display the drawdown products associated with the tranche product under which the selected tranche is processed.



Upon selection of the product, the system generates a ‘Contract Reference No’ which may be used as a reference to view the consolidation instructions captured in the screen.

Counterparty

You have to select the counterparty of the drawdowns that have to be consolidated as part of rollover. The option list will display the list of all active customers of the branch.

Contract Ccy

You have to select the currency of the drawdowns that have to be consolidated as part of rollover. The option list will display the allowable currencies for the tranche. Select a currency from this list.

Value Date

Another parameter for selecting the drawdowns for consolidation is the value date. In effect, this date refers to the maturity date of the child drawdowns that have to be consolidated as part of rollover. In addition to the same combination of counterparty, product, and currency, the child drawdowns should also have the same maturity date for consolidation to occur.

Rollover Type

You have to indicate the type of rollover you wish to perform. The available options are:

- Consolidated – In this case, all selected drawdowns with the same combination of Tranche + Drawdown Product + Counterparty + Currency + Maturity Date is consolidated into a single contract upon rollover.
- Consolidated + Split – In this case, the system first consolidates the selected drawdowns as per the consolidation instructions and then splits the net result of consolidation as per the split instructions. You can capture the split instructions in the 'Split' tab of the 'Consolidation Rollover' screen.

Default Fronting

Indicate if the fronting detail has to be defaulted for the increase in amount during rollover / reprice. You can select one of the following options:

- 'Default Fronting' - select this option to default the front/fund details from the latest disbursement
- 'Create New Contract' – select this option to create a new contract for the increase in amount without the default front/fund details



In consolidation rollover, if 'Create New Contract' option is selected, then the system will internally treat it as consol + split and do the rollover processing.

9.3.3.2 Specifying Consolidation Preferences

After selecting the combination of counterparty, product, currency and value date for drawdown selection, you have to capture the following in the 'Consol Details' section of the screen:

Child Contract Ref No

You have to select the child drawdowns that have to be consolidated as part of rollover. The option list will display all drawdowns with the same combination of counterparty, product, currency and maturity date that you select. Select a drawdown from this list.

Click the  button to select the next drawdown from the list.

Principal Roll Amt

The system displays the outstanding principal that can be rolled over for each child drawdown. You can amend the outstanding principal, if required. This amount can be either greater than or lesser than the outstanding principal amount. The system treats this as a special amount rollover.

In the case of 'Principal + Interest' rollover, in addition to displaying the outstanding principal, the system displays the interest to be capitalized for each drawdown in the 'Interest Roll Amt' field. You cannot amend this amount.

PIK Roll amount gets updated if the PIK Rollover with capitalization is checked for parent contract. The system validates if all the parent contracts should have the same value for 'PIK Rollover with capitalization'. An appropriate error will be displayed during save of the consol rollover.

Cash Interest Amount

Specify the interest amount to be liquidated for each parent contract at the borrower level and the cash interest amount can be lesser than or equal to the outstanding interest of parent drawdown.

Driver Contract

From the list of child drawdowns selected for consolidation, you have to designate one of them as the 'Driver Contract'. The consolidated drawdown (generated upon rollover) inherits the preferences (information such as settlement details, schedules, MIS details and so on) of the driver contract you select here.



Note the following:

- You can select only one of the child drawdowns as the driver drawdown.
- You can define the rollover amount to be greater than the total outstanding amount of the driver child drawdown.
- For other contracts that are being rolled over, you cannot specify a rollover amount greater than the outstanding amounts of the respective drawdowns.
- If the rollover amount you specify is greater than the outstanding amount of the driver contract, the system triggers a value date amendment (VAMI) on the driver contract to indicate an increase in the principal, before actual rollover occurs.
- If you choose consolidation with the split option for rollover, you cannot define the rollover amount to be greater than the total outstanding amount even for the driver contract.

PIK Rollover Amt

Calculated PIK margin amount for the specified child drawdown contract gets displayed here.

9.3.3.3 Capturing Split Instructions for a Consolidation Rollover

You can define split instructions for a consolidation rollover only if you select the 'Rollover Type' as 'Consolidation + Split'. You can specify the split instructions in the 'Split' tab of the 'Consolidation Rollover' screen.

Consolidation Rollover [ALLEGHENY ENERGY INCORPORATED]

Tranche Ref No 001BTPR13015R335 Counterparty 023360 Contract Ccy USD Consol Ref No 001BDLL13015Q3VJ
 Product Code BDLL Int Rate Fixing Date 15-JAN-2013 User Ref No 001BDLL13015Q3VJ
 Value Date 15-JAN-2013 Exch Rate Fixing Date Rollover Contract Ref No

Rollover Type
 Consolidated
 Consolidated+Split
 Default Fronting
 Create New Contract

Amount
 Principal
 Principal + Interest

Preferences
 Rollover Mode Auto Interest Parameters Basis Product Settlement Basis Product
 Refinance Rate Holiday Parameters Basis Contract Schedule Basis Product
 Liqd Interest On Prepayment MIS Basis Product UDF Basis Product
 Netting Option No Netting

Consol details

Child Contract Ref No	Test Amount	Participant Share	Driver Contract	Liqd Principal	Liqd Interest	Maturity Date
001BDLL13015O5EI		Part Int Share	Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
001BDLL13015O669		Part Int Share	No	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		Part Int Share		<input type="checkbox"/>	<input type="checkbox"/>	

Maturity Date
 Maturity Date
 Maturity Days
 Roll By Days

ExRate Fixing
 Part Summ
 Events
 View Error
 BFFT
 PFFT
 Media Priority
 Advices

Normal Split

Split Details

Split No	Rollover Prod	Liqd Int On Prepayme	Roll Amt	Principal Roll Amt	Interest Roll Amt	PIK Roll Amt	Matur
1	BDLL	<input type="checkbox"/>	200,458.33	200,000.00	.00	458.33	31-JAI
2	BDLL	<input type="checkbox"/>	801,833.34	800,000.00	.00	1,833.34	31-JAI

Interest Details

Component	Rate Type	Fixed Rate Code	Floating Rate Code	Rate
AGYFEEINT	Fixed	LIBOR		10.2
INTEREST	Fixed	LIBOR		
PIK_TEST	Fixed			

Margin Details

Margin Component	Basis Amount Tag	Margin Basis	Margin Rate
LIRMGNAGYF	Tranche Outstanding	TRANCHE	0

Maker Id ROOMANA02 Maker Dt Stamp 15-JAN-2013 10:25:53 Checker Id Checker Dt Stamp ModNo 1 Contract Status Active
 Authorized Open

For more details on this screen, refer the section titled 'Specifying details for 'Split' rollover' in this chapter.

If you capture split instructions as part of consolidation rollover, the system first consolidates the selected child drawdowns and then splits the same as per the split instructions you define. The system further ensures that the sum of the split is equal to the consolidated amount.

Principal Roll Amt

Specify the principal roll amount if the contracts with flag 'PIK Rollover with capitalization' as checked are being consolidated. The system displays Interest Roll Amt as sum of interest and PIK Roll Amt of parent contract in case of P+I rollover with PIK Margin Component. You cannot change the PIK Roll Amount. You can update the respective margin rate to achieve the desired PIK amount before capturing the rollover.

 Note the following:

- If you choose 'Consolidation + Split', you cannot increase the rollover amount to be greater than the outstanding principal even for the driver contract.
- The system displays the 'Consol Ref No' in the Notice and Rate Fixing Advices to indicate that the advices are generated for the split rollover captured as part of consolidation rollover instructions.

9.3.3.4 Identifying the Consolidated Drawdown

As part of consolidation rollover, many drawdowns will merge to result into a single drawdown. After successful creation of the new drawdown, the system displays the reference number of the newly created drawdown in the 'Rollover Contract Ref No' field of the 'Consolidation Rollover' screen, where you initially captured the consolidation rollover preferences for the tranche.

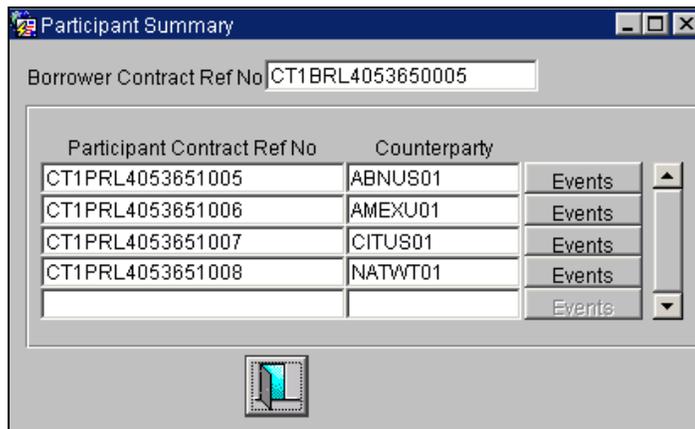
9.3.3.5 Authorizing Override for Consolidated Drawdowns

If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required.

For more details, refer the section 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

9.3.3.6 Viewing Participant Summary Details

You can view the reference numbers of the participant side contracts that get initiated as a result of rollover. To view the details, click  button.



This screen will display the following details:

- Contract reference numbers of the participant side contracts
- The counterparty for each contract

Through this screen, you can also view the events and advices generated for the each participant. To do this, click  button.

Event Log Details

Event Details

Contract Ref No: CT2BLD105015A003 Product: BLD1 Borrower Drawdown Product 01

User Ref No: CT2BLD105015A003 Customer: BRAIR02 BRITISH AIRWAYS

Event Seq No	Event Date	Event	Event Description	Processed By	Processed Time	Authorized By	Authorized Time
3	15-JAN-2005	CRIX	Consol Rollover Interest fixing	MADHAN01	15-JAN-2005	MADHAN02	15-JAN-2005
2	15-JAN-2005	CRNT	Consol Rollover DD Notification	MADHAN01	15-JAN-2005	MADHAN02	15-JAN-2005
1	15-JAN-2005	ROBK	Rollover Booking	MADHAN01	15-JAN-2005	MADHAN02	15-JAN-2005

Events Displayed: CRIX, CRNT, ROBK

REFRESH

For more information on the 'Event Log Details' screen, refer the section 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter this User Manual.

9.3.3.7 Viewing Events

Similarly, you can view the events and advices for the borrower drawdown. To do this, click **Events** button in the 'Consolidation Rollover' screen. The system will display the 'Event Log Details' screen, as shown above.

9.3.3.8 Rate Setting

To set the rate setting rules for the consolidation Rollover, click the **Rate Setting** button in the 'Consolidated Drawdowns' screen and invoke the 'Rate setting' screen, as shown below:

Rate Setting Rules

Contract Detail

Product Code: BDLL Borrower LIBOR Drawdown Prod Drawdown

Contract Ref No: 001BDLL122260002 User ref no: 001BDLL122260002

Customer: 018600 Citichecking

Facility Name:

Split Details

Split Number: 0 Roll Product:

Principal Roll amount: Total Roll Amount:

Interest Roll Amount: Maturity Date:

Interest Rate Rounding rules

Rounding Rule: No Rounding

Rounding Unit:

Interest Rate Period

O/N 1MO 4MO 7MO

1WK 2MO 5MO 8MO

2WK 3MO 6MO 9MO

3WK 10MO 11MO 12MO

Tenor Details

WK-week

MO-Month

O/N-Over Night

Specify the following details.

Contract Details

Product code

The system displays the product code.

Contract Ref number

The system displays the contract ref number.

User ref number

The system displays the user ref number.

Customer

The system displays the customer name.

Facility name

The system displays the facility name.

Split Details

Split number

The system displays the split number.

Principal roll amount

The system displays the principal roll amount.

Interest roll Amount

The system displays the Interest roll amount.

Roll Product

The system displays the roll product.

Total roll amount

The system displays the total roll amount.

Maturity date

The system displays the maturity date.

Interest rate rounding rules

Rounding rule

Select the rounding rule from the adjoining drop down list. Select one of the options listed below:

- Down
- Upto
- No rounding
- Manual

Rounding Unit

The rounding unit will be enable only if the you have selected the 'rounding rule' as 'Down' and 'Upto' .

Interest rate period

Select one of the interest rate periods from the options given.

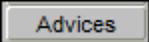
Note the following

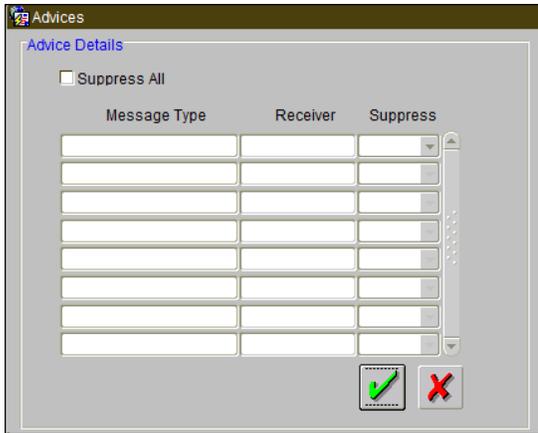
Once all the Rate setting rules are maintained and when you come out of 'Rate Setting Rule screen' by clicking OK button (Green tick), following override message will be displayed

- If the Interest Rate Rounding Rule is 'Manual', then the message will be 'Rounding Rule is manual. Auto Rate Fixing will not be done'
- If Interest Rate Rounding Rule is not 'Manual', then the message will be 'Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted'. This message will appear only for the future dated events / contracts

You are allowed to change the Rounding Rule by clicking 'Cancel' button in the override message

9.3.3.9 Viewing Advices

Similarly, you can view the advices for the borrower drawdown. To do this, click  button in the 'Consolidation Rollover' screen. The system will display the 'Advices' screen, as shown below.



9.3.3.10 Specifying Media for Message Generation

You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking  button. This button will be enabled only if the 'FpML Type' option is unchecked at the contract level and the 'Media Priority' option is checked at the product level.

If this button is enabled, then the system will display an override message saying to view the 'Media for Message Generation' screen. If not, the system will handoff the message as per the details maintained in the 'Customer Entity Maintenance' screen.

During Rollover, the last maintenance of the parent contract will be defaulted to child contract.

For more information on the 'Media for Message Generation' screen, refer the section 'Specifying Media for Message Generation' in the Loan Syndication Contracts - Part 2' chapter of this User Manual.

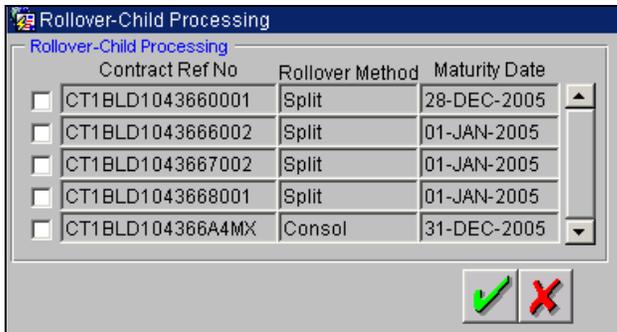
9.3.4 Capturing Back-Dated Renewals

ORACLE FLEXCUBE allows you to capture both current dated and back dated rollover instructions for drawdown contracts. However, the system allows you to capture rollover instructions even after the maturity date only if the contract is not already rolled over but still active.

When you capture back dated or current valued rollover instruction, the system creates the child contracts online when the rollover instructions are authorized.

9.3.5 Generating Child Contracts for Future Dated Rollovers

In the case of future dated rollovers, ORACLE FLEXCUBE allows you to create the rollover child contracts in advance i.e. before the rollover date. You can use the 'Rollover Child Processing' screen to generate the child contracts. To invoke this screen from the Application Browser, select **LS Operations**, choose **Rollover – Child Processing** and then click **Detailed** option.



In this screen, the system displays all future dated rollover contracts for which child contracts are yet to be created. You can select the contracts for which you wish to create the child contracts in advance. Check the box against each record to select a contract.

Click  to generate the child contracts for the selected parent contracts.

 Note the following:

- The system generates the advices only for the parent contract
- The system allows you to capture re-price instructions or prepayment instructions on the value date of the child contracts. You can capture the instructions in the 'Contract Payment' screen.

For details on the 'Contract Payment' screen, refer the section titled 'Processing repayments manually' in the Processing Repayments' chapter of this User Manual.

9.3.6 Rolling Over with Interest Capitalization

FLEXCUBE allows you to perform a Principal + Interest type of rollover for all Normal, Split, Consolidation and Consol + Split methods of rollover. For this, you have to select the Rollover Amount as 'Principal + Interest' in the following screens, depending on the type of rollover you wish to initiate:

- 'Rollover' tab of the 'Drawdown Contract Online' screen
- 'Split Rollover' screen
- 'Consolidation Rollover' screen

If the tranche under which the rolled over drawdown is booked is of non-revolving type, the system initiates a value dated amendment in the tranche to the extent of the capitalized interest. Also, for rollover with interest capitalization, you cannot create the child contracts in advance. The child contracts are created during rollover processing, on the rollover date.

When you capture rollover instructions with interest capitalization, the system performs the following validations:

- Allows capitalization of interest only for drawdowns under a pro-rata tranches
- Does not allow capitalization of interest if the drawdown has a PIK component

- Does not allow capitalization of interest if you have checked 'Liquidate Interest on Prepayment' option for the drawdown.
- In case of 'Lender of Actuals' method of interest distribution, does not allow capitalization if there are PRAMs (Assignments/Trade) present in the corresponding tranche.
- Allows renewals with interest in case of 'Lender of Record' method of interest distribution even if there are PRAMs (assignments) present in the corresponding tranche.

Further, the system also blocks the following activities in the drawdown, if you are capturing P + I instructions:

- Assignments at the linked tranche level where 'Lender of Actuals' option is checked (in the 'LS Tranche Contract Online' screen).
- Rate Revision for the drawdown
- Margin Revision for the drawdown
- Value Dated Amendment

9.3.7 Capturing Rollover and Re-Price Instructions for Future Dated Payments

You can capture partial/full principal Renewal/Re-price instructions even if there are pending forward payments due for liquidation. The Principal amount considered for renewal, in this case, will be the effective outstanding principal amount, considering the impact of the forward dated payment processing.



Note the following:

- Rollover with Interest capitalization (P+I rollover) will not be allowed if there are any future dated payments due for liquidation.
- You can not capture the forward dated payment instructions for contracts for which Rollover/Renewal instructions are already captured. In such cases, you need to reverse/remove the Rollover/Re-price instruction and then capture the forward dated payment instructions.
- If you reverse a future dated payment, after capturing the Rollover/Re-price instruction the Rollover/Re-price amount does not change. On the value date of the Rollover/Re-price, the System rolls over/re-prices the captured rollover/re-price amount. The remaining future dated payment reversal amount will be liquidated based on the 'Liqd Int' or 'Liqd Principal' options defined as part of Rollover/Re-price instruction capturing.
- System will allow only one active future dated payment at any point of time

9.3.8 Validations for a Rollover/Reprice Instruction

The system performs the following validations when capturing a rollover/reprice instruction.

- The merge reprice is allowed only if the list of unfunded (along with the fronting option) investors is same across the contracts being merged and that of the parent contract.
- The Consol rollover is allowed only if the list of unfunded (along with the fronting option) investors is same across the contracts being consolidated.

- P+I rollover (Interest capitalization) is not allowed if any of the investors has pending funding in the last interest period.
- In case of rollover or reprice with the increase in amount, VAMI considers the existing investor status (funded/unfunded along with fronting value) from the previous disbursement event.
- The funding/fronting parameters are defaulted from the previous disbursement event of the parent to the child contract.
- The funding activity is tracked at the child contract for the repriced/rolled over amount.
- The funding activity is tracked at the parent contract for the residual amount after reprice/rollover.

9.4 Rollover Netting Payment Messaging Process

The Rollover netting payment message will be generated online/batch based on the settlement days and can be changed as part of the rollover instruction amendment before the payment message is handed off. Once the message is generated, the system will not allow you to make any changes to the netted cash flow by means of any activities such as rate revision, margin revision etc.

The payment message will be routed through the forward processing, if the component liquidation is Semi-Auto.

For the normal and split rollovers, the netted entries will be passed for the parent contract and will be passed for the SSI details of the driver contract in RNET event for the consolidated rollover

All the other non- netted cash flows will follow the existing process flows.

9.5 Reversing Rollover Instructions

You can reverse the rollover instructions for a contract even if the child contract has been generated for the same. To reverse the rollover instruction for which the system has already processed the child contract, you have to first reverse the child contract itself before you reverse the rollover instructions maintained for the parent contract.

However, the system does not perform any cross validation to ensure that you reverse the rollover instructions if you reverse the child contract that has already been processed. In case you do not reverse the rollover instructions, the system rolls over the parent contract on the value date of the rollover based on the instructions captured. However, in this case, it does not create any child contract. You have to manually create the child contract (through the 'Drawdown Contract Online' screen) for such rollovers.



Note the following:

- You may reverse the rollover instruction and re-process the child contract any number of times before the value date of rollover.

- The system triggers the VAMB event for the parent contract to indicate an increase in principal on rollover. When you reverse such instructions, the system also reverses the balances to the extent of the increase (VAMB amount). However, it does not trigger any event to indicate such a reversal.
- When you reverse a partially processed child contract, the system does not reverse the VAMB amount.
- When you reverse a consolidated rollover instruction, the system triggers the CREV event in the parent contract to indicate the same.

9.6 Defining Advices for Rolled Over Drawdowns

In the 'Product Events Definition' screen, you can define the events for which advices are to be generated, for drawdowns involving the product. An advice will be generated when a drawdown is rolled over. As mentioned, you can rollover a drawdown only if the 'Allow Rollover' option is checked for the drawdown product it involves.

Generation of advices upon rollover, if specified, will be as follows:

- When the drawdown is rolled over with interest (that is, the entire outstanding amount in the original drawdown is rolled over without any component of the original drawdown being liquidated), the liquidation advice for the original drawdown will not be generated. Instead, a rollover advice, with the details of the liquidation of the original drawdown and its subsequent rollover into a new drawdown, will be generated.
- When the drawdown is rolled with an amount, that is not the entire outstanding amount in the original drawdown, the liquidation advice(s) for the original drawdown will be generated along with the rollover advice.

9.7 Processing Non-Prorata Rollovers

You can process non-prorata payments on the maturity date of the drawdown if:

- the drawdown is not a 'Prime' loan
- a non-prorata payment is processed on the maturity date

For details on processing a non-prorata payment, refer the section titled 'Processing Non-Prorata payments' in the 'Processing Repayments' chapter of this User Manual.

After you process non-prorata payments, the system allows you to capture renewal instructions for that non-pro rata drawdown for the remaining principal amount. The system rolls over the non-prorata drawdown as per the revised asset ratio (arrived at when you save the non-prorata payment). This is the ratio that is available when you capture the instructions for the non-prorata drawdown.



Note the following:

- The system does not allow interest capitalization for non-pro rata drawdowns
- Non-pro rata renewal is allowed for all renewal types (Normal, Split, Consolidation and Consolidation + Split).

10. Processing a Value Dated Amendment

10.1 Introduction

The Value Dated Changes function of Oracle FLEXCUBE enables you to make changes to borrower tranches and borrower drawdowns under a syndication, which will impact the financial details and accounting entries. Through this function, you can make changes to an authorized borrower tranche and borrower drawdown before its maturity date.

The changes that are made through this function, will take effect on a date known as the 'Value Date', which is why it is known as the 'Value Dated Changes' function.

The Value Date could be:

- A past date
- The application date
- A future date

You make value dated changes to borrower tranches in the same manner as you would for a normal commitment or loan contract.

For a detailed description, refer the chapter Making Additional Disbursements and Rate Changes, in the Loans User Manual.



Only those aspects that apply specifically to borrower tranches and borrower drawdowns are explained in this chapter.

Any changes that you make to a borrower tranche will be automatically applied to the participant leg of the contract.

10.2 Making Value Dated Amendments for a Tranche

Using the 'Value Dated Changes' function, you can make changes to different components of a borrower tranche or a borrower drawdown under a tranche:

- The tranche principal amount
- The maturity date

Any changes to any of these components will be automatically applied to the participant leg of the corresponding tranche.

You can enter value-dated changes to a borrower tranche in the 'LS-Value Dated Amendments' screen. To invoke this screen, select **LS Operations**, click **Value Dated Amendment** in the sub-menu and choose the **Detailed** option.

The 'Contract Details' section of the screen will display the following details:

- Name of the product used in the tranche
- Counterparty Id and Name
- Contract Reference Number
- Start date of the tranche
- Currency of the tranche
- Reference Number of the facility under which the tranche is processed
- Number of drawdowns processed under the tranche
- Reference number of the FpML Contract.

The 'Amendment' tab will display the following:

- Current Principal
- Current Maturity Date

To make an amendment, select the reference number of the tranche you wish to amend and then click  button to unlock the same. Alternatively, you can also select **Unlock** from the **Actions** Menu.

Specify the following after unlocking the tranche:

Amendment Date

By default, the current system date will be displayed as the date of amendment. You can change the date provided the date is:

- Not later than the maturity date of the tranche
- Not earlier than the value date of the tranche
- Not earlier than the last liquidation date of the unutilized fee
- Not earlier than the latest amendment date

After you specify the date, you cannot change it.



The Interest basis gets changed beyond the last payment date you are allowed to calculate the payable receivable amount as required.

The VAMI for Interest Basis change with value date less than or equal to today will be allowed but will not be allowed with value date less than or equal to the previous VAMI value date. This validation will be applicable for both Lead and Non Lead(Wrapper) tranches

10.2.1 Modifying Tranche Principal

You can use the 'LS- Value Dated Amendments' screen to:

Increase the tranche principal

When increasing the tranche principal, the system will check for the following:

- The increase does not allow the sum of all tranches (including the increased amount) under the linked facility to exceed the Total Facility amount.
- The increase is not more than the maximum amount allowed for a tranche. This amount is specified at the facility level.

Decrease the Tranche Principal

When decreasing the tranche principal, the system will check for the following:

- The decrease does not result in the principal being less than the sum of all outstanding drawdowns linked to the tranche.
- The decrease is not less than the minimum amount allowed for a tranche. This amount is specified at the facility level.

To change the principal, specify the following:

Change in Principal

Specify the amount by which you want to increase or decrease the tranche principal. If the tranche currency is different from the local currency of the branch, the system will display its equivalent in the local currency.

A change in tranche principal will result in recalculation of the Utilization and Non-Utilization Fee. It will also alter the Non-Utilized amount under the tranche. An increase in the principal will allow you to process new drawdowns under the tranche to the extent of the increased amount. Note that the system will consider the margin rates maintained for the participants while calculating the interest due for the participants.

10.2.2 Modifying Maturity Date

Through the 'LS- Value Dated Amendments' screen, you can:

Extend the maturity date

When extending the maturity date of the tranche, the system will ensure that the new date:

- does not exceed the product end date
- does not exceed the maturity date of the linked facility
- does not exceed the tranche end date defined at the facility level

Reduce the maturity date

When reducing/advancing the maturity date of the tranche, the system will ensure that the maturity date:

- Does not go beyond the product end date
- Is not earlier than the start date of the linked facility
- Is not earlier than the start date defined for the tranche at the facility level
- Is not earlier than the value date of the tranche
- Is not earlier than the maturity date of existing drawdowns under the tranche
- Is not earlier than the amendment date

To modify the maturity date, new date in the 'Modifications' section of the screen:

Maturity Date

Specify the new maturity date for the tranche as per your requirement, whether you want to extend or reduce the maturity date. Capture the date in 'DD-MMM-YYYY' format.

Note that the system will consider the margin rates maintained for the participants while calculating the interest due for the participants.

Propagate VAMI to Drawdown

Check this field to propagate the Non pro rata VAMI effect to Drawdown contracts for increase and decrease of principal amount. This box is enabled only for pro-rate tranches with agency type 'Participation'.

You are allowed do the following in case this field is checked.

- Amendment of the Non Pro rata Value dated amendment beyond the Non Pro rata Value dated amendment.
- Amendment of the Non Pro rata Value dated beyond the Liquidation.
- Liquidation beyond the Non Pro rata Value dated amendment



Note the following:

- This field is enabled after capturing the Non pro rata ratios in the 'Non pro rata' screen and for those pro rata tranches with Agency type 'Participation'
- Non Pro rata VAMI is not applicable to maturity date change and Interest rate change.
- The system does not allow Future dated Non pro rata VAMI.
- System allows Non Pro-rata VAMI for pro rata tranches with agency type as 'Lead' to propagate the non- prorata VAMI effect to drawdown contracts in the 'Value Dated Amendment' screen of the tranche
- If the 'Propagate VAMI to Drawdown' is checked, then on authorization of Non Prorata value-dated amendment at tranche contract, system triggers the VAMB/VAMI event at the underlying drawdown contracts for propagating the VAMI effect.
- Multiple NPVAMI/VAMI events are allowed on the same date for both the lead and participant.

In case of overdue Drawdown, any variations/mismatches in the Drawdown amounts and Payment schedules, you should address them operationally.

Reason Code

Specify the reason code here. The adjoining option list displays all reason codes maintained in the system. Choose the appropriate one.

10.2.2.1 Amortization Redefine

Re-Amortization process allows you to re-defining the instalment schedules of an amortized contract as if maturity date of the contract has been extended for schedule re-calculation purpose.

Re-Amort Date

Specify a new maturity date greater than the current maturity date for calculating the amortization amount.

Re-Amortization will be processed based on current principal outstanding balance. Instalment amount gets re-calculated based on the remaining schedules, and the new tenor, where tenor is considered between the Re-amort value date and the new end date. The installment schedules derived beyond the maturity date gets added up and parked in the bullet schedule, and thus results in high payment amount in the bullet schedule.

Re-amortization request placed in the middle of the cycle will also consider the current schedule for re-amortization calculation. Back value dated re-amortization is allowed however the Value date of the re-amortization should not be earlier than the last liquidation date and also it should not be earlier than last re-amortization date.

Re-amortization processing will happen during save operation from VAMI screen. You can delete un-authorized entry for a Re-amortization amendment details.

Rate change, CAMD, Principal amount change/maturity date change through VAMI will have impact on EMI and the instalment amount (and balloon payment on bullet schedule) will be calculated based on the Re-Amort date.

10.2.3 Saving Amendment

The amendment becomes effective only after you save the details. To save, click  button in the toolbar of the screen or select **Save** from the **Actions** Menu. On successful save, the system displays a message to confirm the same.

The 'Current Values' section of the 'Amendments' tab displays the new values for the tranche.

The details are updated:

- Principal: (Old Principal) +/- (Change in Principal)
- Maturity Date: New Date

10.2.4 Viewing Schedule Details

After the amendment you can view the existing schedules as well as the one for the principal (for the increased/decreased amount) in the 'Schedules' tab of the screen:

LS-Value Dated Amendments [VODAFONE]

Contract Details

Product: BLT1 COMMITMENT User Ref no: TR01 Contract Ref no: CT3BLT104363A001
 Counterparty: VODAF02 VODAFONE Start date: 20-JUN-2004
 Currency: USD version no: 0001 Amendment Date:

Syndication Ref No: CT3BLF1043634001 Tranche Ref No: CT3BLT104363A001 Drawdown No:

Amendments Schedules Linkages

Type	Component	Start Date	No.	Frequency	Unit	Amount
P	ADHFEE-ARR	25-JUN-2004	10	Monthly	1	
P	PRINCIPAL	28-DEC-2005	1	Bullet	1	1,000,000.00

Schedule Type
 P - Payment C - Commitment
 R - Revision D - Deposit

Buttons: P, R, D, U, Advices, Overwrite..., Settleme..., MIS, Charge, NonProrata

10.2.4.1 Impact of Amendment

The system redefines the fee schedules and reduction schedules on increase/decrease of principal/maturity date, as mentioned below:

- If amount is decreased, reduction schedules are redefined on 'FIFO' basis
- If amount is decreased, amount gets added as a bullet reduction schedule
- If basis amount for the fee changes, fee repayment schedules are redefined as per the new amount.
- If maturity date is increased and if fee bullet schedule falls on the earlier maturity date, the bullet fee schedule and bullet reduction schedule will move to the new maturity date.
- If maturity date is decreased, one bullet schedule for fee and reduction will be inserted with the sum of reduction/fee amount which falls after the new maturity date.

10.2.4.2 Viewing Payment Schedules

You can view the payment schedules in the Schedules' tab of the screen. To do this, click  button.

LS-Value Dated Amendments [VODAFONE]

Contract Details

Product: BLT1 COMMITMENT User Ref no: TR01 Contract Ref no: CT3BLT104363A001
 Counterparty: VODAF02 VODAFONE Start date: 20-JUN-2004
 Currency: USD version no: 0001 Amendment Date:

Syndication Ref No: CT3BLF1043634001 Tranche Ref No: CT3BLT104363A001 Drawdown No:

Amendments Schedules Linkages

Component	Due Date	Amount Due	Amount Settled	Amount Adjusted
▲ ADHFEE-ARR	25-JUN-20	136.98	136.98	.00
ADHFEE-ARR	25-JUL-20	821.91	821.91	.00
ADHFEE-ARR	25-AUG-20	849.31	849.31	.00
ADHFEE-ARR	25-SEP-20	849.31	849.31	.00
ADHFEE-ARR	25-OCT-20	821.91	821.91	.00
ADHFEE-ARR	25-NOV-20	849.31	849.31	.00
ADHFEE-ARR	25-DEC-20	821.91	821.91	.00
ADHFEE-ARR	25-JAN-20	849.31	.00	.00
ADHFEE-ARR	25-FEB-20	849.31	.00	.00
▼ ADHFEE-ARR	25-MAR-20	767.12	.00	.00

Advices
 Overwrite...
 Settleme...
 MIS
 Charge
 NonProrata

10.2.5 Viewing Advices

You can view the advices generated as part of the value dated amendment (VAMI), in the 'Advices' screen. Click  button to view the details.

Advices

Advice Details

Suppress All

Message Type	Receiver	Suppress
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Suppress All

Check this box to indicate that the system can suppress all the messages.

10.2.6 Viewing Overwrite Settlement Instruction Details

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest etc, using the 'Overwrite Settlement Instruction Details' screen. Using this screen, you can post liquidation entries into an Internal GL account instead of the customer account at the time of rollover.

Click **Overwrite SI** in the 'LS Value Dated Amendment' screen to invoke the following:

Component	Internal GL	Overwrite default settlement instruction
ADHFEE-ARR		<input type="checkbox"/>
ADMN-CHG	AS1111000	<input checked="" type="checkbox"/>
BOOK-CHG	AS2222000	<input checked="" type="checkbox"/>
DDCT-FEE		<input type="checkbox"/>
F-TAX1		<input type="checkbox"/>
F-TAX2		<input type="checkbox"/>
LS-UNUTIL		<input type="checkbox"/>
LS-UTIL-FE		<input type="checkbox"/>
TSFR-FEE		<input type="checkbox"/>

Component

This screen displays the all the components displayed in the Settlement Message Details screen.

Internal GL

Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite default settlement instruction

Check the 'Overwrite default settlement instruction' box to confirm that the liquidation entries should be posted into the Internal GL account. System will post the entries to the Internal GLs only if you check this box. Otherwise, system will post the entries as per the settlement instructions specified for the component of the contract.

10.2.7 Viewing Settlement Details

You can view the settlement account details for the amended tranche in the 'Settlement Message Details' screen. Click **Settleme...** button to view the details, as shown below:

Settlement Message Details

Contract Reference Number: CT3BLT104363A001 Component: ADHFEE-ARR_LIQD

Acct Details Msg Details Msg Details Pay Parties Pay Parties Recv. Notice DD Parties Clearing

Gen	Gen	Gen	Component	CCY	SSI Mnemonic	Branch	Account	A/c	CCY	Accou
Msg	Recv	DD								
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADHFEE-ARR_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADMN-CHG_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	BOOK-CHG_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	BRKG-FEE_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	COMRCIALLC_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DDCT-FEE_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	FAC_FEE_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	FAS91T_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	FAS_T_LIQD	USD	PRIMARY	CT2	VODAF02USD1	Q	USD	Q

Settlement Direction

P - Pay Account Desc: VODAF02 USD ACCOUNT 01
R - Receive IBAN A/C Number:

SV GI  

For details on the above screen, refer the Settlements User Manual.

10.2.8 Viewing MIS Details

To view the MIS details for the amended tranche, click  button.

Transaction MIS Maintenance

Reference Number: CT3BLT104363A001 Mis Group: Link to Group

Input

Related Ref. No. 

Related Account 

Mis Head 

Floating Rate

Pool Code: DFLTPOOL 

Contract Level

Int. Calc. Method: 30(Euro)/360

MIS FX Spread

Rate at

Fixed Rate Type: USER INPUT

Rate Type:

Rate Code: 

Fixed Rate Code: 

Rate:

Spread:

User Rate:

Transaction Mis Codes

Mis Group: TRANS-OC 





TRANSCLAS 

Composite MIS Code

Mis Group: 











INDUSTRY: IT-TELE 

BUSINESS: 

Cost Code: 

















F
S
C

For more details on this screen, refer the MIS (Management Information System) User Manual.

10.2.9 Viewing Charge Details

You can view the charge components associated with the amended tranche in the 'Contract Charge Details' section of the screen. Click  button in the 'LS-Value Dated Amendments' screen to view the details.

Contract Reference No: CT3BLT104363A001

Association

Creation ESN	Component	Rule	Waiver	Discount	Consider as	Accrual
1	ADMN-CHG	ADMN-CHG	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
1	BOOK-CHG	BOOK-CHG	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>

Application

Creation ESN	Component	Tag Ccy	Tag Amount	Charge Ccy	Charge Amount	Waiver	Discount	Liquidated
1	ADMN-CHG	USD	1000000	USD	9,579.95	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
1	BOOK-CHG	USD	1000000	USD	4,789.97	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Liquidation

Component	Charge Ccy	Charge Amount	Deferred Status
ADMN-CHG	USD	9579.95	Not Applicable

For more details on the 'Contract Charge Details' screen, refer the Charges User Manual.

10.2.10 Specifying Media for Message Generation

You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking  button. This button will be enabled only if the 'FpML Type' option is unchecked at the contract level and the 'Media Priority' option is checked at the product level.

If this button is enabled, then the system will display an override message saying to view the 'Media for Message Generation' screen. If not, the system will handoff the message as per the details maintained in the 'Customer Entity Maintenance' screen.

For more information on the 'Media for Message Generation' screen, refer the section 'Specifying Media for Message Generation' in the Loan Syndication Contracts - Part 2' chapter of this User Manual.

10.3 Viewing Value Dated Amendment Summary

You can view the Value Dated Amendment summary in the 'LS-Value Dated Amendment Summary' screen. To invoke this screen, click **LS Operations**, and then click **Summary** below **Value Dated Amendment**.

Contract Ref No	Esn	Value Date	Differential Amount	New Maturity Date	Transaction Date	Auth Stat
CT2BLT10436620	3	31-DEC-2004		31-DEC-2004		A
CT2BLT10436640	5	31-DEC-2004	-5,000,000.00		31-DEC-2004	A
CT2BLT10436640	5	20-DEC-2004	2,000,000.00		31-DEC-2004	A
CT2BLT10501500	4	20-DEC-2004	-2,000,000.00		15-JAN-2005	A
CT2BLD10501500	5	15-JAN-2005	5,000,000.00		15-JAN-2005	A
CT2BLT10501540	3	15-JAN-2005	-2,000,000.00		15-JAN-2005	A
CT2BLT10504620	3	15-FEB-2005	-5,000.00		15-FEB-2005	A
CT2BLD10504620	5	15-FEB-2005	10,000,000.00		15-FEB-2005	A
CT2BLD10508900	8	01-MAR-2005	1,000,000.00			A
CT2BLD10508900	5	30-MAR-2005	2,000,000.00		30-MAR-2005	A

Amendment	Entry by	Entry Time	Auth by	Auth Time	Amend Status
JIGAR02	JIGAR02	31-DEC-2004 11:52:05	JIGAR01	31-DEC-2004 12:05:54	Active
Reversal					

The following fields are displayed in the 'LS-Value Dated Amendment Summary' screen:

- Contract Reference Number
- Value Dated Amendment Booking Event Seq Number
- Value Date of Amendment
- Transaction Date of Amendment
- Differential Amount
- New Maturity Date
- Event Audit Trial
- Auth Status

10.4 Downsizing Tranche for an Investor's Default

If there is an investor default in due course of time, you have to manually initiate a tranche downsize to the extent of the defaulting investor's contribution.

To facilitate this, Non-Prorata VAMI with negative amount is enabled when sighting funds is applicable and the tranche is of lead type.

The non-prorata VAMI will then be propagated to the drawdowns to propagate the revised ratios along with the reduction in drawdown amount.

System will show an override message if the Tranche down size is happening for an investor who has fully funded. System does not capture any information on investor defaulting.

In case of value dated amendment, the VAMI amount is expected to be funded by those investors who have funded completely for the previous disbursement events.

The system throws an override during save of VAMI to state this validation.

10.4.1 Validating Fronting Details

The system performs the following validations while capturing the fronting details for the VAMI event:

- The fronting flag for the unfunded investor cannot be different from the previous VAMI/INIT events. In other words, for the unfunded investor, either the entire amount is fronted across disbursements or the entire amount is not fronted across disbursements.
- If the investor has already funded the disbursements, then he is expected to fund the current VAMI also. In case if the investor is not funding the current disbursement inspite of funding earlier disbursements, the following restrictions are imposed on the transaction activities:
- Payment / Reprice / Rollover / PRAM (with such investor) and tranche downsize (non-prorata VAMI with negative amount) is blocked till the complete funding is made by the unfunded investor for VAMI activity.
- The funding for the pending VAMI events happens together. For example, in case the investor has not funded few of the last disbursements, he cannot fund for only the first VAMI while second VAMI is already in place.
- The system does not allow tranche upsize if any of the underlying drawdowns has not been funded completely.

10.5 Upsizing Tranche Amount on a Non-prorata Basis

Oracle FLEXCUBE allows you to perform a non-prorata type of increase (upsize) of the tranche amount through a value dated amendment. To do this:

85. First you have to specify the amount by which the tranche principal has to be increased. You can specify this amount in the 'Change in Principal' field of the 'LS-Value Dated Amendments' screen.
86. You then have to select the participants who are contributing towards the increase and their ratio of contribution. This is explained in the section below.

10.5.1 Selecting Participants for Tranche Upsize

You can select the participants in the 'Participant Ratio Details' screen. Click **NonProrata** button in the 'LS - Value Dated Amendments' screen to invoke it. In the 'Participant Ratio Details' screen, click **Participant Select...** button to invoke the 'Participant Selection' screen. The system displays the names of the existing participants of the tranche as on the value date of the amendment (upsized), as shown below:

The screenshot shows the 'Participant Selection' window with the following details:

- Contract Ref No: CT3BLT104363D335
- User Ref No: CT3BLT104363D335
- Drawdown Ref No: CT3BLT104363D335
- Facility Ref No: CT3BLF104363A1JL
- Tranche Ref No: CT3BLT104363D335
- Drawdown No: 0

Display By: Participant Code Participant Name

Existing Participants	
Find	%
ABNUS01	
BARCL02	
CITUK02	
CITUS01	

Contract Participants

Find	%
------	---

Navigation buttons: >, >>, <, <<

Buttons: [Checkmark] [X]

From the existing list of participants, you have to select the participants contributing towards tranche upsize and move them to the 'Contract Participants' section of the screen.

For details on the above screen, refer the section titled 'Specifying participants for the facility' in the 'Loan Syndication Contracts' chapter of this User Manual.

- On saving, triggers the events VAMI (Value Dated Amendment Initiation) and PRAM (Participant Ratio Amendment) for the tranche. Increase the tranche amount and updates the new asset ratio for the tranche.
- If you have checked the 'Propagate Ratio to Drawdown' box, triggers the PRAM event for the underlying drawdowns for propagating the new asset ratio.
- Allows you to book new drawdowns to the extent of increased tranche amount. However, in the new drawdowns, you have to monitor the settlement advice messages since all the participants of the tranche become part of the new drawdowns. Hence, you have to manually perform settlements for the participants who contributed towards tranche upsize.
- Restricts all back valued activities (drawdown initiation, amendment) for a prorata tranche till the value date of the non-prorata tranche upsize.
- You cannot initiate a tranche upsize beyond/after an assignment and another value dated amendment.

10.6 Making Value Date Amendments for a Drawdown

In Oracle FLEXCUBE, you can change values of the following components using the value dated amendment function for a drawdown:

- Increase the drawdown principal
- Modify the interest rate (for fixed rate type)
- Modify the spread (for floating rate type)
- Change the maturity date

You can enter value-dated changes to a borrower drawdown in the 'LS-Value Dated Amendments' screen. To invoke this screen, select **LS Operations**, click **Value Dated Amendment** in the sub-menu and choose the **Detailed** option.

The 'Contract Details' section of the screen will display the following details:

- Name of the product
- Counterparty Id and Name
- Contract Reference Number
- Start date of the drawdown
- Currency of the drawdown
- Ticket Id (Only if the VAMI is initiated from the trading activity)
- Reference Number of the facility under which the tranche is processed
- Number of drawdowns processed under the tranche

The 'Amendment' tab will display the following:

- Current Principal
- Current Maturity Date

To make an amendment, select the reference number of the drawdown you wish to amend and then click  button to unlock the same. Alternatively, you can also select **Unlock** from the **Actions** Menu.

10.6.1 Increasing Drawdown Principal

After you unlock the drawdown, you need to specify the following:

Amendment Date

By default, the current system date will be displayed as the date of amendment. Once you specify this date, you cannot change it.

Change in Principal

Specify the amount by which you want to increase the drawdown principal. You can indicate this under the 'Modifications' section in the 'LS – Value Dated Amendments' screen. If the currency of the drawdown is different from the local currency of the branch, system will display its equivalent in the local currency.

When you specify the increase in principal, this amount is blocked at the tranche level from the date of booking.



Note the following:

- For normal and bearing type of drawdowns, the increase in principal amount will be added to the bullet payment schedule.
- For amortized type of drawdowns, the increase in principal will recalculate the payment schedule of the contract.
- You cannot enter a back dated amendment on or beyond the previous value dated amendment.
- For normal or bearing type of drawdowns, you can enter back value dated amendments beyond the liquidation date or schedule date only if the following criteria are satisfied:
 - Latest non-prorata payment date
 - Last payment date of the prime loan with the option to pay the interest along with the principal prepayment
- For any change in the principal amount, the participant's share will subsequently change. As a result, the participant's contracts will get updated based on their share. This will be initiated through a VAMI event.
- When the principal amount changes at the drawdown level, Oracle FLEXCUBE will recalculate the utilization and non-utilization fees at the tranche level.
- Value dated amendments will not be applicable for swing line contracts
- If the drawdown currency is different from the tranche currency, Oracle FLEXCUBE will convert the increase in drawdown amount to the tranche currency. This amount is then validated against the tranche availability amount. This validation will be effective from the value date of the amendment till the maturity date of the drawdown.

- During value dated amendments, you cannot decrease the principal amount.
- Value dated amendments to the principal and interest components are not allowed after the maturity date of the loan.
- Future Value dated amendments will be allowed for Prime draw downs, similar to normal draw downs.

10.6.2 Modifying Interest Rate

You can modify the interest for fixed or floating rate type of drawdowns. To do this, click

Interest (this button is available only if you are performing value dated amendment for a drawdown) in the 'LS-Value Dated Amendments' screen. The 'ICCF Details' screen is displayed.

The screenshot shows the 'ICCF Details' window with the following fields and values:

Contract Ref No: CT2BLD1043664007
 Event: BOOK Booking of contract

Interest

Component: LS-RF-INT LS - Rate Fixing Interest Class
 Compensatory Component: COMP-INT Compensatory Component
 Rate Type: FIXED
 Special Rate Type:
 Fixed Rate Type: User Input
 Fixed Rate Code:
 Floating Rate Code:
 Ccy Round Rule: Up
 Unit: .01
 Decimals: 2
 Min Rate: 0.0000000000
 Base Rate: 6.0000000000
 Margin: 2.1225000000
 Spread:
 Final Rate: 8.1225000000
 Adjustment Rate: .0000

Rate Code Usage:
 Reset Tenor:
 Rate Cycle Type:
 Borr. Lend Indicator: Mid
 Interest Computation: Simple
 Interest Basis: Actual/365
 Int. Period Basis: Include From ...
 Max Rate: 10.0000000000
 Penalty Tenor: 0
 Penalty Start Date Basis:
 Interest Amount:
 Acquired Interest:
 GBP

Special Penalty Comp
 Waiver
 Main Comp
 Consider as Discount
 Accrual Required
 Compounding on Holidays
 Billing Notice Required
 No of Days: 2

Rate Fixing

Margin

Margin Component	Description	Margin Basis	Basis Amount Tag	Margin Rate
SV-MRGN	Margin - Single Contractual	TRANCHE	Tranche Outstanding	.0000000000
SLB-MRGN	Margin - Slab Based	TRANCHE	Tranche Outstanding	1.0000000000
DD-MRGN	Margin - User Input	DRAWDO...	User Input	1.1225000000

Green checkmark and red X icons are visible at the bottom right.

Using the above screen, you can select the rate type for which you wish to change the interest rate. For floating rate type of drawdowns, you can also change the interest rate code.

For more details on negative rate processing, refer the title 'Maintaining Loans Parameters Details' in the chapter 'Bank Parameters' in Core Services User Manual.

For more details on this screen, refer the section 'Specifying Interest Details for a Contract' in the Interest User Manual.



Note the following:

- You can modify the interest rate only for drawdowns
- You can also change the interest rate/spread on a Value Date prior to the last PRAM (Participant Ratio Amendment)/VAMI date. Any difference in the interest amount as a result of the change will be tracked as payables/ receivables.
- If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required for rate code changes for floating rate contracts and margin rate changes for borrower drawdowns.
- The system will consider the margin rates maintained for the participants while calculating the interest due for the participants.

For more details regarding dual authorization, refer the heading titled 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

For more details, refer the heading titled 'Processing Back Valued Interest/Fee for Payables and Receivables' in the chapter titled 'Loan Syndication Contracts- Part 2' chapter of this User Manual.

10.6.3 Modifying Maturity Date

Specify the new maturity date for the drawdown as per you requirement. You can extend the maturity date to a later date or decrease the maturity date to an earlier date. The date should be specified in the 'DD-MMM-YYYY' format.



In the case of cross currency drawdowns for which you have defined revaluation schedules, a change in the maturity date will repopulate the schedules as per the modified maturity date.

For more information on modifying the maturity date for drawdown contracts, refer 'Modifying Maturity Date' under the section 'Making Value Dated Amendments for a Tranche' in this chapter.

10.6.4 Viewing Schedule Details

After the amendment, you can view the existing schedules as well as the one for the principal (for the increased/decreased amount) in the 'Schedules' tab of the screen.

LS-Value Dated Amendments [AIRBUS US]

Contract Details

Product BLD1 User Ref no TE Contract Ref no CT1BLD105110L6Y5
 Counterparty AIRBS01 AIRBUS US Start date 14-FEB-2005
 Currency USD version no 0002 Amendment Date

Syndication Ref No CT1BLF1043667001 Tranche Ref No CT1BLT105046D6Y1 Drawdown No 6

Amendments Schedules Linkages

Type	Component	Start Date	No.	Frequency	Unit	Amount
P	LS-FX-INT	14-MAR-2005	2	Monthly	1	
P	LS-FX-INT	14-MAY-2005	2	Monthly	1	
P	LS-FX-INT	30-JUN-2005	1	Bullet	1	
P	LS-RF-INT	14-MAR-2005	2	Monthly	1	
P	LS-RF-INT	14-MAY-2005	2	Monthly	1	
P	LS-RF-INT	30-JUN-2005	1	Bullet	1	
P	PRINCIPAL	14-MAR-2005	2	Monthly	1	2,000,000.00
P	PRINCIPAL	14-MAY-2005	1	Monthly	1	4,000,000.00

Schedule Type
 P - Payment C - Commitment
 R - Revision D - Deposit

Interest
 Advices
 Settleme...
 MIS
 Charge

You can view the schedule details of a drawdown contract in this screen.

For more information on the schedule details, refer the section titled 'Capturing details in the SCHEDULE tab' in the 'Loan Syndication Contracts' chapter of this User Manual.

11. Straight Through Processing (STP)

11.1 Introduction

Oracle FLEXCUBE allows for propagation of data from the tranche/drawdown booked for the self participant (agency side) to the corresponding commitment/loan contract (originations side). In other words, to track bank or any of bank entities (playing the role of a self participant) share in the loan syndication, Oracle FLEXCUBE automatically creates the corresponding commitment/loan with all the common details on the Originations side (in the Loans and Deposit module). This data propagation is achieved through Straight Through Processing (STP) from Loan Syndication (LS) module to Loans and Deposit (LD) module, thereby ensuring efficiency and data consistency.

For STP from LS module to LD module, you have to maintain the following information:

- Different desk codes
- Mapping between the self participant, desk code and expense code
- Mapping between LS and LD products and their components
- Loan products for creating contracts on the originations side

Each of the above maintenances is discussed in detail in the following sections of this chapter.

11.2 Maintaining Desk Codes

You can maintain different types of desks (loan desk, credit desk etc) used in your bank in the 'Desk Code Maintenance' screen. To invoke this screen from the Application Browser, select **LS Maintenance**, click **Desk Maintenance** and then click **Detailed** under it.

Input By	Date Time	Auth By	Date time	Mod No	Open	Authorised
DAYAA	28/12/2004 15:42:45	DAYA	28/12/2004 15:43:33	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

For each desk type, you can capture the following information:

Desk Code

Specify a unique code to identify the desk in the system. You can use a maximum of 12 alphanumeric characters to define a code. You also have to capture a brief description of the desk in the adjacent box. The description can comprise of a maximum of 30-alphanumeric characters. Both, the code and description are mandatory information.

Desk Type

You can select the type of desk being maintained. The available options are:

- PAR
- TRS
- DISTRESS
- ORIGINATION
- ORIGINATION-HFS



For STP, you have to specify the desk type as 'Origination'.

In order to process transfer of portfolio from HFI to HFS, you need to maintain a desk of the type 'ORIGINATION-HFS.'

11.3 Identifying Self Participant

To identify bank participation in a syndicated loan, you have to define it as a self participant. Prior to this, you have to maintain the entity as a customer in Oracle FLEXCUBE (in the 'Customer Information Maintenance' screen).

For details on 'Customer Information Maintenance' screen, refer the 'Maintaining Customer Information File' chapter of the Core Entities (CE) User Manual.

After defining the entity as a customer in Oracle FLEXCUBE, you identify it as a self participant in the 'Self Participant Maintenance' screen. To invoke this screen from the Application Browser, select **LS Maintenance**, click **Self Participant Maintenance** and then choose **Detailed** under it.

The screenshot shows the 'Self Participant Maintenance' window. It contains several input fields with search icons:

- Self Participant: ABNUS01 (with 'ABN AMRO US' displayed in an adjacent box)
- Branch: CT3
- Desk Code: DES001 (with 'DESK-001' displayed in an adjacent box)
- Expense Code: 1000

At the bottom, there is a metadata section with the following fields:

Input By	Date Time	Auth By	Date Time	Mod No	Open	Authorised
DAYAA	28/12/2004 15:45:26	DAYA	28/12/2004 15:46:14	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

There is also a small icon in the bottom right corner of the window.

You have to capture the following details in this screen:

Self Participant

Select the code of the self participant from the option list available. The codes of all valid customers (maintained in the 'Customer Information Maintenance' screen) are available in this list. Upon selection of the code, the participant's name is also displayed in the adjacent box.

Branch

Select the branch, applicable for the self participant, from the option list available. All valid branch codes maintained in Oracle FLEXCUBE are available in the option list provided. The branch selected here is designated as the transaction branch for the participant i.e. the system creates the corresponding commitment/loan contract in this branch.

Desk Code

Select the desk code applicable for the self participant. The option list displays the desk codes maintained through the 'Desk Code Maintenance' screen. Upon selection of the code, the associated description is also displayed in the adjacent box.

Expense Code

Select the expense code applicable for the self participant. The option list displays the expense codes maintained through the 'MIS Cost Codes' screen. The system tracks the expenses pertaining to the self participant against the expense code you select here. It also uses this code in the MIS reports generated for the participant.

For details on maintaining cost codes, refer the MIS User Manual.



All the fields are mandatory to save the record.

You can view the mapping between the self participant, branch code, desk code, and expense code in the 'Participant Ratio Details' sub-screen of the following screens:

- Facility Contract Online
- LS Tranche Contract Online
- Drawdown Contract Online

The screen shot below shows the mapping in the 'Participant Ratio Details' sub-screen (see bottom left hand corner) of the 'LS Tranche Contract Online' screen.

Agency Branch

Select the transaction branch for initiating the LS contract on the agency side. All valid branch codes are displayed in the option list provided.

Agency Product

Select the LS product to be used for creating the LS contract. All valid drawdown products defined in the system are displayed in the option list provided. When you select the DD product, the system displays the description of the product in the adjacent box.

Self Participant

Select the self participant for the combination of agency branch and agency product selected in the previous fields. All self participants maintained in the 'Self Participant Maintenance' screen are displayed in the option list. Upon selection of the code, the system displays the name in the adjacent box.

In addition, the system also displays the branch code and desk code associated with the selected self participant (as per your mapping in the 'Self Participant Maintenance' screen).



If you select the self participant as 'ALL', the system displays 'ALL' in the Branch Code and Desk Code fields also (in the 'Self Participant details' section of the screen).

Default Preferences

In case of STP, you can choose the appropriate expense code for the commitment created from RAPID before it is being mapped to a Position Identifier while creating a new Tranche. The system does not perform any validations in this regard.

Expense Code From

For loans that are booked through STP, the system defaults the expense code from the commitment. But for the FCY loans you can choose to default the expense code from the following options:

- Maintenance – While booking the loan, the expense code is defaulted from the Loan Product's MIS code.
- Commitment – While booking the loan, the expense code is defaulted from the commitment contract.
- No Default – The BOOK event is logged in the STP interface browser with processing status as 'Enrich'. You can unlock the BOOK event in the STP browser and specify the expense code. The browser allows you to select the expense code.

Product Code From

For loans that are booked through STP, the system defaults the product code from the commitment. But for the FCY loans you can choose to default the product code from the following options:

- Maintenance - While booking the loan, the product code is defaulted from 'LS-LD Product and Component Mapping' screen.
- No Default – The BOOK event is logged in the STP interface browser with processing status as 'Enrich'. You can unlock the BOOK event in the STP browser and specify the Product Code. The browser allows you to select the product code.

The system does not perform any cross validations to enforce the same expense code for the SLT and Origination contracts for the given CUSIP and position Identifier combinations.

Interface

Select the type of interface for STP from LS to LD. The available options are:

- Internal – Select this option when Loan Syndication module and LD module are available in the same Oracle FLEXCUBE set up.
- External – Select this type if Oracle FLEXCUBE set up is distinct for Loan Syndication module and LD module i.e. the modules are available in separate instances of Oracle FLEXCUBE.

LD Branch

If the interface type is 'Internal', the system displays the branch code of the selected self participant (as per your mapping in the 'Self Participant Maintenance' screen).

For an 'External' type of Interface, you have to key-in the branch code.

LD Product

Similarly, for an 'Internal' type of interface, you can select the applicable loan product from the available option list. The system displays all loan products applicable for creating agency contracts on the originations side (in the 'Loans and Deposits – Product Preferences' screen, the 'Agency Contract' box is checked for such products). Upon selection of the product, the system also displays the associated description in the adjacent box.

For an 'External' type of Interface, you have to key-in both the product code and the description for the same.

Adv Booking Appl

Select 'YES' to if you wish to process the corresponding commitment/loan contract in advance for future dated drawdowns. The default value is 'YES'. However, you can change it. If you select 'No', the system creates the commitment/loan contract only after the INIT (Initiation) event is triggered for the corresponding drawdown.

When you tab out of this field, the system takes you to the component mapping section of the screen. To modify the fields explained above, click  icon. You can then select the value you want to amend.

New check box

Check this box to indicate if you wish to copy all the details for LS LD Product and Component mapping with only the self-participant being different.



Note the following:

- You can copy all the details pertaining to the LS LD Product and Component mapping details by specifying the following values:
 - LS Branch
 - LS Product
 - Self Participant
 - LS Ccy
 - LD Branch
- If you check this box, then the details for the following fields in the copy screen will be defaulted with the details of the Self-participant from whose record it is being copied:
 - LS Branch
 - LS Product
 - LS Ccy
 - Self Participant– User will be allowed to choose an existing valid self participant
 - LD Branch– Will be defaulted with the Branch maintained in the Portfolio screen for the chosen self participant
 - Default Preferences– Expense Code From/Product Code From/Treasury Source From
 - Agency/LD Component Details

11.4.1 Mapping Product Components

You can map the components of the selected LS and LD products in the component section of the screen.

As part of mapping, you have to specify the following:

Component Type

Select the type of component for the mapping. The available options are:

- I (Interest) – This is the default value
- F (Fee)
- H (Charge)

Agency Component

The components associated with the selected 'Agency Product' are displayed in the option list. When you select the code of the component, the system also displays the associated description in the adjacent field.

LD Component

Likewise, the system displays the components associated with the selected 'LD Product' in the option list provided. When you select the code of the component, the system also displays the associated description in the adjacent field.

For an 'External' type of interface, you have to key-in both the component code and the description for the same.

11.5 Mapping LS-LD Contract Details

You can manually map LS to LD contract details while booking the tranche level contract by clicking the COMM link button at the tranche level. Once tranche contract is authorized, linking commitment contracts to the tranche will be done by using the STP Relink screen

To invoke the 'STP-Relink screen', To invoke this screen from the Application Browser, select **LS interface and click Browser**, and then choose **STP Relink** under it.

The screenshot shows the 'STP-Relink' application window. The title bar reads 'STP-Relink'. The main content area is titled 'LS-LD Contract Mapping Details'. It contains several input fields with search icons to their right:

- Borrower Ref No: 001BTPR120881001
- Participant Ref No: 001PTPR120880001
- Existing LD Ref No: (empty)
- New LD Ref No: 001FM01120876004

Below these fields is a checkbox labeled 'Validate Value Dt Availability' which is checked. At the bottom of the window, there is a table with the following data:

Input By	Date Time	Auth By	Date Time	Mod No	
JIGAR01	28-MAR-2012 15:22:16	JIGAR02	28-MAR-2012 15:24:29	1	<input checked="" type="checkbox"/> Authorized

Specify the following details:

Borrower Ref No

Specify the borrower reference number. The adjoining option list displays all the borrower reference numbers maintained in the system. Choose the appropriate one.

Participant Ref No

Specify the participant reference number. The adjoining option list displays all the participant reference numbers maintained in the system. Choose the appropriate one.

Existing LD Ref No

Specify the existing LD reference number here.

New LD Ref No

Specify the new LD reference number here.

If RAPID Enabled is 'Y', then commitment contract is not automatically created. It has to be mapped to LD using the 'STP Relink' screen.

Validate value date availability

Check this box to validate the value date availability.

You are allowed to check or uncheck the flag with the following conditions:

- If the flag Rapid Enabled is checked at the static table
- When the selected participant reference number is new participant ref number of the Origination desk that was added to the Tranche through PRAM and also there should not be any LD commitment contract linked to it previously

When this flag is checked, position validation will be performed for the linked commitment contract's available amount with the latest Transfer AVL balance as of the value date (PRAM value date when the participant is added to the tranche) of the Participant contract.

After STP is successfully processed for the commitment linkage, for all the underlying drawdown contracts linked with the commitment in STP interface browser, processing status for the failed events are updated as Handoff automatically(after necessary validation and also if the status is failed). Once the status is updated as 'Handoff', the STP of all events of the underlying Drawdown contracts will be automatically processed by the existing STP job.

If the status is 'Enrich' for the associated Drawdown events, then the system processes the records once the status is marked as Handoff if the following conditions taken place:

- If you have manually enriching the fields and save/authorize
- If you can Re-Handoff

11.6 Identifying Loan Products for Agency Contract Creation

You can create loan products in the 'Loans and Deposits – Product Definition' screen. To facilitate Straight Through Processing (STP) from Loan Syndication module to Loans and Deposit module, you have to maintain products specifically to serve this purpose. For this, you have to check the 'Agency Contract' box in the 'Loans and Deposits Product Preferences' screen to indicate that only products with this preference is used for creating contracts on the originations side.

Only 'Agency Contract' type of products are available for mapping with LS products (in the 'LS LD Product and Component Mapping' screen).

This preference defaults to all contracts booked under the product. It helps in distinguishing a normal loan from an agency contract. However, if required, you can uncheck this box for a contract (in the 'LD Contract Online' screen).

For more details on setting up loan products in the LD module, refer the 'Defining the Attributes specific to a Loan product' chapter of the Loans User Manual.

11.7 Processing Loan Contracts in LD Module

When you book or process any activity in a tranche/drawdown contract (in the Loan Syndication module) where bank is one of the participants, the system first checks whether the participant is maintained as a self participant (in the 'Self participant Maintenance' screen). After confirming this maintenance, it posts a record in the STP queue for every event that is generated for the self participant contract.

You can view the records in the 'Straight Through Processing Interface Browser' available in the Application Browser. To invoke this screen, select **LS Operations**, click **Straight Through Processing** and then **Detailed** under it.

- LS Borrower Details				- LS Participant Details			- LD Details				
Contract Ref No.	CCY	Event No.	Event Code	Contract Ref No.	Event No.	Processing Date	Contract Ref No.	Event No.	Code	Exp. code	product code
CT3BLD1050040001	USD	1	BOOK	CT3PLD1050040002	1	04-JAN-2005	CT3LBN5050040002	1	BOOK	1010	LBN5
CT3BLD1050040001	USD	1	BOOK	CT3PLD1050040003	1	04-JAN-2005	CT3LBN5050040004	1	BOOK	1010	LBN5
CT3BLD1050040001	USD	4	INIT	CT3PLD1050040002	4	04-JAN-2005	CT3LBN5050040002	2	INIT	1010	LBN5
CT3BLD1050040001	USD	4	INIT	CT3PLD1050040003	4	04-JAN-2005	CT3LBN5050040004	2	INIT	1010	LBN5
CT3BLD1050040001	USD	5	PRAM	CT3PLD1050040003	5	08-DEC-2004	CT3LBN5050040004	6	VAMI	1010	LBN5
CT3BLD1050040001	USD	6	PRAM	CT3PLD1050040002	5	08-DEC-2004	CT3LBN5050040002	6	VAMI	1010	LBN5
CT3BLD1050040001	USD	7	PRAM	CT3PLD1050040003	6	08-DEC-2004	CT3LBN5050040004	9	VAMI	1010	LBN5
CT3BLD1050040001	USD	8	PRAM	CT3PLD1050040002	6	08-DEC-2004	CT3LBN5050040002	9	VAMI	1010	LBN5
CT3BLD1050040001	USD	9	PRAM	CT3PLD1050040003	7	08-DEC-2004	CT3LBN5050040004	12	VAMI	1010	LBN5
CT3BLD1050040001	USD	10	PRAM	CT3PLD1050040002	7	08-DEC-2004	CT3LBN5050040002	12	VAMI	1010	LBN5

Self Participant	820436300002	Reprop	Positions	Reprocess	Interface Type	Internal
Branch	CT3					
Desk Code	TRS01-TRS DESK					

Input By	Date Time	Auth By	Date Time	Mod No	
SAMPLED4	04/01/2005 00:00:00	SAMPLED4	04/01/2005 00:00:00	1	<input checked="" type="checkbox"/> Open <input checked="" type="checkbox"/> Authorized

You can view the 'Processing Status' and other associated details of the record in the above browser. The following statuses are applicable for the records:

- Extraction – The record is in this status when an event is triggered for the LS contract (self participant's contract). These events are posted in the STP queue for handoff to LD module. The following details are displayed in the browser:

- Reference number of the contract on the borrower's side
 - Currency of the contract
 - Sequence in which the events occur and the corresponding event code
 - Reference number of the contract on the participant's side
 - Event sequence number for the participant side contract
 - Processing date of the event (in 'DD-MMM-YYYY' format)
 - Mapping that exists between the self participant, branch and desk code (as per your maintenance in the 'Self Participant Maintenance' screen)
 - Enrich - If default preference chosen as No Default then the BOOK event is logged with processing status as 'Enrich'. You can unlock the BOOK event and specify the Expense and Product Codes.
 - If LS-LD Component and Product mapping screen is maintained with 'No_Default' maintenance for default preference then Drawdown contract reference number defaults in Enrich status in the STP Interface Browser and you can unlock and specify the Expense code and Product code in the screen.
- Handoff – The record moves to this status when the LS events are handed off to the LD module to create the corresponding commitment/loan contract on the originations side.
 - Processed – Once the events that take place on the LS side are replicated/processed (after performing the validations explained in the section 'Validating records prior to processing in LD module' below) for the corresponding commitment/loan contract, the record moves to the 'Processed' status. In other words, the commitment/loan contract is booked and the relevant events are triggered for the same. You can view the following details in the browser:
 - Reference number of the commitment/loan contract
 - Event Sequence Number and the Event Code
 - Failed – If the processing fails, the record moves to the 'Failed' status



If the interface type is 'External', you have to unlock the record, key-in the commitment/loan details and then save and authorize the record.



While processing the specific event, the negative base rate or margin rate will be considered during interest calculation on loan contracts if base rate or margin rate is in negative at the drawdown level.

You can unlock a record by clicking a specific record. And you cannot navigate to other records until the record is saved.

You can also authorize the record by clicking specific record. And manually mark the process status as 'Processed', if the process status of the record is in 'Enrich'. The system does not validate the position during the transaction.

11.7.1 Validating Records Prior to Processing in LD Module

Prior to processing the contract in the LD module, the system ensures the following:

- The processing date of the commitment/loan contract is less than or equal to the application date of the transaction branch (as selected in the 'LD Branch' field of the 'LS LD Product and Component Mapping' screen).
- Events prior to the current event of the same contract are in the 'Processed' status i.e. the system processes the events in the order of the event sequence number. For instance, if the BOOK event is in the 'Failed' or 'Unprocessed' status, the system does not process the INIT event for that contract.
- Mapping exists between the LS and LD product and components of the product (in the 'LS LD Product and Component Mapping' screen) and between the customer and agency id (in the 'Loan Syndication – Facility Contract Online' screen).
- The outstanding balance of the drawdown/tranche contract of the self-participant in LS module is equivalent to the corresponding loan/commitment contract in the LD module.

11.7.1.1 Viewing Positions of LS and Loan Contracts

You can view the outstanding position of each LS contract and that of the corresponding commitment/loan contract in the 'Component Wise Position' screen. Click  button in the browser to view the details.



The screenshot shows a web interface titled "Component Wise Position". It contains two side-by-side tables. The left table is titled "LS Participant Details" and the right table is titled "LD Details". Both tables have three columns: "Component", "Position", and "Currency".

LS Participant Details			LD Details		
Component	Position	Currency	Component	Position	Currency
PRINCIPAL	7100	USD	PRINCIPAL	7100	USD

The system displays the following details for both LS and the corresponding loan contract in this screen:

- Name of the component
- Position of the component
- Contract currency

 If the interface type is 'External', the system displays the position of the LS contract only.

After successful validations, the system triggers the events for the commitment/loan contract. The borrower and the agency (identified by the 'Agency ID' selected in the Facility Contract Online' screen) of the LS contract becomes the customer and the settlement party, respectively, of the generated loan contract. Further, the system updates the 'Processing Status' of the events to 'Processed' and displays the loan details in the browser.

You can view the loan in the 'LD Contract Online' screen, as shown below:

The screenshot displays the 'LD Contract Online' interface with the following key sections:

- Header:** Template (NORM), Contract Ref Number (CIPLBN104363F5E), Product (Bearing Loan 01), Branch (CIP), Department (DEP), Treasury.
- Contract Section:** Customer (AUTOT24), Agent CIF, Currency (USD), Amount (1,000.00), Lcy Eqvt (521.93 GBP), Reserve Amt, Recovery Amt, Write-off Amt, Contra GL Bal, Net Outstanding Amt (1,000.00).
- Interest Details:** Tenor (28-DEC-2004), Booking Date (28-DEC-2004), Value Date (28-DEC-2004), Type (FLOATING), Rate (1.132000000), Code Usage (Amendment), User Rate (1.132000000), Spread (0.000000000), Float Code (LIBOR), Rev Type, Net Rate (1.132).
- Other Fields:** Maturity Date (28-DEC-2005), Notice Days, Tax Scheme, Pmt Method (BEARING), Status (NORM), Funding method (Not Required), Offset No (0), Agency Contract (checked), Rollover Allowed (Yes), Mechanism (New Version), Method (Normal).
- Footer:** Entry By (GANESH01), Entry Time (28/12/2004 14:27:00), Contract Stat (Active), Auth Status (Unauthorized).

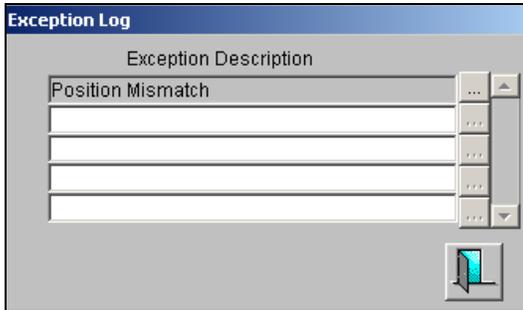
The system checks the 'Agency Contract' box to distinguish between a normal contract and the contract created as a result of STP. If required, you can unlock the record and uncheck this box. If you uncheck, the contract becomes a normal loan contract. Further, the system stops tracking bank (playing the role of the self participant) share in the syndication.

11.7.2 Viewing and Reprocessing Failed Records

The straight through processing may fail due to the following reasons:

- If mapping is not present for product, components of the product (in the 'LS LD Product and Component Mapping' screen), and customer id and agency id (in the 'Loan Syndication – Facility Contract Online' screen).
- If the outstanding principal and interest in the participant drawdown contract of the self-participant in LS module does not match with the outstanding principal and interest of the corresponding commitment/loan contract.
- Any failures in the LD level validations such as limit checking for the borrower, settlement failure etc.

If the processing fails, the record moves to the 'Failed' status. You can view the reason of failure in the 'Exception Log' screen. Click **Exception L...** in the 'Straight Through Processing Interface Browser' to view the exceptions.



11.7.3 Processing Settlements

When you book a facility contract in the 'Loans Syndication – Facility Contract Online' screen, you have to capture the 'Internal Agency ID' (CIF Id).

For details on creating a facility contract, refer the section titled 'Capturing facility details' in the 'Loan Syndication Contracts' chapter of this User Manual.

The id you select for the facility is propagated to the tranche and drawdowns created under it.

When the system processes the BOOK/INIT events for the tranche/drawdown, the agency id of the tranche/drawdown is also processed as part of STP. Based on the mapping that exists between the 'Old Value' (which is the 'Internal Agency ID' you select in the 'Facility Contract Online' screen) and the 'New Value' in the 'Translation Maintenance – Detailed' screen for the source code 'STP', the system picks up the corresponding Agent ID (New Value) for generating the commitment/loan contract in the LD module. The Agent ID is displayed in the 'Agent CIF' field of the 'LD Contract Online' screen.

The screenshot displays the 'LD Contract Online' interface with the following fields and sections:

- Contract Information:** Contract Ref Number (CIPLBN104363F5E), Facility Name, User Ref Number (CIPLBN104363F5E), Custom Ref No (BASHA1).
- Contract Details:** Customer (AUTOT24), Agent CIF, Currency (USD), Amount (1,000.00), Lcy Eq4 (521.93 GBP), Reserve Amt, Recovery Amt, Write-off Amt, Contra GL Bal, Net Outstanding Amt (1,000.00).
- Interest Details:** Booking Date (28-DEC-2004), Value Date (28-DEC-2004), Rate (1.132000000), Type (FLOATING), Fixed Rate Type, Code Usage (Amendment), Spread (0.000000000), User Rate (1.132000000), Fixed Code, Float Code (LIBOR), Rev Type, Net Rate (1.132).
- Maturity and Cycle:** Maturity Date (28-DEC-2005), Notice Days, Int Period Basis (Include From Dt), Cycle (On), Type (None), Decimals (2), Unit (.01).
- Payment and Funding:** Tax Scheme, Pmt Method (BEARING), Status (NORM), Funding method (Not Required), Offset No (0).
- Rollover Options:** Allowed (Yes/No), Mechanism (New Version), Method (Normal), Roll Inst Status (Incomplete).
- Internal Remarks:** A text field for additional notes.
- Footer:** Entry By (GAMESH01), Entry Time (28/12/2004 14:27:00), Auth By, Auth Time, Contract Stat (Active), Auth Status (Unauthorized).

11.7.4 Impact of STP on CUSIP/ISIN

For Originations (LD) commitments booked through Straight Through Processing (STP) from Agency (LS) tranche for self-participants, the following update will be done to the LD commitment:

- LD commitment 'CUSIP' will be updated with the LS Tranche 'CUSIP' value
- LD commitment 'Ext CUSIP/ISIN' will be updated with the LS Tranche 'Ext CUSIP/ISIN'
- New display field 'Ext Deal CUSIP/ISIN' at LD commitment will be updated with the LS Tranche 'Ext Deal CUSIP/ISIN'

For Originations (LD) commitments linked to the Agency (LS) tranche for self-participants, through the 'Participant Commitment Linkage' screen, the following updates will be done to the LD commitment:

- LD commitment 'CUSIP' will be updated with the LS Tranche 'CUSIP' value
- LD commitment 'Ext CUSIP/ISIN' will be updated with the LS Tranche 'Ext CUSIP/ISIN'

- New display field 'Ext Deal CUSIP/ISIN' at LD commitment will be updated with the LS Tranche 'Ext Deal CUSIP/ISIN'

For Originations (LD) commitments relinked to the Agency (LS) tranche for self-participants through the 'STP Relink' screen, the following updates will be done to the LD commitment:

- LD commitment 'CUSIP' will be updated with the LS Tranche 'CUSIP' value
- LD commitment 'Ext CUSIP/ISIN' will be updated with the LS Tranche 'Ext CUSIP/ISIN'
- New display field 'Ext Deal CUSIP/ISIN' at LD commitment will be updated with the LS Tranche 'Ext Deal CUSIP/ISIN'

For contract amendment (CAMD) propagated at commitment through Straight Through Processing (STP) from Agency (LS) tranche for self-participants, the following updates will be done to the LD commitment.

- LD commitment 'CUSIP' will be updated with the new LS Tranche 'CUSIP' value
- LD commitment 'Ext CUSIP/ISIN' will be updated with the new LS Tranche 'Ext CUSIP/ISIN'
- New display field 'Ext Deal CUSIP/ISIN' at LD commitment will be updated with the New LS Tranche 'Ext Deal CUSIP/ISIN'

11.8 Reprocessing STP Status Details in LD Module

You can reprocess the STP handoff data in case of failure in the LD module also. The details are updated in the 'Origination Interface Browser' screen. To invoke this screen from the Application Browser, select **Loan & Commitment Operations**, click **Agency Job Browser** and **Summary** under it.

You can also invoke this screen by typing 'LDSSTPJB' in the field at the top right corner of the Application tool bar and clicking on the adjoining arrow button.

Processing Status

Choose 'Reprocess' from the option list to change the processing status to reprocess in case of failure.



Note the following:

- The system captures the audit detail when the process status changes from Failed to Re-process.
- In case of external type of transaction the maker and checker will be SYSTEM and SYSTEMAU.

The following table lists the events that are handed off from LS module for bank or bank entities play the self participant's role:

LS Events	Description	LD Events	Description
BOOK	Booking of tranche/drawdown	BOOK	Booking of a commitment/loan
INIT	Initiation of a tranche/drawdown	INIT	Initiation of a commitment/ loan
VAMB	Value dated amendment booking in tranche/drawdown	VAMB	value dated amendment booking in commitment/loan

LS Events	Description	LD Events	Description
VAMI	Value dated amendment initiation in tranche/drawdown	VAMI	Value dated amendment initiation in commitment/loan
LIQD	Liquidation	LIQD	Liquidation
REVN	Revision of interest rate	REVN/RTCH	Rate revision/Rate change
MRFX	Revision of margin	REVN/RTCH	Rate revision/Rate change
IRAM	Interest rate amendment	REVN/RTCH	Rate revision/Rate change
FLIQ	Fee liquidation	FLIQ	Fee liquidation
ROLL	Rollover of a contract	LIQD	Liquidation of the parent contract
BLIQ	Future dated payments	LIQD	Liquidation of the parent contract

 The system hands off the ROLL (Rollover) event from LS module as LIQD for liquidating the parent contract in LD module. Likewise, the BOOK/INIT event of the child contract of LS module creates the child contract with BOOK/INIT in LD module.

The future dated payments (BLIQ) should be propagated to the LD module on the booking date

11.9 Handing off Agency Contract Amendment Details

Oracle FLEXCUBE has the facility to handoff the Agency Contract Amendment detail to Loans module to process it through STP route.

 Note the following:

- The STP interface program hands off the Contract Amendment event (CAMD).
- The system hands off Fee components and the Payment schedules to Loans as part of the STP processing of the Agency CAMD event
- The schedule population start date will be min of last paid schedule date and contract amendment date.
- The system hands off the Agency Contract's CAMD event as CAMD event in Originations and creates new version in L&D contract.

11.10 Handing off Agency Fee Amendment Detail

Oracle FLEXCUBE has the facility to handoff the Agency FEE Amendment detail to Loans module to process it through STP route.



Note the following:

- The STP interface program hands off the FEE Amendment event (FAMD).
- The system hands off the Fee components details and the FEE Payment schedules to Commitment/Loans as part of the STP processing of the Agency FAMD event
- The schedule population start date will be min of last paid schedule date and FEE amendment date.
- The system hands off Agency Contract's FAMD event as FAMD event in Originations.

11.11 Processing HFI-HFS Transfer in STP Interface Browser

In case of HFI to HFS Transfer, LS-LD STP Interface browser will be updated with two records - one each for HFI and HFS participants. The LS event code will be 'PRAM' for both the records.

If the box 'HFS Transfer' is checked in the 'Participant Transfer' screen, for both HFI and HFS participants, the system will not invoke a job to process the PRAM events for tranche and drawdown contracts. The processing status will be updated as 'Failed' with the following exception message:

HFS Transfer, Manual intervention is required.

If the HFS participant is new to the tranche, then you will have to manually link the HFS commitment with the HFS participant using the 'STP Relink' screen. Upon authorization of re-link, the processing status will be updated as 'Processed' for the HFS participant.

You will have to manually mark the processing status as 'Processed' for the HFI Participant. Balance for the HFI commitment in origination module will be reduced based on the updated file sent from RAPID,

If the PRAM is reversed and rebooked then both the reversed and rebooked PRAMs will be in 'Failed' status in the STP browser for both the participants. You will have to manually mark the process status as 'Processed.'

11.12 Processing the LS PRAM (Assignment) as Part of STP

Oracle FLEXCUBE processes the LS PRAM (assignment) in Origination (LD) module as part of STP.



Note the following:

- As part of any assignment in Agency involving the Self participation, there will be increase or decrease in self participation based on the type of assignment (Buy/Sell).
- Any increase in the Self participation is represented as Value Dated amendment of Loans and commitments. The system treats PRAM with the BUY as VAMI in LD module with the increase in amount

- Similarly, any decrease in the Self participation is represented as Value Dated amendment of Loans and commitments to ensure that the commitment availability is intact considering the Revolving/ Non Revolving attribute of the commitment. The system treats PRAM with the SELL as VAMI in LD module with the decrease in amount
- The system updates the Principal schedules after the VAMI value date on Pro Rata basis.
- There is an indication in the Value Dated amendment upload to indicate if the VAMI should adjust the schedules on Pro Rata basis
- The VAMI functionalities remain with the Principal schedules being updated on LIFO basis (Change in the Bullet schedule).
- The VAMI with the decrease in amount is applicable only for the assignment STP process
- In case of introduction of new self participation, the system hands off the same as New contract Booking (BOOK and INIT events) on the LD side as part of STP
- You have to operationally handle any discrepancies in the Loan/Commitment amounts or schedules due to the back valued activities.
- If VAMB/VAMI is initiated from LS, system will check on the LD whether VAMB/VAMI is done with same value date and amount combination. If it is done already on the LD side, STP will not be done and instead process status will be changed as Processed.
- If VAMB/VAMI is not done on the LD side, STP process will be decided based on the reason code selected at the VAMI screen. If the reason code is maintained as STP Process not required, STP will not be done and Process Status will be updated as Failed.

Possible activities which may result in the position or schedule mismatch are as follows:

- Assignment beyond another assignment or payment or borrower VAMI
- Borrower VAMI beyond assignment or payment
- Any back valued activities beyond the prepayment with the interest
- Payment/Prepayment beyond assignment
- Assignment with the overdue principal schedules

11.13 Processing Agency Reprice Detail

Oracle FLEXCUBE processes the LS reprice details in Loans & Deposits module through STP process. The system handles both the split and Merge events for STP.



Note the following:

- In case of Split instruction at Agency contract, the system fires the payment at parent Loan contract and Book the New Loan contract.
- The system hands off the SPTI event in the parent drawdown contract as LIQD event on the parent LD contract. The New drawdown contracts created as part of split reprice are handed off as new loan contract.
- The actual split reprice amount is passed to parent LD contract during the SPTI handoff. DLNK event is triggered in the reporting commitment of the parent LD contract to the extent of the reprice amount in case of Non Revolving commitments to ensure that Split amounts will not be considered for additional utilization.
- In case of Merge instruction at Agency contract, the system fires the liquidation at Child contracts and fires VAMB/VAMI on parent LD contract.
- The MRLQ events in the child drawdowns being merged are handed off as LIQD event in the child Loan contracts. The MRGI event in the parent drawdown is handed off as VAMB/VAMI on the parent Loan contract.
- The merge reprice amounts for each of the child contracts are tagged while handing off the MRLQ event to the Originations. DLNK event is triggered in the reporting commitment of the child Loan contracts to the extent of the reprice amount in case of Non Revolving commitments to ensure that amounts being merged will not be considered for additional utilization
- The STP interface program hands off the reprice events (Split and Merge reprice events).
- The STP handoff table population program populates the Liquidation upload summary table, contract booking upload table and Amendment upload table in case split and merge instruction.
- The handoff of the reprice events happens from Agency to originations on their initiation process in Agency

11.13.1.1 STP support for Amortization contracts

STP is supported only for Amortization contracts having Principal and Main Interest component amount as part of Amortization constant along with servicer fee.

However, for products with Escrow components as additional amortization constant components, in LS-LD Product and component mapping, Agency Amortization type of Product should be mapped to LD 'Normal Bearing' type of Product. This needs to be done as Escrow components will not be propagated to participants in agency and hence will not be handed off to Origination.

Mapping is done for below components:

Main Interest component – This will support the STP of the agency contract that has both pre-Amortization Interest schedule and Amortization schedule

LS-LD STP Product and Component mapping maintenance should be done for the same kind of LS and LD 'Amort' products matching the attributes like 'Allow userinput installment', 'Allow re-amortization'.

11.13.1.2 STP Processing Mapping Syndication-Origination Customer

The system picks up the mapping origination borrower for the Tranche/Drawdown borrower from the syndication-origination customer mapping maintenance, while booking the origination commitment and populates the same. Agent CIF field at the originations gets displayed with the Agent CIF and settlements will be picked up for the Agent CIF mnemonic maintenance. In the absence of maintenance, the system continue to book the origination contract without Agent CIF and mnemonic is picked by the normal settlement logic based on the settlement maintenance available for the origination commitment/loan customer.

System will check for the syndication to origination customer mapping only as part of STP process while booking the new loan/commitment. If the loan/commitment is manually created, then linked to agency will not validate the syndication to origination customer mapping.

12. Re-pricing

12.1 Introduction

Oracle FLEXCUBE allows you to re-price fixed rate contracts to floating rate contracts and vice-versa. Re-pricing is very similar to the rollover operation. The difference being that you can initiate a rollover only on the maturity date whereas you can perform re-pricing on any date between the value date and maturity date of the contract (value date inclusive). The following two options are available for re-pricing:

- Split re-pricing – In this case, you re-price the parent contract into new child contracts
- Merger Re-pricing – In this case, you re-price one or more child contracts into a single parent contract.

You have to adhere to the following rules for both types of re-pricing:

- Use 'Re-Price Suspense GL' (selected in the Branch Parameters – Preferences' screen) for settlement of re-price transactions
- Re-price only the principal of the contract and not interest
- Use different products for parent and child contracts during re-pricing but all products have to be under the same tranche

12.2 Capturing Split Re-Price Instructions

When you re-price a contract, the amount is taken from the parent contract into the 'Re-Price Suspense GL' (specified in the 'Preferences' sub-screen of the 'Branch Parameters – Detail' screen) before moving it to the child contract.

You can re-price a transaction (or part amount) into a new transaction or multiple transactions through the 'Re-Price Transaction (Split Details)' screen. To invoke this screen from the Application Browser, click **LS Operations**, select **Repricing** and choose **Split Details** under it.

Re-Price Transaction(Split Details)

Parent Re-Price Transaction (Split)

Contract Ref No. User Ref No. Split Serial No.

Product Borrower LIBOR Drawdown Prod Counterparty

Book Date Currency

Value Date Outstanding Principal

Liquidate Principal Liquidate Interest

Interest Rate Fixing Date

Default Fronting Default Fronting Create New Contract

Child Re-Price Transaction (Split)

Sr. No.	Product	Liq Int On	Prepayment	Amount	Amort Amount	CCY	Maturity Date	Child Ref. No.	Consider For Split	
1	BDLL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	50.00		USD	20-SEP-2012		<input type="checkbox"/>	
2	BDLL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	50.00		USD	20-SEP-2012		<input type="checkbox"/>	
Total Split Amount				100.00						

Product Components BDLL

Component	Rate Type	Reset Tenor	Rate Code	Base Rate	Margin Rate	Rate	Interest Basis
AGYFEEINT	FIXED	9	LIBOR	10.20000	0.00000	10.20000	Actual/360
INTEREST	FIXED	9	LIBOR	0.00000	5.00000	5.00000	Actual/360

Interest Components AGYFEEINT

Margin Component	Margin Basis	Basis Amount Tag	Margin Rate
LIRMGNAGYF	T	Tranche Outstanding	0

Remarks

Entry By: Date/Time: Auth By: Date/Time: Mod No: Reprice Status:

Open Authorized

The current system date is displayed as the 'Book Date' (you are not allowed to change this date) and 'Value Date' of split re-pricing.

In addition, you have to specify the following:

Contract Ref No

Select or enter the reference number of the contract to be re-priced. When you enter the reference number, the following details are displayed for the parent contract:

- User Reference Number
- Product and associated description
- Counterparty
- Currency of the contract
- Outstanding Principal

The Split Serial No. gives you the number of split transactions carried out on the parent contract till date. It starts with one and increments by 1 for every subsequent split transaction.



Note the following:

- You can re-price only those contracts that have no overdue schedules
- The advices to the customer on account of re-pricing are sent from the parent contract

Value Date

By default, the system displays the current date. You can change this date provided the new date is less than the maturity date or greater than or equal to the value date of the contract.

Liquidate Principal

By default, the system checks this box if the total amount of the child contracts is less than the outstanding principal balance. It instructs the system to liquidate the outstanding principal for the parent contract at the time of re-pricing. You can uncheck this box, if required.

Liquidate Interest

By default, this box is unchecked. If you check this box, the system liquidates the outstanding interest for the parent contract at the time of re-pricing, if interest payment schedule exists on that day. If you do not check this box, the interest remains with the parent. On the event of complete liquidation of principle or re-price amount more than the principle outstanding also you can check or uncheck the Liquidate Interest check box.

Interest Rate Fixing Date

The system displays the interest Rate Fixing Date.

In the case of prime loans, this box is not applicable and prime interest liquidation happens to the extent of the re-price amount and principle if any.

Transfer Unamortized Fee

Select this check box to transfer all the unamortized fees to the child contract. Amortization starts from EOD of the Global Application date.

Default Fronting

Indicate if the fronting detail has to be defaulted for the increase in amount during rollover / reprice. You can select one of the following options:

- 'Default Fronting' - select this option to default the front/fund details from the latest disbursement
- 'Create New Contract' – select this option to create a new contract for the increase in amount without the default front/fund details

On selecting the 'Default Fronting' option, the front/fund details is defaulted from the past disbursement events to the new disbursement event (VAMB/VAMI) which will be triggered as part of reprice processing. System generates BPMT to the borrower for the fronted/funded investor's portion and proceed with the reprice processing.

On selecting the 'Create New Contract' option, the system defaults the front/fund details to the new disbursement event (VAMB/VAMI) which will be triggered as part of reprice processing, but the BPMT event will not be fired based on these default options. Further, as part of Reprice processing, one of the child contracts will be created for the increase in amount without any default fronting/funding options. In the split child contract, for the increased amount, the funding details will be captured and borrower payment will also be sent from this child contract.

12.2.1 Specifying Child Contract Details

In the 'Child Re-Price Transaction (Split)' section of the screen, you can specify the following details of the child contracts.

Product

Select the product under which the child contract is to be created during re-pricing.

Liqd Int on Prepayment

The system allows you to check this option only if the product you select is defined as a 'Prime Loan' product (in the 'Loans Syndication – Borrower Product Preferences' screen). If selected, the system liquidates the interest component along with the principal either on the frequency-based schedule date or at the time of principal prepayment. In case of the latter, system calculates interest only on the principal prepaid.

Amount

Specify the transaction amount for the split/child contract. After you specify the amount, the system displays the following information:

- CCY- The currency of all child contracts is same as that of the parent contract. You are not allowed to change the same.
- Total Split Amount - The total amount of all child contracts



The sum total of the transaction amounts of all the child contracts can be less than, equal to, or greater than the outstanding principal amount of the parent contract. If the total amount of the child contracts (at the time of re-pricing) is greater than the outstanding principal balance, the system automatically initiates a VAMI (value dated amendment on the re-price date) on the parent contract for the differential amount. Thus, the difference amount is added to the principal amount before the system proceeds with re-pricing.

Amort Amount

Specify the amort amount for the child contracts.

Amort Amount is enabled only if the child product is amortization type and the "Allow user input installment" and 'User Input Installment' is selected at the product level. The system validates this value and displays an error message if the field value is null.

Pre-EMI main Interest component schedule is not defaulted to Child contracts even if parent contract has 'Allow pre-amortization interest' checked. Split Reprice is supported only for Amortization contracts having Principal and Main Interest component amount as part of Amortization constant. If Escrow impounding components or any other non main interest component exists and they are not part of the Amortization constant, Split reprice will be allowed.

Impound components are copied from child product and special amount is not be copied from parent contract. For Tax/ Insurance/ ESCROW components, definition of special component related details for the child products will not be supported.

Maturity Date

Enter the date of maturity for the child contract. Child contract generated from the parent contract can have any maturity date but not greater than the maturity date of the tranche and not less than the value date of the re-price.

Child Ref No

The system displays the reference number of the child/re-priced contract. For current and back dated split instructions, the reference number is generated on authorization of the split instructions. For future dated instructions, the reference number is generated either on the re-price value date or on the child contract creation date (through the 'Partial Split Instruction Processing' screen), which ever occurs first.

Consider for Split

Check this box to specify the split that should be considered for the new contract created for the increase in amount without the default front/fund details.

It is mandatory to select this option for one of the splits if 'Create new contract' option is selected.



Note the following:

- On selecting the 'Default Fronting' option, the 'Consider for Split' will be disabled.

Example

Case 1: Split reprice instruction is captured as follows:

Split No	Reprice Amount	Consider for Split
1	12M	Y

On completing the reprice processing, it will be as follows:

Split No	Reprice Amount	Consider for Split	Child Contract
1	2M	Y	C2
2	10M	N	C3

The split for 12M will be internally split into 2M (increase in amount) and 10M (12M-2M). Child contracts C2 and C3 will be created for 2M and 10M, respectively. For C3, all the participants will be treated as fronting (defaulted from parent contract C1). For C2, there will not be any default fronting. User will have to capture the fronting values manually using the payment processing browser.

Case 2: Split reprice instruction is captured as follows:

Split No	Reprice Amount	Consider for Split
1	10M	N
2	2M	Y

On completing the reprice processing, it will be as follows:

Split No	Reprice Amount	Consider for Split	Child Contract
1	10M	N	C2
2	2M	Y	C3

Child contracts C2 and C3 will be created for 10M and 2M respectively. For C2, all the participants will be treated as fronting (defaulted from parent contract C1). For C3, there will not be any default fronting. User will have to capture the fronting values manually using the payment processing browser.

Case 3: Split reprice instruction is captured as follows:

Split No	Reprice Amount	Consider for Split
1	7M	N
2	5M	Y

On completing the reprice processing, it will be as follows:

Split No	Reprice Amount	Consider for Split	Child Contract
1	7M	N	C2
2	2M	Y	C3
3	3M	N	C4

The second split for 5M will be internally split into 2M (increase in amount) and 3M (5M-2M). Child contracts C2, C3 and C4 will be created for 7M, 2M and 3M respectively. For C2 and C4, all the participants will be treated as fronting (defaulted from parent contract C1). For C3, there will not be any default fronting. User will have to capture the fronting values manually using the payment processing browser.

Rate Type

Select the nature of the rate for computing interest for the child contract. The options available are:

- FIXED
- SPECIAL

- FLOATING

When you select the 'Rate Type', the system displays the name of the component(s), if any of the above type is associated with the product.

Reset Tenor

This indicates the tenor for the component. The tenor of the parent contract defaults for the child contract. You can specify a different tenor for the same, if required.

Rate Code

If there are components with 'Rate Type' as 'Floating', select a rate code to be applied to the child contract. The option list displays all valid rate codes maintained in the system. Select the appropriate code from this list. The system picks up the rate maintained for the selected rate code and displays it in the 'Base Rate' field.

Interest Basis

The system defaults the value from the component at the parent contract level and you are allowed to amend the value while capturing Re-price instruction.

Base Rate

The base rate for the component of the child contract is displayed here. If the rate type of the component is 'Fixed' and the 'Fixed Rate Type' is 'User Input', you can amend the rate. In the case of 'Floating' rate type, system displays the rate applicable for the selected 'Rate Code'.

In addition, the system displays the following:

- Margin Rate - The sum total of the margin component values
- Rate – The final rate that the system arrives at based on the component 'Base Rate' plus 'Margin Rate' that you specify.

The margin, if maintained for the interest components defined for the selected borrower drawdown product (in the 'Interest Definition' screen), defaults in the 'Product Component' section of the screen. The following details are displayed:

- Name of the margin component
- Margin Basis whether tranche or drawdown
- Basis Amount Tag
- Margin Rate



You can change the default rate only for components with 'Basis Amount Tag' as 'User Input'.

Remarks

You can capture any additional information/remarks for the split transaction.

12.3 Processing Split Re-Pricing

During split re-pricing, in case there are residual interest and principal on the parent contract (in case of partial re-price), the system liquidates the same in the parent contract if you check the 'Liquidate Principal' and 'Liquidate Interest' boxes. If you do not check, the amount is retained in the parent contract.



Note the following:

- If the parent contract is a prime loan for which you have checked both 'Liquidate Interest' and 'Liquidate Interest on Prepayment', the system liquidates the interest that is accrued till date (the date when the re-pricing is done).
- The system posts the accounting entries for the principal and interest liquidation at re-price for the SPTI (Split Transaction Initiation) event triggered for the parent contract.

The system creates the child contracts with the same currency as that of the parent contract. However, if drawdown currency is different from the linked tranche currency, you have the option to fix exchange rate for each child contract.

For details, refer the section titled 'Fixing exchange rate for child contracts' in this chapter.

You cannot perform a back dated re-pricing beyond the:

- Latest PRAM date
- Last payment date
- Last value dated amendment date
- Re-price value date

12.3.1.1 Automatic Rate Set Process for Future Dated Split Re-Price

The system processes the SPIX on the Rate Fixing Date. The Interest rate is picked from Daily LIBOR Rate for the Rate fixing date for Drawdown currency and for Interest Rate Period and Rate Code. The SPIX gets processed online once the Job starts processing and also when the rate maintenance available for the Rate fixing date

If the flag 'Auto Auth Rate Fixing Events' is 'Yes' at loans parameters screen, then SPIX gets auto-authorized with maker/checker as SYSTEM

If the flag 'Auto Auth Rate Fixing Events' is 'No', then SPIX will not be authorized. The Maker Id for SPIX event will be SYSTEM. You are allowed to authorize this event from 'Split Re-Price Transaction' Screen.

You to manually amend the interest rate through Interest Rate Amendment screen (IRAM), if further amendments required for the Re-priced Drawdown interest components. The job will fail the SPIX event if rate maintenance is not available for the day. Appropriate exception will be logged saying rate maintenance is not available.

12.3.2 Generating Child Contracts for Future Dated Re-Pricing

In the case of future dated re-pricing, FLEXCUBE allows you to create child contracts in advance i.e. before the value date of the split. You can create the child contracts through the 'Partial Split Instruction Processing' screen. To invoke this screen from the Application Browser, select **LS Operations**, choose **Repricing** and then click **Partial Split Processing** option under it.

Contract Ref No	Split Serial No	Maturity Date	Process Date
<input type="checkbox"/> CIPBLD104363E6YS	1	28-DEC-2008	28-DEC-2004
<input type="checkbox"/> CT3BLD104363A001	1	31-DEC-2004	28-DEC-2004
<input type="checkbox"/> CT3BLD104363D5EH	1	01-DEC-2005	29-DEC-2004
<input type="checkbox"/> CIPBLD104363B66W	1	28-DEC-2008	28-DEC-2004
<input type="checkbox"/> CT2BPL104365C1JL	1	01-DEC-2005	30-DEC-2004

In this screen, the system displays all future dated parent contracts for which child contracts are yet to be created. You can select the contracts for which you wish to create the child contracts in advance. Check the box against each record to select a contract.

Click  to generate the child contracts for the selected parent contracts.

 If you opt for forward dated re-pricing, the system restricts other events (which may change the payment schedules – Liquidation, Value Dated Amendment, PRAM, Split/Merge Re-price etc), for the parent contract till the re-pricing is complete. However, for pro-rata tranche contracts, you can do a participant transfer between the Booking and Initiation dates.

12.3.3 Fixing Exchange Rate for Child Contracts

If drawdown currency is different from the linked tranche currency, you have the option to fix exchange rate for each child contract. You can do this through the 'Exchange Rate Fixing'

screen. Click  button in the 'Re-Price Transactions (Split Details)' screen.

For more details on the above screen, refer the section titled 'Fixing exchange rate for drawdown currency' in the 'Loan Syndication Contracts' chapter of this User Manual.

12.3.4 Fixing Interest Rate for Child Contracts

If you have checked the 'Rate Fixing Required' box for the interest component at the product level (in the 'Interest Definition' screen), you can fix the interest rate for such components in the child

contracts, at the time of re-pricing. To do this, click  button in the 'Re-Price Transactions (Split Details)' screen.

For details on the above screen, refer the section titled 'Fixing interest rate after drawdown booking' in the 'Loan Syndication Contracts' chapter of this User Manual.

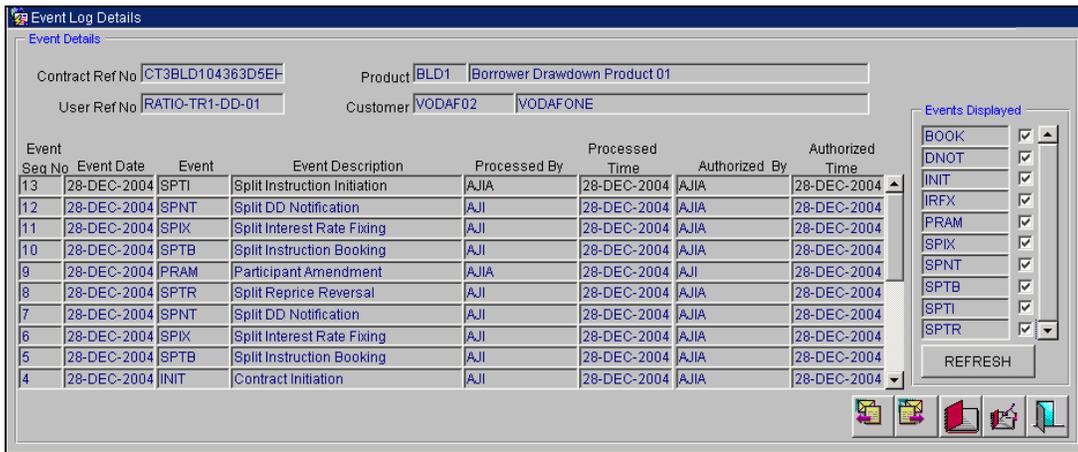
12.3.5 Authorizing Override for Split Re-Pricing

If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required.

For more details, refer the section 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

12.3.6 Viewing Event Details

You can view the events, accounting entries and advices generated for contract in the 'Event Log Details' screen. Click  button to invoke this screen.



The screenshot shows the 'Event Log Details' window with the following data:

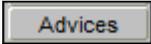
Event Seq No	Event Date	Event	Event Description	Processed By	Processed Time	Authorized By	Authorized Time
13	28-DEC-2004	SPTI	Split Instruction Initiation	AJIA	28-DEC-2004	AJIA	28-DEC-2004
12	28-DEC-2004	SPNT	Split DD Notification	AJI	28-DEC-2004	AJIA	28-DEC-2004
11	28-DEC-2004	SPIX	Split Interest Rate Fixing	AJI	28-DEC-2004	AJIA	28-DEC-2004
10	28-DEC-2004	SPTB	Split Instruction Booking	AJI	28-DEC-2004	AJIA	28-DEC-2004
9	28-DEC-2004	PRAM	Participant Amendment	AJIA	28-DEC-2004	AJI	28-DEC-2004
8	28-DEC-2004	SPTR	Split Reprice Reversal	AJI	28-DEC-2004	AJIA	28-DEC-2004
7	28-DEC-2004	SPNT	Split DD Notification	AJI	28-DEC-2004	AJIA	28-DEC-2004
6	28-DEC-2004	SPIX	Split Interest Rate Fixing	AJI	28-DEC-2004	AJIA	28-DEC-2004
5	28-DEC-2004	SPTB	Split Instruction Booking	AJI	28-DEC-2004	AJIA	28-DEC-2004
4	28-DEC-2004	INIT	Contract Initiation	AJI	28-DEC-2004	AJIA	28-DEC-2004

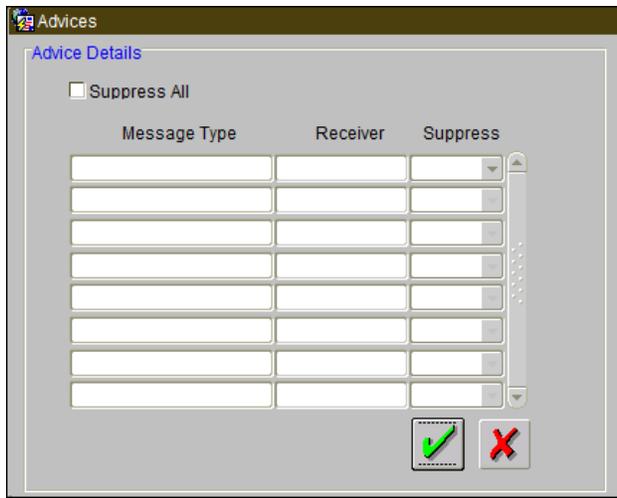
Events Displayed list (checked items):

- BOOK
- DNOT
- INIT
- IRFX
- PRAM
- SPIX
- SPNT
- SPTB
- SPTI
- SPTR

For more information on the 'Event Log Details' screen, refer the section 'Viewing events for the facility' in the 'Loan Syndication Contracts' chapter this User Manual.

12.3.6.1 Viewing Advices

Similarly, you can view the advices generated for contract. To do this, click  button in the 'Re-Price Transaction (Split Details)' screen. The system will display the 'Advices' screen, as shown below.



12.3.7 Specifying Media for Message Generation

You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking  button. This button will be enabled only if the 'FpML Type' option is unchecked at the contract level and the 'Media Priority' option is checked at the product level.

If this button is enabled, then the system will display an override message saying to view the 'Media for Message Generation' screen. If not, the system will handoff the message as per the details maintained in the 'Customer Entity Maintenance' screen.

For more information on the 'Media for Message Generation' screen, refer the section 'Specifying Media for Message Generation' in the Loan Syndication Contracts - Part 2' chapter of this User Manual.

12.4 Capturing Consolidation Re-Price Instructions

You can consolidate one or more re-priced child contracts with a parent contract. The same can be done through the 'Re-Price Transaction (Consolidation Details)' screen. To invoke this screen from the Application Browser, click **LS Operations**, select **Repricing** and then click **Consolidate Details** under it.

STOP You cannot capture split/merge reprice instructions for the same contract if any reprice is pending for the process.

The current system date is displayed as the 'Book Date' (you are not allowed to change this date) and 'Value Date' for consolidated re-pricing. In addition, you have to specify the following details:

Contract Ref No

Select the reference number of the parent contract into which the selected child contracts (in the 'Child Re-Price Transaction' section of the screen) are to be consolidated. When you enter the reference number, the following details of the selected parent contract is also displayed:

- User Reference Number
- Product and Description
- Counterparty
- Currency
- Outstanding principal

The 'Merge Serial No.' gives you the number of merge transactions carried out on the parent contract.

Value Date

By default, the system displays the current date as the merger value date. You can change this date provided the new date is less than the maturity date or greater than or equal to the value date of the parent contract. The system allows current dated, forward dated or back dated merger re-pricing. However, back dated merge re-pricing cannot be beyond the:

- Latest PRAM
- Last payment date
- Last value dated amendment date
- Re-price value date

12.4.1 Specifying Child Contract Details for Consolidation

In the 'Child Re-Price Transaction (Consolidation)' section of the screen, you can specify the following details of the child contracts that have to be consolidated to the selected parent contract.

Contract Ref No

Select the reference number of the child contract that is to be merged with the parent contract. The option list displays the reference number of all the non-LC type of drawdowns which are eligible for merge reprice contracts. Contracts which satisfy the following conditions are displayed in the option list:

- Contracts which are under the same tranche of parent contract
- Contracts for which reprice value date lies between Value date and maturity date (including maturity date)
- Contracts which have same currency and same borrower as thatof parent contract

Upon selection of the child contract, the following details are displayed:

- User Reference Number
- Value date of the contract
- Transaction Amount
- Currency of the contract

Amount

The amount of the child contract which will be re-priced and consolidated with the parent contract is displayed here. This is the outstanding principal amount of the child contract. The amount can be less than or equal to the outstanding principal.

The system displays the sum total of the merged amount in the 'Total Merge Amount' field.

Currency

The currency of the child contract is displayed here. You can merge only those child contracts that have the same currency as the parent contract.

Liquidate Interest

By default, this box is unchecked. If you check this box, the system liquidates the outstanding interest for the child contract at the time of re-pricing, if interest payment schedule exists on that day. If you do not check this box, the interest remains with the child.



If the child contract is prime loan, the system liquidates the interest which has been accrued till date (the re-price value date) irrespective of the 'Liquidate Interest' option.

Liquidate Principal

By default, the system checks this box if the total amount of the child contracts is less than the outstanding principal balance. It instructs the system to liquidate the outstanding principal for the child contract at the time of re-pricing. You can uncheck this box, if required.

Remarks

You can capture additional remarks for the consolidation transaction, if required.

12.5 Processing Consolidated Re-Pricing

During consolidation re-pricing, the amount is taken from the child contract into the 'Re-Price Suspense GL' (specified in the 'Preferences' sub-screen of the 'Branch Parameters – Detail' screen) before moving it to the parent contract.



Note the following:

- You cannot merge child contracts for more than the principle outstanding amount of those contracts. Merge reprice can happen for those contracts which have the same no of active participants with the same participant ratios.
- The system processes all future dated re-pricing entries on BOD of the value date of re-price.
- Re-pricing can be processed only if the balance is zero in all the linked escrow accounts for the contract. Thus during re-pricing, balances in the escrow account will not be automatically transferred to the new contract.

12.5.1 Authorizing Override for Consolidated Re-Pricing

If the UDF 'RATE-VARIANCE' is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required.

For more details, refer the section 'Authorizing Overrides' in the chapter titled 'Loan Syndication Contracts - Part 1' of this User Manual.

12.6 Reversing Re-Price Instructions

You can reverse a forward split/consolidation re-price instructions before the value date of re-price. To reverse the split instructions for which the system has already processed the child contracts, you have to first reverse the child contracts before you reverse the re-price instructions maintained for the parent contract. You cannot reverse the instructions if the underlying split child contracts are active.

For the list of events and sample accounting entries, refer 'Appendix A – Events, Advices and Accounting Entries for Loan Syndication Products' of this User Manual.

12.6.1.1 Account Entries

As part of Re-price, SPTI event is triggered in the parent contract. Only the Principal and Interest Liquidation entries get posted.

Accounting Role	Dr. / Cr.	Amount Tag
SYN_POOL	Cr.	INTEREST_LIQD
CUSTOMER	Dr.	INTEREST_LIQD
SYN_POOL	Cr.	PRINCIPAL_LIQD
CUSTOMER	Dr.	PRINCIPAL_LIQD
SYN_POOL	Cr.	PRINCIPAL_SPTI
CUSTOMER	Dr.	PRINCIPAL_SPTI

The entries triggered for fee as part of INIT in the child contract for inheriting the unamortized fee is mentioned below.

Accounting Role	Dr. / Cr.	Amount Tag
CUSTOMER	Cr.	PRINCIPAL
SYN_POOL	Dr.	PRINCIPAL
ROLL_WASH	Cr.	PRINCIPAL_ROIN
SYN_POOL	Dr.	PRINCIPAL_ROIN

12.6.1.2 Rate Setting

To set the rate setting rules for the Split Re-Price Instructions, click the **Rate Setting** button in the 'Split Re-Price Instructions' screen and invoke the 'Rate setting' screen, as shown below:

Rate Setting Rules

Contract Detail

Product Code: Borrower LIBOR Drawdown Prod

Contract Ref No: User ref no:

Customer:

Facility Name:

Split Details

Split Number: Roll Product:

Principal Roll amount: Total Roll Amount:

Interest Roll Amount: Maturity Date:

Interest Rate Rounding rules

Rounding Rule:

Rounding Unit:

Interest Rate Period

O/N
 1MO
 4MO
 7MO
 1WK
 2MO
 5MO
 8MO
 2WK
 3MO
 6MO
 9MO
 3WK
 10MO
 11MO
 12MO

Tenor Details

WK-week
 MO-Month
 O/N-Over Night

Specify the following details.

Contract Details

Product code

The system displays the product code.

Contract Ref number

The system displays the contract ref number.

User ref number

The system displays the user ref number.

Customer

The system displays the customer name.

Facility name

The system displays the facility name.

Split Details

Split number

The system displays the split number.

Principal roll amount

The system displays the principal roll amount.

Interest roll Amount

The system displays the Interest roll amount.

Roll Product

The system displays the roll product.

Total roll amount

The system displays the total roll amount.

Maturity date

The system displays the maturity date.

Interest rate rounding rules

Rounding rule

Select the rounding rule from the adjoining drop down list. Select one of the options listed below:

- Down
- Upto
- No rounding
- Manual

Rounding Unit

The rounding unit will be enable only if the you have selected the 'rounding rule' as 'Down' and 'Upto' .

Interest rate period

Select one of the interest rate periods from the options given.



Note the following:

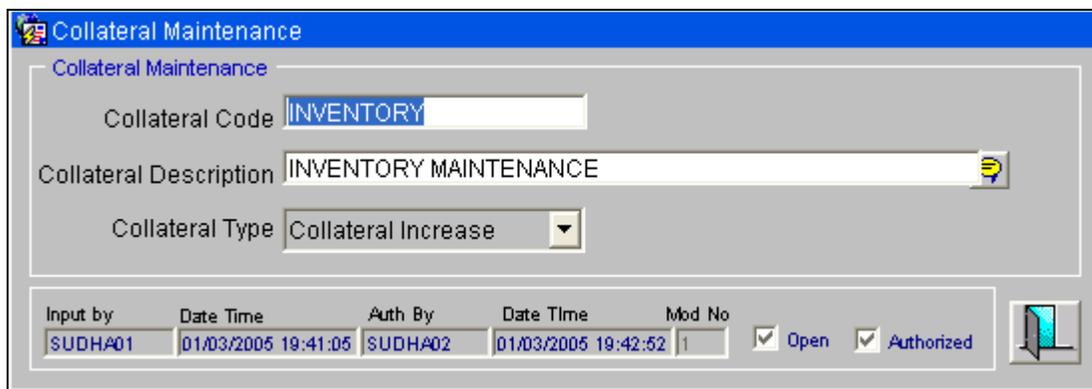
Once all the Rate setting rules are maintained and when you come out of 'Rate Setting Rule screen' by clicking OK button (Green tick), following override message will be displayed

- If the Interest Rate Rounding Rule is 'Manual', then the message will be 'Rounding Rule is manual. Auto Rate Fixing will not be done'
- If Interest Rate Rounding Rule is not 'Manual', then the message will be 'Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted'. This message will appear only for the future dated events / contracts
- You are allowed to change the Rounding Rule by clicking 'Cancel' button in the override message

13. Maintaining Collateral Details

13.1 Maintaining Collateral Details

You can maintain codes in the 'Collateral Maintenance' screen for collaterals used by the bank while providing credit limit facility to the customer. To invoke this screen, select **LS Maintenance** in the Application Browser and then click the **Collateral Maintenance**.



The screenshot shows the 'Collateral Maintenance' window. It contains the following fields:

- Collateral Code: INVENTORY
- Collateral Description: INVENTORY MAINTENANCE
- Collateral Type: Collateral Increase

At the bottom, there is a table with the following data:

Input by	Date Time	Auth By	Date Time	Mod No	Open	Authorized
SUDHA01	01/03/2005 19:41:05	SUDHA02	01/03/2005 19:42:52	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

You can capture the following in this screen:

Collateral Code

Specify a unique code to identify the collateral.

Collateral Description

Enter the collateral description.

Collateral Type

Select the collateral type. You can have the following options:

- Collateral Increase – On selecting this option, the collateral will increase the net available.
- Collateral Decrease – On selecting this option, the collateral will decrease the net available.

13.2 Maintaining Collateral Entity Details

You can maintain the collateral entity details in the 'Collateral Entity Maintenance' screen. To invoke this screen, select **LS Maintenance** in the Application Browser and then click the **Collateral Entity Maintenance**.

Input By	Date Time	Auth By	Date Time	Mod No
SREEAU	28/12/2004 12:36:41	SREE	28/12/2004 12:38:01	1

You can capture the following details:

Entity Code

Specify the entity code.

Entity Description

Enter the description for the collateral entity.

Entity Type

Select the entity type. You can have the following options:

- Collateral Entity
- Collateral Codes

13.3 Maintaining Tranche Collateral Details

You can maintain and amend the tranche collateral details in the 'Tranche Collateral Input' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Input** in the sub-menu and then choose the **Detailed** option under it.

You can also book the tranche details for the collaterals by clicking the  button in the 'LS Tranche Contract Online' screen.



You can book the tranche details in the 'LS Tranche Contract Online' screen, whereas the subsequent amendments can be done only in this screen. No event will be registered in the tranche for the subsequent amendments to Tranche Collateral.

You need to specify the following details:

Contract Ref No

Specify the contract reference number. The adjoining option list displays the contract reference numbers maintained in the system. You can choose the appropriate one.

Effective Date

Specify the date on when the tranche collateral details are to be effective.

Product Code

The system displays the product code based on the contract reference number selected.

Customer

The system displays the customer code and name based on the contract reference number selected.

Facility Name

The system displays the facility name based on the contract reference number selected.

User Ref No

The system displays the user reference number based on the contract reference number selected.

Tranche CCY

The system displays the tranche currency based on the contract reference number selected.

Collateral Code

Specify the collateral code which is to be associated with Tranche. The adjoining option displays the collateral codes maintained in the system. You can choose the appropriate one.

Gross Avl Amount

Enter the full gross tranche amount of the collateral code. The gross available amount will be taken in Tranche currency.

Ineligible Amount

Specify the ineligible amount of the collateral code. The ineligible amount will be taken in Tranche currency.

% of Inventory

Specify the inventory of the collateral code in percentage.

Net Available Amount

The system displays the net available amount for a collateral code by taking sum of available balance of all the collaterals linked to the tranche for the latest effective date.

Net Available Amount for a collateral code is computed by the system based on the following formula:

- $\text{Net Available Amount} = (\text{Gross Available Amount} - \text{Ineligible Amount}) * \% \text{ Of Inventory}$



Note the following:

- While calculating the Net Available balance, the system will take only the last effective date.
- If the collateral type 'Decrease' is selected, then the Net Available balance will be stored as negative collateral.

13.4 Viewing Tranche Collateral Details

You can view the tranche collateral details in the 'Tranche Collateral Summary' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Input** in the sub-menu and then choose the **Summary** option under it.

Auth Stat	Rec Stat	Tranche Ref No	Effective Date	Collateral Code	Global Avl Amount	Ineligible Amount	% Of Inventory	Net Avl Amount

13.5 Maintaining Tranche Collateral Account Details

You can maintain the tranche account details for collateral in the 'Tranche Collateral Account Maintenance' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Account Input** in the sub-menu and then choose the **Detailed** option under it.

You can also book the tranche account details for the collaterals by clicking the  button in the 'LS Tranche Contract Online' screen.

 You can book the tranche details in the 'LS Tranche Contract Online' screen, whereas the sub sequent amendments can be done only in this screen.

You need to specify the following details:

Tranche Ref No

Specify the tranche reference number. The adjoining option list displays the contract reference numbers maintained in the system. You can choose the appropriate one.

Effective Date

Specify the date on when the tranche collateral account details are to be effective.



Once you specify the date, the opening and available balances will be displayed as of the latest effective date for the Collateral Code and Collateral Account combination.

Product Code

The system displays the product code.

Customer

The system displays the customer code and name.

Facility Name

The system displays the facility name.

User Ref No

The system displays the user reference number.

Event Seq. No

The system displays the event sequence number.

Tranche CCY

The system displays the tranche currency based on the reference number selected.

Collateral Code

Specify the collateral code which is to be associated with tranche. The adjoining option displays the collateral codes maintained in the system. You can choose the appropriate one.

Collateral Account

Specify the collateral account from which the tranche collateral is to be booked.

Investment Type

Specify the investment type for the collateral account. You can modify this during the life of the tranche.

Balance Display deadline

Specify the balance display deadline. You can modify this during the life of the tranche.

Opening Balance

Specify the opening balance for the collateral account.

Available Balance

Specify the available balance for the collateral account.

Pending Transfers

Specify the pending transfer amount for the collateral account.

Difference

The system displays the difference amount for a collateral account by taking sum of available balance of all the collaterals linked to the tranche for the latest effective date.

Difference amount for a collateral account is computed by the system based on the following formula:

- $\text{Difference} = \text{Available Balance} - \text{Pending Transfers}$

On saving the account details, an override message will be displayed which requires dual authorization. An e-mail will be sent to the participants of the tranche whenever the override message is displayed. The message is as follows:

If the opening balance or difference amount is negative, the following message is displayed:

Account is in Overdraft

If the opening balance or difference amount is positive, the following message is displayed:

Verify if Investment is required

13.6 Viewing Tranche Collateral Account Details

You can view the tranche collateral account details in the 'Tranche Collateral Account Summary' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Account Input** in the sub-menu and then choose the **Summary** option under it.

Auth Rec		Tranche Ref No	Effective Date	Collateral Code	Collateral Investment Balance Disp			Opening Balance	Available Balance	Pending Transfers	Difference Amount
Stat	Stat				Account	Type	Deadline				

Auth Stat: A- Authorised, U- Unauthorised
 Record Stat: O- Open, C- Closed

13.7 Maintaining Tranche Collateral Entity Details

You can maintain the tranche collateral entity details in the 'Collateral Entity Input' screen. To invoke this screen, select **LS Operations** in the Application Browser and then click the **Collateral Entity Input** in the sub-menu and then choose the **Detailed** option under it.

You can also book the Tranche account details for the collaterals by clicking the button in the 'LS Tranche Contract Online' screen.



You can book the tranche account details in the 'LS Tranche Contract Online' screen, whereas the sub sequent amendments can be done only in this screen.

Entity Code	Collateral Gross	Collateral Ineligible	Collateral Available	Collateral Net Available	Optional Total

You need to specify the following details:

Contract Ref No

Specify the contract reference number. The adjoining option list displays the contract reference numbers maintained in the system. You can choose the appropriate one.

Effective Date

Specify the date on when the tranche collateral account details are to be effective.

Product Code

The system displays the product code.

Customer

The system displays the customer code and name.

Facility Name

The system displays the facility name.

User Ref No

The system displays the user reference number.

Tranche CCY

The system displays the tranche currency based on the reference number selected.

Collateral Code

Specify the collateral code which is to be associated with tranche. The adjoining option displays the collateral codes maintained in the system. You can choose the appropriate one.

Entity Code

Specify the entity code which is to be associated with tranche. The entity code will be displayed based on the collateral code selected.

Collateral Gross

Specify the collateral gross amount. The amount entered will be in Tranche currency.

Collateral Ineligibles

Specify the collateral ineligible amount. The amount entered will be in Tranche currency.

Collateral Available

Specify the collateral available amount. The amount entered will be in Tranche currency.

Collateral Net Available

Specify the collateral net available amount. The amount entered will be in Tranche currency.

Optional Total

Specify the optional total amount. The amount entered will be in Tranche currency.

13.8 Viewing Tranche Collateral Entity Details

You can view the tranche collateral entity details in the 'Tranche Collateral Entity Summary' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Entity Input** in the sub-menu and then choose the **Summary** option under it.

Contract Detail

The system displays the following details:

- Product Code
- Customer
- Facility Name

Collateral Detail

Specify the following details:

Contract Ref No

Specify the contract reference number. The adjoining option list displays all valid contract reference numbers that are maintained in the system. You can select the appropriate one.

Participant

Specify the participant code for which the collateral percentage is being maintained. The adjoining option list displays all valid participant codes that are maintained in the system. You can select the appropriate one.

Participant Name

The system displays the name of participant based on the participant code selected.

Collateral %

Specify the collateral percentage of the participant.

Collateral Amount

The system calculates and displays the collateral amount based on the following formula:

$$\text{Collateral Amount} = \text{Collateral \%} * \text{Tranche Un-utilized amount} * \text{Participant Share}$$



Note the following:

- You can maintain the collateral percentage details only if you have specified details in 'Collateral Settlement Mnemonic' field in 'LS Tranche Contract Online' screen.
- On saving, the system would internally create a collateral online contract for each tranche, if the collateral online mnemonic is maintained.
- The tenor of the collateral online contract will be same as the tranche contract.

13.10 Viewing Collateral Participants Details

You can view the collateral contract details at the tranche level in the 'Participant Collateral Summary' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Participant** in the sub-menu and then choose the **Summary** option under it.

The screenshot shows the 'Participant Collateral Summary' window. It contains a table with the following columns: Auth Status, Tranche Ref No, Cusip No, Facility Name, Contract Ref No, and Available Collateral Amount. The table lists 10 rows of data. The first row is highlighted. Below the table, there is a legend for 'Auth Stat' (A- Authorized, U- Unauthorised) and buttons for 'Settlements', 'Events', and three icons (D, Q, and a refresh icon).

Auth Status	Tranche Ref No	Cusip No	Facility Name	Contract Ref No	Available Collateral Amount
A	CT2BLT1043669001	500001	CT2BLT1043669001	CT2CLT1043662001	
A	CT2BLT1043669001	500001	CT2BLT1043669001	CT2CLS1043662001	25,000,000.000
A	CT2BLT1043666002	300000	CT2BLT1043666002	CT2CLT1043660001	
A	CT2BLT1043666002	300000	CT2BLT1043666002	CT2CLS1043660001	12,500,000.000
A	CT2BLT104366A002	Q12	CT2BLT104366A002	CT2CLT1043663001	
A	CT2BLT104366A002	Q12	CT2BLT104366A002	CT2CLS1043663001	11,250,000.000
A	CT2BLT104366A004	Q23	CT2BLT104366A004	CT2CLT1043663002	1,150,000.000
A	CT2BLT104366A004	Q23	CT2BLT104366A004	CT2CLS1043663002	11,500,000.000
A	CT2BLT104366A0RT	R0025	CT2BLT104366A0RT	CT2CLT1043664001	3,850,000.000
A	CT2BLT104366A0RT	R0025	CT2BLT104366A0RT	CT2CLS1043664001	5,500,000.000

The following details are displayed in this screen:

- Authorization Status of the contract
- Tranche Ref No
- Cusip No
- Facility Name
- Contract Ref No
- Available Collateral Amount

13.11 Capturing Collateral Override Details

You can capture the collateral amounts for over-ride details at the tranche level in the 'Collateral Override' screen. To invoke this screen, select **LS Operations** in the Application Browser, click on **Collateral Override** in the sub-menu and then choose the **Detailed** option under it.

14. Appendix A – Events, Advices and Accounting Entries for Loan Syndication Products

14.1 Events, Advices and Accounting Entries

When you create products for borrower facility, tranche or draw down contracts, you must maintain the events and event-wise accounting entries and advices. The following section of this chapter gives you a list of probable events applicable for each product type and the related accounting entries and advices.

14.1.1 List of Events

The following table lists the events that can take place during the lifecycle of a syndication contract. The appropriate propagation type for each event is also mentioned:

Event Code	Event Description	Propagation Type
BOOK	Booking of Contract	Required
INIT	Contract Initiation	Required
LIQD	Liquidation	Required
FLIQ	Fee Liquidation	Required
CROL	Consol Rollover	Required
CAMD	Contract Amendment	Required
CANC	Cancellation of Reduction Schedules	Required
DLNK	Release of Linkage to Loan	Not Required
DNOT	Drawdown Notice Generation	Required
EXFX	Exchange Rate Fixing	Required
ENOT	Exchange Rate Fixing Notice	Required
IRFX	Interest Rate Fixing	Required
LINK	Linkage to Loan	Not Required
NOTC	Billing Notice Generation	Required
PRAM	Participant Amendment	Required
ROLL	Rollover of Contract	Required

Event Code	Event Description	Propagation Type
VAMB	Value Dated Amendment Booking	Required
VAMI	Value Dated Amendment Initiation	Required
INOT	Interest Rate Notice Generation	Required
ENOT	Exchange Rate Notice	Required
FACR	Fee Accrual	Not Required
IRAM	Interest Rate Amendment	Required
ERAM	Exchange Rate Amendment	Required
RNDP	Rounding Profit	Required
RNDL	Rounding Loss	Required
PRLQ	Liquidation of a payable/receivable component of a tranche/DD.	Required
RVPR	Reversal of a payable/receivable component of a tranche/DD.	Required
MRFX	Fixing/Pickup of New Margin Rate	Required
EXPY	Expiry of Tranche Availability	Required
CASC	Change in the 'Cascade Participation' attribute of a tranche.	Required
SPTB	Split Re-price Booking at parent contract	Required
SPTI	Split Re-price Initiation at parent contract	Required
SPIX	Split Re-price Interest Rate Fixing at parent contract	Required
SPEX	Split Re-price Exchange Rate Fixing at parent contract	Required
SPNT	Split Re-price Notice at parent contract	Required
SPTR	Split Re-price reversal at parent contract	Required
MRGB	Merger Reprice booking at parent contract	Required

Event Code	Event Description	Propagation Type
MRGI	Merger Reprice Initiation at parent contract	Required
MRLQ	Merger Liquidation at child contract	Required
MRGR	Merge re-price reversal at parent contract	Required
RNET	Rollover of a contract with rollover netting option	Required
RMNT	Payment message in case of rollover netting	Required
COAM	Collateral Percentage Amendment	Not Required
SPWV	Special Penalty Waiver	
RSPW	Reversal of Special Penalty Waiver	

14.1.2 Amount Tags

The amount tags listed below are hard coded in ORACLE FLEXCUBE:

SI No	Amount Tag	Description
1	USERINPUT	User Input Amount
2	COMMUTIL_DECR	Commitment Amount Reinstated
3	COMMUTIL_INCR	Commitment Amount Utilized
4	DDCOUNT	Drawdown Count
5	OUTSTANDING	Outstanding Amount
6	PRINCIPAL	Principal Amount
7	PRINCIPAL_ADDL	Additional Principal
8	PRINCIPAL_DECR	Decrease in principal on amendment
9	PRINCIPAL_FWD	Forward takedown amount
10	PRINCIPAL_INCR	Increase in principal on amendment
11	PRINCIPAL_LIQD	Principal Amount Liquidated
12	PRINCIPAL_PAY	PRINCIPAL - Payable Amount

SI No	Amount Tag	Description
13	PRINCIPAL_REC	PRINCIPAL- Receivable Amount
14	PRINCIPAL_ROIN	Principal Amount for rolled over new contract
15	PRINCIPAL_ROLL	Principal Amount Rolled over
16	TRANCHE-CURRENT-LIMIT	Tranche Current Limit
17	UNUTIL	Un-Utilized Amount
18	UTILIZED	Utilized Amount
19	COMPONENT_AMOT	Component Amortization
20	COMPONENT_SPLT	Component Split
21	ISSUER1_LCOS to ISSUER10_LCOS	Issuance LC Outstanding
22	COMMERCIAL_LCOS	Commercial LC Outstanding
23	STANDBY_LCOS	Stand By LC Outstanding
24	NETAMNT_PAY	Net amount Payable
25	NETAMNT_RECV	Net amount Receivable

14.1.3 Accounting Roles

A list of sample accounting roles and role type is listed below:

Accounting Role	Description	Role Type
CONASSETGL	Commitment GL	Contingent Asset
CONASSETOFF	Offset for Commitments	Contingent Liability
F-TAX1_EXP	Tax expense role for F-TAX1	Expense
F-TAX1_PAD	Tax paid in adv role for F-TAX1	Asset
F-TAX1_PAY	Tax payable role for F-TAX1	Liability
F-TAX2_EXP	Tax expense role for F-TAX2	Expense
F-TAX2_PAD	Tax paid in adv role for F-TAX2	Asset
F-TAX2_PAY	Tax payable role for F-TAX2	Liability
FWDASSETGL	GL for Future Dated loans	Contingent Asset

Accounting Role	Description	Role Type
SYN_POOL	Syndication Pool	Asset

Accounting Role	Description	Role Type
SYN_RNDEXP	Syndication Rounding Expense	Expense
SYN_RNDINC	Syndication Rounding Income	Income
SYN_POOL	Syndication Pool	Asset
ASSETGL	Asset GL for Loans	Asset
CONLIABGL	Borrowing Line GL	Contingent Liability
FWDASSETGL	GL for Future Dated Loans	Contingent Asset
LOANS_SYND_POOL	Loans syndication pool	Asset
ROLL_WASH	Roll wash for rollover	Income
FAS91_SPLIT	FAS91 Fee to be Recognized split	Income
SUSPENSE_GL	Rollover netting suspense GL	Income
CUSTOMER	Customer Settlement Account	Expense



In the accounting roles listed above the suffixes stand for:

- EXP - Expense
- PAD - Paid in Advance
- PAY - Payable
- INC- Income

14.2 Event-wise Accounting Entries and Advices

The following sections list the suggested accounting entries and advices for each of the events in the life-cycle of a syndication contract. Samples of events, accounting entries, and advices have been given for the following types of syndication products:

- Borrower Facility Product
- Borrower Tranche Product
- Borrower Drawdown Product
- Participant Facility Product

- Participant Tranche Product
- Participant Drawdown Product

14.2.1 **Borrower Facility Product**

The possible events and event-wise accounting entries and advices for a borrower facility product is tabulated below.

14.2.1.1 **Events to be Associated with Borrower Facility Products**

The following events are applicable to Borrower Facility Products:

Event	Description
BOOK	Triggered when a facility contract is Booked
FLIQ	Triggered when fees are liquidated for a facility contract that uses the product
CAMD	Triggered when a facility contract is amended
FACR	Triggered when fees accrual entries are passed, based on the Accrual parameters defined at the product level.
NOTC	Triggered when a billing notice is generated for the facility
SGEN	Triggered on 'Settlement Days' (maintained in the 'Currency Definition') before the schedule payment date.

14.2.1.2 **Event-wise Accounting Entries for Borrower Facility Products**

The possible accounting entries for the various events are given below:

BOOK

Accounting Entries not applicable for this event

CAMD

Accounting Entries not applicable for this event

FACR

Accounting Role	Amount Tag	Dr / Cr
FEE-ADVRIA	COMPONENT_ACCR	Dr
FEE-ADVINC	COMPONENT_ACCR	Cr
FEE-ARRREC	COMPONENT_ACCR	Dr

Accounting Role	Amount Tag	Dr / Cr
FEE-ARRINC	COMPONENT_ACCR	Cr

FLIQ

Accounting Role	Amount Tag	Dr / Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
If fee accrual is applicable for the product, the following additional entries will also be passed.		
FEE-ADVRIA	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
FEE-ARRREC	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Dr
Un earned GL	COMPONENT_LIQD	Cr
Un earned GL	COMPONENT_AMOT	Dr
RIA GL	COMPONENT_AMOT	Cr
Un earned GL	COMPONENT_SPLT	Dr
FAS91_SPLIT	COMPONENT_SPLT	Cr

SGEN

Accounting Entries not applicable for this event

NOTC

Accounting Entries not applicable for this event

14.2.1.3 Event-wise Advices for Borrower Facility Products

The following events are available for generation of advices:

Event	Description
FLIQ	You can associate the advice BORR_FEE_ADV with this event
NOTC	You can associate the advice BORR_SYND_NOTC with this event

Event	Description
SGEN	You can associate the advice PAYMENT_MESSAGE with this event

14.2.1.4 Event-wise Accounting Entries for Commitment Product

The possible accounting entries for the event TRCL are given below:

Event	Amount Tag	Accounting Role	Dr/Cr
TRCL	LCLMT_HFS_INCR	LCSUBLIMITHFS	Dr
TRCL	LCLMT_HFS_INCR	LCSUBLIMIT	Cr
TRCL	LCLMT_HFS_DECR	LCSUBLIMIT	Dr
TRCL	LCLMT_HFS_DECR	LCSUBLIMITHFS	Cr

14.2.2 Borrower Tranche Product

The possible events and event-wise accounting entries and advices for a borrower tranche product is tabulated below.

14.2.2.1 Events to be Associated with Borrower Tranche Products

The following events are applicable:

Event	Description
BOOK	Triggered when a borrower tranche is booked
INIT	Triggered when a borrower tranche is initiated
LIQD	Triggered when any principal component is liquidated in the Drawdown under the Tranche
FLIQ	Triggered when fees are liquidated for a tranche that uses the product
LINK	Triggered for a tranche when a drawdown is initiated under the tranche
DLNK	Triggered for a tranche when a drawdown schedule under a tranche is closed.
NOTC	Triggered when a billing notice is generated for the tranche
PRAM	Triggered when a participant transfer occurs for the tranche
VAMB	Triggered when a value dated amendment (of Principal or Maturity Date) is booked for the tranche.
VAMI	Triggered for a tranche when a value dated amendment is initiated or becomes

Event	Description
	effective in the system
CANC	Triggered when the reduction schedules for a tranche is cancelled manually.
EXPY	Triggered upon expiry of the tranche
SGEN	Triggered when a settlement message is generated for the tranche
PRLQ	Triggered when a payable or receivable component of the tranche is liquidated
RVPR	Triggered when a payable or receivable component of the tranche is reversed
FRSK	Triggered while performing various operations in the Agency module (Accounting event maintained for change in GAAP fronting risk for various operations performed in Agency module).

14.2.2.2 Event-wise Accounting Entries for Borrower Tranche Products

The possible accounting entries for the various events are given below:

BOOK

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr

INIT

Accounting Role	Amount Tag	Dr /Cr
CONASSETGL	PRINCIPAL	Dr
CONASSETOFF	PRINCIPAL	Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr
LC Sublimit for bank share (GAAP fronting Risk)	LCLIMITAMT	Dr
Memo offset (GAAP fronting Risk)	LCLIMITAMT	Cr

LIQD

Accounting Role	Amount Tag	Dr /Cr
CONASSETOFF	PRINCIPAL_LIQD	Dr

Accounting Role	Amount Tag	Dr /Cr
CONASSETGL	PRINCIPAL_LIQD	Cr

FLIQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr
Internal Receivable GL ac	UNTIL_SWN	Dr
Syn-pool	UNUTIL_SWN	Cr

DLINK

Accounting Role	Amount Tag	Dr /Cr
CONLIABGL	COMMUTIL_DECR	Cr
CONASSETGL	COMMUTIL_DECR	Dr

LINK

Accounting Role	Amount Tag	Dr /Cr
CONASSETOFF	COMMUTIL_INCR	Dr
CONASSETGL	COMMUTIL_INCR	Cr

NOTC

Accounting Entries are not applicable for this event.

CANC

Accounting Role	Amount Tag	Dr /Cr
CONASSETOFF	COMMUTIL_DECR	Dr
CONASSETGL	COMMUTIL_DECR	Cr

EXPY

Accounting Role	Amount Tag	Dr /Cr
CONASSETOFF	COMMUTIL_DECR	Dr
CONASSETGL	COMMUTIL_DECR	Cr

VAMB

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr

VAMI

Accounting Role	Amount Tag	Dr /Cr
CONASSETGL	PRINCIPAL_DECR	Cr
CONASSETOFF	PRINCIPAL_DECR	Dr
CONASSETOFF	PRINCIPAL_INCR	Cr
CONASSETGL	PRINCIPAL_INCR	Dr
LC Sublimit for bank share(GAAP fronting Risk)	LCLIMITAMT_INCR	Dr
Memo offset (GAAP fronting Risk)	LCLIMITAMT_INCR	Cr
LC Sublimit for bank share(GAAP fronting Risk)	LCLIMITAMT_DECR	Dr
Memo offset (GAAP fronting Risk)	LCLIMITAMT_DECR	Cr

FRSK

Accounting Role	Amount Tag	Dr /Cr
LC Sublimit for bank share(GAAP fronting Risk)	LCLIMITAMT_INCR	Dr
Memo offset (GAAP fronting Risk)	LCLIMITAMT_INCR	Cr
LC Sublimit for bank share(GAAP fronting Risk)	LCLIMITAMT_DECR	Dr
Memo offset (GAAP fronting Risk)	LCLIMITAMT_DECR	Cr

SGEN

Accounting Entries are not applicable for this event.

PRLQ

Accounting Role	Amount Tag	Dr/Cr
CUSTOMER	COMPONENT_PAY	Cr
CUSTOMER	COMPONENT_REC	Dr

Accounting Role	Amount Tag	Dr/Cr
SYN_POOL	COMPONENT_PAY	Dr
SYN_POOL	COMPONENT_REC	Cr

RVPR

Accounting entries are not applicable for this event.

NOTC

Accounting Entries are not applicable for this event.

PRAM

Accounting Entries are not applicable for this event.

14.2.2.3 Event-wise Advices for Borrower Tranche Products

The following events are available for generation of advices:

Event	Advice
FLIQ	You can associate BORR_FEE_ADV with this event
INIT	You can associate PAYMENT_MESSAGE with this event
BOOK	You can associate PAYMENT_MESSAGE with this event
NOTC	You can associate BORR_BILL_NOTC with this event
VAMI	You can associate PAYMENT_MESSAGE with this event
SGEN	You can associate PAYMENT_MESSAGE with this event
PRLQ	You can associate PAYMENT_MESSAGE with this event

14.2.3 Borrower Drawdown Product

The possible events and event-wise accounting entries and advices for a borrower drawdown product is tabulated below.

14.2.3.1 Events to be Associated with Borrower Drawdown Products

The following events are applicable to borrower drawdown products:

Event	Description
BOOK	Triggered when a borrower drawdown contract is booked

Event	Description
INIT	Triggered when a borrower drawdown contract is initiated
LIQD	Triggered when there is a repayment for the principal component under the drawdown contract.
FLIQ	Triggered when fees are liquidated for a contract that uses the product.
CROL	Triggered when a consolidated rollover occurs
DNOT	Triggered upon generation of a DD notice
ENOT	Triggered when an exchange rate fixing notice is generated
EXFX	Triggered on the date when the exchange rate is fixed for the drawdown.
INOT	Triggered when an interest rate fixing notice is generated for the drawdown.
IRFX	Triggered on the date when the interest rate is fixed for the drawdown.
VAMB	Triggered when a value dated amendment (of Principal or Maturity Date) is booked for the drawdown.
VAMI	Triggered for a drawdown when a value dated amendment is initiated or becomes effective in the system.
NOTC	Triggered when a billing notice is generated for the drawdown.
PRAM	Triggered when a participant transfer occurs for the drawdown.
ROLL	Triggered when a drawdown is rolled over
CAMD	Triggered when a drawdown undergoes an amendment
ERAM	Triggered when the exchange rate of the drawdown is amended
IRAM	Triggered when the interest rate of the drawdown is amended
SGEN	Triggered when a settlement message is generated for the drawdown
RVPR	Triggered upon reversal of payables and receivables for a drawdown
PRLQ	Triggered upon liquidation of payables and receivables
REVN	Triggered when a back dated floating interest rate code is revised. It is also triggered when a floating interest rate code is revised on the current application date.
MRFX	Triggered when a back dated margin rate revision occurs

Event	Description
RNOT	Triggered when capturing the rollover instructions for a drawdown
ROIX	Triggered when DD interest rate is fixed while capturing the rollover instructions
ROEX	Triggered when DD exchange rate is fixed while capturing the rollover instructions
SPTB	Triggered when a split re-price booking occurs for the parent contract.
SPTI	Triggered when a split re-price initiation occurs for the parent contract.
SPIX	Triggered when split re-price interest rate fixing occurs for the parent contract.
SPEX	Triggered when split re-price exchange rate fixing occurs for the parent contract.
SPNT	Triggered when split re-price notice is generated for the parent contract.
SPTR	Triggered when split re-price reversal occurs for the parent contract.
MRGB	Triggered when merger re-price booking occurs for the parent contract.
MRGI	Triggered when merger re-price initiation occurs for the parent contract.
MRLQ	Triggered when merger re-price liquidation occurs for the child contract.
MRGR	Triggered when merger re-price reversal occurs for the parent contract.
RNET	Triggered on the date rollover is fired.
RMNT	Triggered when Payment Message is generated based on settlement days (Currency).
CREX	Triggered when exchange rate is fixed during consolidated rollover booking
CRIX	Triggered when interest rate is fixed during consolidated rollover booking
CRNT	Triggered to generate the consolidated rollover notice when consolidated rollover is booked.

14.2.3.2 Event-wise Accounting Entries for Borrower Drawdown Products

The possible accounting entries for the various events are given below:

BOOK

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr

INIT

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	PRINCIPAL	Dr
CUSTOMER	PRINCIPAL	Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr
SYN_POOL	PRINCIPAL_ADDL	Dr
CUSTOMER	PRINCIPAL_ADDL	Cr
SYN_POOL	PRINCIPAL_ROIN	Dr
ROLL_WASH	PRINCIPAL_ROIN	Cr
COLLAT_DECR (Special amount is +ve)	Borrower Collateral Ac	Dr
COLLAT_DECR (Special amount is +ve)	Customer	Cr
COLLAT_INCR (Special amount is -ve)	Customer	Dr
COLLAT_INCR (Special amount is -ve)	Borrower Collateral Ac	Cr

LIQD

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	PRINCIPAL_LIQD	Dr
SYN_POOL	PRINCIPAL_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr
COLLAT_INCR (Special amount is +ve)	Borrower Collateral Ac	Cr

Accounting Role	Amount Tag	Dr /Cr
COLLAT_INCR (Special amount is +ve)	Customer	Dr
COLLAT_DECR (Special amount is -ve)	Customer	Cr
COLLAT_DECR (Special amount is - ve)	Borrower Collateral Ac	Dr

FLIQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr

RNET

Accounting Role	AMT_TAG	Dr/Cr
SUSPENSE_GL	NETAMNT_RECV	Dr
CUSTOMER	NETAMNT_RECV	Cr
SUSPENSE_GL	NETAMNT_PAY	Cr
CUSTOMER	NETAMNT_PAY	Dr

CROL

Accounting Entries are not applicable for this event.

DNOT

Accounting Entries are not applicable for this event.

ENOT

Accounting Entries are not applicable for this event.

EXFX

Accounting Entries are not applicable for this event.

INOT

Accounting Entries are not applicable for this event.

IRFX

Accounting Entries are not applicable for this event.

NOTC

Accounting Entries are not applicable for this event.

PRAM

Accounting Entries are not applicable for this event.

ROLL

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	PRINCIPAL_LIQD	Dr
SYN_POOL	PRINCIPAL_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_LIQD	Cr
ROLL_WASH	PRINCIPAL_ROLL	Dr
SYN_POOL	PRINCIPAL_ROLL	Cr
ROLL_WASH	COMPONENT_ROLL	Dr
SYN_POOL	COMPONENT_ROLL	Cr

VAMB

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr

VAMI

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	PRINCIPAL_INCR	Cr
SYN_POOL	PRINCIPAL_INCR	Dr

CAMD

Accounting Entries are not applicable for this event.

ERAM

Accounting Entries are not applicable for this event.

IRAM

Accounting Entries are not applicable for this event.

SGEN

Accounting Entries are not applicable for this event.

CREX

Accounting Entries are not applicable for this event.

PRLQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_REC	Dr
CUSTOMER	COMPONENT_PAY	Cr
SYN_POOL	COMPONENT_PAY	Dr
SYN_POOL	COMPONENT_REC	Cr

RVPR

Accounting entries are not applicable for this event.

REVN

Accounting Entries are not applicable for this event.

MRFX

Accounting Entries are not applicable for this event.

ROBK

Accounting Entries are not applicable for this event.

ROIX

Accounting Entries are not applicable for this event.

ROEX

Accounting Entries are not applicable for this event.

RNOT

Accounting Entries are not applicable for this event.

SPIT

Accounting Role	Amount Tag	Description	Cr/Dr
Customer	PRINCIPAL_SPTI	To the extent of the re-priced amount and	Dr

Accounting Role	Amount Tag	Description	Cr/Dr
Syn_Pool	PRINCIPAL_SPTI	customer leg routes through re-price suspense GL.	Cr
Customer	PRINCIPAL_LIQD	To the extent of the residual principal (Principal O/S – Re-priced Amount)	Dr
Syn_Pool	PRINCIPAL_LIQD		Cr
Customer	INTEREST_LIQD	To the extent of interest to be liquidated	Dr
Syn_Pool	INTEREST_LIQD		Cr

MRLQ

Accounting Role	Amount Tag	Description	Cr/Dr
Customer	PRINCIPAL_MRLQ	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'.	Dr
Syn_Pool	PRINCIPAL_MRLQ		Cr
Customer	PRINCIPAL_LIQD	To the extent of residual principal (Principal O/S – Re-priced amount)	Dr
Syn_Pool	PRINCIPAL_LIQD		Cr
Customer	INTEREST_LIQD	To the extent of interest to be liquidated	Dr
Syn_Pool	INTEREST_LIQD		Cr

MRGI

Accounting Role	Amount Tag	Description	Dr/Cr
Syn_Pool	PRINCIPAL_INCR	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'	Dr
Customer	PRINCIPAL_INCR		Cr

14.2.3.3 Event-wise Advices for Borrower Drawdown Products

The following events are available for generation of advices:

Event	Advice
BOOK	You can associate the PAYMENT_MESSAGE with this event
INIT	You can associate the PAYMENT_MESSAGE with this event
FLIQ	You can associate the BORR_FEE_ADV with this event
LIQD	You can associate the PAYMENT_MESSAGE with this event

Event	Advice
DNOT	You can associate the DRAWDOWN_NOTC with this event
ENOT	You can associate the BORR_EXRT_NOTC with this event
INOT	You can associate the BORR_INOT_NOTC with this event
NOTC	You can associate the BORR_BILL_NOTC advice with this event
ROLL	You can associate the PAYMENT_MESSAGE with this event
VAMB	You can associate the PAYMENT_MESSAGE with this event
VAMI	You can associate the PAYMENT_MESSAGE with this even
EXFX	You can associate the BORR_EXFX_ADV (MT644) with this event. You need to suppress this advice for the borrower/participant drawdown product if you expect that the exchange rate details will be captured during drawdown booking and also the exchange rate details will be shared as part of Drawdown notice..
IRFX	You can associate the BORR_IRFX_ADV (MT644) with this event
CAMD	You can associate BORR_ROLL_ADV advice with this event
SGEN	You can associate PAYMENT_MESSAGE with this event
ROBK	You can associate BORR_ROLL_ADV with this event
EXFX	You can associate BORR_EXFX_ADV with this event
IRFX	You can associate BORR_IRFX_ADV with this event
PRLQ	You can associate PAYMENT_MESSAGE with this event
REVN	You can associate INT_REVN_ADV with this event
MRFX	You can associate INT_REVN_ADV with this event
ROIX	You can associate BORR_ROIX_ADV with this event
ROEX	You can associate BORR_ROEX_ADV with this event. You need to suppress this advice for the borrower/participant drawdown product if you expect that the exchange rate details will be captured during drawdown booking and also the exchange rate details will be shared as part of Drawdown notice.
RNOT	You can associate BORR_RNOT_ADV with this event
RNET	You can associate the PAYMENT_MESSAGE with this event

Event	Advice
RMNT	You can associate the PAYMENT_MESSAGE with this event
PNTC	Event to generate Payment Notice and Payoff Notice
INNC	Event to generate Insurance Expiry Notice and 45 Day Flood Notice – Escrow and Non Escrow
CREX	You can associate BORR_CREX_ADV with this event. You need to suppress this advice for the borrower/participant drawdown product if you expect that the exchange rate details will be captured during drawdown booking and also the exchange rate details will be shared as part of Drawdown notice.

14.2.4 Participant Facility Product

The possible events and event-wise accounting entries and advices for a participant facility product is tabulated below.

14.2.4.1 Events to be Associated with Participant Facility Products

The following events are available for definition of accounting entries and advices, all being propagated when the same event is triggered in respect of the related borrower side contract, unless mentioned otherwise.

Event	Description
BOOK	Triggered when a facility contract is booked in the system
FLIQ	Triggered when fees are liquidated for a facility contract that uses the product.
CAMD	Triggered when a facility contract is amended
RNDP	Triggered on the rounding participant contract, whenever the amount collected from the borrower for a component is more than the amount disbursed to the participants because of rounding differences.
RNDL	Triggered on the rounding participant contract, whenever the amount collected from the borrower for a component is less than the amount disbursed to the participants because of rounding differences.
PRAM	Triggered when there is a change in the existing participants forming the syndication.
NOTC	Triggered when a billing notice is generated for the contract
SGEN	Triggered when a settlement message is generated for the contract.
TXRF	Triggered when a tax component is refunded to a participant

Event	Description
TXRV	Triggered at the time of reversing a tax refund

14.2.4.2 Event-wise Accounting Entries for Participant Facility Products

The possible accounting entries for the various events are given below:

BOOK

Accounting Entries are not applicable for this event.

CAMD

Accounting Entries are not applicable for this event.

FLIQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Dr
FEE-ADVINC	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
FEE-ARRINC	COMPONENT_LIQD	Cr

PRAM

Accounting Entries are not applicable for this event.

RNDL

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr

RNDP

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Cr

SYN_POOL	COMPONENT_LIQD	Dr
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RNET

Accounting Role	AMT_TAG	Dr/Cr
SUSPENSE_GL	NETAMNT_PAY	Cr
CUSTOMER	NETAMNT_PAY	Dr
SUSPENSE_GL	NETAMNT_RECV	Dr
CUSTOMER	NETAMNT_RECV	Cr

NOTC

Accounting Entries are not applicable for this event.

SGEN

Accounting Entries are not applicable for this event.

TXRF

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_PAY	COMPONENT_AMT	Dr
CUSTOMER	COMPONENT_AMT	Cr

TXRV

Accounting Entries are not applicable for this event.

14.2.4.3 Event-wise Advices for Participant Facility Products

The following events are available for generation of advices:

Event	Advice
FLIQ	You can associate PART_FEE_ADV with this event
NOTC	You can associate PART_BILL_NOTC with this event
SGEN	You can associate PAYMENT_MESSAGE with this event
TXRF	You can associate PAYMENT_MESSAGE with this event

14.2.5 Participant Tranche Product

The possible events and event-wise accounting entries and advices for a participant tranche product is tabulated below.

14.2.5.1 Events to be associated with Participant Tranche Products

The following events are available for definition of accounting entries and advices, all being propagated when the same event is triggered in respect of the related borrower side contract, unless mentioned otherwise.

Event	Description
BOOK	Triggered when a participant tranche is booked
FLIQ	Triggered when fees are liquidated for a tranche that uses the product
INIT	Triggered when a participant tranche is initiated
LIQD	Triggered when any principal component is liquidated in the drawdown under the participant tranche product
NOTC	Triggered when a billing notice is generated for the tranche
VAMB	Triggered when a value dated amendment (of Principal or Maturity Date) is booked for the tranche.
VAMI	Triggered when a value dated amendment (of Principal or Maturity Date) becomes effective in the system.
PRAM	Triggered when a participant transfer occurs for the tranche.
RNDP	Triggered on the rounding participant contract, whenever the amount collected from the borrower for a component is more than the amount disbursed to the participants because of rounding differences.
RNDL	Triggered on the rounding participant contract, whenever the amount collected from the borrower for a component is less than the amount disbursed to the participants because of rounding differences.
PRLQ	Triggered when a payable or receivable component of the tranche is liquidated.
RVPR	Triggered when a payable or receivable component of the tranche is reversed.
SGEN	Triggered when a settlement messages are generated for the tranche
TXRF	Triggered when a tax component is refunded to a participant
TXRV	Triggered at the time of reversing a tax refund

14.2.5.2 Event-wise Accounting Entries for Participant Tranche Products

The possible accounting entries for the various events are given below:

BOOK

Accounting Role	Amount Tag	Dr /Cr
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CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr

INIT

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr

FLIQ

Accounting Role	Amount Tag	Dr/Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
FEE-ADVINC	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
FEE-ARRINC	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
COMPONENT-INC	COMPONENT_LIQD	Cr
COMPONENT-PAY	COMPONENT_AMT	Dr
CUSTOMER	COMPONENT_AMT	Cr

NOTC

Accounting Entries are not applicable for this event.

PRAM

Accounting Entries are not applicable for this event.

VAMB

Accounting Role	Amount Tag	Dr/Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr

VAMI

Accounting Entries are not applicable for this event.

RNDP

Accounting Role	Amount Tag	Dr / Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr

RNDL

Accounting Role	Amount Tag	Dr / Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr

SGEN

Accounting Entries are not applicable for this event.

PRLQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_PAY	Cr
SYN_POOL	COMPONENT_PAY	Dr
SYN_POOL	COMPONENT_REC	Cr
CUSTOMER	COMPONENT_REC	Dr

RVPR

Accounting entries are not applicable for this event.

TXRF

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_PAY	COMPONENT_AMT	Dr
CUSTOMER	COMPONENT_AMT	Cr
F-TAX1_PAY	F-TAX1_AMTRF	DR
CUSTOMER	F-TAX1_AMTRF	CR

TXRV

Accounting Entries are not applicable for this event.

14.2.5.3 **Event-wise Advices for Participant Tranche Products**

The following events are available for generation of advices:

Event	Advice
BOOK	You can associate PAYMENT_MESSAGE with this event

Event	Advice
INIT	You can associate PAYMENT_MESSAGE with this event
NOTC	You can associate PART_BILL_NOTC with this event
FLIQ	You can associate PART_FEE_ADV with this event
PRAM	You can associate PART_AMND_ADV with this event
SGEN	You can associate PAYMENT_MESSAGE with this even
PRLQ	You can associate PAYMENT_MESSAGE with this event
TXRF	You can associate PAYMENT_MESSAGE with this event

14.2.6 Participant Drawdown Product

The possible events and event-wise accounting entries and advices for a participant drawdown product is tabulated below.

14.2.6.1 Events to be Associated with Participant Drawdown Products

The following events are available for definition of accounting entries and advices, all being propagated when the same event is triggered in respect of the related borrower side contract, unless mentioned otherwise.

Event	Description
BOOK	Triggered when participant drawdown is booked in the system.
FLIQ	Triggered when fees are liquidated for a contract that uses the product.
INIT	Triggered when a participant drawdown gets initiated in the system
LIQD	Triggered when there is a repayment of the principal component under the drawdown.
NOTC	Triggered when a billing notice is generated for the drawdown.
VAMB	Triggered when a value dated amendment (of Principal or Maturity Date) is booked for the drawdown.
VAMI	Triggered for a drawdown when a value dated amendment is initiated or becomes effective in the system.
IRFX	Triggered on the date when the interest rate is fixed for the drawdown.
EXFX	Triggered on the date when the exchange rate is fixed for the drawdown.
PRAM	Triggered when a participant transfer occurs for the drawdown

Event	Description
ROLL	Triggered when a drawdown is rolled over
INOT	Triggered when an interest rate fixing notice is generated for the drawdown.
ENOT	Triggered when an exchange rate fixing notice is generated
DNOT	Triggered upon generation of a DD notice
RNDP	Triggered on the rounding participant contract, whenever the amount collected from the borrower for a component is more than the amount disbursed to the participants because of rounding differences.
RNDL	Triggered on the rounding participant contract, whenever the amount collected from the borrower for a component is less than the amount disbursed to the participants because of rounding differences.
CAMD	Triggered when a drawdown undergoes an amendment
ERAM	Triggered when the exchange rate of the drawdown is amended
IRAM	Triggered when the interest rate of the drawdown is amended
SGEN	Triggered when a settlement message is generated for the drawdown
RVPR	Triggered upon reversal of payables and receivables for a drawdown
PRLQ	Triggered upon liquidation of payables and receivables
REVN	Triggered when a back dated floating interest rate code is revised
MRFX	Triggered when a back dated margin rate revision occurs
RNOT	Triggered when capturing the rollover details for a drawdown
ROIX	Triggered when DD interest rate is fixed on a rollover
ROEX	Triggered when DD exchange rate is fixed on a rollover
ROBK	Triggered when rollover instruction is booked for a contract
TXRF	Triggered when a tax component is refunded to a participant
TXRV	Triggered at the time of reversing a tax refund
SPIX	Triggered when split re-price interest rate fixing occurs for the parent contract.
MRGB	Triggered when merger re-price booking occurs for the parent contract.
SPTB	Triggered when a split re-price booking occurs for the parent contract
SPTI	Triggered when a split re-price initiation occurs for the parent contract.

Event	Description
RNET	Triggered on the date rollover is fired
RMNT	Triggered when Payment Message generated based on settlement days(Currency)
CREX	Triggered when exchange rate is fixed during consolidated rollover booking

14.2.6.2 Event-wise Accounting Entries for Participant Drawdown Products

The possible accounting entries for the various events are given below:

BOOK

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr

INIT

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	PRINCIPAL	Cr
CUSTOMER	PRINCIPAL	Dr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
SYN_POOL	PRINCIPAL_ADDL	Cr
CUSTOMER	PRINCIPAL_ADDL	Cr
SYN_POOL	PRINCIPAL_ROIN	Cr
ROLL_WASH	PRINCIPAL_ROIN	Dr

LIQD

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	PRINCIPAL_LIQD	Cr
SYN_POOL	PRINCIPAL_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	COMPONENT_LIQD	Dr
COMPONENT-TAX_PAY	COMPONENT_AMT	Cr
CUSTOMER	COMPONENT_AMT	Dr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr



In the case of payable skim, the first set of entries is passed. The second set is passed for receivable skim.

FLIQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
COMPONENT-TAX_PAY	COMPONENT_AMT	Cr
CUSTOMER	COMPONENT_AMT	Dr

DNOT

Accounting Entries are not applicable for this event.

ENOT

Accounting Entries are not applicable for this event.

EXFX

Accounting Entries are not applicable for this event.

INOT

Accounting Entries are not applicable for this event.

IRFX

Accounting Entries are not applicable for this event.

NOTC

Accounting Entries are not applicable for this event.

PRAM

Accounting Entries are not applicable for this event.

ROLL

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	PRINCIPAL_LIQD	Cr
SYN_POOL	PRINCIPAL_LIQD	Dr
COMPONENT-TAX_PAY	COMPONENT_AMT	Cr
CUSTOMER	COMPONENT_AMT	Dr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
ROLL_WASH	PRINCIPAL_ROLL	Cr
SYN_POOL	PRINCIPAL_ROLL	Dr
ROLL_WASH	COMPONENT_ROLL	Cr
SYN_POOL	COMPONENT_ROLL	Dr
SYN_POOL	COMPONENT_LIQD (for payable skim)	Cr
CUSTOMER	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD (for receivable skim)	Cr
SYN_POOL	COMPONENT_LIQD	Dr

VAMB

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_LIQD	Cr

SYN_POOL	COMPONENT_LIQD	Dr
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CREX

Accounting Entries are not applicable for this event.

VAMI

Accounting Role	Amount Tag	Dr /Cr
SYN_POOL	PRINCIPAL_INCR	Cr
CUSTOMER	PRINCIPAL_INCR	Dr

RNDP

Accounting Role	Amount Tag	Dr / Cr
CUSTOMER	PRINCIPAL	Cr
SYN_POOL	PRINCIPAL	Dr
CUSTOMER	COMPONENT_LIQD	Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_PAY	Cr
SYN_POOL	COMPONENT_PAY	Dr

RNDL

Accounting Role	Amount Tag	Dr / Cr
SYN_POOL	COMPONENT_LIQD	Cr
CUSTOMER	COMPONENT_LIQD	Dr
SYN_POOL	COMPONENT_REC	Cr
CUSTOMER	COMPONENT_REC	Dr
SYN_POOL	PRINCIPAL	Cr
CUSTOMER	PRINCIPAL	Dr

CAMD

Accounting Entries are not applicable for this event.

ERAM

Accounting Entries are not applicable for this event.

IRAM

Accounting Entries are not applicable for this event.

SGEN

Accounting Entries are not applicable for this event.

PRLQ

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	COMPONENT_PAY	Cr
CUSTOMER	COMPONENT_REC	Dr
SYN_POOL	COMPONENT_PAY	Dr
SYN_POOL	COMPONENT_REC	Cr

RVPR

Accounting entries are not applicable for this event.

REVN

Accounting Entries are not applicable for this event.

MRFX

Accounting Entries are not applicable for this event.

ROBK

Accounting Entries are not applicable for this event.

ROEX

Accounting Entries are not applicable for this event.

ROIX

Accounting Entries are not applicable for this event.

RNOT

Accounting Entries are not applicable for this event.

SPIT

Accounting Role	Amount Tag	Description	Cr/Dr
Customer	PRINCIPAL_SPTI	To the extent of the re-priced amount and	Cr

Accounting Role	Amount Tag	Description	Cr/Dr
Syn_Pool	PRINCIPAL_SPTI	customer leg routes through re-price suspense GL.	Dr
Customer	PRINCIPAL_LIQD	To the extent of the residual principal (Principal O/S – Re-priced Amount)	Cr
Syn_Pool	PRINCIPAL_LIQD		Dr
Customer	INTEREST_LIQD	To the extent of interest to be liquidated	Cr
Syn_Pool	INTEREST_LIQD		Dr

MRLQ

Accounting Role	Amount Tag	Description	Cr/Dr
Customer	PRINCIPAL_MRLQ	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'.	Cr
Syn_Pool	PRINCIPAL_MRLQ		Dr
Customer	PRINCIPAL_LIQD	To the extent of residual principal (Principal O/S – Re-priced amount)	Cr
Syn_Pool	PRINCIPAL_LIQD		Dr
Customer	INTEREST_LIQD	To the extent of interest to be liquidated	Cr
Syn_Pool	INTEREST_LIQD		Dr

MRGI

Accounting Role	Amount Tag	Description	Dr/Cr
Syn_Pool	PRINCIPAL_INCR	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'	Cr
Customer	PRINCIPAL_INCR		Dr

TXRF

Accounting Role	Amount Tag	Dr /Cr
COMPONENT_PAY	COMPONENT_AMT	Dr
CUSTOMER	COMPONENT_AMT	Cr

TXRV

Accounting Entries are not applicable for this event.

RNET

Accounting Role	AMT_TAG	Dr/Cr
SUSPENSE_GL	NETAMNT_PAY	Cr
CUSTOMER	NETAMNT_PAY	Dr
SUSPENSE_GL	NETAMNT_RECV	Dr
CUSTOMER	NETAMNT_RECV	Cr

14.2.6.3 Advices for Participant Drawdown Products

The following events are available for generation of advices:

Event	Advice
BOOK	You can associate PAYMENT_MESSAGE with this event
INIT	You can associate PAYMENT_MESSAGE with this event
FLIQ	You can associate PART_FEE_ADV with this event
LIQD	You can associate PAYMENT_MESSAGE with this event
DNOT	You can associate PART_DDOWN_NOTC with this event
ENOT	You can associate PART_EXRT_NOTC with this event
INOT	You can associate PART_INOT_NOTC with this event
EXFX	You can associate PART_EXFX_ADV (MT644) with this event. You need to suppress this advice for the borrower/participant drawdown product if you expect that the exchange rate details will be captured during drawdown booking and also the exchange rate details will be shared as part of Drawdown notice.
IRFX	You can associate PART_IRFX_ADV (MT644) with this event
NOTC	You can associate PART_BILL_NOTC with this event
PRAM	You can associate PART_AMND_ADV with this event
ROLL	You can associate PAYMENT_MESSAGE with this event
CAMD	You can associate PART_ROLL_ADV with this event
SGEN	You can associate PAYMENT_MESSAGE with this event
PRLQ	You can associate PAYMENT_MESSAGE with this event
REVN	You can associate INT_REVN_ADV with this event

Event	Advice
MRFX	You can associate INT_REVN_ADV with this event
ROEX	You can associate PART_ROEX_ADV with this event. You need to suppress this advice for the borrower/participant drawdown product if you expect that the exchange rate details will be captured during drawdown booking and also the exchange rate details will be shared as part of Drawdown notice.
ROIX	You can associate PART_ROIX_ADV with this event
RNOT	You can associate PART_RNOT_ADV with this event
TXRF	You can associate PAYMENT_MESSAGE with this event
RNET	You can associate PAYMENT_MESSAGE with this event
RMNT	You can associate PAYMENT_MESSAGE with this event
CREX	You can associate PART_CREX_ADV with this event. You need to suppress this advice for the borrower/participant drawdown product if you expect that the exchange rate details will be captured during drawdown booking and also the exchange rate details will be shared as part of Drawdown notice.

14.3 Accounting Entries for BPMT / PPMT

14.3.1.1 BPMT Accounting Entry Setup for Borrower Product

Dr/Cr	Accounting Role	Amount Tag	Remarks
Debit	SYN_POOL	FUND_PRINC	Direct funding without fronting
Credit	CUSTOMER	FUND_PRINC	
Debit	SYN_POOL	FRONT_PRINC	Funding due to bank Fronting
Credit	CUSTOMER	FRONT_PRINC	

The Payment message will be linked to BPMT event for payment message generation at the time of disbursement for the borrower contract.

14.3.1.2 BPMT Accounting Entry Setup for Participant Product

Dr/Cr	Accounting Role	Amount Tag	Remarks
Debit	CUSTOMER	FUND_PRINC	Direct funding without fronting
Credit	SYN_POOL	FUND_PRINC	
Debit	SIGHTING_FUND_GL	FRONT_PRINC	Funding due to bank Fronting
Credit	SYN_POOL	FRONT_PRINC	
Debit	CUSTOMER	FUND_FRONT	Funding against bank fronting
Credit	SIGHTING_FUND_GL	FUND_FRONT	

14.3.1.3 PPMT Accounting Entry Setup for Borrower Product

Dr/Cr	Accounting Role	Amount Tag	Remarks
Debit	CUSTOMER	PRINCIPAL_FUND	Principal amount – directly funded by borrower
Credit	SYN_POOL	PRINCIPAL_FUND	
Debit	SIGHTING_FUND_GL	PRINCIPAL_FRNT	Principal amount - fronted by bank
Credit	SYN_POOL	PRINCIPAL_FRNT	
Debit	CUSTOMER	PRINCIPAL_FNFR	Principal amount – Borrower to bank for fronting
Credit	SIGHTING_FUND_GL	PRINCIPAL_FNFR	
Debit	SF_SUSPENSE_GL	PRINCIPAL_UFND	Liquidation of unfunded amount
Credit	SYN_POOL	PRINCIPAL_UFND	
Debit	CUSTOMER	MAIN-INT_FUND	Liquidation of main interest component – directly funded by borrower
Credit	SYN_POOL	MAIN-INT_FUND	
Debit	SIGHTING_FUND_GL	MAIN-INT_FRNT	Liquidation of main interest component - fronted by bank
Credit	SYN_POOL	MAIN-INT_FRNT	
Debit	CUSTOMER	MAIN-INT_FNFR	Liquidation of main interest component– Borrower to

Dr/Cr	Accounting Role	Amount Tag	Remarks
			bank for fronting
Credit	SIGHTING_FUND_GL	MAIN-INT_FNFR	
Debit	PNL Account	COMP-INT_FUND	Liquidation of main interest component – directly funded by borrower
Credit	CUSTOMER	COMP-INT_FUND	
Debit	PNL Account	COMP-INT_FRNT	Liquidation of main interest component - fronted by bank
Credit	SIGHTING_FUND_GL	COMP-INT_FRNT	
Debit	SIGHTING_FUND_GL	COMP-INT_FNFR	Liquidation of main interest component– Borrower to bank for fronting
Credit	CUSTOMER	COMP-INT_FNFR	
Debit	CUSTOMER	FEE-COMP_FUND	Liquidation of FEE component – directly funded by borrower
Credit	SYN_POOL	FEE-COMP_FUND	
Debit	SIGHTING_FUND_GL	FEE-COMP_FRNT	Liquidation of FEE component - fronted by bank
Credit	SYN_POOL	FEE-COMP_FRNT	
Debit	CUSTOMER	FEE-COMP_FNFR	Liquidation of FEE component– Borrower to bank for fronting
Credit	SIGHTING_FUND_GL	FEE-COMP_FNFR	

14.3.1.4 PPMT Accounting Entry Setup for Participant Product

Dr/Cr	Accounting Role	Amount Tag	Remarks
Debit	SYN_POOL	FUND_LIQD	Liquidation of amount funded directly without fronting
Credit	CUSTOMER	FUND_LIQD	
Debit	SYN_POOL	FRONT_LIQD	Liquidation of amount funded due to bank fronting
Credit	SIGHTING_FUND_GL	FRONT_LIQD	

Dr/Cr	Accounting Role	Amount Tag	Remarks
Debit	SYN_POOL	UNFUND_LIQD	Liquidation of unfunded amount
Credit	SF_SUSPENSE_GL	UNFUND_LIQD	
Debit	SYN_POOL	MAIN-INT_LIQD	Liquidation of main interest component
Credit	CUSTOMER	MAIN-INT_LIQD	
Debit	CUSTOMER	COMP-INT_LIQD	Liquidation of compensatory component
Credit	PNL Account	COMP-INT_LIQD	
Debit	SYN_POOL	FEE-COMP_LIQD	Liquidation of FEE component
Credit	CUSTOMER	FEE-COMP_LIQD	

The Payment message will be linked to PPMT event for payment message generation at the time of repayment.

Accounting entry Examples:

Assume the contract is booked with amount of 2M with value date 01-JAN-2008, Maturity date 31-JAN-2008 with participants P1, P2, P3 with asset sharing ratio as 30, 20, 50 accordingly. (Example explained in appendix 3.4)

Participant	Asset Sharing ratio	Amount
P1	30	0.6M
P2	20	0.4M
P3	50	1M

14.3.1.5 New Disbursement INIT

On INIT of Drawdown, the following are the accounting entries:

Borrower:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	01-Jan-08	SYN_POOL	D	2M	PRINCIPAL
C1	01-Jan-08	SF_SUSPENSE_GL	C	2M	PRINCIPAL

Participants:

P1

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
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Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P1	01-Jan-08	SYN_POOL	C	0.6M	PRINCIPAL
P1	01-Jan-08	SF_SUSPENSE_GL	D	0.6M	PRINCIPAL

P2

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	01-Jan-08	SYN_POOL	C	0.4M	PRINCIPAL
P2	01-Jan-08	SF_SUSPENSE_GL	D	0.4M	PRINCIPAL

P3

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	01-Jan-08	SYN_POOL	C	1M	PRINCIPAL
P3	01-Jan-08	SF_SUSPENSE_GL	D	1M	PRINCIPAL

Funding by few more investors and bank is fronting for few investors

- In Payment Processing Browser, Partial Fronting option is selected and only P2 is fronted with full amount.
- P1 is not funding on 01-jan-2008.
- P2 is not funding on 01-jan-2008.
- P3 is funding full amount of 1M on 01-jan-2008.

The total amount to be disbursed to the borrower on value date will be 0.4M + 1M = 1.4M.

Participant	Asset Sharing Ratio	Amount	Fronting	Actual Receipt Date	Funding amount	Borrower Disbursement amount
P1	30	0.6M	N	01-Jan-08	0M	0M
P2	20	0.4M	Y	01-Jan-08	0M	0.4M
P3	50	1M	N	01-Jan-08	1M	1M

14.3.1.6 BPMT

BPMT accounting entry are as follows:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	01-Jan-08	SYN_POOL	D	1M	FUND_PRINC

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	01-Jan-08	CUSTOMER	C	1M	FUND_PRINC
C1	01-Jan-08	SYN_POOL	D	0.4M	FRONT_PRINC
C1	01-Jan-08	CUSTOMER	C	0.4M	FRONT_PRINC

Participants:

P2

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	01-Jan-08	SYN_POOL	C	0.4M	FRONT_PRINC
P2	01-Jan-08	SIGHTING_FUND_GL	D	0.4M	FRONT_PRINC

P3

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	01-Jan-08	SYN_POOL	C	1M	FUND_PRINC
P3	01-Jan-08	CUSTOMER	D	1M	FUND_PRINC

14.3.1.7 New Payment LIQD

Assume Prepayment of 1M happens on 07-jan-08.

Funding Amount Paid = 1M

Amount Paid = $1M * 2M / 1.4M = 1,428,571.43$

Contract Balance = $2M - 1,428,571.43 = 571,428.57$

Borrower Funded = $1.4M - 1M = 0.4M$

Borrower UnFunded = $571,428.57 - 0.4M = 171,428.57$

Rate = 10%

The accounting entries for the LIQD event will be as follows:

Borrower:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	07-Jan-08	SYN_POOL	C	1,428,571.43	PRINCIPAL_LIQD

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	07-Jan-08	SF_SUSPENSE_GL	D	1,428,571.43	PRINCIPAL_LIQD

Participants:

P1

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P1	07-Jan-08	SYN_POOL	D	428,571.43	PRINCIPAL_LIQD
P1	07-Jan-08	SF_SUSPENSE_GL	C	428,571.43	PRINCIPAL_LIQD

P2

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	07-Jan-08	SYN_POOL	D	285,714.29	PRINCIPAL_LIQD
P2	07-Jan-08	SF_SUSPENSE_GL	C	285,714.29	PRINCIPAL_LIQD

P3

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	07-Jan-08	SYN_POOL	D	714,285.71	PRINCIPAL_LIQD
P3	07-Jan-08	SF_SUSPENSE_GL	C	714,285.71	PRINCIPAL_LIQD

P1 unfunded amount = .6M - 428,571.43 = 171,428.57

P2 unfunded amount = 0.4M – 285,714.29 = 114,285.71

Total Participant unfunded amount = 285,714.29

Payment to the investors upon Borrower funding

14.3.1.8 Payment to the Investors upon Borrower Funding PPMT

Accounting Entries for PPMT event will be as follows:

Borrower:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	07-Jan-08	CUSTOMER	D	1,000,000	PRINCIPAL_FUND
C1	07-Jan-08	SYN_POOL	C	1,000,000	PRINCIPAL_FUND
C1	07-Jan-08	SF_SUSPENSE_GL	D	428,571.43	PRINCIPAL_UFND

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	07-Jan-08	SYN_POOL	C	428,571.43	PRINCIPAL_UFND

Participants:

P1

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P1	07-Jan-08	SYN_POOL	D	428,571.43	UNFUND_LIQD
P1	07-Jan-08	SF_SUSPENSE_GL	C	428,571.43	UNFUND_LIQD

P2

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	07-Jan-08	SYN_POOL	D	285,714.29	FRONT_LIQD
P2	07-Jan-08	SIGHTING_FUND_GL	C	285,714.29	FRONT_LIQD

P3

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	07-Jan-08	SYN_POOL	D	714,285.71	FUND_LIQD
P3	07-Jan-08	CUSTOMER	C	714,285.71	FUND_LIQD

14.3.1.9 Funding by Few More Investors BPMT

At a later point of time on 08-Jan-2008, complete funding of 285,714.29 is happening from participant P1 and P2 for 171,428.57 and 114,285.71 respectively. BPMT event will be fired for Borrower and participant P1 and P2 on authorization of the funding information capturing in the Payment Processing browser.

Contract Balance = 571,428.57

Borrower Funded Amount = 0.4M + 171,428.57 = 571,428.57

Borrower UnFunded Amount = 571,428.57 - 571,428.57 = 0

The accounting entries for the new BPMT event will be as follows:

Borrower:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	08-Jan-08	SYN_POOL	D	171,428.57	FUND_PRINC
C1	08-Jan-08	CUSTOMER	C	171,428.57	FUND_PRINC

Participants:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P1	08-Jan-08	SYN_POOL	C	171,428.57	FUND_PRINC
P1	08-Jan-08	CUSTOMER	D	171,428.57	FUND_PRINC

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	08-Jan-08	SIGHTING_FUND_GL	C	114,285.71	FUND_FRONT
P2	08-Jan-08	CUSTOMER	D	114,285.71	FUND_FRONT

P1 unfunded amount = 171,428.57- 171,428.57 = 0

P2 unfunded amount = 114,285.71 – 114,285.71 = 0

Total Participant unfunded amount = 0

14.3.1.10 Payment on Maturity Date LIQD

On LIQD of the remaining amount on Maturity Date 31-Jan-08,

Funding Amount Paid = 571,428.57

Amount Paid = 571,428.57*571,428.57 / 571,428.57= 571,428.57

Contract Balance = 571,428.57 - 571,428.57 = 0

Borrower Funded = 571,428.57 - 571,428.57 = 0

Borrower UnFunded = 0

Rate = 10%

The following will be the accounting entry.

Borrower:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	31-Jan-08	SYN_POOL	C	571,428.57	PRINCIPAL_LIQD
C1	31-Jan-08	SF_SUSPENSE_GL	D	571,428.57	PRINCIPAL_LIQD

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	31-Jan-08	SYN_POOL	C	7,045.01	MAIN-INT_LIQD
C1	31-Jan-08	SF_SUSPENSE_GL	D	7,045.01	MAIN-INT_LIQD

Participants:

P1

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P1	31-Jan-08	SYN_POOL	D	171,428.57	PRINCIPAL_LIQD
P1	31-Jan-08	SF_SUSPENSE_GL	C	171,428.57	PRINCIPAL_LIQD
P1	31-Jan-08	SYN_POOL	D	2,113.50	MAIN-INT_LIQD
P1	31-Jan-08	SF_SUSPENSE_GL	C	2,113.50	MAIN-INT_LIQD

P2

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	31-Jan-08	SYN_POOL	D	114,285.71	PRINCIPAL_LIQD
P2	31-Jan-08	SF_SUSPENSE_GL	C	114,285.71	PRINCIPAL_LIQD
P2	31-Jan-08	SYN_POOL	D	1,409.00	MAIN-INT_LIQD
P2	31-Jan-08	SF_SUSPENSE_GL	C	1,409.00	MAIN-INT_LIQD

P3

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	31-Jan-08	SYN_POOL	D	285,714.29	PRINCIPAL_LIQD
P3	31-Jan-08	SF_SUSPENSE_GL	C	285,714.29	PRINCIPAL_LIQD
P3	31-Jan-08	SYN_POOL	D	3,522.50	MAIN-INT_LIQD
P3	31-Jan-08	SF_SUSPENSE_GL	C	3,522.50	MAIN-INT_LIQD

14.3.1.11 Payment to the Investors upon bank Fronting for the Maturity Schedule Payment PPMT:

Bank is fronting for the maturity schedule payment on 31-Jan-08.

PPMT accounting entries will be as follows:

Borrower

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	31-Jan-08	SIGHTING_FUND_GL	D	571,428.57	PRINCIPAL_FRNT
C1	31-Jan-08	SYN_POOL	C	571,428.57	PRINCIPAL_FRNT
C1	31-Jan-08	SIGHTING_FUND_GL	D	7,045.01	MAIN-INT_FRNT
C1	31-Jan-08	SYN_POOL	C	7,045.01	MAIN-INT_FRNT
C1	31-Jan-08	SIGHTING_FUND_GL	C	1,033.27	COMP-INT_FRNT
C1	31-Jan-08	PNL Account	D	1,033.27	COMP-INT_FRNT

Participants:**P1**

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P1	31-Jan-08	SYN_POOL	D	171,428.57	FUND_LIQD
P1	31-Jan-08	CUSTOMER	C	171,428.57	FUND_LIQD
P1	31-Jan-08	SYN_POOL	D	2,113.50	MAIN-INT_LIQD
P1	31-Jan-08	CUSTOMER	C	2,113.50	MAIN-INT_LIQD
P1	31-Jan-08	PNL Account	C	1,033.27	COMP-INT_LIQD
P1	31-Jan-08	CUSTOMER	D	1,033.27	COMP-INT_LIQD

P2

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P2	31-Jan-08	SYN_POOL	D	114,285.71	FUND_LIQD
P2	31-Jan-08	CUSTOMER	C	114,285.71	FUND_LIQD
P2	31-Jan-08	SYN_POOL	D	1,409.00	MAIN-INT_LIQD
P2	31-Jan-08	CUSTOMER	C	1,409.00	MAIN-INT_LIQD
P2	31-Jan-08	PNL Account	C	688.85	COMP-INT_LIQD
P2	31-Jan-08	CUSTOMER	D	688.85	COMP-INT_LIQD

P3

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	31-Jan-08	SYN_POOL	D	285,714.29	FUND_LIQD

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
P3	31-Jan-08	CUSTOMER	C	285,714.29	FUND_LIQD
P3	31-Jan-08	SYN_POOL	D	3,522.50	MAIN-INT_LIQD
P3	31-Jan-08	CUSTOMER	C	3,522.50	MAIN-INT_LIQD

Note: In the above case the residual amount in the PNL account will be the bank PNL for the fronting amount.

14.3.1.12 **Borrower Funding for the Maturity Schedule Payment PPMT:**

On 31-Jan-08, Borrower funds for the maturity schedule payment.

The new PPMT accounting entries will be as follows:

Borrower:

Ref No	Value Date	Accounting role	DR/CR	Amount	Amount Tag
C1	31-Jan-08	CUSTOMER	D	571,428.57	PRINCIPAL_FNFR
C1	31-Jan-08	SIGHTING_FUND_GL	C	571,428.57	PRINCIPAL_FNFR
C1	31-Jan-08	CUSTOMER	D	7,045.01	MAIN-INT_FNFR
C1	31-Jan-08	SIGHTING_FUND_GL	C	7,045.01	MAIN-INT_FNFR
C1	31-Jan-08	SIGHTING_FUND_GL	D	1,033.27	COMP-INT_FNFR
C1	31-Jan-08	CUSTOMER	C	1,033.27	COMP-INT_FNFR

There will not be any entries on the participant side.

14.4 **Accounting Entries for Late Payment Charges**

The following accounting entries need to be maintained for 'LIQD' and 'SPWV' events at loan product level to process late payment charges.

14.4.1 **LIQD: Liquidation**

Accounting Role	Amount Tag	Dr./Cr. Indicator
CUSTOMER	<Special Penalty Component>_LIQD	Debit
<Special Penalty Component>INC	<Special Penalty Component>_LIQD	Credit

14.4.2 **SPWV: Special Penalty Waiver**

Accounting Role	Amount Tag	Dr./Cr. Indicator
ADJMNT_GL	<Special Penalty Component>_WAIV	Debit
ADJMNT_GL_OFF	<Special Penalty Component>_WAIV	Credit

14.4.3 **PRLQ: Partial Liquidation**

Accounting Role	Amount Tag	Dr./Cr. Indicator
CUSTOMER	<Special Penalty Component>_PAY	Credit
<Special Penalty Component>PAY	<Special Penalty Component>_PAY	Debit
CUSTOMER	<Special Penalty Component>_REC	Debit
<Special Penalty Component>REC	<Special Penalty Component>_REC	Credit

14.4.4 **RSPW: Reversal of Special Penalty Waiver**

Accounting entries for RSPW event will be derived by the system from the entries defined for SPWV.

Accounting Role	Amount Tag	Dr./Cr. Indicator
ADJMNT_GL	<Special Penalty Component>_WAIV	Credit
ADJMNT_GL_OFF	<Special Penalty Component>_WAIV	Debit

14.5 **Accounting Entries for FATCA**

Amount Tag	Accounting Role	Dr./Cr. Indicator
INTEREST_LIQD	SYND_POOL	Debit
INTEREST_LIQD	CUSTOMER	Credit
INTFATCA_AMT	Customer	Debit
INTFATCA_AMT	FATCATAXGL	Credit
DEFAULT_AMT	Customer	Debit
DEFAULT_AMT	TAX GL	Credit

14.6 Error Codes

14.6.1 Collateralized Participant Details

The following error codes are available for collateralized participant details:

Error Code	Message
LS-DDS-000	Participant/Collateral % (\$1) cannot Be null
LS-COL-005	Percentage should be between 0 and 100
LS-COL-006	Collateral \$1 mnemonic is not maintained
LS-COL-007	Collateral \$1 contract is yet to be created
LS-COL-008	Collateral percentage is not maintained.
LS-COL-009	Total collateral available amount is going negative.
LS-COL-010	Collateral \$1 product is not maintained.
LS-COL-011	Collateral \$1 counterparty is not maintained.

14.6.2 Floor and Ceiling Details

The following error codes are available for base rate propagation/validation of Floor and Ceiling:

Error Code	Message
LS-FLR-036	Rate is lesser than the Floor defined at Tranche. Do you want to add the difference with the Margin Adjustment component (which is maintained at the tranche level)?
LS-FLR-037	Rate is greater than the Ceiling defined at Tranche. Do you want to negate the difference of the rate and ceiling value with Margin Adjustment component?
LS-FLR-038	Margin Adjustment Component cannot be blank
LS-FLR-039	Floor and Ceiling Maintenance Exists, Flag cannot be Changed
LS-FLR-040	Floor/Ceiling Propagation not initiated as interest rate is not fixed till the latest floor/ceiling maintenance date

14.6.3 Markit Trade Settlement

The following error codes are available for validating and handling exceptions for Markit Trade Settlement:

Error Code	Message
------------	---------

Error Code	Message
LS-MKT-01	Buyer and Seller cannot be same
LS-MKT-02	Cusip \$1 under Markit trade id \$2 is in rejected state
LS-MKT-03	Tranche \$1 under the trade id is in rejected state
LS-MKT-05	Failed in Position Update Notice generation/handoff processing for Markit Trades
LS-MKT-06	Failed in validating the conditions to block the current events for the contract
LS-MKT-07	Participant Transfer PositionUpdateNotice sent to Markit and participant transfer is pending for processing in Agency for Tranche \$1. Operation Not Allowed
LS-MKT-08	SyndicatedLoanTradeNoticeAgent/ TradeMatchNotice messages not received earlier for Markit Trade Id \$1. Cannot process TradeUpdateNotification
LS-MKT-09	Markit Trade id received is already closed in agency confirmation browser.
LS-MKT-10	Markit Trade Identifier maintenance not exists
LS-MKT-11	Markit Trade id not found in tag list
LS-MKT-12	More than one Markit trade Id found in the tag value. Message Rejected
LS-MKT-13	SyndicatedLoanTradeAllocation message not received earlier for Markit Trade Id /Allocation id
LS-MKT-35	Markit trade id \$1 is already in Cancelled/Removed state
LT-MKT-38	TradeMatchNotice/SyndicatedLoanTradeAllocation message not received earlier for Markit Trade Id \$1. Cannot process SettlementDetailsNotice
LT-MKT-39	Earlier closed allocations are not part of the current allocation message
LT-MKT-40	Markit Trade Id \$1 has been replaced by Markit Trade Id \$2
LT-MKT-41	Allocation id \$1 is already settled under Markit Trade Id \$2.
LT-MKT-42	TradeMatchNotice not allowed after one of the previous allocation is closed. Suspension should come first
LT-MKT-43	Settlement detail should come allocation wise, once allocation message has already been received
LT-MKT-44	Allocation Messages yet to be received for Markit trade id \$1 after Suspension

14.6.4 Back Valued Transactions

System gives an override message during the following transactions:

- Participant transfer before Payment
- Participant transfer before a drawdown booking
- Participant transfer with new investor before a drawdown booking
- Drawdown booking before a Participant transfer value date
- Participant transfer before another Participant transfer
- Principal increase(Value dated amendment) of a Drawdown before Participant transfer
- Participant transfer before Principal increase(Value dated amendment) of a Tranche
- Participant transfer before Drawdown liquidation and Principal increase(Value dated amendment)
- Participant transfer before Fee liquidation (Non-UserInput)

The error messages available for the above transactions are given below:

Error Code	Message
MS-FPML-120	This back valued transaction will have an impact on Participant position. Please regenerate FpML Position update message manually from Adhoc screen.
MS-FPML-121	Drawdown and/or Participant selection is already done for Position update notice, changing Notice name will delete these details
MS-FPML-201	Please save/cancel the current record and move to the next record.
MS-FPML-202	User can unlock only the records with processing status as Failed/Enrich/Pending Authentication.
MS-FPML-203	Processing Status \$1.
MS-FPML-204	Error while getting the Margin Component.
MS-FPML-206	\$1 is lesser than the \$2 Value Date.
MS-FPML-207	\$1 is greater than the \$2 Maturity Date.
MS-FPML-208	Value Date \$1.
MS-FPML-209	\$1 is greater than Tranche available amount.
MS-FPML-210	\$1 is not allowed.
MS-FPML-211	Start Date \$1.
MS-FPML-212	Effective Date \$1.
MS-FPML-213	\$1 is not same to each other.
MS-FPML-214	Payment Date \$1.
MS-FPML-215	Sum of Principal and Interest payment Amount of Parent contract is not equal to sum of Amount of all Child contracts.
MS-FPML-216	\$1 cannot be changed, when \$2 is already changed from \$3.
MS-FPML-217	Fee Type is invalid.
MS-FPML-218	Difference in scheduled \$1 amount is greater or less than the threshold of \$1
MS-FPML-220	This message Id is already processed. Please Reverse the subsequent Agency event and reprocess.
MS-FPML-221	The SSI mnemonic maintained at the tranche for the \$1 is of type ALL.
MS-FPML-222	\$1 details are missing.
MS-FPML-223	\$1 rate fixing is already done for the period \$2
MS-FPML-224	overlapping \$1 rate fixing schedules are not allowed

14.6.5 Free Format Messages

The following error codes are applicable for Payment Notice and Payoff Notice:

Error Code	Error Message
MS-FFT003	Select appropriate property linked to the contract.
MS-FFT004	Property maintenance does not exist for the contract.
MS-FFT005	Payoff Notice billing date cannot be past dated
MS-FFT006	Payment Notice billing date cannot be future dated.

14.6.6 Late Payment Charges

The following error codes are applicable for late payment charges:

Error Code	Error Message	Type
CS-WVR-001	Penalty Waiver Details need to be captured	E
CS-WVR-002	Amendment is not allowed on the Reversed Transactions	E
CS-WVR-003	Transaction did not happen from here, amend it from appropriate screen	E
CS-WVR-004	Transactions can be saved only with waive flag checked	E
CS-WVR-005	Prior schedules are unpaid for this component. Please pay/waive all such schedules before proceeding	E
CF-CL0021	For the given amount category, Accrual Required flag should be set to N	E
LS-CON-315	Grace days for the drawdown is defaulted from the tranche contract	O
CS-WVR-006	Reversal of Waiver not allowed as nothing is due on the given due date	E
CS-WVR-007	Reversal not allowed, Latest due date should be reversed first.	E
CS-WVR-008	Later schedules are waived for this component. Please reverse waiver for all such schedules before proceeding	E

14.6.7 Named Agents

The following error codes are applicable for Named Agents:

Err Code	Error Message
ST-MNT-	Expense code already mapped to another Named

Err Code	Error Message
017	agent
ST-MNT-018	Active Tranche for the Named Agent exists. Closure not allowed
ST-MAN01	Expense Code Cannot Be NULL
ST-MAN01	Proof Code Cannot Be NULL
ST-MAN01	Named Agent Cannot Be NULL

14.6.8 UCC Processing

The following error codes are available for _UCC processing of disclosure codes and contract disclosure schedule:

Error Code	Description
LS-DSC-017	Expiry Date cannot be less than Application Date
LS-DSC-018	Expiry Date is Mandatory if UCC code is selected
LS-DSC-019	Expiry Date will be propagated to UCC linked contracts upon authorization, do you wish to continue?
LS-DSC-022	Contract Disclosure schedule for \$1 is being amended by another user; expiry date will not be propagated
LS-DSC-028	Expiry Date will not be propagated to contracts, do you wish to continue?
LS-DSC-031	Multiple schedules are not allowed for UCC disclosure codes
LS-DSC-032	End date cannot be lesser than Start date
LS-DSC-033	Cannot delete the schedule for UCC disclosure codes

14.6.9 Marking Contracts as Liquidated

The following error codes are available for marking the status of a tranche or drawdown contract from 'Active' to 'Liquidated'.

Err Code	Error Message
LD-PMT305	Active Drawdowns exist for the Tranche. Liquidation not allowed.
LD-PMT306	Contract will be liquidated. Proceed?
LD-PMT307	Maturity date is greater than application date. Liquidation not allowed.

Err Code	Error Message
LD-PMT308	Validation for marking the liquidation is failed.
LD-PMT309	Principal Outstanding/amount due balance still exists. Liquidation not allowed.
LD-PMT310	Active STP contract exists. Liquidation not allowed.
LD-PMT311	The escrow balances linked to this contract is not zero. Liquidation not allowed.
LD-PMT312	Principal Outstanding/amount due balance still exists for the participant contract. Liquidation not allowed.
LD-PMT313	Pending STP contract yet to be processed. Liquidation not allowed.

14.6.10 Deal Definition Notice

The following codes are available for Deal Definition Notice:

Error Code	Error Description	Error Type
MS-FPML-132	Failed in generating Deal definition Notice	E
MS-FPML-133	Failed to get the TransferFee details	E
MS-FPML-134	Failed in populating co borrower details	E
LS-ASN-001	Issuing Bank Sublimit amount should not be greater than \$1.	E
LS-ASN-002	Currency and Amount are mandatory.	E

14.6.11 Media Details

The following error codes are available for media:

Error Code	Error Description	Error Type
ST-ENT053	Media Cannot be NULL for \$1	E
ST-ENT055	\$1 is not checked in Customer Entity Screen	E
ST-ENT056	Media Maintenance is required for Participant \$1	E
ST-ENT057	No message type is available for the media \$1	E
ST-ENT058	Media Order maintenance needs to be revisited for entity \$1	E

14.6.12 Sanction Screening

The following error codes are available for Sanction Screening:

Error Code	Error Description	Error Type
LS-FW-018	Confirmation not possible for status code 03.	E
LS-FW-019	Resend possible only for status code 04,05 and 06	E
LS-FW-020	Status code of the current message is \$1 and not - 1(Complete), Do you still want to proceed with confirmation?	O

14.6.13 HFS Transfer

The following error codes are available for HFS transfer:

Error Code	Error Description
LS-HFS-001	Participant should be Self and portfolio should be Origination HFS
LS-HFS-002	HFS Transfer and Sale Flag is unchecked at Loans parameter Level so cannot check the HFS Transfer Flag
LS-HFS-003	Position mismatch between agency and origination for the HFI portfolio
LS-HFS-004	Negative VAMI on loan contract is not allowed if HFS Transfer is unchecked
LS-HFS-005	Participant Transfer with multiple Participant is not allowed during HFI to HFS Transfer
LS-HFS-006	HFS Transfer will be allowed only between origination HFI and HFS desk participants and only if HFS Transfer Flag is checked
LS-HFS-007	Transfer To Participant should belong to Origination HFS desk
LS-HFS-008	\$1 Participant is not a self participant
LS-HFS-009	Transfer Price in HFS Transfer cannot be null
LS-HFS-010	HFS Transfer and sale parameter not checked at loan parameter level
LS-HFS-011	HFS Transfer, Manual intervention is required
LS-HFS-012	Open Trade exist for the combination of CUSIP and portfolio, PRAM cannot be processed
LS-HFS-013	HFS Transfer Flag is not checked at the product level. Cannot save the Record
LS-HFS-014	Origination HFS Desk Product is not maintained
LS-HFS-015	Failed in population of COC balances during HFS Transfer

LS-HFS-016	Failed in calculation of Cost Basis
LS-HFS-017	Failed in Validating Position for the Participant
LS-HFS-018	PRAM Date beyond latest liquidation date of Drawdown
LS-HFS-019	PRAM Date is beyond latest VAMI date
LS-HFS-020	Transfer Mark Fee Liquidation has not happened on the commitment. Do you want to proceed?
LS-HFS-021	Please enter only 10 decimal digits.

14.6.14 CUSIP Swing

The following error codes are available for CUSIP swing.

Error Code	Error Description
LS-TRN-035	Unprocessed or failed commitment reduction record exists which is not handed off to LQT for the old CUSIP.
LS-TRN-036	Position mismatch exist on CUSIP between Agency and Trading. CUSIP update not allowed

14.6.15 Participant Margin Maintenance

The following error codes are available for participant level margin maintenance on Tranche and Drawdown contracts.

Err Code	Error Message
LS-PTR-03	Participant transfer is not allowed as Transferor and Transferee margin rates do not match
LL-PAR-006	Margin history is not available for \$1
LS-FLR-041	Floor/Ceiling is not applicable with margin for lender functionality. Do you want go ahead with removing the \$1
LS-PMAR-004	Margin Rate is captured for the Participants at the Tranche level, hence cannot perform NPVAMI
LS-RPS-25	Reprice instructions are not allowed for drawdown/tranche \$1/\$2 as participant margin is already captured at the tranche
LS-PMAR-007	Participant margin maintenance not allowed on tranche \$1 as reprice is already captured for underlying Drawdown(s)
LS-DDS-048	Partial payment flag is unchecked as it should be unchecked in order to maintain the participant margin

Err Code	Error Message
LS-PPMT-11	Int/Fee Distribution value is changed from Lender of Actuals(LOA) to Lender of Records(LOR). All margin maintenance done for the participants will be deleted
LS-PMAR-009	Participant margin maintenance not allowed on tranche \$1 having active Partial Interest Payments on underlying Drawdowns
LS-PMAR-012	Cascade participation flag has been unchecked. All the participant maintenance will be deleted. Do you want to proceed?
LS-PMAR-017	There is a mismatch in borrower and participant margin. Please visit the margin maintenance again
LS-MAR-002	Please visit the margin maintenance
LS-NPB-008	Nonprorata distribution is not allowed as participant margin is already maintained for drawdown/tranche \$1/\$2
LS-PMAR-018	Margin Rate is captured for the Participants at the Tranche level, hence Participant Ratio cannot be changed
LS-PA-141	Margin Rate is captured for the Participants at the Tranche level, hence cannot enter Consolidated transfer instructions
LS-MAR13	Uninitiated Transfer Instructions already existing in the tranche,do you want to continue?
LS-MAR14	Participant margin cannot be amended for an effective date falling beyond PRAM date

14.6.16 FATCA

The following error codes are available for FATCA:

Error code	Error Description	Type
TA-FAT-001	Waiver Flag Changed, manually waiver flag has to be changed at tranche level.	O
TA-FAT-002	GrandFathered Flag Changed.Do you want to Proceed?	D
TA-FAT-003	Grandfathered change Effective Date is Mandatory	E
TA-FAT-004	Failed in checking the Grandfathered,fatca and chapter3 flag for processing of tax	E

Error code	Error Description	Type
TA-FAT-005	Authorisation failed as Tax Group \$1 is unauthorised for the customer \$2	E
TA-FAT-006	Failed in customer and Tax values synchronisation	E
ST-CUS72	Going to update the tax rule,as maintenance already exists with old values.Do you want to proceed?	O
TA-1010	Rule attached to a group,Can be created only from the group	E
TA-1011	Special tax type is mandatory	E
TA-1012	Rule attached to a group.Please detach it first.	E
TA-1013	Please attach the rule to the group first in mapping screen	E
MS-FFT008	Failed in getting the Customer/Entity details	E
ST-CUS70	Unable to generate reference number for the customer \$1	E
TA-FAT-007	Net Allocation percentage is not 100% for Month-\$1 and year-\$2 for customer \$3	E
TA-FAT-008	Some of the already Mapped tax Rules are not Maintained under the Tax group.Rates for the missing rules will not be in Sync.	O
TA-FAT-009	Tax Rule is Mapped under a Tax Group.Cannot Unlock	E
TA-FAT-010	Enter a Valid Month in MON format	E
TA-FAT-011	Grandfathered Change Effective Date should be application date	E
TA-FAT-012	Special Characters not allowed for \$1	E
TA-FAT-013	\$1 is unauthorized.Please Authorise to Proceed.	E
TA-FAT-014	\$1 rule already mapped to a group.	E
TA-FAT-015	Cust Tax Group is NULL for the customer.Cannot Authorise	E

Error code	Error Description	Type
TA-FAT-016	Customer id does not exist or is in unauthorized state	E
TA-FAT-017	Tax Rule Code is not maintained as a group in Tax Group Type Maintenance	E
TA-FAT-018	\$1 cannot go beyond 999 for a customer	E
TA-FAT-019	Linked to Tax Group checkbox can Only be Checked for ALL ALL combination of rule.	E
TA-FAT-020	Data element is attached to Customer or underlying partner.Cannot Delete	E
TA-FAT-021	Failed in Group to Rule Propagation.	E
TA-RL016	Overlapping Rules not allowed	E
TA-FAT-022	Tax Waiver Flag Changed.Do you want to Proceed?	E
TA-FAT-023	Chapter3/Fatca waiver maintenance is either missing or closed/unauthorised.Defaulting will not be done	O
TA-FAT-024	Cannot Close the customer as underlying partners are not closed yet	E
TA-FAT-025	Cannot reopen the partner as Customer are not reopend yet	E
TA-FAT-026	Cannot delete the partner as underlying partner still exists	E
TA-FAT-027	Special Tax Type Of Tax rule \$1 is not same	E
TA-FAT-028	Special Tax Type of this Tax is not Unique	E

15. S.W.I.F.T. Messages for Loan Syndication

15.1 Introduction

The S.W.I.F.T. messages generated by the system during the life cycle of a tranche or draw down contract under a syndication contract are detailed in this annexure:

15.2 S.W.I.F.T. Messages

SWIFT Message Type	Related to	Purpose	When Generated	Event in FLEXCU BE	Mail Equivalent
MT 643	Tranche input	Provides notice of the borrower(s)' request for draw down(s)/renewal(s) on a given date	N days prior to the value date of the draw down, where N is the notice days specified on defining the Syndication Product	INIT	Mail Format of MT643
MT644	Draw Down input	Specifies the interest rate and, if applicable, the exchange rate, for the next interest period	On initiation of a draw down under tranche or on value dated amendments	INIT /VAMI	Mail Format of MT644
MT645	Fee Liquidation	Specifies flat and variable fees, related to one facility, due to the Receiver	On Manually liquidating the Fees	FLIQ	Mail Format of MT645LS_FLIQ
MT646	Repayment of Draw Down	Advises of Payments and/or prepayments of principal and/or interest on the same value date, not related to any subsequent drawings or renewal	On Repayment or prepayment of the draw down	LIQD	Mail Format of MT646LS_INC_S HR
MT649	Free Format	Provides for communications related to syndicated facilities	At the discretion of the sender	NA	NA

SWIFT Message Type	Related to	Purpose	When Generated	Event in FLEXCUBE	Mail Equivalent
		for which no specific messages has been defined			

15.2.1 S.W.I.F.T Tags and Oracle FLEXCUBE Fields Linkage - MT 643

15.2.1.1 Notice of Draw Down Renewal

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
20	Transaction reference Number	M	Field	Contract Reference Number
21	Related Reference	O	Field	Related Reference Number if specified in the contract.
23	Further Identification	M	Field	Syndication Contract reference to which the present tranche is attached
88D	Borrower	M	Field	CIF id of the borrower specified in the tranche contract
32A	Original Facility Amount	M	Field	The value date and Amount specified in the Syndication contract to which the present tranche is attached
26N	Drawing Identification	M	Field	The Draw Down Currency and number specified in the LS Draw Down schedules Screen (under Borrower leg contract)
31F	Draw Down Period	M	Field	The draw down date and tenor* specified in the LS Draw Down schedules Screen (under Borrower leg contract)*The end date of the draw down is arrived at using the draw down date and tenor
32B	Amount of Draw Down	M	Field	The Amount specified in the LS Draw Down schedules Screen (under Borrower leg contract)

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
33B	Receiver's Participation	M	Field	The Amount arrived using the draw down amount and the participation ratio specified in the Participant (Receiver) leg of the tranche contract

15.2.1.2 MT 643 – A Sample

Sample MT643 Message
{1:F01AMBKWASHIXX1111111111}
{2:I643JARDINEFXXXN}
{4:
:20:000LRCP010010009
:21:
:23:000LGEN010010003
:88D:BAKER01
:32A:19990101USD1000000000,
:26N:USD/1
:31F:2001010120020101//
:32B:USD100000,
:33B:USD80000,
-}

15.2.2 S.W.I.F.T Tags and Oracle FLEXCUBE Fields Linkage - MT 644

15.2.2.1 Advice of Rate and Amount Fixing

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in ORACLE FLEXCUBE
20	Transaction reference	M	Field	Contract Reference Number

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in ORACLE FLEXCUBE
	Number			
21	Related Reference	O	Field	Related Reference Number if specified in the contract.
88D	Borrower	M	Field	CIF id of the borrower specified in the Draw Down contract
32A	Original Facility Amount	M	Field	The value date and Amount specified in the Syndication contract to which the present draw down is attached
26N	Drawing Identification	M	Field	The Draw Down Currency and number of Draw Downs (under the tranche) specified in the Draw Down Contract
31F	Interest Period	M	Field	The Value date and Maturity date of the draw down is specified in the Draw Down Contract
37G	Basis Rate	M	Field	The Interest rate specified in the Participant Leg Contract

15.2.2.2 MT 643 – A Sample

Sample MT644 Message
{1:F01AMBKWASHIXX1111111111}
{2:I644BANKAMERXICAN}
{4:
:20:000DFPN013650007
:21:
:88D:GENMO01
:32A:20011226USD2000000000,
:26N:USD/2
:31F:2001123120020331//
:37G:18,

Sample MT644 Message
-}

15.2.3 S.W.I.F.T Tags and Oracle FLEXCUBE Fields Linkage - MT 645

15.2.3.1 Notice of Fee Due

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
20	Transaction reference Number	M	Field	Contract Reference Number
21	Related Reference	O	Field	Related Reference Number if specified in the contract.
88D	Borrower	M	Field	CIF id of the borrower specified in the Tranche contract
32A	Original Facility Amount	M	Field	The value date and Amount specified in the Syndication contract to which the present Tranche is attached
23	Type of Fee	M	Field	The Fee component as described by the user in the charge definition screen of the Participant Product
31F	Fee Period	M	Field	The Value date of Fee Liquidation
34B	Fee Amount	M	Field	Fee Credited to the Customer
33A	Total Fees	M	Field	Fee Credited to the Customer

15.2.3.2 MT 645 – A Sample

Sample MT645 Message
{1:F01AMBKWASHIXXX1111111111}
{2:I645JARDINEFXXXN}
{4:
:20:000LNCP010010018
:21:
:88D:IBNIN01

Sample MT645 Message
:32A:19900101USD1000000000,
:23:Syndication non rev fees
:31F:2001123120011231
:34B:USD600,
:33A:600,
-}

15.2.4 S.W.I.F.T Tags and Oracle FLEXCUBE Fields Linkage - MT 646

15.2.4.1 Payment of Principal and/or Interest

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
20	Transaction reference Number	M	Field	Contract Reference Number
21	Related Reference	O	Field	Related Reference Number if specified in the contract
23	Type of transaction	M	Field	The type of transaction
88D	Borrower	M	Field	CIF id of the borrower specified in the Drawdown contract
32A	Original Facility Amount	M	Field	The value date and Amount specified in the Syndication contract to which the present Tranche is attached
26P	Drawing Identification	M	Field	Contract Reference Number of the Borrower Leg
32A	Total Principal Amount Repaid/Paid	M	Field	The Value date and Total amount Paid in the Borrower Leg Contract
32N	Principal Amount Due to the Receiver	O	Field	The Value Date of the payment and The share of Principal Paid due to the receiver
33N	Gross Interest Amount Due to the Receiver	O	Field	The Value Date of the payment and The share of Interest Paid due to the receiver

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
34A	Total Amount Transferred	O	Field	The sum of receiver's share of Principal and Interest Paid

15.2.4.2 MT 646 – A Sample

Sample MT646 Message
{1:F01AMBKWASHIXX1111111111}
{2:I646BANKAMERXICAN}
{4:
:20:000DFNP010010001
:21:
:23:000LGEN010010001
:88D:GEIND01
:32A:19990101USD1000000000,
:26P:000LFNB010010001
:32A:20010630USD6000000,
:32N:20010630USD1800000,
:33N:20010630USD106520,55
:34A:1906520,55
-}

15.2.5 S.W.I.F.T Tags and Oracle FLEXCUBE Fields Linkage - MT 649

15.2.5.1 General Syndicated Facility Message

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
20	Transaction reference Number	M	Field	System Generated
21	Related Reference	O	Field	User Input

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in Oracle FLEXCUBE
88D	Borrower	M	Field	User Input
79	Narrative	M	FFT	User Input

15.2.5.2 MT 649 – A Sample

Sample MT649 Message
{1:F01AMBKWASHIXX1111111111}
{2:I199BANKAMERXICAN}
{4:
:20:000ZFFT013650002
:21:NONE
:88D:GE ELECTRIC CORPORATION INC
:79:ATTN : MR SMITH JOHNSON
PLEASE ACKNOWLEDGE THE RECEIPT OF
THE COPY OF GE'S BOARD RESOLUTION
FORWARDED TO YOU ON 29.12.2001
-}

16. FpML Messaging

16.1 Introduction

FpML (Financial products Markup Language) is an XML based message standard used for complex financial products. Oracle FLEXCUBE supports generation of messages (notices) using this format. The messages can be broadly categorized into two groups:

- FpML messages that are sent from the agent to individual participants of a contract
- FpML messages that are sent to Markit, a Financial Information System that acts as an inventory for all the Agency activities. The messages sent to Markit can be generated by the system or they can be generated manually on an ad-hoc basis.

The system will support FpML messaging for regular back-valued activity, which is not prior to any other activity. This will be treated as any other current dated activity message. Any back-valued activity prior to any other event will be suppressed by the system.

This chapter discusses these notices, the maintenances required and the validations that the system performs as part of the message processing.

16.2 Maintenances Required for FpML

To generate FpML messages from agent to individual participants, you need to do the following:

- Maintain 'FpML' as a media type in the 'Media Detailed' screen
- Attach advices that need to be fired for only a specific event to the event at the product participant level
- Select the 'Send FpML' option at the customer level in the 'Customer Entity Details' screen
- Maintain FpML formats for notices that will be sent using Free Format Messages in the 'Message Format Template Maintenance' screen
- Specify the FpML format and the message that should use the format in the 'Format File Maintenance' screen
- Capture details for messages in the 'Free Format Messages – Multiple Participants' screen

To generate FpML messages to Markit, you are required to maintain all the messages that you wish to generate in the 'Message Type Maintenance' screen and in the borrower products (tranche/drawdown), you can associate the messages to the events for which the messages should be generated. The messages to Markit will be generated when the contract to which the message is attached is saved and will be handed off during authorization of these contracts.

Refer the following for more details on these screens:

- 'Maintaining Addresses for a Customer' chapter in the Messaging System User Manual (Customer entity)

- 'Defining Free Format Messages' chapter in the Messaging System User Manual (for FpML formats)
- 'Maintaining Media Types' chapter in the Messaging System User Manual (for defining FpML media)
- 'Maintaining Advice Formats' chapter in the Messaging System User Manual (for details on the FpML format and message linking)
- Loan Syndication Contracts chapter in the Loan Syndication module (for details on free format messages for multiple participants)

16.3 **Handling Initial Validations for FpML Messages**

As mentioned earlier, there are various types of FpML messages that can be generated. These typically include notices from agent to individual participants, manually-generated notices to Markit, system-generated notices to Markit and updates relating to CUSIP and MEI CODE changes to Markit.

In case of notices generated to Markit, the system will ensure that:

- The External CUSIP is not blank if the message is at the borrower tranche level or at the borrower drawdown level
- The External CUSIP for the borrower tranche or drawdown is not blank. Also, MEICODE at participant level should not be blank. This is applicable for Position Update notice and all bulk notices that have participant details in them. If the MEICODE for a participant is not available, then that participant will be excluded from the bulk message.
- For a tranche, Take On Deal Definition/ Take On Facility Definition is generated and handed off along with the Position Update message of Position Statement type
- System checks if multiple participants within a tranche/drawdown have the same MEI code UDF value for outgoing FMPL messages to Markit
- If multiple participants are maintained with same MEI code UDF value, then those participants' positions are summed up and is sent as one single participant message in the bulk message for outgoing FMPL messages to Markit
- The branch name will be the value for participant name (Party Name) for consolidated participant messages. The branch, under which the tranche is booked, is considered as the branch name. The MEI Code of the consolidated participant is displayed in the message id.
- The participant id that is displayed in message id is replaced with the MEI Code of the consolidated participant.
- The following bulk messages will display the MEI Code of the consolidated participant:

- Position Update [positionUpdate] Notice
- On Going Fee [onGoingFee] Notice
- One off Fee [oneOffFee] Notice
- Commitment Adjustment [commitmentAdjustment] Notice
- Amend Contract [amendContract] Notice
- Drawdown [drawdown] Notice
- Repayment [repayment] Notice
- Interest Payment [interestPayment] Notice
- LC Issuance [lcIssuance] Notice
- LC Termination [lcTermination] Notice
- Rollover [rollover] Notice
- Rate Set Notice

If any of the validation fails, the system will suppress the message.



For display of MEI Code of the consolidated participants, note the following:

- For Rate Set notice, one single message is sent with the appropriate rate details for all participants having same MEI code UDF value
- No validations are performed if the participants are self-participants or are not for this consolidation. The entire consolidation will be driven by MEI Code UDF.
- MEI Code of the consolidated participant is applicable for outgoing FpML messages to Markit only.

16.4 Notices from Agent to Investors

The following are the notices sent from Agent to Investors which can be generated in the FpML format:

- Drawdown Notice – generated for 'BOOK', 'DNOT' and 'VAMB' events of the drawdown
- Rate Reset Notice - generated for 'IRFX' event of the drawdown
- Interest Payment Notice – FpML format message generated as part of Free Format message generation
- Principal Repayment Notice - - FpML format message generated as part of Free Format message generation
- Scheduled Fee Payment Notice - - FpML format message generated as part of Free Format message generation
- Adhoc Fee Payment Notice - - FpML format message generated as part of Free Format message generation
- Split Rollover Notice - generated on 'RNOT' event of the drawdown
- Consolidated Rollover Notice - generated on 'CRNT' event of the drawdown

- LC Issuance Notice - generated on 'DNOT' event of the LC drawdown
- LC Balance Notice – generated as part of any event on the LC drawdown that leads to the LC balance changes (VAMB, LIQD) event in FpML format
- LC Amendment Notice - generated as part of LC drawdown amendment (VAMB) event
- LC Fee Notice - generated as part of LC drawdown fee payment (NOTC) event
- LC Termination Notice - generated as part of LC drawdown termination (VAMI/LIQD) which marks the contract status as liquidated event
- Pricing Change Notice - The pricing change notices will be generated if any of the following changes occur:
 - Margin Changes
 - LC Drawdown Rate Change
 - Fee Rate Change

To generate FpML messages, you need to maintain the Advice format for the FpML notice in 'Advice Format Maintenance' screen with the media value specified as 'FPML'. These advices are in turn attached to the related events at participant product level.



If you wish to generate both FpML as well as non-FpML notices for an event, you need to attach both the advices at the product level.

16.4.1 Pricing Change Message

You need to maintain the following details in the 'Free Format Message Template' screen:

- Maintain 'FPML' as media for the FpML formats.
- The 'Mapped Fax Template' field is enabled only if media is 'FPML'. The fax template code for the corresponding FPML format should be maintained.

Select the 'MAIL' template in the 'MAIL' tab. On selection of the 'MAIL' template, the corresponding FpML template to which the 'MAIL' template is mapped is arrived at and the FpML template is updated in the 'FPML' tab

Entity details with media as 'FPML' is updated in the Entity section of the 'Free Format Message' screen for the entities associated with the Contract participants for which the 'Send FPML' option is selected. For any participant if there are no entities for which the 'Send FPML' option is selected, the FPML tab will be disabled and the FPML template will not be populated.

Message Preview or Generate generates the MAIL notices and in addition, generates the FPML notice for all the entities for which the 'Send FPML' option is selected.

Pricing change free format message is similar to the automated pricing change notice which is getting generated in the FpML format on Margin changes//Fee rate changes for Tranche contracts.

The factory-shipped templates that are provided for pricing change free format message generation are as follows:

- Fax template for Margin rate change, related event is MRFX
- FpML template for Margin rate change, related event is MRFX
- Fax template for Fee rate change, related event is FRFX
- FpML template for Fee rate change, related event is FRFX

Pricing change notice for Fee Rate or Margin Rate change is generated at the tranche level. During the price change message generation, the system prompts for 'Schedule date' (user input date) which should match with Fee/Margin rate maintenance schedule date to pick up the rate. If the date is not matching, the message tags will be printed blank.



Fee rate change and Margin rate change free format messages are generated individually.

16.5 **Generating Notices Manually**

You can manually generate the following notices as and when required from the 'FpML Adhoc Message' screen. All the notices will be generated for the ZAMG event

Refer the chapter 'Processing Outgoing Messages' in the Messaging System User Manual for details of the screen.

16.5.1 **Take on Deal Definition**

The Take on Deal Definition notice can be generated for tranches that have not yet been sent to MarkIt. The system will ensure that the tranche details are sent only for the first tranche under the deal (facility) and that the tranches are not generated or handed-off more than once. You will be allowed to generate other FpML messages for tranches/ drawdowns only if the Take on Deal /Take On Facility Definition messages have been generated and handed-off to MarkIt.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.



Assignment validation details are populated for each tranche in the Take on Deal Definition Notice.

16.5.2 **Take on Facility Definition**

The Take on Facility Definition notice can be generated for tranches that have not yet been sent to MarkIt. The system will ensure that the tranche details that are being sent are not for the first tranche under the deal (facility) and that the tranches are not generated or handed-off more than once. You will be allowed to generate other FpML messages for tranches/ drawdowns only if the Take on Deal /Take On Facility Definition messages have been generated and handed-off to MarkIt.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.



Assignment validation details are populated for each tranche in the Take on Facility Definition Notice.

16.5.3 Position Update of Position Statement Type

The Position Update message which contains the participant position details is generated at the borrower level. For each tranche, the details will be grouped for participants for the tranche and sent as a single bulk message. You can manually send this message as a follow-up message for the 'PositionStatement' event type when the details of the deal or tranche are sent to Markit for the first time.

This message can be used at a tranche or drawdown level for all the participants under the tranche or drawdown and is generated only after the Take on Deal / Take on Facility notices have been generated and handed-off to Markit.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.5.4 Drawdown Notice

The Drawdown Notice will be generated at the borrower level for new drawdown bookings and principal increases on drawdowns. The notice consists of a notice for each participant and a notice for the global details for the borrower.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.5.5 Cancel Notice

The Cancel notice is generated to reverse specific notices already sent to Markit and for payment and value-dated amendment reversals.

16.6 System generated Messages

The following messages are generated by system automatically:

16.6.1 Commitment Adjustment Notice

The Commitment Adjustment notice, which is generated at the borrower level, will be generated whenever principal is increased or decreased for a tranche. It has all the participant and global details and will consist of a message for each participant and a message for global details for borrower. You need to maintain the message for the VAMB event for tranche products to generate the notice for tranche value-dated amendment notice.

If there are no principal changes for the value-dated amendment or if the amendment results in the tranche being decreased to nil principal and the maturity date to less than or equal to today, this notice will be suppressed. You can also suppress the generation during value dated amendment if you require. Also, since the notice is generated only for principal changes done directly on the tranche and not as a result of any drawdown activity, the system will not generate the notice for drawdown payments on non-revolver tranches.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.2 Deal Definition Notice

The Deal Definition Notice is generated for tranche amendments on a tranche at the borrower level, if the contract status is updated to 'Liquidated'. This implies that there will be one message for a tranche value-dated amendment for tranche amendment. You need to maintain the message for the event VAMI for tranche products.

You can suppress this notice during value-dated amendment if you so wish. The system will suppress this message when during value-dated amendments the tranche contract status does not get updated to 'Liquidated'. This is applicable for both value-dated amendments done manually and those due to SLT-LS STP.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.2.1 Deal Definition Notice with all Tranches for Ext Deal CUSIP/ISIN

Deal Definition Notice generated for facility/deal amendment contains details of all the active tranches that have the same Ext Deal CUSIP/ISIN as that of the facility/deal CUSIP, provided Take on Deal/Take on Facility and Position Update for Position Statement type have already been generated for all those tranches.

Deal Definition notice generated for tranche amendment contains details of all the active tranches that have the same Ext Deal CUSIP/ISIN as that of the tranche which being amended, provided Take on Deal/Take on Facility and Position Update for Position Statement type have already been generated for all those tranches.

This notice does not contain details of tranches for which Take on Deal/Take on Facility and Position Update for Position Statement type is not generated. In this case, the notice generation does not fail but will exclude such tranches.

Deal Definition notice generation for a facility/deal amendment is suppressed systematically if none of the tranches under the facility/deal have the Ext Deal CUSIP/ISIN same as the facility CUSIP. Deal Definition notice for a facility/deal amendment is suppressed systematically if none of the tranches (with matching CUSIP) have Take on Deal/Take on Facility and Position Update for Position Statement type generated and handed off. This notice is suppressed systematically for a tranche amendment if the tranche does not have Take on Deal/Take on Facility and Position Update for Position Statement type already generated and handed off.

For Deal Definition generation for a tranche amendment, the details in the notice for the current tranche that is amended in Oracle FLEXCUBE will contain the latest amended details and all other tranches will contain the latest details. In case of facility/deal amendment, the latest details are present in the notice for all the tranches.



This notice does not include details of previously liquidated/reversed tranches.

Deal Definition Notice generation for Tranche - Borrower/Co-borrower

- For all tranche amendments (CAMD event) involving addition of borrowers from the 'Borrowers' sub-screen in 'LS Tranche Contract Online' screen
- All the latest borrowers are included as list of co-borrowers in this notice
- The attribute for the list of borrowers is named as 'coBorrower<ExtCUSIP/ISIN>1', 'coBorrower<ExtCUSIP/ISIN>2', 'coBorrower<ExtCUSIP/ISIN>3' and so on
- The party id for the co-borrower is the MEI code of the borrower. MEI code is the UDF (MEI CODE FOR INVESTORS) at the customer maintenance. The party name for the co-borrower is the name of the borrower in Oracle FLEXCUBE
- For all tranche amendments involving addition of borrowers/co-borrowers, this notice should be maintained for CAMD event as part of the tranche product setup.

Deal Definition Notice Generation for Facility/Deal - Assignment Fee Details

Deal Definition Notice is generated for all facility amendments (CAMD event) involving addition/amendment/removal of assignment fee details from the 'Assignment Fees Details' sub-screen in 'LS Facility Contract Online' screen.

For facility/deal - assignment fee details, this notice should be maintained for the CAMD event as part of the facility product setup.

Deal Definition Notice Generation for Tranche - Drawdown Currency

Deal Definition Notice is generated for all tranche amendments (CAMD event) involving addition/removal of currencies from the 'Currency' sub-screen in 'LS tranche Contract Online' screen.

For tranche - drawdown currency, this notice should be maintained for the CAMD event as part of the tranche product setup.

Deal Definition Notice Generation for Tranche - Maturity Date

Deal Definition Notice is generated for all tranche value dated amendments (VAMI event) involving change to the maturity date of the tranche.

In this scenario, this notice should be maintained for the VAMI event as part of the tranche product setup for the tranche which is getting amended.

Deal Definition Notice Generation for Tranche - Termination Date

Deal Definition Notice is generated for all tranche value dated amendments (VAMI event) involving change to the maturity date of the tranche and resulting in the tranche being liquidated. In this scenario, this notice should be maintained for the VAMI event as part of the tranche product setup for the tranche which is getting amended.

Deal Definition Notice Generation for Tranche - 'Assignment Validations Applicable' checkbox

Deal Definition Notice is generated for all tranche amendments (CAMD event) involving change to the 'Assignment Validations Applicable' checkbox in the 'LS Tranche Contract Online' screen. In this scenario, this notice should be maintained for CAMD event as part of the product setup.

Deal Definition Notice Generation for Tranche - 'Assignment Validations'

Deal Definition Notice is generated for all tranche amendments (CAMD event) involving changes in details maintained in the 'Assignment Validations' sub-screen in the 'LS Tranche Online' screen. In this scenario, this notice should be maintained for the CAMD event as part of the tranche product setup.

Deal Definition Notice is not generated if 'New Investor' checkbox is amended in the 'LS Tranche Online' screen.



Assignment validation details are populated for each tranche in the Deal Definition Notice.

16.6.3 Amend Contract Notice

The Amend Contract Notice will be generated at the borrower level with one message for a drawdown amendment for the following event:

- Drawdown Value dated amendment for change in maturity date(VAMB)

The message will be a bulk message which will consist of a message for each participant and a message for the global details for borrower. You need to maintain the message at the VAMB event for the drawdown product. If the VAMB event is for anything other than changes in maturity date, then the system will suppress the notice generation. You can manually suppress the notice during VAMB.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.4 Rate Set Notice

The Rate Set Notice is generated at the borrower level with one message for a drawdown/tranche for the following events:

- Drawdown Value dated amendment for interest rate changes (VAMB)

- Drawdown Interest Rate amendment (IRAM)
- Drawdown Margin Rate Revision (MRFX)
- Drawdown Floating Rate Revision (REVN)
- Drawdown Exchange Rate Amendment (ERAM)
- Tranche Fee Rate Revision (FRFX) for non-adhoc (non-USERINPUT) components

Rate Set Notice is a bulk message with borrower global level message and participant details. The bulk message constitutes the following messages grouped together:

- Message for each participant
- Message for the global details for borrower

You need to maintain the message at the VAMB, IRAM, MRFX, REVN and ERAM events for the drawdown product. If the VAMB event is for anything other than changes in interest rate, the system will systematically suppress the notice generation. Also, you can manually suppress the notice during VAMB but not during IRAM, ERAM, MRFX, FRFX and REVN events.

If the fee rate change involves fee rate change for multiple fee components, then system generates one message for each fee component for which the rate is changed. Rate set notice for Interest/Margin/Exchange/Fee rate changes is applicable only when Take on Deal/Take on Facility FpML notice and Drawdown notice are generated. Position Update Notice should also be generated if you want to generate the Rate Set Notice.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.5 Repayment Notice

The Repayment Notice will be generated at the borrower level for partial or full payments of principal on the drawdown. It will be a bulk message for a drawdown payment with all the participant and global details and will consist of a message for each participant and a message for the global details for the borrower. You need to maintain the message at the LIQD event for drawdown products.

If the payment is only for the interest, the system will suppress the notice. If the payment is for both interest and principal, then the system will generate the Interest Payment Notice for the interest liquidated and the Repayment Notice for the principal liquidated. You cannot suppress the notice generation manually during drawdown payment. However, by doing a contact amendment in the Drawdown online screen, you can suppress the message. If needed, before making the payment, an amendment can be done to suppress the notice for the termination and then payment can be done.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.6 Interest Payment Notice

The Interest Payment Notice will be generated at the borrower level for full or partial interest payments on the drawdown. It will be a bulk message for drawdown interest with all the participants and global details and will consist of a message for each participant and a message for the global details for the borrower. You need to maintain the message at the LIQD event for drawdown products.

If the payment is only for the principal, the system will suppress the notice. If the payment is for both interest and principal, then the system will generate the Interest Payment Notice for the interest liquidated and the Repayment Notice for the principal liquidated. Or it can bulk the two notices if principal and interest are being paid together.

You cannot suppress the notice generation manually during drawdown payment. However, by doing a contact amendment (CAMD) in the Drawdown online screen, you can suppress the message. If needed, before making the payment, an amendment can be done to suppress the notice for the termination and then payment can be done.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.7 LC Issuance Notice

The LC Issuance Notice is generated at the borrower level with one bulk message for a LC drawdown with all the participant and global details. It consists of a message for each participant and a message for the global details for the borrower. It will be generated for:

- New LC drawdown bookings
- LC Increases because of LC Balance movement (with the LC increase amount)
- LC Decreases because of LC Balance movement (with the LC decrease amount). If the LC decrease amount results in the LC amount being reduced to nil, then the system will generate an LC termination notice

To have this message generated, the 'LC Drawdown' preference should be selected at the drawdown level. You need to maintain the message for the following events for LC drawdown products:

- BOOK (for new LC drawdown booking)
- VAMB (for LC increases)
- LIQD (for LC decreases)

You should not maintain drawdown notices for the BOOK, VAMB and DNOT events since maintaining this would lead to LC Issuance notices being generated for those drawdowns instead. You can suppress the notice manually for the new LC drawdown bookings but not for the LC increases and decreases. However, by doing a contact amendment (CAMD) in the Drawdown online screen, you can suppress the message. If needed, before making the payment, an amendment can be done to suppress the notice for the termination and then payment can be done.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.8 LC Termination Notice

The LC Termination Notice is generated at the borrower level with one bulk message containing all the participant and global details. It consists of a message for each participant and a message for the global details for the borrower. It will be generated for full payments on LC drawdown.

You need to maintain the message for the LIQD event for LC drawdown product. The message will be generated only if the 'LC Drawdown' preference has been selected at the drawdown level and the status of the LC drawdown contract is 'Liquidated'. If the status is not 'Liquidated', then the system will suppress the generation of this message.

You cannot manually suppress the message during LC drawdown payment. However, by doing a contact amendment (CAMD) in the Drawdown online screen, you can suppress the message. If needed, before making the payment, an amendment can be done to suppress the notice for the termination and then payment can be done.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.9 Ongoing Fee Notice

The Ongoing Fee Notice will be generated at the borrower level with one bulk message for a tranche and will have all participant and global details. The message will consist of one message for each participant and one message for the global details for the borrower. It will be generated for:

- Initial fee capture at tranche level for non-adhoc (non USERINPUT type) fee components, either during generation of Position Update notice the first time using adhoc generation screen (systematic generation)
- Fee payment of non-adhoc fee components

The fees which are supported by Markit are:

- LetterOfCredit Fee
- CommitmentFee (fee based on the unfunded portion of the facility)
- UtilizationFee (fee based on the utilized/funded portion of the facility)
- FacilityFee (fee based on the entire commitment of the facility)
- OtherAccruingFee

You are required to map these fees to fee components in Oracle FLEXCUBE to facilitate the generation of notices. To generate the notice for fee details and send it for the first time to Markit, you need to maintain the message for BOOK/FBOK/FAMD event for tranche products. For generation of notice for fee payment, you need to maintain the message for FLIQ event for tranche products. The notice for new booking/fee capture will not include the fee payment details, while the notice generated for fee liquidation will.

If there are non-adhoc fee components added newly as part of fee capture or fee amendment, then the notice will be generated for the FBOK/FAMD event. If non-adhoc fee components are defined during tranche booking itself and changes are done during fee amendment, then the system will suppress the notice generation for the FBOK/FAMD event. System will suppress the notice generation for any fee rate changes (FRFX) for non-adhoc fee components.

The system will suppress the notice generation for the adhoc fee components for the BOOK event if adhoc fee components have been captured as part of tranche booking or if there are no non-adhoc fee components for which payment is done as part of the FLIQ event. You can manually suppress the notice generation during tranche booking but not during fee amendment, fee liquidation and fee revision.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.10 One Off Fee Notice

The One Off Fee notice will be generated at the borrower level with one bulk message for a tranche with all participant and global details. The message will consist of a message for each participant and a message for the global details for the borrower. It will be generated for fee payments of adhoc fee (USERINPUT type) components at tranche level.

The fees which are supported by Markit are:

- TickingFee
- ConsentFee
- AmendmentFee
- AssignmentFee (not in scope currently)
- FacilityExtensionFee
- FundingFee
- BreakageFee
- UpfrontFee
- WaiverFee
- OtherFee

You are required to map these fees to fee components in Oracle FLEXCUBE to facilitate the generation of notices. You need to maintain the message for FLIQ event for the tranche products.

If there are no adhoc fee components in the fee payment, the system will suppress the generation of this notice. You cannot manually suppress the notice generation during fee liquidation.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.11 Rollover Notice

The Rollover notice will be generated at the borrower level with one bulk message for a tranche with all participant and global details. The message will consist of a message for each participant and a message for the global details for the borrower. It will be generated for the rollover (split or consolidated) or re-pricing (split or consolidated) of drawdowns.

The rollover message will contain details of only the rollover. The system will send increase or decrease as part of rollover or re-pricing as drawdown notice or repayment notice, as is defined for the respective VAMB/LIQD event only at the time of actual rollover, since the changes are triggered only at the time of actual rollover. The system will suppress the drawdown notice for the new child contract as the rollover notice would include a section for the child contract. You will not be allowed to manually suppress the notice during rollover or reprice capture.

You need to maintain the message for the actual rollover events – ROLL/CROL/SPTI/MRGI – for the drawdown products. This is maintained at the actual rollover event instead of the usual RNOT/CRNT/SPTB/MRGB events as Markit expects the principal increase/decrease notices as part of the rollover to be sent along with the rollover notice. Also Markit requires the child drawdown contract id to be populated in the rollover notice, so that subsequent messages sent for the child contract are applied properly in Markit on the right child drawdown

The rollover type mentioned in the notice will define the type of rollover done. The possible values are:

- Rollover - One to One rollover
- Split – One to many rollover/reprice
- Combination – Many to one merge reprice/consolidation
- Conversion – One to One reprice

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.12 Reprice Message

Oracle FLEXCUBE supports both Merge Reprice and Split Reprice message generation in FpML format. The FpML formats used for generating messages for Rollover instruction processing is used for generating the FpML notice for Reprice events.

The Split Reprice advice is generated during SPNT event for drawdown contracts. The Reprice message is generated in FpML format for SPNT event. The message generation and handoff processing follows the similar processing of Split Reprice advice.

The Merge Reprice advice is generated during MRGB event for drawdown contracts. The Reprice message is generated in FpML format for MRGB event. The message generation and handoff processing follows the similar processing of Merge Reprice advice.

16.6.13 Drawdown Notice

The Drawdown Notice will be generated at the borrower level for new drawdown bookings and principal increases on drawdowns. The notice consists of a notice for each participant and a notice for the global details for the borrower.

For generation for new drawdown bookings, you need to maintain this message at BOOK/DNOT event for drawdown products. For principal increases on drawdown, you need to maintain the message at the VAMB event for drawdown products. For both events, you have the option of suppressing the generation.

Principal increases on the drawdown caused due to rollover with increase and STL-LS STP activities will also result in the generation of the message. You will not have an option to suppress the generation for these operations.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'Cancel Notice

The Cancel notice is generated to reverse specific notices already sent to Markit and for payment and value-dated amendment reversals. You need to maintain the messages at the REVP event for drawdown products for payment reversals and the VAMC event for the value-dated amendment reversals for drawdown and tranche. The notice is sent for the message ID of the bulk messages sent for the payment / value-dated amendment – this will cover all the underlying messages of the original bulk message.

16.6.14 Position Update of PositionStatement type

The Position Update message which contains the participant position details is generated at the borrower level. For each tranche, the details will be grouped for participants for the tranche and sent as a single bulk message. You can send this message for the event 'Assignment' when there is a change in participant positions in a tranche. For this you need to maintain the message for the PRAM/PAMI events for tranche only

This message can be used at a tranche or drawdown level for all the participants under the tranche or drawdown and is generated only after the Take on Deal / Take on Facility notices have been generated and handed-off to Markit.

The message will display 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.15 Prime Increase Message

The system generates the Prime Increase FpML message for participants when additional borrowing is required for prime loans.

Prime Increase FpML message is generated only for the Drawdown contracts having Main Interest component with Rate Type as 'FLOATING'. The system does not refer to the preference maintained for the box 'Prime Loan' at Drawdown product preference. The system determines the Drawdown as Prime if Floating Rate Type of Main Interest component is attached with the Drawdown.

Prime Increase is a Drawdown Value-Dated Amendment Event (VAMI) in Oracle FLEXCUBE to increase the Drawdown amount (Borrowing amount). The system generates the Prime Increase message during Value Dated Amendment operation.

The Prime Increase message is same as the drawdown message. The latest Drawdown amount including the amount that is increased in the Value Dated Amendment operation is sent in the Prime Increase message. The Prime Increase FpML message is generated for the 'VAMB' event

The system sends floatingRateIndex value as Prime/Libor for the Prime Increase message. Agent Ref No will be sent in the Prime Increase message if already available in the system, else Agent Ref No will be sent blank. Message Generation and Handoff processing follows the processing of Drawdown Advice.

16.6.16 Outgoing FPML Changes for Negative Rate

The following outgoing FpML notices will send interest and margin rates in negative if the rates are maintained in negative for the associated contracts.

Individual FpML messages for each participant

Notice Name	Associated Event	Remarks	Systematic / Free format
Drawdown Notice	DNOT	During drawdown booking	Systematic
Rate Reset Notice	IRFX	During drawdown Interest rate fixing	Systematic
Interest Payment Notice	NOTC	During Interest payment	Freeformat
Split Rollover Notice	RNOT	During Split Rollover booking	Systematic
Consolidated Rollover Notice	CRNT	During consol Rollover Booking	Systematic
Pricing Change Notice	MRFX	During Margin rate revision at drawdown level.	Systematic

Bulk FpML notices (One message with all participant details)

Notice Name	Associated Event	Remarks	Systematic / Free format?
Drawdown Notice	DNOT	During drawdown booking	Systematic
Rate Set Notice	IRAM	During Interest rate	Systematic

		amendment	
	VAMB	During interest rate amendment in VAMI screen	Systematic
	MRFX	During drawdown Margin rate revision	Systematic
Interest Repayment Notice	LIQD	During full or partial interest payment on drawdown	Systematic
Split Rollover Notice	RNOT	During Split Rollover booking	Systematic
Consolidated Rollover Notice	CRNT	During consol Rollover Booking	Systematic

16.7 Messages from Markit for Prime Increase

The Prime Increase message is consumed from Markit in the same way the drawdown message is consumed in Oracle FLEXCUBE. The system processes the new Drawdown message as Prime Increase message only when the following conditions are satisfied:

- The FloatingRateIndex value from the Drawdown message is one of the pre-defined floating indexes in the factory-shipped table, for the Drawdown currency and for the Rate 'PRIME'.
- The Floating Rate type of the Main Interest component is attached with the resolved Drawdown product during the message processing.
- The Agent reference number is already associated with an active Drawdown in Oracle FLEXCUBE.

The checkbox 'Prime Loan' at Drawdown product preference is not used to determine the drawdown as Prime Drawdown.

If the agent reference number is already associated with an active Drawdown in Oracle FLEXCUBE, the system will perform Prime increase by doing a value dated amendment for Drawdown(VAMI).

If the agent reference number is not associated with any Drawdown in Oracle FLEXCUBE then:

- The system will consider it as a new Drawdown contract and will create a drawdown.
- The system will not validate FloatingRateIndex during new Drawdown processing and floatingRateIndex need not be USD-Prime-Reference.
- Also, the Main Interest component for the resolved product need not be 'FLOAT' and it can be 'FIXED' as well.

If FloatingRateIndex is not USD-Prime-Reference in the Drawdown message and the agent reference number is already associated with an active Drawdown in Oracle FLEXCUBE, the message processing will fail.

'Agent Ref No' is displayed in the 'Value Dated Amendment' screen. The system consumes and processes value dated amendment (prime increase)

Once the message is received from Markit and is displayed in the incoming interface browser, the system performs the basic validations of External CUSIP/ISIN, Message ID, Notice Date and MEI Code for participant(s) and borrower. These validations are similar to the validations of other messages which are consumed.

If any of the validations fail or the system is unable to process the message, the system will log the following exceptions:

- Based on the drawdown currency and amount, the availability of Tranche will be checked. If there is insufficient availability at the tranche level, the system will mark the processing status as 'Failed' by logging an exception - 'No Availability at Tranche'.
 - If manual correction to the Tranche is possible, you can make the necessary changes to the Tranche as part of contract amendment and value dated amendment and change the processing status to 'Pending', so that the system can re-pick up the message for processing
 - If manual action is possible, a new corrected message has to be received from Markit. This message will have the same Message ID as the original message but with corrected information.
- If a matching participant/borrower is not found at the tranche level, then system will mark the processing status as 'Failed' by logging an exception – 'Participant/Borrower not found at the tranche'.
- No rate changes are allowed as part of prime increase. Any information on the rates will be ignored in the incoming message.
- If the event date (noticeDate) is earlier than the application date,
 - The system will not process the contract/event in Oracle FLEXCUBE and will mark the processing status of the incoming message as 'Pending Authentication'.
 - You can change the processing status to 'Pending'/'Processed', where 'Pending' indicates that the system can pick the message for re-processing and 'Processed' indicates that no further action is required on the message.
- If the event date (noticeDate) is greater than the application date for a Drawdown Notice (Prime Increase),

- The system will consider the message as an 'Intent Message' and mark the processing status as 'Hold', irrespective of Effective Date (drawdown value date)
- The system will retain the message in the Incoming Browser till the event date. On the event date during the batch, the system will update the processing status as 'Pending', so that the job will pick up the incoming message for processing.
- If the event date (noticeDate) is the application date and the effective date is future-dated, the system will process the message to create an uninitiated value-dated amendment and will update the processing status as 'Processed'.
- The value dated amendment (current/future dated) will be created and auto authorized if there are no overrides requiring dual authorization. If there are any such overrides, the drawdown needs to be manually authorized after dual authorization. The processing status will be automatically updated as 'Processed'.
- If the processing fails, the system will update the processing status as 'Failed' and the exceptions will be shown in the 'Exceptions' sub-screen. You will be able to manually input the value-dated amendment and change the processing status to 'Processed'.

If the incoming message fails to process due to any data mismatch between the incoming data and Oracle FLEXCUBE, you will be able to use the 'Enrich' option for the key important fields.

For the message Prime increase notice, if the notice date is equal to the application date and the effective date is earlier than the application date, the system will consider it as a back-dated value-dated amendment and all the back-value checks will be applied.

The dual authorization functionality is applicable for these messages and status is updated as 'Pending Authentication' after which you have to manually authorize it. Once authorized, the system will update the process status as 'Processed'.

Exception processing, Re-linking, Clipping of the message is applicable as per the incoming FpML message processing. Only amount increase is allowed as part of prime increase consumption processing.

Incoming messages with Message Name as 'Drawdown Notice' and DrawdownEventType as 'NewDrawdownEvent' are placed in the Incoming Browser with the processing status as 'Pending'

The system processes these messages as follows:

- If the External CUSIP/ ISIN in the message is an active Borrower Tranche, the fields in the Incoming Browser will be updated with data from the message/tranche contract.
- The system picks the Branch code as the branch under which the tranche is booked.
- MIS pickup is done based on the tranche MIS maintenance during new Drawdown booking. MIS pick is not done during VAMI for Prime Increase incoming message processing.
- If the Message ID is not already processed and the Agent Ref No in the message is not found for any active Borrower Drawdown contract in Oracle FLEXCUBE, the system will create a new Drawdown contract.
- If the Message ID is not already processed and if the Agent Ref No in the message is found for any active Borrower Drawdown contract in Oracle FLEXCUBE, a value-dated amendment will be booked and VAMB/VAMI events will be fired.

- Markit sends the complete Drawdown Amount after applying Prime increase. Latest Drawdown amount in the system is compared with the amount received in Prime Increase message. Value-dated Amendment is initiated in Oracle FLEXCUBE only when the system amount is lesser than the amount received. VAMI is done only for the differential amount and not for the complete Drawdown amount received from Markit.
- The value- dated amendment will be auto-authorized if there are no overrides that require dual authorization.
- The value-dated amendment will be created as unauthorized if there are any overrides that require dual authorization. The processing status will be 'Pending Authentication' in such cases and the drawdown VAMI will have to be manually authorized after dual authorization.
- Based on the Product Set up for messages, automated fax/wire messages attached for VAMB/VAMI events are generated.
- Once the message is successfully processed in Oracle FLEXCUBE as an event and authorized, the system will update the processing status as 'Processed'.
- If the value-dated amendment is not authorised, while marking the EOTI, the system will prompt you to clear pending authorizations.



Note the following:

- Unauthorised transactions are tracked from EOD pending transactions for you to perform authorisation.
- There is no impact on sighting fund tranches as sighting fund functionality is applicable only for lead agents.

16.8 Messages from Markit for Trade Settlement

The following messages are communicated between Markit and Oracle FLEXCUBE for processing trade settlement from Markit for agented deals:

Message	Description	Occurrence	Flow
Trade Details - Agent View	Trade details that the agent can use to setup the trade in their system (LS). Trade will be consumed in Oracle FLEXCUBE and will be populated into the Agency confirmation browser with all the relevant details of the trade.	Can be received multiple times prior to Settlement/ <i>TradeUpdateNotification</i>	Markit to Oracle FLEXCUBE
Trade Status Update Notification	Markit trade status will be updated in Oracle FLEXCUBE based on the status received. Cancelled/Removed/Suspended	Can be received only once prior to Settlement and it is optional	Markit to Oracle FLEXCUBE

Message	Description	Occurrence	Flow
Submit Agency Update	Notifies the update to agent to signify final transfer of asset is needed. Trade will be marked as closed	Can be received only once on Settlement	Markit to Oracle FLEXCUBE
Position Update Notice	This is an inventory message and this will be sent with type as "Assignment". Oracle FLEXCUBE will validate the position of the investor involved in the trade and update and build the message and send it back to Markit	Will be sent only once on successful processing of <i>SubmitAgencyUpdateNotice</i> in Oracle FLEXCUBE	Oracle FLEXCUBE to Markit

16.8.1 Syndicated Loan Trade Notice

The Syndicated Loan Trade Notice message is a trade-related message that is received from agent to set up the trade in Oracle FLEXCUBE. Each Syndicated Loan Trade Notice message will contain the following details:

- Unique identifier for the trade
- Buyer/Seller details
- One or more Tranche details for which the trade is effected
- Assignment Fee details

16.8.2 Trade Update Notice

The Trade Update Notice message is an update notification on the trade received from Markit to notify the trade status in Oracle FLEXCUBE. Each Trade Update Notification message will contain the following details:

- Unique identifier for the trade
- Update Status

Each Trade Update Notification Message will comprise the following primary details:

- tradeID - Unique Trade Id for each Markit trade. It consists of the Markit Trade Id. LQT Ticket Id is also received if the bank is one of the trade counterparty.
- allocationID –This can have the Allocation Id's of all the allocations under the Trade Id. This can also be blank. Irrespective of the allocation id, all the trades under the Markit TradeID are updated with the appropriate 'updateStatus'
- tradeCompletelySettled – This field will not be used by Oracle FLEXCUBE for the agent level messages
- updateStatus – The status received is populated as the Markit Trade Status in the Agency Confirmation Browser. The possible values for updateStatus are given below

- Suspended
- Cancelled
- Removed

A system job processes all the uploaded messages. Based on the trade id, all the trades corresponding to this message are identified. If the trade id does not exist, then the message is marked as 'Rejected'.

Confirmation status is updated as 'Rejected' for trades, based on this message. You cannot change the confirmation status for rejected trades. Trade Update Notification message is sent only if the trade settlement should be blocked in Markit/Oracle FLEXCUBE.

16.8.3 Processing of Trade Update Notice Message with 'Suspended' status in LS Module

When any Trade Update Notice message with 'Suspended' status is processed for a Markit trade id, the trade is enabled and you can process it further.

System consumes the Syndicated Loan Trade Notice message for trade that is suspended. System also consumes this notice any number of times before processing the following messages:

- Submit Agency Update Notice
- Trade Update Notice with Cancelled or Removed status

Markit always sends a Trade Update Notice message for each allocation.

Markit does not send the Syndicated Loan Trade Notice message again for the allocation which is closed.

16.8.4 Processing of Trade Update Notice Message with 'Suspended' status in SLT Module

When any Trade Update Notice message with 'Suspended' status is processed for a Markit trade id, the trade is enabled and you can process it further.

After receiving a trade with status as 'Suspended', system does not reject but consumes and processes the following messages:

- Trade Match Notice
- Syndicated Loan Trade Allocation
- Settlement Details Notice
- Trade Closed Notice

For unallocated trades, Markit always sends Trade Match Notice and Settlement Details Notice messages together. After processing this Settlement Details Notice message, Trade Match Notice message can be received again. System consumes the Trade Match Notice messages without rejection, and processes them again for the same trade any number of times before Trade Closed Notice or Trade Update Notice is received with 'Cancelled' or 'Removed' status.

For allocated trades, Markit sends Trade Match Notice and Settlement Details Notice messages together for the parent trade, before the actual allocation. After allocation, Markit sends Settlement Details Notice for the allocated trades after Syndicated Loan Trade Allocation message.

For allocated trades, the following processing takes place:

- If any allocation is closed or settled, Markit does not send Trade Update Notice message with Cancelled/Removed status. After an allocation is closed in the system, system rejects the message if Trade Update Notice is received with Cancelled/Removed status.
- If the Trade Update Notice with the status as 'Suspended' is processed in the system after the allocation is closed, then there is no impact on the closed allocation. However, the remaining open allocations are suspended.
- If the Syndicated Loan Trade Allocation message is processed in the system after the allocation is closed, then the revised allocations are processed without impacting the closed allocations.

If a new Trade Match Notice is received with 'replacedTradeIdentifier', then the trade mentioned in 'replacedTradeIdentifier' is marked as 'Cancelled' and the trade received as part of the Trade Match Notice is treated as a new trade. If any allocation is closed under a trade, then there is no impact on the closed trade as part of new trade processing.

If Trade Match Notice is received again for an existing Markit trade Id, then the old allocations are removed from the system and closed allocation(s), if any, are retained. New allocation received as part of Syndicated Loan Trade Allocation is used for further processing. If any of the allocation is closed, then new allocation message should also contain details of closed allocation along with new allocation.

After an allocation is closed under a trade, if Markit sends Trade Match Notice with 'replacedTradeIdentifier' and Syndicated Loan Trade Allocation with new allocations, then:

- 'Markit Trade Status' for Closed allocation of old trade remains as 'Settled'
- System does not process closed allocations received as part of the new trade. However, the new allocation which is closed is marked as 'Settled' and linkage details are logged against the new allocation in the Exception screen.

After receiving new Syndicated Loan Trade Allocation message for SLT, new Syndicated Loan Trade Notice Agent should be sent again for agency. Settlement is not done in LS until the matched Markit trade is settled in SLT.

Trade Update Notice is received at Markit trade id level and not at individual allocation level. System does not validate the allocation ids sent by Markit in the Trade Update Notification but marks all allocations (for allocated trades) under the Markit Trade Id as Suspended/Cancelled/Removed.

Trade Update Notice message with status as 'Suspended' can be received multiple times before Trade Closure

Trade Update Notice with status as 'Cancelled or 'Removed' can be received after receiving Trade Update Notice with status as 'Suspended'

16.8.5 Submit Agency Update Notice

The Submit Agency Update Notice message is the closure message for a trade that has already been received from Markit to notify that the trade is closed in Markit and settlement can be initiated systematically in Oracle FLEXCUBE.

The Submit Agency Update Notice message will contain the following details:

- Unique identifier for the trade
- Effective date of transfer
- Trade details (same as the trade details received as part of the Syndicated Loan Trade Notice Agent message)

Each Submit Agency Update Notice Message will comprise the following primary details:

- tradeID – Unique Trade Id for each Markit trade (consists of Markit Trade Id). LQT Ticket Id is also received if the bank is one of the trade counterparty.
- allocationID – Unique Trade Id for each allocation. This is blank if it's not an allocated trade. This id is not used for agency trade settlement processing and is used for information purpose only.
- effectiveDate – Actual settlement date, which is the effective date for the transfer(assignment/PRAM) to be triggered in the system. Value date is updated with this date for all the trades under this TradeID.

A system job processes all the uploaded messages. On receipt of this message when system is in online mode during intra-day, the trade is marked as 'Closed' in the system and the position update message is sent to Markit, based on the following:

- Based on the trade id, all the trades corresponding to this message are identified.
- To ensure there is not short sell, the seller's position is validated as follows and if the validations are not met, system rejects the trade confirmation status:
 - The seller's total current position is arrived by consider the existing position of the seller in the tranche and the trades that are pending for processing, but are confirmed/closed.
 - The trade amount is less than the computed total current position.
- For the Buyer/Seller irrespective of new/existing participant in the system, the tax rules validation is done to verify the following and the trade is rejected if the validations are not successful:

- At least one open tax rule is maintained for the buyer and seller. Tax rule maintained with 'ALL' customer is not considered.
 - The expiry date of the tax rule is greater than the trade value date.
- The following sighting fund validations are done for trades from Markit
 - Fronting details should be captured for all drawdowns
 - Buyer/Seller should be funded for all the past events
 - Trade value date should not be before the latest actual receipt date for the buyer/seller
 - Buyer/Seller should have funded the entire amount for all past events
 - The change to allow trade to proceed if there are unfunded future events (future dated drawdown) and all past events are funded, are also applicable for Markit/Clearpar trades.
- If the validation fails for any one particular trade under a tranche, then the individual trades for all the tranches under the particular Markit Trade Id are marked with the confirmation status as 'Rejected'.
- The exception details are updated appropriately to notify the rejection and the error reason.
- Once the trade is marked as 'Closed' in the system, the Position Update Notice message is generated and sent to Markit.

If this message is received when the system is in batch mode, then message is processed as follows:

- The message is consumed by the Java adapter, which would be running even when the system is in batch mode
- Java adapter logs the details of the messages in a system table
- System does not process the messages till it resumes to online mode
- Once the batch is completed, a system job initiates Markit message processing which picks up all the unprocessed messages and initiates the validation/process.
- Effectively the processing of all the agency messages received during batch mode happens once the system is online.

The message processing is successful only when the validations are successful and the Position Update message is handed off to Markit. The following details are updated in the system on successful processing of the Submit Agency Update Notice message:

- Confirmation Status is updated as 'Closed'
- Process Status is updated with Handoff
- Markit Trade status is updated as 'Closed'
- Position update message status will be 'Handoff'
- Message status will be 'Processed'

If the message processing fails, then the following details are updated in the system:

- Confirmation Status is updated as 'Rejected'

- Process Status will be 'Extraction'
- Markit Trade status will be 'Closed'
- Position update message status will be 'Pending/Failed'
- Message status will be 'Rejected'

If the buyer/seller/SLT trade is not resolved, then the trade is rejected. You can enrich the trade by selecting the buyer/seller/SLT trade manually. Combination of Markit trade ID and Ext CUSIP/tranche reference number should be selected to fetch a single record. On enriching the buyer/seller, system does the following:

Buyer/Seller is defaulted to all other trades under that Markit trade ID. If bank counterparty is involved, then you should resolve SLT trade for all trades under that Markit trade ID. If resolution of SLT trade can be done for all records, closure processing takes place status is updated accordingly. If System could not resolve SLT trade reference number for any of the trades, then the resolved SLT trade reference numbers remain with the tranches and status fields are not changed. If bank counterparty is not involved, then closure processing takes place and the status fields are changed accordingly.

Enrichment is allowed for SLT trade only if bank counterparty is involved in the trade. On enriching the SLT trade reference number, system carries out validations/resolution is done based on buyer/seller and for all other tranches trade reference number under Markit trade ID.

16.8.6 Position Update Notice

Once all the trades for a Markit Trade Id are marked as 'Closed', system sends the Position Update Notice message to Markit for all such trades. Once this message is generated successfully, you can view the message in the 'FpML Message Browser'. Position update message for a Markit Trade ID will not be allowed to generate/ handoff from this Browser. If message generation fails, it should be generated after user marks for reprocessing from Markit Agency Interface Browser

One bulk Position Update message is generated for all the tranches(facilities) under the Markit Trade Id.

Position Update message for a CUSIP/ISIN is sent only if the Original Take-on Facility/Take-On Deal message was already sent to Markit along with Initial Position Update message. If Take-On deal/facility message is not sent to Markit for a CUSIP/ISIN under a Markit Trade id, then the Position Update message for all the CUSIP/ISIN's under the Trade ID will not be sent to Markit.

Position Update message would consists of the following primary fields;

- Buyer/Seller
- dealSummary – Summary of the facility (Deal) in Oracle FLEXCUBE with the External CUSIP/ISIN
- transferState – Defaulted as 'Closed'
- effectiveDate – Effective date of the trade, same as the effective date received in the Submit Agency Update message

- knowledgeDate –defaulted with the ‘Effective Date’
- facilityPortfolioPositions – This field will have multiple values for each of the tranches for which the trade from Markit was sent, similar to the ‘multi Facility Trade Details’ sent in the Trade element of the ‘Syndicated Loan Trade Notice Agent’ message.
 - tradeld –Markit trade id received from the original message
 - facilitySummary – Includes the CUSIP/ISIN for the tranche
 - committedPosition – System populates the tranche position for the participant, post the effect of the current trade
 - fundedPosition – System populates the total drawdown outstanding position for the participant, post the effect of the current trade
 - committedTransferAmount – System populates the trade amount for the tranche
 - transferAmount – System populates the committedTransferAmount
 - changeEvent –Defaulted as ‘Assignment’

Appropriate Position Update message status is updated in Markit Agency Interface Browser. This status indicates whether or not system has sent the Position Update message to Markit successfully for a Markit Trade id.

System does not initiate Consolidation and Trade Processing until the position update message is generated and handed-off to Markit successfully.

Note the following:

If the ‘Ext Deal CUSIP/ISIN’ for all Tranches under the facility is same, then ‘InstrumentId’ in the FpML message will display ‘Ext Deal CUSIP/ISIN’ from Tranche.

If ‘Ext Deal CUSIP/ISIN’ for any of the Tranche under the facility is different or null, then ‘InstrumentId’ in FpML message will display CUSIP from Facility.

16.9 Impact of Markit Trades on Tranches and Drawdowns in LS

Since the Position Update message is sent to Markit before the ‘Participant Transfer’ is actually processed in LS Tranche, there is an impact on processing of events in the LS module. When the actual Participant Transfer is triggered in LS tranche as a result of message from Markit, the generation of Position Update message is suppressed during participant transfer.

For the tranches for which Markit messages have been received for trade processing and the Position Update message has been handed off to Markit, system does not allow processing of any events which could send FpML messages to Markit (based on the product event advice setup) till the actual Participant Transfer is done on the tranche. The following table lists the screens where this validation is done and processing is blocked:

SI. No	Screen Name	Blocking events
1	Borrower Tranche Input	To block Reversal

SI. No	Screen Name	Blocking events
2	Messaging Processes-FpML Adhoc Message	To block the generation of position update message for the external CUSIP/ISIN
3	Borrower Drawdown Input	To block new Drawdown booking /Reversal
4	Fee Liquidation	To Block new FLIQ
5	Fee Amendment	To Block FAMD
6	Fee Rule Maintenance	To block Fee rule maintenance
7	Interest Rate Fixing	To block IRAM(Interest Rate Amendment)
8	Participant Transfer	To block Any new participant Transfer
9	Value Dated Amendment	To block any amendment and also reversal
10	Repricing	To block new Repricing for a contract
12	Draft Transfer	To block any new participant transfer for the contract
13	Manual Payment	To block new payment and payment reversal
14	Consol Rollover Input	To block rollover for a contract
15	Trade Settlement	To block any settlement which will change the participant ratio for the corresponding external CUSIP
16	Ticket Settlement	To block any settlement which will change the participant ratio for the corresponding external CUSIP

In scenarios, where there is a necessity to process a particular event on a tranche or on its underlying Drawdowns and the actual automatic participant transfer (assignment) is still pending processing, the processing of Participant Transfer can be done manually from the 'Pending Trade Processing Queue' for the tranche.

16.10 Handling Status for Processing Markit Agency Trade Settlement

Following are the various statuses handled for processing Markit Trades and Agency Trade Settlement in the system:

- Message status
- Markit Trade status

- Confirmation Status
- Process Status
- Position Update message status
- Participant Transfer Process status

These messages have been explained in detail in the following sections.

16.10.1 Message Status

Details on Message Status are given below:

- This status indicates whether the system has successfully processed a Markit message or not
- This status is updated and tracked for each Markit message and also for the individual Oracle FLEXCUBE tranche under a Trade Id.
- This status is for agency trade settlement for Markit trades
- This status is also updated and tracked for Clearpar trades

16.10.2 Markit Trade Status

Details on Markit Trade Status are given below:

- This status indicates the Markit trade status in the Markit System.
- This status is updated and tracked for each Markit message and also for the individual Oracle FLEXCUBE tranche under a Trade Id
- This status is for agency trade settlement for Markit trades

16.10.3 Confirmation Status

Details on Confirmation Status are given below:

- This status indicates whether the Clearpar/Markit Trade is closed or pending to be closed in the system.
- This status is updated only after closure message is received from Markit. Until then the default status will be 'Pending Closure'.
- This status is updated and tracked for each individual Oracle FLEXCUBE tranche for a Trade Id.
- This status is used for Markit Trade settlement processing.

16.10.4 Process Status

Details on Process Status are given below:

- This status indicates whether the Clearpar/Markit Trade is settled in system or not, i.e., the Participant Transfer is successful in the system or not.
- This status is updated only after closure message is received and also after confirmation status is updated as 'Closed'. The default status will be 'Extraction'.
- This status is updated and tracked for the individual Oracle FLEXCUBE tranche under a Trade Id
- This status is used for Markit Trade settlement processing

16.10.5 Position Update Message Status

Details on Position Update Message Status are given below:

- This status indicates that the Position Update message is generated/Handed off to Markit.
- This status is updated only after closure message successfully processed in the system.
- This status is updated and tracked for each Markit Trade id
- This status is for agency trade settlement for Markit trades

16.10.6 Participant Transfer Process Status

Details on Position Update Message Status are given below:

- This status indicates that Participant Transfer is processed in Agency for the tranches under the Markit Trade ID. Default status will be 'Unprocessed'.
- If Participant Transfer is processed for all tranches under the Markit Trade ID, status is updated as 'Fully Processed'.
- If Participant Transfer is in 'Failed' status for all tranches under the Markit Trade ID, then status is updated as 'Failed'.
- If Participant Transfer fails for any of the tranches and is processed for a few tranches, then system updates the status as updated as 'Partially Processed'.

16.11 Messages from Markit for Trade Settlement in SLT

The messages received from Markit are mainly for identifying the workflow, displaying the funding memo and enabling the user for initiating SLT trade settlement.

The following messages are communicated from Markit to Oracle FLEXCUBE for processing trade settlement from in SLT module:

Message	Description	Occurrence	Flow

Message	Description	Occurrence	Flow
Trade Match Notification	Markit sends successful match message to both buyer and seller of the trade. System consumes this message and populates it in the Trade settlement Queue to do a trade match	Can be received multiple times prior to Settlement	Markit to Oracle FLEXCUBE
Trade Allocation Message	Allocation definition structure. System consumes this message and populates in the Trade settlement Queue and does a trade match	Can be received multiple times prior to Settlement	Markit to Oracle FLEXCUBE
Trade Status Update Notification	Possible Trade Status from Markit: Suspended Cancelled Removed	Can be received only once prior to Settlement	Markit to Oracle FLEXCUBE
Settlement Details	Settlement details for a Secondary trade. This is the Markit funding memo that system uses to compare with the Funding memo generated by the system as per the balances in the system.	Can be received multiple times prior to Settlement	Markit to Oracle FLEXCUBE
Trade Closed	Notification of trade closing for counterparties from Markit	Can be received only once on closure of the trade in Markit	Markit to Oracle FLEXCUBE

The FpML message from Markit would be parsed by the Java adapter. If 'Markit Trade Settlement Allowed' box is unchecked in 'Loans Parameters' screen, then Markit messages are not processed in the system. However, if this box is checked, then all the Markit messages are uploaded by the Java adapter the system.

16.11.1 Trade Match Notice

Trade Match Notice message is the first message received from Markit to initiate SLT trade settlement process in Oracle FLEXCUBE.

Each Trade Match Notice message consists of the following primary details:

- Markit Trade ID - Unique Identifier for the trade

- LQT Ticket ID - Ticket Id sent by Loans QT while booking SLT trade in the system. Multiple SLT trades can be booked in one Ticket Id
- Trade details - Trade Type, Document Type, Trade counterparties and assignment Fee details
- Facility details

Each message from Markit can have trade details of multiple trades under one facility. The following details are the same across all the trades (CUSIP/ISINs) under the message:

- LQT Ticket ID
- Trading counterparties, buyer and seller
- Trade Date, Expected Settlement Date
- Trade Type – Primary / Secondary
- Assignment Fee Details
- Trading Association – LSTA / LMA
- DocumentationType – Par / Distressed
- FormOfPurchase – Assignment, Assignment-Only
- AccrualSettlementType – Flat / SWOA

The following primary details are sent from Markit to Oracle FLEXCUBE as part of Trade Match Notice message:

Markit Fields	Description
Party	MEI code of the buyer and seller
Approval	Approval Type, status and approver details. These will be used by the system for user information only. No processing impact
replacedTradeIdentifier	This indicates the old Markit trade that is being replaced by the current Markit trade. The replaced Trade Identifier should be a valid Markit Trade ID that was previously consumed by Oracle FLEXCUBE
Product Type	It will be always 'SyndicatedLoanTradeNotice'
TradeID	Unique Trade Id for each Markit trade. It will consist of two Id's, Markit Trade Id and LQT Ticket Id which will be the Ticket Id of the SLT trade
SellerTradingParty	Reference to the Party who sells the position
BuyerTradingParty	Reference to the Party who buys the position
TradeDate	Trade Date

Markit Fields	Description
ExpectedSettlementDate	Expected Settlement Date of all the trades under this Markit Trade ID
TradingAssociation	LSTA / LMA. Applicable for all the Trades under a Markit TradeID
DocumentationType	Par/ Distressed. Applicable for all the Trades under a Markit TradeID
FormOfPurchase	Assignment or Assignment-Only Applicable for all the Trades under a Markit TradeID. Any other type of FormOfPurchase will result in the trade being in unmatched status in Oracle FLEXCUBE. Participation trades are out of scope of this FS
AccrualSettlementType	Flat or SWOA. Applicable for all the Trades under a Markit TradeID. Any other type of AccrualSettlementType will result in the trade being in rejected in Oracle FLEXCUBE.
TradeType	Primary/Secondary. Applicable for all the Trades under a Markit TradeID
AssignmentFeeDetails	Wrapper Element. Assignment Fee Remitter and Assignment Fee Paid By. Applicable for all the Trades under a Markit TradeID
Deal Summary	Wrapper Element. Includes CUSIP/ISIN and Value Date of the facility. Facility will be unique for all the Tranches in TradeMatchNotice
MultiFacilityTradeDetails	Wrapper Element. This will contain the details of the traded amount for each Tranche. This will contain the facilityTradeDetails element that will occur multiple times, for each of the tranche under the Markit trade id
FacilityTradeDetails	Wrapper Element and will be repeated for every tranche under the Markit trade id
FacilitySummary	Wrapper Element. It consist of instrumentid and original commitment(tranche) amount with currency
multiFacilityTradeDetails-> facilityTradeDetails-> facilitySummary -> instrumentId	CUSIP/ISIN of the tranche, based on which the Tranche will be identified in Oracle FLEXCUBE
multiFacilityTradeDetails -> facilityTradeDetails -> tradedCommitmentAmount	Trade amount with currency
TradePrice	Trade Price

System resolves the details from 'Markit SLT interface Browser' and populates the details in the 'Markit Trade Settlement queue'. For each trade from Markit, the details of the trades are resolved and detailed validations are done based on the following:

- Counterparty from Markit trade i.e. Buyer/Seller in Oracle FLEXCUBE are identified by matching the Markit details with the MEICODE UDF of the customers in the Oracle FLEXCUBE.
 - The trade is rejected if MEICODE UDF is not found in the system.
 - Trade is 'Unmatched' if MEICODE UDF is found and Buyer /Seller is resolved. However, the trade matching fails.
 - Counterparty is treated as external participant if there is a unique MEICODE UDF found and there is no position identifier maintained
 - The trade is rejected if there is no position identifier maintained for both buyer and seller. Markit trade should have minimum one bank counterparty in all the messages associated with SLT trade settlement.
 - The trade is rejected if both buyer and seller are bank counterparties.
- All bank counterparties for the same legal entity have the same MEICODE UDF value Hence the resolution is done by considering the counterparty with the MEICODE UDF value sent from Markit, for which a Position Identifier for the tranche branch is maintained in the system as the counterparty for buyer/seller.
- Since each Markit message comprises of multiple tranches, the validations for resolution of the trade are done for each tranche
- If the validations for any one tranche under a Markit Trade ID are not met, then the complete trade is rejected, including the trades for all the other tranches under the Markit Trade ID
- If matching process is successful and the trade reference number is resolved, then Match Status is updated as 'Matched'.
- If validations are met, but matching is unsuccessful, then the message status will still be 'Processed', while the Match Status will be 'Unmatched'.
- After all the validations are done, trades are populated in the 'Markit Trade Settlement Queue' with the appropriate status. System updates the status accordingly in the 'Markit Agency Interface Browser' as well.
- If all validations are met, then the message status is marked as 'Processed' in 'Markit Trade Settlement Queue' and in the 'Markit SLT Interface Browser'. This indicates that system has processed all the trades under the Trade Match Notice message successfully.
- If validation for one CUSIP/ISIN is not met and the trade is rejected, then all the CUSIP/ISIN's under the Markit Trade Id are rejected and appropriate exception is logged to indicate the reason and the CUSIP/ISIN that has failed. Message status in 'Markit Trade Settlement Queue' and 'Markit SLT Interface Browser' are updated as rejected
- Since this message can be received multiple times from Markit, if any subsequent messages are received for an existing Trade Id, then all the validations/resolutions are re-done and the status is updated accordingly with the new data received.
- If the Trade Match Notice has a 'replacedTradeIdentifier', then the Trade Id of the replaced Trade Identifier is marked as 'Cancelled' and the new trade id received as part of this Trade Match Notice message is treated as a new trade without any impact of the replaced Trade.
- If the current trade being processed is with replaced the trade identifier and the trades under the replaced trade identifier are settled in the system, then the current trade is rejected.

16.11.2 Syndicated Loan Trade Allocation Message

The Syndicated Loan Trade Allocation message is sent if any secondary trade is allocated to multiple counterparties. This message is sent only after the Trade Match Notice message is sent since this message carries the Parent Trade information.

Each Syndicated Loan Trade Allocation message consists of the following details:

- Markit Trade ID - Unique Identifier for the Trade
- LQT Ticket ID - LQT Ticket ID of the Parent Trade
- Allocation ID - Unique Id for each of the Allocation
- Allocating and Allocated party Details
- Allocation Details of multiple tranches

The primary details in this message are summarized below:

Markit Fields from XML Message	Description
Notice Date	Message generation Date
Party Details	Allocated / Allocating Party MEI Code values
TradeID	Unique Trade Id for each Markit trade. It will consist of two Id's, Markit Trade Id and LQT Ticket Id which will be the Ticket Id of the SLT trade
AllocatingParty	Identifies the party allocating the trade as a reference. This will be the Trade Counterparty of Parent Trade
AllocationID	Unique Allocation id for each allocation. Each Allocation message can have more than one Allocation ID
AllocatedParty	Trade counterparty of the allocated Trade
MultiFacilityTradeDetails	Wrapper Element. This will contain the details of the traded amount for each Tranche. This will contain the facilityTradeDetails element that will occur multiple times, for each of the tranche under the Markit trade id
FacilityTradeDetails	Wrapper Element and will be repeated for every tranche under the Markit trade id
FacilitySummary	Wrapper Element. It consist of instrument d and original commitment(tranche) amount with currency
multiFacilityTradeDetails-> facilityTradeDetails-> facilitySummary ->	CUSIP/ISIN of the tranche, based on which the Tranche will be identified in Oracle FLEXCUBE

Markit Fields from XML Message	Description
instrumentId	
multiFacilityTradeDetails - > facilityTradeDetails -> tradedCommitmentAmount	Trade amount with currency
TradePrice	Trade Price

Oracle FLEXCUBE does the necessary validation and matching by resolving the details from 'Markit SLT Interface Browser' and then Trade details are populated in the 'Markit Trade Settlement queue'. For each allocation from Markit, the details of the trades are resolved and detailed validations are done based on the following:

- This message is processed only if the corresponding processed Trade Match Notice message exists in the system. Else all the trades under this message are marked as Rejected in 'Markit SLT interface Browser' and also in 'Markit Trade Settlement queue' with the appropriate exception details.
- For every allocation message, the parent trade is identified using the Markit Trade ID and LQT Ticket ID. The Markit Trade ID and LQT Ticket ID remain the same for the parent and allocated trades.
- Each message has a unique Allocation ID for each of the allocations under the Markit Trade ID.
- All the allocations for a Markit Trade ID are sent for each of the Allocated Party with the underlying tranche details.
- Buyer and Seller of the trades are resolved based on allocating party and allocated party MEI code UDF values.
- Allocating Party will be one of the Trade counterparties of the Parent Trade
- Allocation message can be sent multiple times from Markit for a Markit Trade if the allocation is revised in Markit. The revised allocation message details will be used to populate the Markit trade settlement queue for the Markit Trade id.
- The combination of Markit Trade id, LQT Ticket ID, Allocating party, Allocated party, CUSIP/ISIN and allocation id are considered as one Allocated Trade which is compared with system's SLT Trade to resolve the Trade reference number.
- There is no validation in the system to check that the sum of all Allocated Trade amount is equal to the Trade amount of Parent Trade.
- Allocation message is rejected if allocating party is not one of the trade counterparties of the Parent Trade in the latest Trade Match Notice message received.
- Each tranche/CUSIP for an allocation ID is populated as a record in the trade settlement queue with the appropriate status, based on the allocation message from the 'Markit SLT interface Browser'. The status is updated accordingly in the Markit SLT Interface Browser also.

- If validation for an allocation/CUSIP is not met and the trade is rejected, then all the allocations/CUSIP's under the Markit Trade Id are rejected and appropriate exception is logged to indicate the allocation/CUSIP that has failed. Message status in the 'Markit SLT interface Browser' and 'Markit Trade Settlement queue' (for all the allocations/CUSIPs) is updated as 'Rejected'.
- If all the validations are met, then the message status is marked as 'Processed' in 'Markit Trade Settlement queue' for all the trades under the Markit Trade Id. 'Markit SLT interface Browser' is updated with the message status as 'Processed' for the Markit Trade id, which indicates that system has successfully processed all the trades under the Syndicated Loan Trade Allocation message.
- If all validations are met and matching is not successful, then the message status will still be 'Processed' for all the allocated Trades but Match status for all the unmatched trades will remain as 'Unmatched'
- This message can be received multiple times from Markit Hence if any subsequent messages are received for an existing Trade Id/Allocation Id, then all the validations/resolutions are re-done and status is updated accordingly with the new data received.

16.11.3 Trade Update Notification

The Trade Update Notification message is the update notification on a trade that has already been received from Markit to notify the trade status to Oracle FLEXCUBE. Each trade consists of the following details:

- Unique identifier for the trade
- Update status

Each Trade Update Notification message consists of the following primary details:

- tradeID - Unique Trade Id for each Markit trade. It consists of the Markit Trade Id and LQT Ticket Id which is the Ticket Id of the SLT trade.
- allocationID – Allocation Id's of all the allocations under the Trade Id. This can be blank. If this field is not blank, then it consists of one or many allocations under the Trade Id.
- tradeCompletelySettled – The possible values are True/False. If the message is for the last trade/allocation under the Markit Trade Id / Allocation Id, then this will be 'True'. For rest of the prior messages, it will remain False, as all the allocations are not yet settled. This field is used for processing and for information purpose only.
- updateStatus – The status received is populated as the Markit Trade Status in the 'SLT interface Browser' and also in 'Trade Settlement Queue'. The possible values for updateStatus are given below:
 - Suspended
 - Cancelled
 - Removed

Based on the Trade Id/ Allocation ID, all the trades corresponding to this message are identified. If the Trade Id/Allocation Id does not exist in the system, then the message is marked as 'Rejected' in the 'SLT interface Browser'.

Markit Trade Status field is updated with the update status received from Markit in this message. This update is also applicable for all the individual SLT trades under the Markit Trade Id.

Trade Update Notification message is sent only if the trade settlement is blocked in Markit/Oracle FLEXCUBE and thereby it is optional.

16.11.4 Settlement Details Notice

The Settlement Details Notice message constitutes of the Funding Memo details from Markit. Each message consists of the following primary details:

- Markit Trade ID - Unique Identifier for the Trade
- LQT Ticket ID - LQT Ticket ID of the Parent Trade
- Allocation ID - Unique Id for each of the Allocation
- Buyer, seller and Expected settlement date
- Settlement details of multiple tranches for a trade id/allocation id

The following details are sent from Markit to Oracle FLEXCUBE as part of the Settlement Details Notice message:

Markit Fields from XML Message	Description
SettlementPlatform	Defines the platform on which the trade is being settled. This field always has the value 'Markit Clear'.
Trade ID	Unique Trade Id for each Markit trade. It consists of the Markit Trade Id and LQT Ticket ID, which is the Ticket Id of the SLT trade
AllocationID	The identifier that defines the allocation (applicable when the trade involves an allocating party). This can have only one Allocation ID
Seller/Buyer	Reference to the Seller and Buyer of Trades
ProposedSettlementDate	Expected Settlement Date as received in the Trade Match notice
Party	MEI codes for the Seller and Buyer involved in the trade
facilitySettlementDetails	Wrapper Element which is repeated for each tranche
TradedCommitmentAmount	Original Trade Amount for the CUSIP/ISIN
RevisedCommitmentAmount	Revised Trade Amount for the CUSIP/ISIN
Facility Identifier	Wrapper Element. Includes instrument id (External CUSIP of the tranche), tranche Currency and the original commitment (tranche) amount

Facility contracts	Wrapper Element. For each tranche, it carries the Drawdown Details and the associated DCF details for each Drawdown
Contract -> loancontractssummary-> identifier -> contractid	Drawdown reference number
Contract -> loancontractssummary-> original amount	Original drawdown amount with currency
Contract -> loancontractssummary-> maturitydate	Maturity date of the drawdown
Contract -> amount	Global Drawdown amount with currency
Contract -> effective date	Value date of the Drawdown
Contract -> participationAmount -> globalAmount	Global Drawdown amount with currency
Contract -> participationAmount -> shareAmount	Traded portion of the Drawdown amount with currency
Settlement Amount	Wrapper Element. This could repeat multiple times for each of the Settlement currency, Payment Type, Payer and Receiver combination

System does the necessary validations and matching by resolving the details from 'Markit SLT interface Browser' and then the trade details are populated in the 'Markit Trade Settlement queue'. The details of each trade are resolved and detailed validations are done based on the following:

- This message is processed only if the corresponding Trade Match Notice and Syndicated Loan Trade Allocation (if allocation id exists in the system) messages with Message status as 'Processed' exist in the system for the Markit Trade id/Allocation id. Else all the trades under this message are marked as 'Rejected' in 'Markit SLT interface Browser' and the 'Markit Trade Settlement queue' with appropriate exception details.
- Settlement Details Notice message is always for a single Markit Allocation Id in case of an allocated trade. If it is an unallocated trade, this message is for a single Markit Trade Id.
- Each message has the settlement details of multiple tranches and there should be only one matched Oracle FLEXCUBE SLT trade for each of the tranches (CUSIP/ISIN).
- All the drawdown details associated with the tranche including the buyer's share of the drawdown and the Delayed Compensation Fees for each drawdown are part of this message.
- The settlement amount is sent for each currency if the tranche is funded in multiple currencies.

- Markit can send this message any number of times to Oracle FLEXCUBE before it is closed in Markit.
-
- Though the settlement details are received upfront, the Funding Memo advice to the Trade Counterparty is sent only during trade settlement.
- If the settlement is scheduled for a future date, then you can generate the funding memo before trade settlement using the 'Ticket/Trade Settlement' screen.
- Post all the validations, the trades are populated in the 'Markit Trade Settlement queue' with the appropriate status. The status is updated accordingly in the 'Markit SLT Interface Browser' as well.
- If the validation is not met for a CUSIP/ISIN and the trade is rejected, then all the CUSIP/ISIN's under the Markit Trade Id are rejected and appropriate exception is logged to indicate the CUSIP/ISIN that has failed. The message status is updated as 'Rejected' in the 'Markit SLT interface Browser' and 'Markit Trade Settlement queue' (for all the allocations/CUSIP/ISINs).
- If all validations are met, then the message status is updated as 'Processed' in the 'Markit Trade Settlement queue' and 'Markit SLT interface Browser'. This indicates that the system has successfully processed all the trades under the Settlement Details Notice message.
- If all validations are met and the matching is not successful, then the processing status will still be 'Processed' for all the Trades but the Match Status for all the unmatched trades will remain 'Unmatched'.
- This message can be received multiple times from Markit, so if any subsequent messages are received for an existing Trade Id/Allocation Id, then all the validations/resolutions are re-done and the status is updated accordingly with the new data received.

16.11.5 Trade Closed Notice

Markit sends the Trade Closed Notice message to Oracle FLEXCUBE after a trade is settled in Markit. This message consists of the following primary details:

Markit Fields from XML Message	Description
TradeID	Unique Trade Id for each Markit trade. It consists of Markit Trade Id and LQT Ticket Id which is the Ticket Id of the SLT trade
AllocationID	One Allocation ID at a time for an allocation of the Parent Trade ID. This is null if the Trade is not an allocated trade
Effective Date	Actual Settlement Date. This will always be the current Application date in Oracle FLEXCUBE
TradeCompletelySettled	The possible values are True/False. If the message is for the last trade/allocation under the Markit Trade Id/Allocation Id, then this will be 'True'. For rest of the prior messages, it will remain false, as all the allocations are not yet settled

Markit sends this message only after the Trade Match and Settlement Details notices are sent to Oracle FLEXCUBE. For an allocated trade, each Each Trade Closed Notice message is always for a single Markit Allocation Id. If it is an unallocated trade, then this message is for a single Markit Trade Id.

The latest trade details available in the system for the Markit trade id/allocation id sent in Trade Closed Notice message are used for validation/matching. System processes this message only to resolve the relative Oracle FLEXCUBE trades that can be allowed to settle manually and trade settlement is initiated automatically.

Post all the validations, the trade details are updated in the 'Markit Trade Settlement queue' with the appropriate status. The status is updated accordingly in the 'Markit Agency Interface Browser' also.

16.12 Processing Manual Trade Settlement

After the successful processing of Trade Closed Notice message, Oracle FLEXCUBE allows you to manually initiate the SLT trade settlement. If the closure message is processed, then you can check the 'Process Settlement' box in the 'Trade Settlement Queue'. If you check this box, then you can overwrite the fee amount in the 'Funding Memo' screen. on saving the trade, the FMEM/TSTL is registered.

System allows you to delete the FMEM/TSTL events and on deletion, the events are accounting entries are deleted. The record remains unchanged in the 'Trade Settlement Queue'. On successful authorization, the events and accounting entries too get authorized. The appropriate settlement status is then updated in the 'Markit Interface Browser'.

The required SSI maintenance should exist for the trade to process the settlement successfully. The SSI enrichment is not allowed from the Trade Settlement Queue.

If a trade is manually settled using the ticket/trade settlement screens, then the match status is updated as 'Unmatched' and you cannot initiate settlement for such trades from the queue.

The funding memo generated from Oracle FLEXCUBE and the subsequent settlement is based on Oracle FLEXCUBE calculations. If you override the 'Suppress funding Memo' message in the settlement queue marking it as 'Yes', then the funding memo advice is not sent to the trade counterparty. This is also applicable for 'Suppress payment message'. For such cases, wire/payment message is not sent to the trade counterparty.

You can suppress funding memo and payment message from the Markit Trade Settlement queue only during trade settlement.

Oracle FLEXCUBE does not send any additional wire/payment message in case of Settlement amount/Fee amount mismatch between Oracle FLEXCUBE and Markit. Ticket level settlement message is then sent to LQT if the current trade under the Markit trade id is the last trade to be settled successfully for the associated LQT Ticket ID. Note that are is no notification sent to Markit for the settlement failures. You should manually correct the necessary details based on the exceptions and then can re-initiate trade settlement from the settlement queue.

The following are the generic validations for Markit trade settlement:

- No validations are done in Oracle FLEXCUBE for the desk code/desk type for Markit Trades.
- Markit sends only the secondary trade details where the bank is one of the trade counterparties. If the bank is a buyer in the primary trade, then the trade is considered for trade settlement and the process is similar as secondary trades. But if Trade is of type 'Primary' and the party is 'Seller', then the Trade is marked as 'Rejected'.
- Markit sends the following notices the order listed below for a Markit Trade ID. If any trade is sent but not in the following order, then it will be rejected in Oracle FLEXCUBE:
 - Trade Match Notice
 - Syndicated Loan Trade Allocation
 - Settlement Details Notice
 - Trade Closed Notice
- Trade Status Update Notification message is not mandatory to be sent from Markit. But this message can be sent before Trade Closed Notice and after the Trade Match Notice/ Syndicated Loan Trade Allocation message. If not, the message is rejected.
- SLT trade settlement cannot be initiated from Markit Trade Settlement queue if the Trade Update Notification is processed in Oracle FLEXCUBE since this message updates the Markit Trades with one of the following statuses:
 - Suspended
 - Cancelled
 - Removed
- There is no message or acknowledgement sent to Markit for the trade rejections due to failed validations.



Manual trade settlement is initiated from the Markit Trade Settlement queue. Oracle FLEXCUBE sends an acknowledgement message to LQT when the last trade under a LQT ticket id is settled successfully in Oracle FLEXCUBE and all the other trades are already settled.

16.13 Handling Status for Processing Markit SLT Trade Settlement

Following are the various statuses handled for processing Markit Trades and SLT Trade Settlement in the system:

- Message Status
- Markit Trade Status
- Oracle FLEXCUBE Trade Status
- Match Status
- Oracle FLEXCUBE Settlement Status

16.13.1 Message Status

Details on Message Status are given below:

- This status will indicate whether or not Oracle FLEXCUBE has successfully processed a Markit message.
- This status is updated and tracked for each Markit message and also for the individual Oracle FLEXCUBE SLT trades under a Trade Id

16.13.2 Markit Trade Status

Details on Markit Trade Status are given below:

- This status indicates the Markit trade status in the Markit System.
- This status is updated and tracked for each Markit message and also for the individual Oracle FLEXCUBE SLT trades under a Trade Id.

16.13.3 Oracle FLEXCUBE Trade Status

Details on Oracle FLEXCUBE Trade Status are given below:

- This status indicates the SLT trade status in Oracle FLEXCUBE.
- This status is displayed for each SLT Trade.

16.13.4 Match Status

Details on Match Status are given below:

- This status indicates whether or not the trades sent from Markit have matched with the SLT trades in Oracle FLEXCUBE.
- This status is updated and tracked for each Oracle FLEXCUBE SLT trade.

16.13.5 Oracle FLEXCUBE Settlement Status

Details on Oracle FLEXCUBE Settlement Status are given below:

- This status indicates whether or not the Markit Trade is settled in Oracle FLEXCUBE.
- This status is updated and tracked for each Markit message as well as for individual Oracle FLEXCUBE SLT trades under a Trade Id.

16.14 Viewing the Markit Agency Interface Browser

You can view all the inbound messages from Markit as well as query/reprocess open trades linked to a particular buyer/seller or Markit Trade Id or Message/process status using the 'Markit Agency Interface Browser' screen. To invoke this screen from the Application browser, select **LS interface** and click **Browser**, and then choose **Markit Agency Interface Browser** under it

Message Serial No	Message Name	Trade Id	Buyer	Seller	Market Trade status	Message Status	Participant Transfer Process Status
20120327MKTAD00077	SyndicatedLoanTradeNoticeAgent	MKTSAN2009	US1L012122	US1L027740	Pending Closure	Processed	Unprocessed
20120327MKTAD00076	SyndicatedLoanTradeNoticeAgent	MKTSAN2008	US1L012122	US1L027740	Cancelled	Processed	Unprocessed
20120327MKTAD00075	SyndicatedLoanTradeNoticeAgent	MKTSAN2008	US1L012122	US1L027740	Pending Closure	Rejected	Unprocessed
20120327MKTAD00071	TradeUpdateNotification	MKTSAN2003			Cancelled	Processed	Unprocessed
20120327MKTAD00070	TradeUpdateNotification	MKTSAN2003			Suspended	Processed	Unprocessed
20120327MKTAD00068	TradeUpdateNotification	MKTSAN2003			Suspended	Processed	Unprocessed
20120327MKTAD00067	SyndicatedLoanTradeNoticeAgent	MKTSAN2003	US1L012122	US1L027740	Pending Closure	Processed	Unprocessed
20120327MKTAD00064	TradeUpdateNotification	MKTSAN2002			Removed	Processed	Unprocessed
20120327MKTAD00063	SyndicatedLoanTradeNoticeAgent	MKTSAN2002	US1L012122	US1L027740	Pending Closure	Processed	Unprocessed
20120327MKTAD00062	SyndicatedLoanTradeNoticeAgent	MKTSAN2002	US1L129456	US1L027740	Pending Closure	Processed	Unprocessed
20120327MKTAD00061	SyndicatedLoanTradeNoticeAgent	MKTSAN2002	US1L012122	US1L027740	Pending Closure	Processed	Unprocessed
20120327MKTAD00060	TradeUpdateNotification	MKTSAN2002			Suspended	Processed	Unprocessed
20120327MKTAD00059	TradeUpdateNotification	MKTSAN2002			Suspended	Processed	Unprocessed
20120327MKTAD00058	TradeUpdateNotification	MKTSAN2002			Suspended	Processed	Unprocessed
20120327MKTAD00057	TradeUpdateNotification	MKTSAN2002			Suspended	Processed	Unprocessed

Tranche Ref No	Ext CUSIP/ISIN	Facility Name	SLT Trade / TRN Ref No	Transfer Amount	CCY
001BTPR1208704MP	CUSTRD01	FACTRD01	001SLT11208704MV	50,000.00	USD

In this screen, you can view the summary of all the tranche/trades under a Markit id. System displays the following details in this screen:

- The SLT Trade/TRN Ref No for each of the trades
- The message processing status of each of the trades to indicate whether or not all the trades for the Markit Trade id are processed in the system
- Replaced Markit Trade Id which indicates the old Markit trade that is being replaced by the current Markit trade

The message sequence number will be the running sequence number for the Markit messages for a day and is reset every day. The format of the message sequence number is 'YYYYMMDDMKTASSSSSS'.

If a Markit message is rejected in the system, then you can re-process the message in this screen.



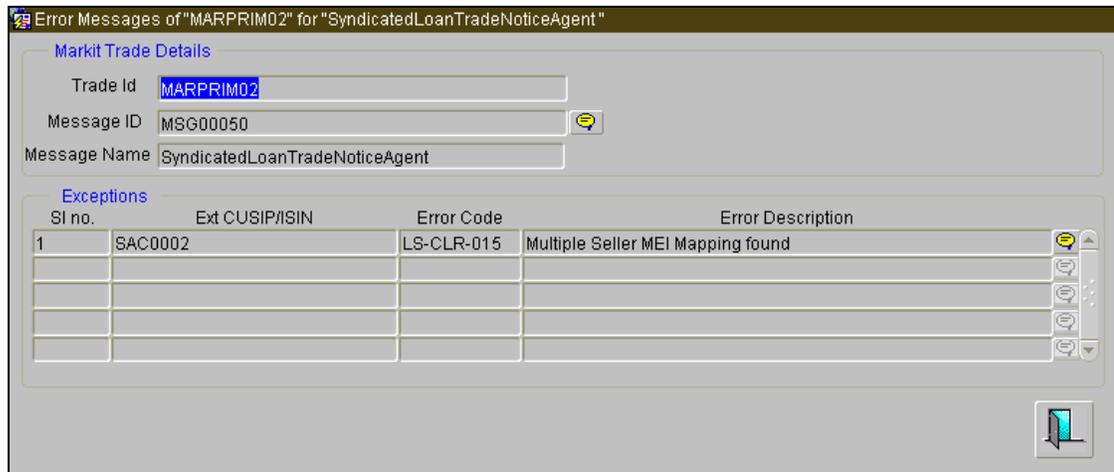
Note the following:

- If participant transfer processing fails after sending the Position Update message to Markit, then 'Process Status' in 'Agency Confirmation Browser' and 'Markit Agency Interface Browser' are updated as failed and appropriate exceptions are logged in both the screens. Processing of Participant Transfer can be done manually from the 'Pending Trade Processing Queue' for the tranche on such failures.
- System does not send any acknowledgement to Markit even if Participant Transfer processing fails in system after Position Update Notice is sent to Markit.
- For enrichment of SSI mnemonic and entity, If the counterparty is a new investor in the CUSIP/ISIN, then the Pending Entity/SSI Mnemonic screen is populated. However, you should do the necessary maintenance in the SSI Mnemonic/Pending Entity screen.

- This maintenance for pending SSI mnemonic and entity can be done as soon as the unconfirmed/open trade is received and consumed by Oracle FLEXCUBE.
- You can manually close the Markit/Clear Par trades in Oracle FLEXCUBE in the agency side. Only in such cases, you can select the confirmation status as 'Closed'

16.14.1 Viewing Error Messages

You can view the exception log associated with the contract by clicking the 'Exception Log' button against the tranche.



16.15 Transferring Updated Information to Markit

Whenever there is a change in External CUSIP for a tranche, a change in External CUSIP for a drawdown or a change in MEI CODE, the system transfers the data to Markit by generating the relevant messages. These are explained below:

16.15.1 For a Tranche

If, for a tranche, the current CUSIP value is blank and a new External CUSIP has been entered, the system will send a new Take On Facility notice to Markit. If the External CUSIP for the tranche was not blank initially but has been updated with a new CUSIP, then the system will send:

- Cancellation messages for all the prior messages sent to Markit, except for the Take On Facility notice
- Amend Contract message with the updated CUSIP value
- All the prior messages that were cancelled with the new CUSIP value
- Position Update message for Position Statement with the latest positions for latest value date

The notices will be sent as part of an offline activity that will begin after the tranche amendment for the CUSIP update is saved. The authorization of this update can happen only after the message generation is completed. If the tranche amendment is deleted, then the generated messages will be deleted too. Once the generation is complete and the authorization of the tranche amendment is done, the handoff to Markit will happen. After the offline activity is through, the messages at the drawdown level will be generated and till all such messages are generated and handed off for the drawdowns corresponding to the amended tranches, no events will be allowed for the tranches.

16.15.2 For a Drawdown

If, for a drawdown, the current CUSIP value is blank and a new External CUSIP has been entered, the system will send a new Drawdown notice to Markit. If the External CUSIP for the drawdown was not blank initially but has been updated with a new CUSIP, then the system will send:

- Cancellation messages for all the prior messages sent to Markit, except for the drawdown notice
- Amend Contract message with the updated CUSIP value
- All the prior messages that were cancelled with the new CUSIP value
- Position Update message for Position Statement with the latest positions for latest value date

The notices will be sent as part of an offline activity that will begin after the authorization of the tranche amendment. End of day Pending Transactions will show any message pending generation/handoff and Marking of End of Transaction Input will not be allowed till the message generation and handoff is completed. Also, no further events will be allowed for drawdowns for which messages are being generated and handed-off till the process is complete.

16.15.3 For MEI CODE

MEI CODE is a UDF at a Customer level that is maintained in the system. Whenever this is updated, saved, and authorized at the customer level, then:

- An offline job will be initiated which will register the event 'AMEI' (Amendment of MEI Code) on all the tranches that have this customer as one of the participant. This job will handoff the following messages:

- If the MEICODE value was blank initially and it is now updated with a value, then a Position Update message with Position Statement type will be generated and handed off for each of the tranches for which the event is registered. This Position Update notice will include only the participant details for which the MEICODE update has happened
- If the MEICODE value was non-blank and was updated now, then a Position Update message with Correction type will be generated and handed off for each of the tranches for which the event is registered. This notice will be a bulk message with one message containing the old MEICODE and with all the positions (funded or committed) as zero and the other with the new MEICODE and with all the actual positions of the participant.

The End of Day Pending Transactions will show any message pending generation/handoff and Marking of End of Transaction Input will not be allowed till the message generation and handoff is completed. Additionally, no further events will be allowed on the underlying tranche/drawdowns which have the participant with the MEI CODE changed, till the messages are generated and handed off.

16.16 Viewing FpML Messages

The FpML messages that have been generated can be viewed through the 'FpML Message' screen for events triggered manually. The operations for which the messages can be viewed are:

- Drawdown Authorization
- Tranche Authorization
- VAMI
- Manual Payment Authorization
- Participant Transfer Authorization
- Fee Liquidation Authorization
- Fee Amendment Authorization

16.17 Viewing the Markit Agency Interface Browser

You can view all the incoming messages from Markit, query/reprocess the message/process status in the 'Markit Incoming Interface Browser' screen. To invoke this screen from the Application browser, select **LS interface** and click **Browser**, and then choose **Markit Incoming Interface Browser** under it.

Market Incoming Interface Browser
FpML Message Queue

Message ID	Msg Seq No	Message Name	Ext. CUSIP/ISIN	Message Ref No	Notice Receive Date	Notice Date	Processing Status
CITI-FCI-2012-08-08-FPML001B	5	RolloverNotice	FPML003	20120801MK022098	01-AUG-2012	08-AUG-2012	Hold
CITI-FCI-2012-08-08-FPML001B	6	RolloverNotice	FPML003	20120801MK022099	01-AUG-2012	08-AUG-2012	Enrich
CITI-FCI-2012-08-08-FPML001B	7	RolloverNotice	FPML003	20120801MK022103	01-AUG-2012	08-AUG-2012	Hold
CITI-FCI-2012-08-08-FPML001B	8	RolloverNotice	FPML003	20120801MK022105	01-AUG-2012	01-AUG-2012	Enrich
CITI-FCI-2012-08-08-FPML001B	9	RolloverNotice	FPML003	20120801MK022107	01-AUG-2012	01-AUG-2012	Enrich
CITI-FCI-2012-08-08-FPML001B	10	RolloverNotice	FPML003	20120801MK022110	01-AUG-2012	01-AUG-2012	Processed
CITI-FCI-2012-08-08-FPML002	1	LcIssuanceNotice	RSETTEST1	20120808MK002233	08-AUG-2012	08-AUG-2012	Failed
CITI-FCI-2012-08-08-FPML003	1	RepaymentNotice	FPML002	20120808MK001006	08-AUG-2012	08-AUG-2012	Pending Authent...
CITI-FCI-2012-08-08-FPML004	1	OngoingFeeNotice	RSETTEST1	20120808MK001006	08-AUG-2012	08-AUG-2012	Pending Authent...
CITI-FCI-2012-08-08-FPML005	1	PriceChangeNotice	RSETTEST1	20120808MK002222	08-AUG-2012	08-AUG-2012	Failed
CITI-FCI-2012-08-08-FPML006	1	RepaymentNotice	FPML002	20120808MK001006	08-AUG-2012	08-AUG-2012	Processed
CITI-FCI-2012-08-08-FPML007	1	RolloverNotice	EFULFUND1	20120808MK006025	08-AUG-2012	08-AUG-2012	Processed
CITI-FCI-2012-08-08-FPML008	1	RolloverNotice	FPML002	20120808MK00	08-AUG-2012	08-AUG-2012	Enrich
CITI-FCI-2012-08-08-FPML010	1	PriceChangeNotice	RSETTEST1	20120808MK00	08-AUG-2012	08-AUG-2012	Pending Authent...
CITI-FCI-2012-08-08-FPML012	1	LcAmendmentNotice	RSETTEST1	20120808MK00	08-AUG-2012	08-AUG-2012	Processed

Other Details

Tranche Ref No: 001BTPR1222103UX Branch: 001 Department: 702 Participant MEI: CITIBANK01
 Facility Name: 001BTPR1222103UX Tranche Type: NON-REVOLVING Agent MEI: US1L000026
 Tranche Currency: USD Tranche Global Amount: 2,111,111.11 Tranche Amount: 1,900,000.00

Input By: SYSTEM Date: 01-AUG-2012 00:00:00 Auth By: SYSTEM Date: 01-AUG-2012 00:00:00 Mod No: 1 Open Authorized

In this screen, you can view the following details:

- Message Id
- Msg Seq No
- Message Name
- Ext.CUSIP/ISIN
- Message Ref No
- Notice Receive Date
- Notice Date
- Tranche Ref No
- Branch
- Participant MEI
- Facility Name
- Tranche type
- Agent MEI
- Tranche Currency
- Tranche Global Amount
- Tranche Amount

Processing Status

Select the processing status from the adjoining drop-down list. The list displays the following values:

- Pending

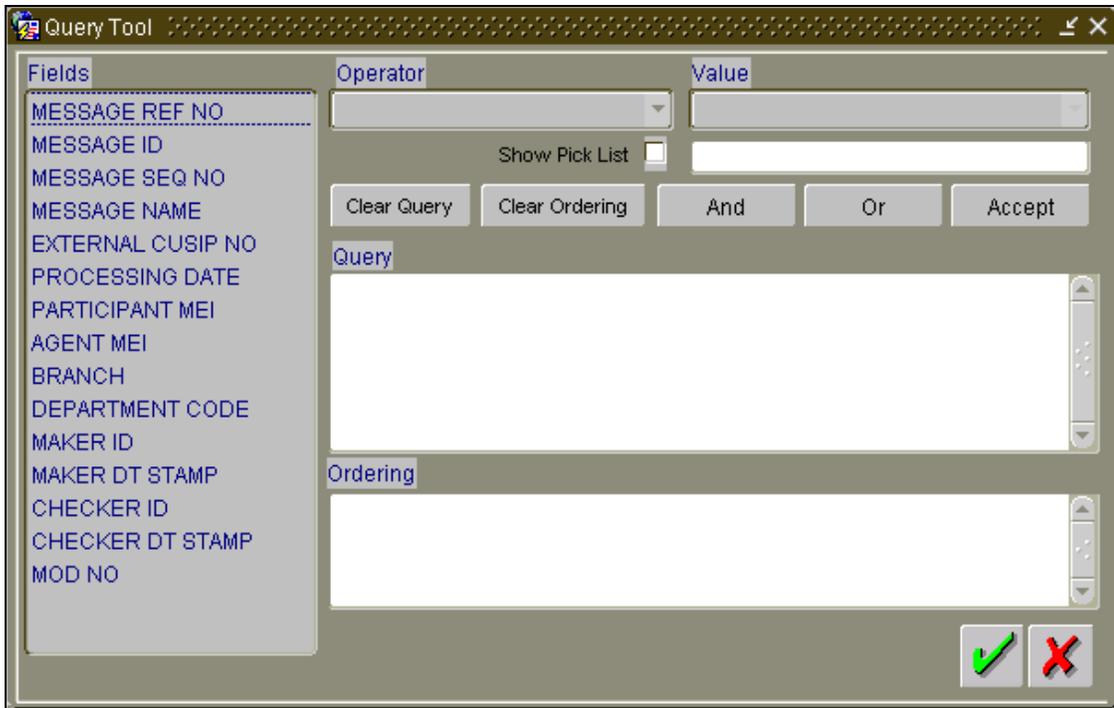
- WIP
- Failed
- Enrich
- Pending Authentication
- Hold
- Processed

You can process the following Markit messages in this screen:

- Drawdown Notice
- Rate Reset Notice
- Interest Payment Notice
- Scheduled Principal Repayment Notice
- Unscheduled Mandatory & Voluntary Principal Repayment Notice
- On-Going Fee Payment Notice
- One-Off Fee Payment Notice
- Rollover Notice
- Reprice Notice
- Letter Of Credit Issuance Notice
- Letter Of Credit Amendment Notice
- Pricing Change Notice

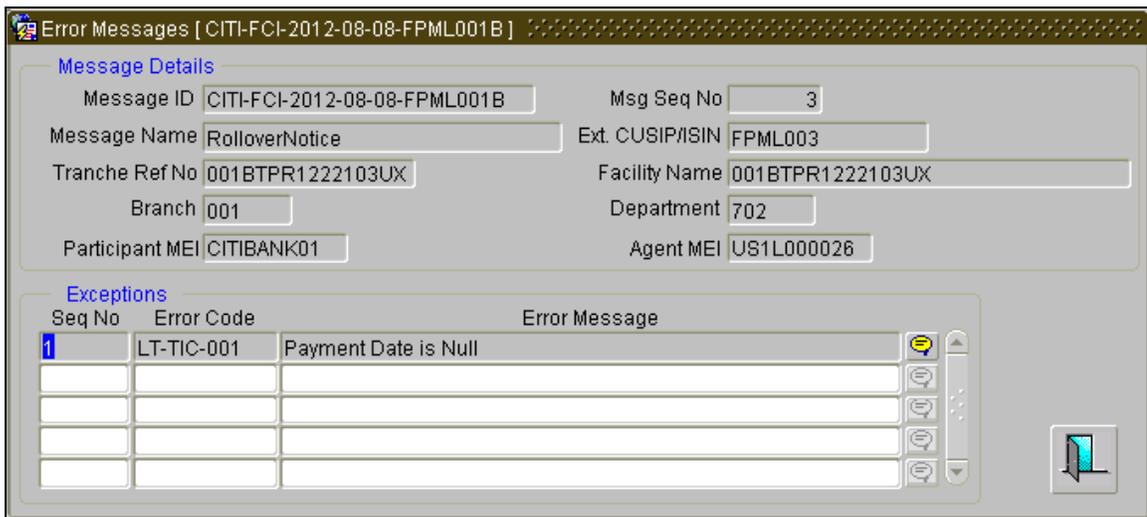
16.17.1 Querying Messages

You can use the 'Query Tool' screen to query the message details. You can invoke this screen by clicking 'Query' button.



16.17.2 Viewing Error Messages

You can view the exception log associated with the contract by clicking the 'Exception Log' button against the tranche. You can also view the 'Enrich' related field exceptions details in this screen.



16.17.3 Processing Incoming Messages

The following are the various statuses handled by the system for processing messages:

Processing Status	Description
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Hold	If the Notice Date is in the future
WIP	If the queue for which processing is initiated but not completed e.g. due to message clipping process
Failed	If the message is failed because of missing maintenance in the system or duplicate message
Enrich	If it relates to an item which is pending for corrective action or waiting for corrected message from Markit.
Pending Authentication	If the contract/event in the system is awaiting for dual authorization or the notice date in message is earlier than current date
Pending	If the message which is yet to be processed
Processed	If the incoming FpML message is processed successfully

If the processing status is 'Pending' then the system will verify whether the External CUSIP is mentioned in the incoming message corresponds to an active Borrower Tranche contract in the system and the Message ID is not already present in the Incoming Browser as 'Processed'

If the External CUSIP/ISIN doesn't correspond to an active borrower tranche, then the system will update the processing status of the message as 'Failed'.

If the active tranche contract is not found or if the same message ID has been previously processed successfully, then the system will update the processing status as 'Failed' and display an exception message.

If the External CUSIP is an active tranche contract, the system will validate the following

- Notice Date in the incoming message is equal to the Application date
- MEI code for Participant(s) and Borrower from the message match with the MEI Code of the respective parties in the system.
- All the Participants in the tranche contract have the same MEI Code as the Participant MEI Code in the message

Once the above validations are completed, the system will perform specific validation based on various message types. Details of these validations are provided in the subsequent sections.

Once the message is successfully processed, the system will update the processing status as 'Processed'.

While processing any message, if data in any of the fields in the Incoming Browser is not received in the incoming browser or if the information received does not match with the data in the system, the Processing Status will be updated as 'Enrich' and you need to manually enter the data and change the Processing Status back to 'Pending'. The message will then be re-picked up for processing.

For message 'Drawdown Notice', if the notice date in the incoming message is greater than the application date, the system will do the following

- Update the Processing Status as 'Hold'
- These messages will continue to be in Hold status till the application date is same as the notice date. While marking the Transaction Input' on the application date (beginning of day) system will check the status of all incoming messages whose processing status is 'Hold' and will update as 'Pending'.
- Alternately, you can change the processing status of these messages to 'Processed' in case no processing is required

For message 'Drawdown Notice' if the Notice Date in the incoming message is equal to the application date and effective date is earlier than application date, then the Drawdown will be created with back value dated effective date and the system will update the Processing Status as 'Processed'.

If any messages for which the contract/event in the system is awaiting for your dual authorization, the system will update the Processing Status as 'Pending Authentication'. Such processing is required in scenarios such as when borrower/investor is classified. The event/contract will be processed in the system but it will require you to manually perform dual authorization.

You can view the messages which have overrides requiring Dual authorization in the 'Dual Auth Screen/ Drawdown Summary' screen.

Once you authorize the contract/event, the Processing Status of the message will be automatically updated as 'Processed'. The messages in the Incoming Browser which are 'Pending Authentication' will not delay the End of Day Batch processing in the system, provided the overrides have been confirmed and the event/contract has been authorized.

If the tranche involves more than one participant with the same MEI code then:

- A single message with a given Agent Ref No. and Message ID will be received
- System will check that the MEI Code for the participants matches the MEI Code in the incoming message
- If yes, the Participant Asset ratio for the tranche will be utilized and applied to each participant while processing the message
- The Agent Ref No of the participant with the highest asset ratio will be displayed in the incoming browser

On receiving a message for a message ID that has been 'Failed', the system will proceed to process the latest message received and the failed message will be moved.

16.17.4 Re-linking the message

The Messages with processing status as Enrich/ Failed will remain in the Incoming Browser until the agent resends the corrected message with the same Message ID. If the Agent sends the corrected message, the Message ID will be the same as that of the original message. The System will increment the Msg Seq No and Processing Status of the second message will be 'Pending'.

You are allowed to input the agent reference number and the system validates if it is not linked to any active or liquidated contracts.

If there are multiple agent reference numbers under a loan, the system will not validate as only one agent reference number is linked to a drawdown. It should be controllable such that multiple agent reference number under the same loan is not linked to multiple active or liquidated drawdowns in the system.

16.17.5 Clipping the message

The incoming message from Markit may be for a single MEI which may represent multiple investors or a single MEI for a single investor or a multiple MEI for multiple investors.

While processing the message, the Borrower Tranche contract in the system will be identified based on the External CUSIP/ISIN in the incoming message. The branch code, drawdown product(s) and participant(s) will thus be identified.

If the tranche involves more than one participant with different MEI Codes (i.e. only one of the MEI Codes matches with the MEI Code in the incoming message) then:

- Multiple messages with different Agent Ref Nos. and Message Ids will be received for each MEI Code
- The message will be placed in the Incoming Browser with Processing Status as 'WIP'
- System will wait for messages of all the other participants, before processing the messages for any of the participants

Once the messages are received in the Incoming Browser for each MEI Code in the tranche, then the system will validate the External CUSIP/ISIN, Value date, Maturity date, Borrower, Tranche Global Amount, Borrower Amount combination and will check that the number of messages equals the number of participants with different MEI Codes.

Once the above conditions are met, the system will process the messages together to create a single contract/trigger a single event with all participants.

16.17.6 Drawdown Notice

The incoming messages with Message Name as 'Drawdown Notice' and Drawdown Event Type as 'New Drawdown Event' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'Drawdown Details' screen is displayed as shown below::

The screenshot displays the 'Drawdown details' screen for message ID CITH-FCI-2012-08-08-FPML001. The interface is divided into several sections:

- Message Details:** Includes fields for Message ID, Message Name (DrawdownNotice), Tranche Ref No (001BTB1122214001), Drawdown Ref No (001BDLL1222107ES), Participant MEI (US1L027740), Agent MEI (US1L000026), Branch (001), and Department (702).
- Drawdown Details:** Shows Product Code (BDLL), Borrower (LIBOR Drawdown Prod), Borrower MEI (RATETEST01), Amount (5,000.00), Global DD Amount (10,000.00), Value Date (08-AUG-2012), Maturity Date (08-AUG-2013), and LC Type.
- Interest Rate Details:** A table with columns: Int Rate Fixing Date, Start Date, End Date, Floating Rate Index, Rate, Margin, All in Rate, Interest Day Basis, Period Multiplier, and Period. The first row shows: 08-AUG-2012, 08-AUG-2012, 08-AUG-2013, USD-LIBOR-LIBO, 1.2500000000, 1.3000000000, 2.5500000000, Actual/360, 365, DAILY.
- Exchange Rate Details:** A table with columns: Ex Rate Fixing Date, Start Date, End Date, and Exchange Rate. The first row shows: 08-AUG-2012, 08-AUG-2012, 08-AUG-2013, 2.5000000000.

If the External CUSIP/ ISIN in the message is an active Borrower Tranche or If the Message ID is not already processed and if the Agent Ref No. in the message is not found for any active Borrower Drawdown contract, then the system will validate as follows:

Drawdown product will be resolved based on floating Rate Index in the incoming message:

- If floating Rate Index is 'USD-LIBOR-LIBO' then the system will pick up the fixed type drawdown product
- if floating Rate Index is 'USD-Prime-Reference' then system will pick up the floating type drawdown product
- System will then check the drawdown products allowed for the tranche and if there is more than one product resolved for a message or there is no drawdown product for the floating Rate Index, the 'Processing Status' will be marked as 'Enrich' and exception 'Product code resolution is failed' will be logged

You need to select the drawdown product in the 'Product Code' field in the 'Detail' sub-screen of the Incoming Browser. Products allowed for the tranche will be available for selection. Then you need to update the Processing Status as 'Pending' which will be picked up by the system for re-processing.

The main interest component will be taken from product to apply the interest rate received. The system Tranche Margin Rate will be deducted from the margin rate received in FpML message and residual rate will be applied for DD margin component

Once all the validations on the incoming message are successful, a new drawdown will be booked and BOOK, DNOT, IRFX, EXFX (if drawdown currency is different from tranche currency) events will be fired.

The newly created drawdown will be auto-authorized if there are no overrides that require dual authorization and Processing Status will be updated as 'Processed', whereas the newly created drawdown will be created as unauthorized if there are any overrides that require dual authorization. Processing Status will be 'Pending Authentication' in such cases and the drawdown will have to be manually authorized after dual authorization.

If the drawdown is not authorised, while marking the EOTI, the system will prompt you to clear the pending authorizations.

If the Processing Status is 'Enrich', you can enrich the following fields:

- Product Code
- Borrower MEI
- Borrower

Further the below fields can be enriched provided these dates fall on a holiday

- Value Date
- Maturity Date
- Interest rate effective Start date
- Interest rate effective end date
- Exchange rate effective start date
- Exchange rate effective end date

The system will log the following exceptions during processing:

- If the Message Name is New Drawdown and the Agent Ref No received as part of the message already exists, then system will update the Processing Status of the message as Failed by logging an exception 'Agent Ref No exists'
- Based on the drawdown currency and amount, the availability of Tranche will be checked. If there is insufficient availability at the tranche, system will mark the 'Processing status' as 'Failed' by logging an exception -'No Availability at Tranche'.
- If a matching participant/borrower is not found at the tranche level, then system will mark the 'Processing status' as 'Failed' by logging an exception - Participant/Borrower not found at the tranche.
- If the drawdown identified is of Interest type 'PRIME' and the rate received in the message doesn't match with the rate available in system, then system will update Processing Status as 'Failed' by logging an exception - Floating base rate maintained is not in line with the rate in the Drawdown Notice
- if interest rate is not present then system will mark the 'Processing status' as 'Failed' by logging an exception -Interest rate fixing details are not present.

- Exchange rate details will be checked if the drawdown currency is different from the tranche currency. If they are not present then system will mark the 'Processing status' as 'Failed' by logging an exception 'Exchange rate fixing details are not present'

If Processing Status is 'Enrich' then you can modify the above mentioned fields in the Incoming Browser and then change the 'Processing Status' to 'Pending' so that system will pick up for re-processing. The message will be marked for 'Enrich' if the exception is due to the following:

- Product Code resolution failed (There are more than one product of same product type are maintained at tranche) in which case the product code needs to be enriched in incoming interface browser
- Oracle FLEXCUBE Borrower / Borrower MEI not found (Borrower resolved based on the MEI code received is not maintained under list of borrowers for the tranche)
- Value date and Maturity date falling on holiday
- Drawdown currency is not maintained at tranche
- Borrower mnemonics at tranche is maintained as ALL type (Product, Branch, Currency, module). You need to update the mnemonics at tranche, change the Processing Status to 'Pending' so that system can pick the message for re-processing

If the notice date is earlier than the application date, then the system will not process the contract/event in the system and will mark the 'Processing Status' of the Incoming Message as 'Pending Authentication'. You can change the Processing Status to Pending or Processed.

If the notice date is greater than application date for a drawdown notice, then the system will consider the message as an 'Intent Message' and mark the Processing Status as 'Hold' irrespective of Effective Date (drawdown value date) and it will retain the message in the Incoming Browser till the event date and on event date during batch, it will update the Processing Status as 'Pending' so that the job will pickup the incoming message for processing

If the notice date is application date and effective date is future-dated with Message Name as 'Drawdown', then the system will process the message to create an uninitiated drawdown and update the Processing Status as 'Processed'.

The new drawdown (current/future dated) will be created and auto authorized if there are no overrides requiring dual authorization. If there are any such overrides the drawdown needs to be manually authorized after dual authorization. The 'Processing Status' will be automatically updated as 'Processed'

16.17.7 Rate Set Notice

The Incoming messages with Message Name as 'Drawdown Notice' and event type as 'Rate Set Event' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message.

Based on the 'Agent Ref No' the system will identify the drawdown for which the rate amendment has to be applied. If the matching drawdown is not present, then the system will mark 'Processing Status' as 'Failed' by logging an exception 'Drawdown is not available'.

Once the drawdown is identified, the system will check the main interest component type. If the interest component is of type 'LIBOR' and the 'Rate fixing is required' option is selected as 'Yes', the system will pick up the rate fixing date, start date, end date, interest rate, and margin from the message, whereas if the 'Rate fixing is required' option is selected as 'No', the system will update processing status as 'Failed' and log an exception 'Rate fixing is not applicable'.

If the rate fixing is captured for start date and end date from the Rate Set Notice, then the system will update the base rate for the entry with matching Rate Effective Start Date and Rate Effective End Date. If the notice date is on application date and the Rate Effective Start Date is in future, then the system will process the message to capture rate fixing information so that system will apply the rate for Rate Effective Start Date and update the Processing Status as 'Processed'

Once the incoming message with event type as 'RateSetEvent' is processed:

- If the drawdown is not initiated then system will fire the IRFX event along with the fax messages attached to the event and INIT event along with the payment message attached if the Drawdown value date is on or before application date
- If the drawdown is initiated then system will fire the IRFX event if the Rate Effective Start date is greater than the Rate Effective End Date and the corresponding fax messages will be generated

The following fields can be enriched by clicking on the 'Enrich' button provided these dates fall on a holiday

- Interest rate effective Start date
- Interest rate effective end date
- Exchange rate effective start date
- Exchange rate effective end date

The system will log the following exceptions during processing:

- System will check if the start date and end date are within Drawdown value date and Maturity date. If the condition is not met, the system will update the Processing Status as 'Failed' by logging an exception-'Rate Effective Start Date cannot be lesser than drawdown date' / 'Rate Effective End Date Cannot be Greater than Maturity date of contract'
- System will check if rate fixing is captured for start date and end date from the Rate Set Notice. If rate fixing is not captured then system will update processing status as 'Failed' with the exception 'Rate Fixing is not done for StartDate and End Date'
- If rate fixing is done for the Drawdown, the system will check if the last 'Rate Effective End Date-' is equal to the start date received in Rate Set Notice. If they are different, the system will update processing status as 'Failed' with the exception -Rate Effective StartDate should be equal to last Rate Effective End Date'

If the notice date is in future, the system will consider the message as an Intent message and will mark the Processing Status as 'Hold'. The message will be retained in the Incoming Browser till the event date and on event date during batch processing system will mark the Processing Status as 'Pending', so that the message will be picked for processing.

If Incoming Intent message for Drawdown/Rollover and Rate set message are received at the same time for the same contract with same Agent Reference number and is effective on the system date or prior, the system will consume and process the Intent message and the Rate Set message will be changed to 'Processed' automatically.

Only the message process status will be marked as 'Processed' for the Rate Set Notice. The system will not process the message and there will not be any events registered in Oracle FLEXCUBE.



If the Intent message is received on its own, it is consumed as normal.

If the notice date) is earlier than application date (past value dated), the system will not process the contract/event in system and will mark the 'Processing Status' of the Incoming Message as 'Pending Authentication'. Once you have changed the status to 'Pending', the system will pick up the message for re- processing.

16.17.8 Interest Payment Notice (Scheduled / Unscheduled)

Incoming messages with Message Name as 'Interest Payment Notice' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'Interest & Principal Payment Details' screen is displayed as shown below:

Based on the Agent Ref No., the system will identify the drawdown for which Interest payment needs to be processed. Once the drawdown is identified, the system will compare the notice date with application date to decide whether it is an intent payment / actual payment.

If the notice date is the same as application date and payment date is later than application date where Payment Date matches a defined schedule date and 'Liquidate Interest on Prepayment' option is selected as 'No', then the system will trigger a future value dated payment event (BLIQ) and change the 'Processing Status' of the incoming message as 'Processed'. The actual payment event will be automatically triggered on the effective date and payment related accounting entries will be posted with value date as the Payment date

If the payment is actual payment i.e., notice date is on application date and there are no pending schedules, then system will check the option 'Liquidate Interest on Prepayment' at drawdown contract and proceed to process the particular schedule as follows:

- If the 'Liquidate Interest on Prepayment' option is selected as 'No' then system will do the following:
 - System will compare the difference with the amount maintained in the field 'FPML Interest/Fee Payment variance' which is newly introduced in the existing Loan Parameter Screen.
 - If the difference between the amounts is within the variance then system will process the incoming message.
 - LIQD event will be triggered at borrower and participant contracts to liquidate interest where the amount will be as per the schedule amount due in Oracle FLEXCUBE.
 - An override message saying difference amount is within the variance will be flagged during processing and the payment message attached for LIQD event will be generated.
 - If the difference between the amounts is greater than the maintained variance then system will mark 'Processing Status' as 'Failed' and log an exception difference is greater than the variance .

If the 'Liquidate Interest on Prepayment' option is selected as 'Yes' at the drawdown contract, then the system will do the following:

- System will pick the message for reprocessing and will mark the Processing Status as 'WIP' with exception message saying waiting for message clipping. System will then wait for the corresponding Principal Repayment Notice and once it is received system will proceed with processing after clipping both the messages. (BLIQ/LIQD may be fired based on Payment date)
- System will compare the principal and interest due amounts for the schedule in the system with the corresponding amounts in the incoming message and will process the messages if the difference is within the variance for principal and interest.
Note: please refer to the next section for processing of Principal Repayment Notice'

If the drawdown is in currency other than USD then the variance amount will be compared with the equivalent of threshold variance for interest or principal using the latest exchange rate between the currencies.

If payment date does not match any defined schedule date for the interest component, then the payment will be considered as unscheduled and the system will check if there are any pending schedules. If so, the system will get the earliest pending schedule date and will settle this schedule only, based on the Oracle FLEXCUBE amount provided it is within the defined variance for interest payment. If not, the message will not be processed

If the processing fails because of the following exceptions, then you can enrich correct the data in the Incoming Browser. Once you have corrected the below fields from the incoming interface browser and the Processing Status is updated as 'Pending', the system will pick up for processing

- Borrower MEI not found (Borrower MEI code in the message does not match the MEI Code of the Borrower at the drawdown level)
- Payment date falling on holiday

During processing, the system will log the following exceptions:

- If the Agent Ref No. In the incoming message does not match any active drawdown in the system, it will mark the 'Processing Status' as 'Failed' by logging an exception 'Drawdown is not available'.
- If the difference between schedule amount and amount in the message is greater than the 'FPML Interest/Fee Payment variance' then system will mark 'Processing Status' as 'Failed' and log an exception as Difference is greater the variance

If the notice date is earlier than application date, the system will not process the contract/event in the system and will mark the 'Processing Status' of the Incoming Message as 'Pending Authentication'. You can change the Processing Status to Pending or Processed.

If the notice date is later than the application date and Message Name is 'Interest Payment Notice', the system will consider the message as an Intent message and will update the Processing Status as 'Hold'. It will retain the message in the Incoming Browser till the event date and on event date during batch system will update the Processing Status as 'Pending' so that the job will pick up the incoming message for re-processing

If the notice date and payment date are on application date, then system will check if the 'Liquidate Interest on Prepayment' flag is 'Yes' at the drawdown contract. For messages where the Processing Status is 'WIP' (as mentioned above) if The Principal Repayment Notice for message clipping is not received till the end of the day then system will mark the Processing Status as 'Failed' by logging an exception saying clipping message is not received.

If the interest payment message is present in queue with 'Processing Status' as 'Failed', and if the message is resent by the Agent with the same Message ID, the system will pick the latter message for processing. Once the message is processed in the system, the payment cannot be amended.

16.17.9 Principal Repayment Notice (Scheduled / Unscheduled)

Incoming messages with Message Name as 'Repayment Notice' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'Interest & Principal Payment Details' screen is displayed as shown below:

Interest & Principal Payment Details [CITI-FCI-2012-08-08-FPML003]

Message Details

Message ID: CITI-FCI-2012-08-08-FPML003 Msg Seq No: 1

Message Name: RepaymentNotice Ext. CUSIP/ISIN: FPML002

Tranche Ref No: 001BTPR122210337 Facility Name: INCOMING FPML

Drawdown Ref No: 001BDLL120871001 Event Seq No: 5 DD Currency: USD

Participant MEI: CITIBANK01 Agent Ref No: CITI-FCI-2012-08-08-FPML005

Agent MEI: US1L027740 Branch: 001

Borrower MEI: US1L072514 Department: 702

Principal Payment Details

Payment Date	Amount
01-JAN-2014	2,000.00

Interest Payment Details

Payment Date	Amount

✓

✗

Based on the Agent Ref No system will identify the drawdown for which principal payment needs to be processed. Once the drawdown is identified, system will compare the event date with application Date to decide whether it is an intent payment / actual payment.

If the notice date is earlier than application date, the system will not process the event in the system and will mark the 'Processing Status' of the Incoming Message as 'Pending Authentication'. You can change the Processing Status to Pending or Processed.

If the notice date is later than application date, the system will consider the message as an intent message and update the Processing Status as 'Hold'. It will retain the message in the incoming browser till the event date and on event date during batch, system will update the Processing Status as 'Pending' so that the job will pick up the incoming message for processing

If the notice date is the same as application date and payment date is later than application date and 'Liquidate Interest on Prepayment' is 'No' then the system will trigger a future value dated payment event (BLIQ) and change the 'Processing Status' of the incoming message as 'Processed'. The actual payment event will be automatically triggered on the effective date and payment related accounting entries will be posted with the value date as Payment date

If the payment is actual payment and the 'Liquidate Interest on Prepayment' option is selected as is 'No' at the drawdown contract, then the system will do the following:

- System will compare the difference if any with the amount maintained in the field 'FPML Principal Payment variance' of 'Loans Parameter' screen.
- If the difference is within the variance maintained then system will process the incoming message
- LIQD event will be triggered at borrower and participant contracts to liquidate Principal where the amount will be as per the amount due in the system. An override message- difference amount is within variance will be flagged during processing
- In case of full payment, the system will not mark the contract as 'Liquidated' and it will be possible for you to use the 'Mark Liquidated' screen to change the contract status to 'Liquidated'

- If the difference between the amounts is greater than variance then system will mark 'Processing Status' as 'Failed' and log an exception Difference amount is greater than the variance.

If the 'Liquidate Interest on Prepayment' option is selected as 'Yes' at the drawdown contract, then the system will do the following:

- System will pick the message for reprocessing and will mark the Processing Status as 'WIP' with exception message saying waiting for message clipping. System will then wait for the corresponding Interest Repayment Notice and once it is received system will proceed with processing after clipping both the messages. (BLIQ/LIQD may be fired based on Payment date)
- System will compare the principal and interest amount for the schedule in the system with the corresponding amounts in the incoming message and will process the messages if the difference is within the threshold variance for principal and for interest. (In case of Principal prepayment, interest amount will be recalculated and this amount will be compared with the interest amount in the message to check the variance.)
- In case of full payment, system will not mark the contract as 'Liquidated' and it will be possible for user to use the existing Mark Liquidated screen to change the contract status to 'Liquidated'

If the drawdown is in currency other than USD then the variance amount will be compared with the equivalent of variance for interest and principal using the latest exchange rate between the currencies.

If the payment date does not match with any defined schedule date for the Principal component, then the payment will be considered as unscheduled and the system will check if there are any pending schedules. If so, the system will get the earliest pending schedule date and will settle this schedule, provided it is within the defined variance for principal payment. (BLIQ/LIQD may be triggered based on payment date). If not and if payment due date is on / after the application date system will proceed with processing the message

If the processing fails because of the following exceptions, then you can enrich the data in the Incoming Browser. Once the below fields are corrected from the incoming interface browser and the Processing Status is updated as 'Pending', system will re-pick up for processing:

- Borrower MEI not found (Borrower arrived based on the MEI code received is not matching the borrower at the drawdown level)
- Payment date falling on holiday

During processing, the system will log the following exceptions:

- If the Agent Ref No. In the incoming message does not match with any active drawdown in the system, it will mark the 'Processing Status' as 'Failed' by logging an exception 'Drawdown is not available'.
- If the difference between the scheduled amount and the amount in the message is greater than Principal Payment Variance then the system will mark 'Processing Status' as 'Failed' and log an exception Difference is greater the variance
- On receiving a message for a Message ID that has already been marked as 'Processed', system will mark the Msg.Seq. No as 2 and the Processing Status as 'Failed' by logging the following exception- Message has been processed already. Payment cannot be amended.

If the event date and payment date/ due date is on application date, then the system will check if the 'Liquidate Interest on Prepayment flag is 'Yes' at the drawdown contract. The system will do the following validations

- If the Interest Repayment Notice for message clipping is not received till the end of day, then system will mark the Processing Status as 'Failed' by logging an exception as clipping message is not received.
- If the payment date/ due date does not match any defined schedule date for the principal component, then the payment will be considered as an unscheduled payment.
- System will identify the earliest pending schedule and will liquidate the schedule provided all the other validations are successful.
- If subsequent validations are unsuccessful, system will update the 'Processing Status' as 'Failed' by logging the relevant exception
- If the Principal payment message is present in queue with 'Processing Status' as 'Failed', and if the message is resent by the Agent with the same Message ID, the system will pick the latter message for processing. Once the message is processed in the system, the payment cannot be amended

16.17.10 Fee Payment Notice

Incoming messages with Message Name as 'Ongoing Fee Notice' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'Fee Payment Details' screen is displayed as shown below:

Message Details

Message ID: CITI-FCI-2012-08-08-FPML004 Msg Seq No: 1

Message Name: OngoingFeeNotice Ext. CUSIP/ISIN: RSETTEST1

Tranche Ref No: 001BTBI122210001 Event Seq No: 1 Branch: 001

Facility Name: RATESETTEST1TRN Department: 702

Participant MEI: CITIBANK01 Agent MEI: US1L027740

Fee Payment Details

Fee Component	Payment Date	Amount
FACFEE_FL	01-JAN-2014	1,000.00

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If the External CUSIP/ISIN in the incoming message is an active tranche contract in the system, the message will be populated into the Incoming Browser with 'Processing Status' as 'Pending'.

Once the Tranche is identified, if the event date is the same as application date, then based on the fee type mentioned in the message, the system will identify the component for which the payment notice has arrived.

If the payment date mentioned in the message is on or before application date, then system will check if all fee schedules before the payment date of the current message are fully paid. If there is no pending past schedules, then the system will compare the fee amount due for the schedule date in the system with the fee amount due in the incoming message.

- If the difference is within the value maintained in the 'FpML Interest/Fee Payment Variance' parameter, system will process the incoming message with the fee amount due for the schedule date in the system
- FLIQ event will be triggered at borrower and participant contracts and payment message attached to FLIQ event will be generated. An override message- Difference amount is within variance will be flagged during processing and the Processing Status of the message will be changed to 'Processed' by the system
- If the difference between the amounts is greater than variance, then system will mark 'Processing Status' as 'Failed' and log an exception 'Difference amount is greater than the variance.
- System will not validate for any other tags in the incoming message other than those mentioned above

The Payment Date field can be enriched by clicking on the 'Enrich' button when the Processing Status is 'Enrich'

During processing, the system will log the following exceptions:

- If a matching external CUSIP/ ISIN is not found in the system, the 'Processing Status' will be updated as 'Failed' and an exception message will be logged.
- If the notice date is later than application date, the system will consider the message as an Intent message and will update the Processing Status as 'Hold'. It will retain the message in the Incoming Browser till the event date and on event date during batch system will update the Processing Status as 'Pending' so that the job will pick up the incoming message for re-processing
- If the fee type received is of type 'USERINPUT' (One-Off) then system will mark the 'Processing status' as 'Failed' by logging an exception -Notice is for One off fee which will not be processed
- If the incoming message is for a schedule which is overdue or if past schedules are overdue, system will mark the Processing status as 'Failed' by logging an exception- Past schedules have to be liquidated manually by user or previous pending fee payment messages are to be processed
- If the difference between fee amount due in the system and the fee amount mentioned in the message is greater than the value maintained for 'FpML Interest/Fee Payment Variance' then system will mark the message as 'Failed' by logging an exception 'Difference amount is greater than the variance

16.17.11 Letter of Credit Issuance Notice

Incoming messages with Message Name as 'LC Issuance Notice' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'Drawdown Details' screen is displayed as shown below:

Drawdown details [CITI-FCI-2012-08-08-FPML002]

Message Details

Message ID: CITI-FCI-2012-08-08-FPML002 Msg Seq No: 1

Message Name: LcissuanceNotice Ext. CUSIP/ISIN: RSETTEST1

Tranche Ref No: 001BTBH22210001 Facility Name: RATESSETTEST1TRN

Drawdown Ref No: 001LCDDC121840003 Event Seq No: 1 Agent Ref No: CITI-FCI-2012-08-08-FPML003

Participant MEI: CITIBANK01 Agent MEI: US1L027740 Branch: 001 Department: 702

Drawdown Details

Product Code: LCDDC Commercial LC (Documentary) Borrower MEI: US1L072514 Borrower: 023406 CARNIVAL CORPORATION

Currency: USD Amount: 550,000.00 Global DD Amount: 550,000.00

Value Date: 01-JAN-2012 Maturity Date: 01-JAN-2014 LC Type: Standby

Interest Rate Details

Int Rate Fixing Date	Start Date	End Date	Floating Rate Index	Rate	Margin	All in Rate	Interest Day Basis	Period Multiplier	Period
01-JAN-2012	01-JAN-2012	01-JAN-2014	ALL-LIBOR-LIBO	3.2500000000	2.0000000000	5.2500000000	Actual/360	365	DAILY

Exchange Rate Details

Ex Rate Fixing Date	Start Date	End Date	Exchange Rate
01-JAN-2012	01-JAN-2012	01-JAN-2013	2.3500000000
01-JAN-2012	01-JAN-2013	01-JAN-2014	1.3500000000

If the External CUSIP/ ISIN in the message is an active Borrower Tranche, the fields in the Incoming Browser are populated with data from the message/tranche contract. If the Message ID is not already processed and if the Agent Ref No. in the message is not found for any active LC drawdown contract in the system, then it will proceed with the creation of a new LC drawdown as follows:

- System will check tranche availability based on LC currency and LC amount from the message.
- System will identify the LC drawdown product maintained for the tranche.
- Settlement pickup for borrower will happen based on the LC currency and borrower Standard Settlement Instruction mnemonic defaulted from tranche
- Settlement pickup for participant will happen based on the LC currency and participant mnemonic defaulted from tranche
- MIS pickup will happen based on the tranche MIS maintenance
- If the event date and effective date (drawdown value date) are the same as application date system will create a LC drawdown contract and mark the 'Processing Status' as 'Processed'.
- If the event date is same as application date and effective date (drawdown value date) is greater than application date then system will create an uninitiated LC drawdown contract and mark the 'Processing Status' as 'Processed'. The contract will be automatically initiated on the value date as per existing functionality.
- The new LC drawdown contract will have the events BOOK, INIT, DNOT, EXFX (If drawdown currency is different from tranche currency) triggered and fax messages attached for DNOT, EXFX will be generated based on the product set up.
- Start date of the LC Drawdown is the value date and end date is the maturity date

The following fields can be enriched by clicking on the 'Enrich' button:

- Product Code
- Borrower MEI

- Borrower
- Value Date
- Maturity Date

During processing, the system will log the following exceptions:

- If the Agent Ref No. exists in the system then the processing status will be updated as 'Failed' by logging an exception – Agent Ref No already exists
- If the matching participant/borrower is not found at the tranche level, then system will mark the 'Processing Status' as 'Failed' by logging an exception Participant/Borrower not found at the tranche.
- If the matching external CUSIP/ ISIN is not found in the system, then the Processing Status will be updated as 'Failed' and an exception message will be logged
- If the availability is insufficient at tranche then system will mark the Processing status as 'Failed' by logging an exception No Availability at Tranche.
- If there is more than one LC Drawdown product linked to the tranche then system will mark the 'Processing status' as 'Enrich' by logging an exception -Product code resolution is failed.
- System will check for exchange rate details. If the drawdown currency is different from the tranche currency and if the exchange rate is not present, then the system will mark the 'Processing Status' as 'Failed' by logging an exception -Exchange rate is not present

You need to go to 'Detail' sub-screen of the Incoming Browser and select the appropriate product. Products linked to the tranche will be available for selection. Then, you can change the Processing Status to 'Pending' and system will re-pick up the message for processing

If the borrower mnemonics at tranche is maintained as ALL type (Product, Branch, Currency, module), then system will mark the Processing status as 'Enrich' and you need to modify the mnemonics for the tranche and resubmit the message for processing by changing the Processing Status as 'Pending'

If the event date is greater than application date, the system will consider the message as intent and will mark the Processing Status as 'Hold'. It will retain the message in the Incoming Browser till the event date and on event date during batch processing system will update the Processing Status as 'Pending' so that the message can be picked for re-processing

If the event date is earlier than application date, then the system will not process the contract/event in the system and will mark the 'Processing Status' of the Incoming Message as 'Pending Authentication'. You need to change the Processing Status to Pending or Processed.

16.17.12 Letter of Credit Amendment Notice

When the FpML message with Message name as 'Lc Amendment Notice' and processing status as 'Pending' is found in incoming FpML browser then system will do the following. You can view and process it by clicking 'Details' button against the message. The 'Letter of Credit Details' screen is displayed as shown below

Letter of Credit details [CITI-FCI-2012-08-08-FPML00]

Message Details

Message ID: CITI-FCI-2012-08-08-FPML00 Msg Seq No: 1

Message Name: LcAmendmentNotice Ext. CUSIP/ISIN: RSETTEST1

Tranche Ref No: 001BTB1122210001 Facility Name: RATESETTEST1TRN

DD Ref No: 001LCFS122210006 Markit Contract ID: CITI-FCI-2012-08-08-FPML006

Participant MEI: CITIBANK01 Branch: 001

Agent MEI: US1L027740 Department: 702

LC Details

Current Value

LC Type: Standby LC Purpose: Financial

Currency: USD Effective Date: 01-JAN-2012 Expiry Date: 23-JAN-2014 Amount: 10,000.00

Modifications

LC Type: Standby LC Purpose: Financial

Currency: USD Effective Date: 01-JAN-2012 Expiry Date: 23-JAN-2014 Amount: 20,000.00

LC amendment notice is applicable only for Maturity date / Principal increase for LC drawdown. Based on the Agent Ref No, the system will identify the LC drawdown for which the LC principal amount has to be increased or maturity date has to be changed.

Once the LC is identified, the system will compare the amendment value date (effective date) and application date to decide whether it is an intent LC Amendment / actual LC Amendment notice

If the FpML message is of type 'intent' i.e., event date (noticeDate) is in future, then message will wait in queue with the status as 'Hold' till event date reaches system date. Once the event date reaches application date, during batch system will update the processing status as 'Pending' so that the job will pick up the FpML message for processing.

If the FpML message is of type 'actual' (i.e., event date is on application date), but effective date is in future, then system will process the message to capture future dated VAMI and update the processing status as 'Processed'

If the FpML message is of type actual (i.e., event date is on application date) and effective date is on application date, system will process the message to capture current dated VAMI and update the processing status as 'Processed':

The System will log the following exceptions during processing:

- If the matching LC is not present system will mark the 'Processing status' as 'Failed' by logging an exception Drawdown is not available.
- In case of principal amount increase, if there is no sufficient availability at tranche (as of value date of amendment), then system will mark the 'Processing status as 'Failed' by logging an exception -No Availability at Tranche
- If the new principal amount is less than the existing principal amount, system will update the Processing Status as Failed by logging an exception- Principal decrease is not allowed

16.17.13 Pricing Change Notice

Incoming messages with Message Name as 'Pricing Change Notice' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'Fee & Margin Details' screen is displayed as shown below

Message Details

Message ID	CITI-FCI-2012-08-08-FPML005	Msg Seq No	1
Message Name	PriceChangeNotice	Ext. CUSIP/ISIN	RSETTEST1
Facility Name	RATESETTEST1TRN	Branch	001
Tranche Ref No	001BTBI122210001	Event Seq No	1
Participant MEI	RATETEST01	Department	702
		Agent MEI	RATETEST01

Fee Component

COM_FLAT
FACFEE_FL

Fee Details

Effective Date	Rate
01-JAN-2013	4.5000000000
01-JAN-2014	7.5000000000

Margin Details

Agent Ref No	Contract Ref No	Effective Date	Rate
CITI-FCI-2012-08-08-FPML002	001BDLL120871001	01-JAN-2013	3.0000000000

If the External CUSIP/ ISIN in the message is an active Borrower Tranche, the fields in the Incoming Browser are populated with data from the message/tranche contract. If the event date is the same as application date, the system will compare the message effective date with event date (notice date). If they are same, the system will update the margin / fee rate for the Tranche as below:

- The margin rate in the system will be compared with the previous margin rate in the message to arrive at the margin component
- The fee rate in the system will be compared with the previous fee rate in the message to arrive at the fee component. If multiple Fee components are mapped for the same FpML Fee Type (received in the Incoming message) then the component will be resolved based on the previous fee rate in the message

Seq No	FCC Component	FPML Fee Type
1	AMENDFEE	AmendmentFee
2	BRKGEFEE	BreakageFee
3	MANPYMTS	OtherFee
4	COM_FLAT	CommitmentFee
5	FACFEE_FL	FacilityFee
6	LCFEECOMML	LetterOfCreditFee
7	LCFEESTDBY	LetterOfCreditFee
8	LCFEESYNT	LetterOfCreditFee

If the effective date is current or application date, then the margin/fee rate will be applied for the new tranche getting booked. New margin/ rate will be propagated to drawdown contracts under the tranche, based on effective date during batch (MRFX event). New fee rate will be applied to tranche contracts online (FRFX event) .

The following fields can be enriched by clicking on the 'Enrich' button (if the dates fall on holidays)

- Fee Effective Date
- Margin effective Date

The system will log the following exceptions during processing:

- If the event date is the same as application date system will compare the message effective date with event date and if they are not the same the 'Processing Status' will be marked as 'Failed' and an exception will be logged
- If event date is greater than application date, then the message will be considered as an 'Intent' message. The Processing Status will be updated to 'Hold'. When application date equals the event date, system will update the Processing Status as 'Pending' so that message can be picked for re-processing

16.17.14 Rollover Processing

Incoming messages with Message Name as 'Rollover Notice' will be placed in the Incoming Browser with Processing Status as 'Pending'. You can view and process it by clicking 'Details' button against the message. The 'DD Renewal Details' screen is displayed as shown below

DD Renewal Details [CITI-FCI-2012-08-08-FPML007]

Message Details

Message ID: CITI-FCI-2012-08-08-FPML007 Msg Seq No: 1 Message Name: RolloverNotice
 Ext. CUSIP/ISIN: EFULFUND1 Branch: 001 Department: 234
 Tranche Ref No: 001BTPR1218404MQ Console Ref No: 001BDLL1222103WS Console Event Seq No: 1
 Facility Name: CR FULL FUND 1
 Participant MEI: IE1L457116 Borrower MEI: US1L055592 Agent MEI: US1L027740

Parent Drawdown Details

Agent Ref No	Currency	Payment Date	Maturity Date	Principal Amount	Interest Amount	Contract Ref No	Event Seq No
ABCDEX	USD	01-AUG-2012	01-AUG-2012	12,500,000.00	.00	001BDLL1218403UX	1

Child Drawdown Details

Agent Ref No	Product Code	Currency	Amount	Global Amount	Maturity Date	Contract Ref No
ABCDEY	BDLL	USD	12,500,000.00	25,000,000.00	30-JUN-2013	001BDLL1222101MN

Interest Rate Details

Int Rate Fixing Date	Start Date	End Date	Floating Rate Index	Rate	Margin	All in Rate	Interest Day Basis
01-AUG-2012	01-AUG-2012	01-JAN-2013	USD-LIBOR-LIBO	2.0000000000	1.3000000000	3.3000000000	Actual/360

Exchange Rate Details

Ex Rate Fixing Date	Start Date	End Date	Exchange Rate

If the External CUSIP/ ISIN in the message is an active Borrower Tranche, the fields in the Incoming Browser are populated with data from the message/tranche contract. Based on the Agent Ref No system will identify the drawdown contract and if the event date is the same as application date, system will check the following:

- System will then check the drawdown products allowed for the tranche and if there is more than one product resolved for a message or there is no drawdown product for the floating Rate Index, 'Processing Status' will be marked as 'Enrich' and exception 'Product code resolution is failed' will be logged

If rollover value date (payment date) and parent drawdown Maturity Date(Maturity Date) are same and are the same as event date, the system will initiate rollover processing and create child contracts once the rollover interest rate fixing details and exchange rate fixing details (if drawdown currency is different from tranche currency) are available in the message. The processing Status of the message will be marked as 'Processed'

If rollover value date (payment date) and parent drawdown Maturity Date(Maturity Date) are same but are greater than event date, then the system will process the rollover instruction and create an uninitiated child contract, once the rollover interest rate fixing details and exchange rate fixing details (if drawdown currency is different from tranche currency) are available. The processing Status of the message will be marked as 'Processed'

If rollover value date (payment date) is earlier than parent drawdown Maturity Date(Maturity Date), system will consider the message as a re-price instruction

System will check the count of maturing drawdowns as per the message:

- If there is more than one maturing drawdown then system will process the message as a consolidated rollover
- If there is one or more than one maturing drawdown and the child drawdown received in the message is already existing in the system, then it will process the message as a merge reprice.
- Agent Ref Nos. Of each maturing loan contract will be matched with an active drawdown contract reference number
- In case of consolidated rollover/ merge reprice, system will consider the drawdown with highest rollover/re-price amount as the driver/re-priced contract

System will check the count of new drawdowns as per the message:

- If there is one or more than one such contract and one maturing drawdown then system will consider the message as a split rollover / split reprice instruction
- Agent Ref No. of the maturing loan contract will be matched with an active drawdown contract reference number
 - a. System will compare the maturing drawdown amount(s) and child drawdown amount(s) to decide whether to process principal increase/decrease rollover/reprice.
 - b. System will take the outstanding principal amount as the rollover amount and will fire ROLL event for the borrower and participant contracts.
 - c. System will check if the count of maturing Loan Contracts and new Loan Contracts are more than one then system will consider it as Consol+Split rollover

The following fields can be enriched by clicking on the 'Enrich' button

- Payment Date
- Child contract Product code
- Child contract Maturity date
- Child contract Interest rate effective Start date
- Child contract Interest rate effective End date
- Child contract Exchange rate effective start date
- Child contract Exchange rate effective end date

System will log the following exceptions during processing:

- If Interest rate fixing details and Exchange Rate fixing rate details are not available then rollover fails with the relevant exception
- If Agent Ref No. of any maturing loan contract is not found, system will mark the Processing Status as 'Failed' by logging an exception -Drawdown is not available
- Re-price is applicable only if the parent drawdown product is of type floating else system will mark the 'Processing status' as 'Failed' by logging an exception
- If the child contract reference number, value date / maturity date is not within the tranche validity dates, system will mark the 'Processing status' as 'Failed' by logging exception - Drawdown value / maturity is not within the tranche value/maturity date.
- If the rollover increase amount is more than tranche availability system will mark the 'Processing status' as 'Failed' by logging an exception-Additional Rollover Amount is greater than Tranche Available Amount
- If rollover value date (payment date) and parent drawdown Maturity Date(Maturity Date) are the same as event date but the event date is greater than application date, system will consider this as a rollover instruction but will mark the Processing Status as 'Hold' till event date. System will retain the message in the Incoming Browser till the event date. On event date during batch system will update the Processing Status as 'Pending' so that message can be picked for re-processing.
- If interest rate fixing details / exchange rate fixing details are not available during processing, (where drawdown currency is different from tranche currency), system will mark the Processing Status as 'Failed' and will log an exception- rate fixing details are not available

If the rollover value date (payment date) is earlier than application date, then the system will mark the 'Processing Status' of the Incoming Message as 'Pending Authentication'. If users change the Processing Status of the message to 'Pending', the message will be picked for re-processing.

16.17.15 Incoming FPML Changes for Negative Rate

The system processes the following incoming FpML messages if interest or margin rate is received in negative.

Notice Name	Associated Event	Remarks	Systematic / Free format
Drawdown Notice	DNOT	To book a new drawdown	Systematic
Rate Reset Notice	IRAM	To perform Interest rate amendment on drawdown	Systematic
Interest Repayment Notice	LIQD	To process full or partial interest payment on drawdown	Systematic
Split Rollover Notice	RNOT	To process Split Rollover	Systematic
Consolidated Rollover Notice	CRNT	To process Consolidation Rollover	Systematic

Pricing Change Notice	MRFX	To process Margin rate revision at drawdown level.	Systematic
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17. Customer Correspondence

17.1 Introduction

This chapter explains the various types of advices and notices generated at each stage for the type of contract that the Loans Syndication (LS) module handles.

The following fields are common to all the Advices/Notices sent to the customer:

- The Standard FAX Header
- The System Date
- The name of the Contact person and his address (may include Fax/Phone No)
- The name of the customer (addressee)
- The Ref No of the facility contract, the facility amount and currency and the date on which the contract is booked in the system.
- The name of the borrowing customer
- The details of sender of the advice/notice (Administrator's name and address)



Note the following:

- While printing the amount, the system takes the full length of the amount tag and prints the amount, due to which there is space between the currency and amount and the amount and symbol for the currency. The system can eliminate all spaces while printing amount fields, based on the value of the UDF 'AMOUNT FORMATTING REQUIRED'.
- You can maintain the value as 'Y' or 'N' for this UDF in the 'File Format Maintenance' and 'Free Format Template Maintenance' screens.

The following details will form the part of all the drawdown notices generated at your bank:

- Interest rate fixing date and time
- Exchange rate fixing date and time



The default borrower of a facility may be different from the default borrower of its tranche. Likewise, the default borrower of a tranche may be different from the default borrower of its drawdown. Hence, the borrower field in all the advices will be populated based on the type of the contract, whether facility, tranche or a drawdown, for which the advice is being sent.

During advice/free format message generation, the system checks whether the value of the UDF 'AMOUNT FORMATTING REQUIRED' is maintained as 'Y' for a given format.

- If the value maintained is 'Y' and advice tags for the amount type of fields in the advice/free format template is maintained in the internal data store, the system while generating advices for the format will eliminate spaces before and after the value of all amount type of fields that need to be printed in the advice.

- If the value maintained is 'N', there will be spaces before and after the value of all amount type of fields.

You need to eliminate the spaces for the following list of free format messages:

- Billing Notice (Borrower + Participants)
- Full Repayment Schedule (Borrower + Participants)
- Payment Schedule (Borrower + Participants)

You need to eliminate the spaces for the following list of advice formats.

- Billing Notice (Borrower + Participants)
- Drawdown Notice (Borrower + Participants)
- Rate Fixing Notice (Borrower + Participants)
- Rollover Notice (Borrower + Participants)
- Consol Rollover
- Split Rollover
- Re-Price Notice (Borrower + Participants)
- Merge Re-Price
- Split Re-Price

17.2 Drawdown Notices

17.2.1 New Drawdown Notice to the Borrower

You can generate this notice to inform the borrowing customer about the new drawdown that is due to him.

The drawdown notice to the borrower contains the following information:

- The reference number of the tranche to which the new drawdown loan is linked.
- The date on which the drawdown is booked in the system
- The period for interest calculation
- The Maturity Date of the drawdown
- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) and amount
- The exchange rate - if exchange rate has been fixed during drawdown booking

- The following Settlement Instructions details
 - 'Acc with bank' name and address
 - The beneficiary account number at 'Account with bank'

17.2.2 Renewal Drawdown Notice to the Borrower

- This notice is generated to inform the borrowing customer when a drawdown loan is due for renewal (rollover). All the fields (excluding Standing Instructions) available in the 'New Drawdown Notice to the Borrower' will be available in this notice.
- Also, a renewal notice is generated on the day of the rollover. This gets a precedence over the advice generated on the day the drawdown is due for a renewal.
- This notice is generated for all the rollover types (Normal, Split and Consolidated).

17.2.3 Consolidated Renewal Drawdown Notice to the borrower

The main facility borrower contract can have several tranches under it and each tranche can have multiple drawdown contracts linked to it. At the time of rollover, you can choose to consolidate several drawdowns under a tranche into a single consolidated drawdown loan.

The Consolidated Renewal Drawdown Notice will be sent to the borrowing customer of the new consolidated drawdown.

The advice will include details of the new consolidated loan as well as details of each of the original loans that were consolidated into the new loan.

New Consolidated Advance

- The reference number of the tranche to which the new drawdown loan is linked.
- The date on which the loans are renewed (rolled over)
- The period for interest calculation
- The Maturity Date of the drawdown
- The tranche amount and the currency (Base Ccy) in which it is expressed
- The drawdown currency (Optional Ccy) and the amount
- The exchange rate - if exchange rate has been fixed during rollover booking

Original Advances

- The tranche amount and the currency (Base Ccy) in which it is expressed
- The drawdown currency (Optional Ccy) and the amount
- The date on which the drawdown is booked in the system
- The period for interest calculation
- The maturity date of the drawdown

17.2.4 Split Renewal Drawdown Notice to the borrower

Just as you consolidate several drawdowns into one single loan, you can split one single drawdown into several drawdowns at the time of rollover.

The advice sent to the borrowing customer includes details of the new split loans as well as details of the original loan that was split into the multiple new loans.

Details of Original Advance

- The reference number of the tranche to which the new drawdown loan is linked.
- The date on which the drawdown is booked in the system
- The period for interest calculation
- The maturity date of the drawdown
- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) and amount

Details of New Consolidated Advances

- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) for each drawdown and the amounts
- The date on which the loan is renewed (rolled over)
- The period for Interest calculation
- The maturity dates of the new loans
- The exchange rate - if exchange rate has been fixed during rollover booking



If the message type is 'Consol', the Split Drawdown Notice received by each customer will include the details of all the drawdowns. If the message type is 'Individual', each borrower will receive the details pertaining to his own drawdown.

17.2.5 New Drawdown Notice to the Participant Bank

You can generate this notice to inform the participant bank about the new drawdown that is due to the customer.

All the fields (excluding Standing Instructions) available in the 'New Drawdown Notice to the Borrower' will be available in this notice. In addition, the following fields will be included:

- The name of the borrowing customer
- The amount contributed by the participant bank and the base currency in which it is expressed.
- The participant's amount in the optional currency
- The following Settlement Instructions

- The name of the beneficiary's bank, account no and address

17.2.6 Renewal Drawdown Notice to the Participant Bank

This notice is generated to inform the participant bank when a drawdown loan is due for renewal. It includes all the fields (excluding Standing Instructions field) available in the 'New Drawdown Notice to the Participant Bank'.

Also, a notice is sent on the renewal day. This gets a precedence over the advice generated on the day the drawdown is due for a renewal.



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 will be generated.

17.2.7 Consolidated Renewal Drawdown Notice to Participant

You can send a Consolidated Renewal Drawdown Notice to the participant bank also when rolling over several drawdowns into a single drawdown.

All the fields available in the 'Consolidated Renewal Drawdown Notice' sent to the borrower will be available in this notice as well. In addition, the following new fields will also be included:

Details of New Consolidated Advance

- The name of the borrowing customer
- The participant's amount in the tranche currency (Base Ccy)
- The participant's amount in the drawdown currency (Optional Ccy)

Details of Original Advances

- The original amount contributed by the participant for each drawdown. This amount is the base currency equivalent of the amount in the drawdown currency.
- The participant's existing amount expressed in the optional currency



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 will be generated.

17.2.8 Split Renewal Drawdown Notice to Participant – Consolidated for All Splits

When you send a Split Renewal Drawdown Notice to the borrowing customer, a similar advice has to be sent to the participant bank also. A consolidated advice consisting of details of all the drawdowns will be sent to all the participants.

In addition to all the fields included in the Split Renewal Drawdown Notice that is sent to the borrower, the following fields will also be included.

Details of Original Advance

- The name of the borrower
- The original contribution of the participant. This is the base currency equivalent of the amount in the drawdown currency.
- The participant's existing amount expressed in the drawdown (optional) currency

Details of New Advances – Consolidated list

- The participant's contribution for the new drawdown expressed in the base currency
- The participant's contribution for the new drawdown in the optional currency



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 will be generated.

17.2.9 Split Renewal Drawdown Notice to Participant – Only Individual Split Details

As stated earlier, participants can receive a Split Renewal Drawdown Notice consisting of details of all the drawdowns. But you can also send the notice by including only individual split details i.e. each participant will receive the details pertaining his/her own drawdown.

In addition to all the fields included in the Split Renewal Drawdown Notice that is sent to the borrower, the following fields will also be included in this notice.

Details of Original Advance

- The name of the borrower
- The original contribution of the participant. This is the base currency equivalent of the amount in the drawdown currency.
- The participant's existing contribution expressed in the drawdown (optional) currency

Details of New Advance – Only Individual Contract Details

- The participant's amount for the new loan, in the base currency
- The participant's amount for the new loan, in the new optional currency



Note the following:

- If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 will be generated.
- The message type for the Borrower Drawdown Notice will be DRAWDOWN_NOTC and that for the Participant Drawdown Notice will be PART_DDOWN_NOTC.

17.3 Exchange Rate Fixing Advices

17.3.1 Exchange Rate Fixing Advice to Borrower for New Drawdown

If the drawdown currency is different from the currency of the tranche under which it is initiated or the account to which it is linked, you would use the exchange rates maintained at your bank for the currency conversions.

You can send an 'Exchange Rate Fixing Advice' to the borrowing customer when a new drawdown is initiated for the customer.

The following details will be included in this advice:

- The reference number of the tranche to which the new drawdown loan is linked
- The date on which the drawdown is booked in the system
- The period for interest calculation
- The Maturity Date of the drawdown



Maturity date will be the rate fixing end date.

- The exchange rate used for the currency conversion
- The currency (Base Ccy) of the tranche contract to which the new drawdown is linked
- The Base currency equivalent of the amount in the drawdown currency.
- The drawdown currency (Optional Ccy)
- The drawdown amount, expressed in the optional currency
- The following Settlement Instructions:
 - 'Acc with bank' name and address
 - The beneficiary account number at 'Account with bank'

17.3.2 Exchange Rate Fixing Advice to Borrower for Renewed Drawdown

- Likewise, you can also send an 'Exchange Rate Fixing Advice' to the borrowing customer on the date the loan contract is due for renewal. All the fields (excluding standing instructions fields) explained above will be made available for the renewed drawdown as well.
- Also, an advice is generated on the renewal day. This gets precedence over the advice generated on the day the drawdown is due for a renewal.

17.3.3 Consolidated Exchange Rate Fixing Advice to the Borrower

When you consolidate several drawdowns into a single consolidated drawdown, you need to fix the exchange rate if the currency of the consolidated drawdown is different from the currency of the tranche under which it is initiated or the account to which it is linked. You can then send a Consolidated Exchange Rate Fixing Advice to the borrower.

The following details of the new consolidated drawdown and the original drawdowns will be included in the advice:

Details of New Consolidated Advance

- The reference number of the tranche to which the new drawdown loan is linked
- The date on which the drawdown loan contract is to be renewed
- The period for Interest calculation
- The maturity date of the drawdown loan
- The amount and currency of the main syndicate contract
- The exchange rate applied

Details of Original Advances

- The amount of the main syndicate contract
- The date on which the drawdown is booked in the system
- The period for Interest calculation
- The Maturity date of the drawdown
- The currency (Base Ccy) of the tranche contract to which the new drawdown is linked.

17.3.4 Split Renewal Exchange Rate Fixing Advice to the Borrower

When you split a single drawdown into a multiple drawdowns, you need to fix the exchange rate if the currency of the new drawdowns is different from the currency of the tranche under which they are initiated or the account to which they are linked. You can then send a Split Renewal Exchange Rate Fixing Advice to the borrower.

The following details of the each of the new drawdowns and the original drawdown that was split will be included in the advice:

Details of Original Advance

- The reference number of the tranche to which the new drawdown loan is linked.
- The date of the drawdown loan
- The period for Interest calculation
- The Maturity Date of the drawdown loan
- The currency of the tranche to which the drawdown is linked

- The Base currency equivalent of the drawdown amount

Details of New Advances

- The amount of the main syndicate contract
- The currency of the tranche to which the drawdown is linked
- The exchange rate applied
- The date of renewal
- The period for Interest calculation
- The maturity date of the drawdown

17.3.5 Exchange Rate Fixing Advice to Participant for New Drawdown

When you initiate a new drawdown for the borrowing customer, you can send an Exchange Rate Fixing Advice to the participant bank also. To recall, exchange rate is fixed only if the drawdown currency is different from the currency of the tranche under which is initiated or the account to which it is linked. The exchange will be used for currency conversions.

All the fields (excluding Standing Instructions fields) available in the 'Exchange Rate Fixing Advice' sent to the borrowing customer will be available in this advice also. In addition, the following informations will also be included:

- The name of the borrowing customer
- The participant's contribution in the currency of the tranche (Base Currency) under which the drawdown contract is linked
- The participant's contribution in the drawdown currency (Optional Ccy).
- Settlement Instructions like:
 - The name of the Beneficiary's bank account number and address



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.

17.3.6 Exchange Rate Fixing Advice to Participant for Renewed Drawdown

Just as you send an 'Exchange Rate Fixing Advice' to the borrowing customer, you may send a similar advice to the participant bank when the exchange rate is fixed for a renewed drawdown. All the fields (excluding standing instructions fields) explained for the 'Exchange Rate Fixing Advice' to Borrower for the new drawdown will be available in this advice as well. In addition, the following fields are also included:

- The date on which the drawdown loan contract is due for a renewal

Also an advice is generated on the rollover date. This gets a precedence over the advice generated on the day the drawdown is due for a renewal.



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.

17.3.7 Consolidated Exchange Rate Fixing Advice to the Participant Bank

When fixing the exchange rate for the consolidated drawdown loan, you can send a Consolidated Exchange Rate Fixing Advice to the participant bank also.

All the fields included in the Consolidated Exchange Rate Fixing Advice sent to the borrower, will be available in this advice as well. In addition, the following details will also be included:

Details of New Consolidated Advance

- The name of the borrowing customers
- The amount contributed by each participant. This amount is expressed in the Base currency

Details of Original Advances

- The participant's contribution for the original drawdown, expressed in the base currency.
- The participant's contribution in the original drawdown, expressed in the optional currency.



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.

17.3.8 Split Renewal Exchange Rate Fixing Advice to the Participant Bank

When fixing the exchange rates for the split drawdown loans, you can send a Split Renewal Exchange Rate Fixing Advice to the participant bank also.

All the fields included in the Split Renewal Exchange Rate Fixing Advice sent to the borrower, will be available in this advice as well. In addition, the following details will also be included:

Details of Original Advance

- The name of the borrowing customer
- The participant's contribution for the original loan. This is the Base currency equivalent of the drawdown amount.
- The participant's contribution for the original loan, expressed in the drawdown currency (Optional Ccy).

Details of New Advances

- The participant's contribution for each of the new loans, in the base currency
- The participant's contribution for each of the new loans, defined in the currency of the drawdown
- The maturity date for each new drawdown



Note the following:

- If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.
- The Message Type for the Borrower Exchange Rate Fixing Advice will be **BORR_EXFX_ADV** and that for the Participant Exchange Rate Fixing Advice will be **PART_EXFX_ADV**.

17.4 Interest Rate Fixing Advices

17.4.1 Interest Rate Fixing Advice to Borrower for New Drawdown

If the product specified for the tranche or draw down loan has a 'Rate Fixing' rate of interest, the same will be applicable on the drawdown loan. However, you can change this rate at the contract level. If a 'Floating' rate has been defined for the product, the rate attached to the specified Rate Code, in the Floating Rates table, will be applicable. You can change the rate code by using the Value Dated Changes function.



This advice is generated as part of the IRFX event.

After the appropriate interest rate has been fixed for the new drawdown loan initiated at your bank, you can send an 'Interest Rate Fixing' advice to the borrowing customer.

The Interest rate fixing advice will include the following details:

- The reference number of the tranche to which the new drawdown loan is linked
- The date on which the drawdown is booked in the system
- The period for interest calculation
- The maturity date of the drawdown



Maturity date will be the rate fixing end date.

- The amount of the drawdown loan
- If you have applied a floating interest rate on the drawdown, the Spread (LIBOR basis) that is applied over the floating interest rate
- The margin applied on the interest rate
- The interest/lending rate applied on the drawdown

17.4.2 Interest Rate Fixing Advice to Borrower for Renewed Drawdown

Similarly, you can send an 'Interest Rate Fixing' Advice to the borrowing customer when you renew a drawdown loan. All the details available for the above advice will be included in this advice also. The advice has the date on which the drawdown is due for renewal.

Also, the advice is generated on the renewal date. This gets precedence over the advice generated on the day the drawdown is due for a renewal.

17.4.3 Consolidated Interest Rate Fixing Advice to the Borrower

When you consolidate multiple loans into a single drawdown and apply the interest rate on the new drawdown, you can generate the Consolidated Interest Rate Fixing Advice to be sent to the borrower.

The following details of the new consolidated drawdown and the original drawdowns will be included in the advice:

Details of New Consolidated Advance

- The reference number of the tranche to which the new drawdown loan is linked
- The date on which the drawdown loan contract is to be renewed
- The maturity date of the drawdown loan
- The drawdown amount
- The period for Interest calculation
- If you have applied a floating interest rate on the drawdown, the Spread (LIBOR basis) that is applied over the floating interest rate.
- The margin applied on the interest rate
- The interest/lending rate applied on the drawdown

Details of Original Advances

- The amount of the main syndicate contract under which the original drawdowns were initiated.
- The drawdown date
- The period for Interest calculation
- The maturity date of the drawdown loan
- The currency of the tranche to which the drawdowns are linked

17.4.4 Split Renewal Interest Rate Fixing Advice to the Borrower

Likewise, when you split a single loan into multiple loans, you need to fix the interest rates to be applied on each drawdown. You can then send a Split Renewal Interest Rate Fixing Advice to the borrower.

The following details will be included in this advice:

Details of Original Advance

- The reference number of the tranche to which the new drawdown loan is linked
- The drawdown date

- The period for Interest calculation
- The maturity date of the drawdown loan
- The amount of the main syndicate contract
- The currency of the tranche to which the drawdown is linked
- The Base currency equivalent of the drawdown amount

Details of New Advances

- The amount of the main syndicate contract under which the new drawdowns are initiated.
- The currency of the tranche to which the drawdowns are linked
- The date on which the drawdown loan contract is to be renewed
- The maturity date of the drawdown loan
- The amount for each new drawdown
- The period for Interest calculation
- If you have applied a floating interest rate on the drawdown, the Spread (LIBOR basis) that is applied over the floating interest rate.
- The margin applied on the interest rate
- The interest/lending rate applied on the drawdown

17.4.5 Interest Rate Fixing Advice to Participant for New Drawdown

Just as you send an 'Interest Rate Fixing' Advice to the borrowing customer, you may send an Interest Rate Fixing Advice to the participant bank as well, at the time of initiating a new drawdown for the borrowing customer.

All the fields (excluding Standing Instructions) available in the advice sent to the borrower will be available in the advice to the participant bank also. In addition, the following additional fields will be included:

- The name of the borrowing customer
- The Participant's contribution in the currency of the tranche (Base Currency) under which the drawdown contract is linked.
- The Participant's contribution in the drawdown currency (Optional Currency).



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.

17.4.6 Interest Rate Fixing Advice to Participant for Renewed Drawdown

You can send this advice to the participant bank when you renew a drawdown for a borrowing customer.

- All fields available for the 'Interest Rate Fixing Advice' that is sent to the participant for a new drawdown, will be available in this advice also.
- The date on which the drawdown loan contract is due for renewal is also specified in the advice.

Also, an advice is generated on the rollover date. This gets precedence over the advice generated on the day the drawdown is due for a renewal.



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.

17.4.7 Consolidated Interest Rate Fixing Advice to the Participant Bank

When you fix the interest rate on the new consolidated drawdown, you can send the Consolidated Interest Rate Fixing Advice to the participant bank just as you would send to the borrowing customer.

All the fields of the Consolidated Interest Rate Fixing Advice sent to the borrower will be available in this advice. In addition, the following fields will be included:

Details of New Consolidated Advance

- The name of the borrowed
- The amount contributed by the participant, expressed in the Base currency

Details of Original Advances

- The original amounts contributed by each participant, in the Base currency
- The original amounts contributed by each participant, in the Optional currency.



If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.

17.4.8 Split Renewal Interest Rate Fixing Advice to the Participant Bank

When you fix the interest rate for the split drawdowns, you can send the Split Renewal Interest Rate Fixing Advice to the participant bank just as you would send to the borrowing customer.

All the fields of Split Renewal Interest Rate Fixing Advice that is sent to the borrower will be included in this advice. The following additional fields will also be available:

Details of Original Advance

- The name of the borrower
- The participant's contribution for the original loan. This is the Base currency equivalent of the drawdown amount.
- The participant's contribution for the original loan, expressed in the drawdown currency (Optional Ccy)

Details of New Advances

- The participant's contribution for each of the new loans, in the base currency.
- The participant's contribution for each of the new loans, defined in the currency of the drawdown.
- The maturity date for each new drawdown



Note the following:

- If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 will be generated.
- The Message Type for the Borrower Interest Rate Fixing Advice will be **BORR_IRFX_ADV** and that for the Participant Interest Rate Fixing Advice will be **PART_IRFX_ADV**.

17.5A note on Interest Rate Revision Advices

Oracle FLEXCUBE allows an interest rate revision beyond the last interest liquidation date, recalculates the interest for the paid schedules and tracks the payable and the receivable for the difference in the interest amounts.

- Receivables and payables are captured by Oracle FLEXCUBE for both the borrower and the participants (through the 'Payable-Receivable Details' screen). Receivables and payables can arise out of amount due changes resulting from either of the following two scenarios:
- Back value dated rate revision beyond the last liquidation/schedule date
- Back value dated Margin changes due to the new back valued Drawdowns beyond the last liquidation/schedule date.
- The payable and receivables are tracked for each of the associated events (REVN for interest rate revision and MRFX for the margin changes).

Advices are sent to the participants and the borrower for rate revision and margin revision events giving details for amount due, amount received and the receivable or the payable amount.

17.6 Assignment Advice

Assignment advices are generated by Oracle FLEXCUBE when a participant transfer (assignment) happens. The fields/tags that are available on the advice are the following:

- Facility
- Borrower code
- Borrower Name
- Tranche
- DD

- Currency
- Value Date of the transfer assignment
- Transfer From – Party details (code & name)
- Transfer Amount

The transferee advice (for each transferee) has the following fields/ tags:

- Transfer To – Party details (code & name)
- Amount

The associated event is the PRAM (Participant Amendment).

The advices are sent to both the participant – transfer from – party (the transferor) and the participant – transfer to – party (the transferee). The transferee details are present in the advice sent to the transferor as well. For a transferee, each transferee advice has only his/her share of the transferred amount in the advice apart from the transferor details.

17.7 Interest Rate Fixing Notice

17.7.1 Interest Rate Fixing Notice to Participant

Just as you send an 'Interest Rate Fixing' Advice to the borrowing customer, you can send 'Interest Rate Fixing' notice to the participant at the time of initiating a new drawdown for the borrowing customer.

All the fields (excluding standing instructions fields) available for the above advice will be included in this notice also.

In addition, the following field will also be included:

- The name of the Borrowing customer

17.7.2 Interest Rate Fixing Notice to Borrower for New Drawdown

You can send the 'Interest Rate Fixing Notice' to the Borrower customer when a new drawdown is initiated for the customer.

The following details will be included in this notice:

- The reference number of the tranche to which the new drawdown loan is linked.
- The date on which the drawdown is booked in the system.
- The period for interest calculation
- The Maturity Date of the drawdown
- The tranche currency (Base Ccy) and amount

- The drawdown currency (Optional Ccy) and amount
- The Interest fixing date/time applied on the drawdown

17.7.3 Interest Rate Fixing Notice to Borrower for Renewal Drawdown

This notice is generated to inform the borrowing customer when a drawdown loan is to undergo a renewal. All the fields available in the 'Interest Rate Fixing Notice to the Borrower' will be available in this notice.

Also, the notice is generated on the rollover date. This gets precedence over the advice generated on the day the drawdown is due for a renewal.

17.7.4 Consolidated Interest Rate Fixing Notice to Borrower for Renewal Drawdown

This notice is generated to give the borrowing customer a consolidated view of the interest rate fixing applied for a drawdown loan due for renewal.

The consolidated interest rate fixing notice includes the following details:

Details of New Consolidated Advance

- The reference number of the tranche to which the new drawdown loan is linked.
- The date on which the drawdown loan contract is due for renewal.
- The period for interest calculation
- The Maturity Date of the drawdown
- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) and amount
- The Interest fixing date/time applied on the drawdown

Details of Original Advances

- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) and amount
- The date on which the drawdown is booked in the system.
- The period for interest calculation
- The Maturity Date of the drawdown

17.7.5 Interest Rate Fixing Notice to Borrower for Split Renewal

This notice is generated to inform the borrowing customer when a drawdown loan is due for a split renewal.

The interest rate fixing notice includes the following details:

Details of Original Advance

- The reference number of the tranche to which the new drawdown loan is linked.
- The date on which the drawdown loan contract is due for renewal.
- The period for interest calculation
- The Maturity Date of the drawdown
- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) and amount

Details of New Advances

- The tranche currency (Base Ccy) and amount
- The drawdown currency (Optional Ccy) and amount
- The date on which the drawdown is to be Renewed
- The period for interest calculation
- The Maturity Date of the drawdown
- The Interest fixing date/time applied on the drawdown

17.7.6 Interest Rate Fixing Notice to the Participant Bank

It includes all the fields of 6.1 and the following additional fields

- The name of the Borrower customer
- The amount contributed by the participant bank and the base currency in which it is expressed.
- The participant's amount in the optional currency
- The Settlement Instructions:
 - The name of the beneficiary's bank name, account number and address



In case you have chosen the media as SWIFT, an MT643 will be generated instead of the above mail format.

17.7.7 Interest Rate Fixing Notice to the Participant for Renewal Drawdown

This notice is generated to inform the participant customer when an interest rate fixing is done for a drawdown loan. All the fields available in the 'Interest Rate Fixing Notice to the Borrower' will be available in this notice. In addition, the notice states the date on which the drawdown loan contract is due for a renewal.



In case you have chosen the media as SWIFT, an MT643 will be generated instead of the above mail format.

Also, a notice is generated on the renewal date. This gets precedence over the advice generated on the day the drawdown is due for a renewal.

17.7.8 Interest Rate Fixing Notice to the Participant for Consolidated Renewal Drawdown

This notice is generated to give the participant customer a consolidated view of the interest rate fixing done for a drawdown loan. All the fields available in the 'Interest Rate Fixing Notice to the Borrower' will be available in this notice. In addition, the following fields will be included:

- **Details of New Consolidated Advance**
- The name of the borrowing customer
- The amount contributed by the participant bank and the base currency in which it is expressed.
- The participant's amount in the optional currency
- **Details of Original Advances**
- The Participant's existing amount (Base Currency equivalent)
- The Participant's existing amount (Optional currency amount)



In case you have chosen the media as SWIFT, an MT643 will be generated instead of the above mail format.

17.7.9 Interest Rate Fixing Notice to the Participant for Split Renewal Drawdown – Consolidated for All Splits

This notice is generated to give the borrowing customer a consolidated view of when a drawdown loan is due for a split renewal. All the fields available in the 'Interest Rate Fixing Notice to the Borrower' will be available in this notice. In addition, the following fields will be included:

Details of Original Advance

- The name of the borrowing customer
- The Participant's existing amount (Base Currency equivalent)
- The Participant's existing amount (Optional currency amount)

Details of New advances – Consolidated list

- The New Base Currency Participation
- The New Optional Currency Participation



In case you have chosen the media as SWIFT, an MT643 will be generated instead of the above mail format.

17.7.10 Interest Rate Fixing Notice to the Participant for Split Renewal Drawdown – Only Individual Split Details

Similarly, you can send a consolidate 'Interest Rate Fixing' notice to the participant customer when you do a split renew of a drawdown loan according to their individual splits. All the details available for the above notice will be included in this advice also.

All the fields available in the 'Interest Rate Fixing Notice to the Borrower' will be available in this notice. In addition, the following fields will be included:

Details of Original Advance

- The name of the borrowing customer
- The Participant's existing amount (Base Currency equivalent)
- The Participant's existing amount (Optional currency amount)
- **Details of New Advance – Only Individual Contract Details**
- The New Base Currency Participation
- The New Optional Currency Participation



Note the following:

- In case you have chosen the media as SWIFT, an MT643 will be generated instead of the above mail format.
- The Message Type for Borrower Interest Rate Fixing Notice will be BORR_INOT_NOTC and that for Participant Interest Rate Fixing Notice will be PART_INOT_NOTC.

17.8 Drawdown Notice to Participant on Account of Exchange Rate Fluctuation

In case there is an exchange rate fluctuation, the participant of the account will be sent a draw down notice.

- The draw down notice to the participant contains the following information:
- The CIF id of the Borrower specified in the contract
- The Additional Amount in the Drawdown Currency
- The Value date of the drawdown
- The Base Currency of the contract
- The Drawdown Currency

- The Settlement Instructions
 - The Beneficiary bank name
 - The Account number and address
- The Interest Rate Notice (rate fixing date and time)

In case you have chosen the media as SWIFT, an MT643 will be generated instead of the above mail format.



The message type for the MT 643 SWIFT message will be PART_ERAM_NOTC.

17.8.1 Amendment to Earlier F/X Notice Sent to Participant

The Draw down Notice sent to the participant in case of fluctuation of exchange rate can be amended and resent to the participant of the account with the following information:

- The Optional Currency
- The Base Currency
- The new exchange rate
- The New amount (Base currency)
- The Old amount (Base currency)
- The Original F/X notice date

In case you have chosen the media as SWIFT, an MT644 will be generated instead of the above mail format.



The message type for the MT 644 SWIFT message will be EXRT_AMEND_ADV.

17.9 Amendment Fees for the Borrower

This notice is generated to give the borrowing customer a message for the amendment fee with the following information.

- Due Date
- Remittance Currency
- Remittance Amount

17.9.1.1 Wiring Instructions to Remit the Payment

- Bank
- Bank Code
- Account

- Account Name
- Ref
- Attn
- Ref Cusip

17.10 Amendment Fees for the Investor

This notice is generated to give the investor a message for the amendment fee with the following information.

- Credit Date (Schedule payment date)
- Credit Amount (Amendment fees that are to be liquidated)
- Credit CCY
- Basis points
- Withholding Tax

17.10.1.1 Wiring Instructions to Credit the Payment

- Bank Name
- BIC Code
- Account
- Account Name
- FFC Account
- FFC Account Name

17.11 Borrower Fax and Payment Message for SLC Fees

This notice is generated to give the borrowing customer a message with regard to the LC Synthetic Libor Interest due with the following information.

- Amount Funded
- LIBOR Base
- LIBOR Spread
- All in Rate
- Day Basis
- From Date
- To Date
- Number of Days

- Interest Due

17.11.1 Borrower Fax Messages for Delayed Funding and Compensatory Interest Component Computation Details

The following FAX messages address the delayed funding and display the corresponding Compensatory Interest component computation details

- Borrower FAX as part BPMT for DD booking for Prime, Libor and Fed funds
- Borrower Normal Rollover FAX for full funding, Late funding and Non funding
- Borrower Normal Rollover with the Decrease /Increase FAX for full funding, Late funding and Non funding
- Prime To LIBOR Reprice FAX
- Merge Reprice FAX

The following FAX template facilitates the Recall Notice to borrower through Free format Messages

- Borrower Normal Rollover FAX for full funding, Late funding and Non funding