

**Product Catalogue – Commitment**

# **Oracle FLEXCUBE Universal Banking**

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FINANCIAL SERVICES

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## Product Catalogue – Commitment

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# 1 Product Catalogue – Commitment (CL)

This chapter describes the various products of Commitment. The products are described in the following sections:

- [1.1 Product Code CLCM – Loan Commitment \(Commitment Product for CL\)](#)
- [1.2 Product Code CLC1 - Loan Commitment \(Commitment Product for CL\)](#)
- [1.3 Product Code CLLM - Loan Limits Product \(Commitment Limits Product for Loans\)](#)
- [1.4 Product Code MOCM - Mortgage Commitment \(Commitment Product for Mortgages\)](#)
- [1.5 Product Code MOC2 - Mortgage Commitment \(Commitment Product for Mortgages\)](#)
- [1.6 Product Code MOLM - Mortgage Limits Commitment \(Commitment Limits Product for Mortgages\)](#)

## 1.1 Product Code CLCM – Loan Commitment (Commitment Product for CL)

### 1.1.1 Introduction

Commitment is a loan amount that may be drawn-down or is due to be contractually funded in the future. Loan commitments consist of both open-end (Revolving) and closed-end (Non-Revolving) loans.

### 1.1.2 Business Scenario

- Commitments get utilized when loans are booked under the commitment.
- Customer can prefer to take a Revolving or non-revolving kind of commitment:
  - Revolving commitments get their amount financed reinitiated on payment of the Loan linked to the commitment is done.
  - Non-Revolving commitments do not get their amount financed (commitment balance) reinitiated on payment of the Loan linked to the commitment is done.
- Charges and Fee can also be charged based on the Utilization of the commitment.

### 1.1.3 Synopsis

- The product can be-used to create non-revolving and revolving commitments.
- The disbursement mode is Auto.
- Commitments created using this product can have Un-utilization fee (MAIN\_INT) and Utilization fee schedules can be booked with user defined formulae and on different dates or in same dates.
- Un-utilization fee calculation based on principal unutilized.
- Utilization fee calculation based on difference of Loan Amount financed and commitment Principal unutilized.
- Processing charge is also handled in this product.

### 1.1.4 Detailed Coverage

#### 1.1.4.1 Preferences

- Disbursement Mode
  - Auto
- Rate (Cross currency transaction preference)
  - Normal variance: 5
  - Maximum variance: 15
  - Standard Middle rate is used
- Liquidation
  - Auto liquidation
  - Partial liquidation not allowed
- Holiday treatment
  - Schedule movement is move forward
  - Ignore holidays

- Account preferences
  - Liquidate back value dated schedules allowed
  - Interest statement is enabled
  - Back period entry allowed

#### **1.1.4.2 Principal Component**

Disbursement schedule starts from value date of contract and schedule frequency is daily.

#### **1.1.4.3 Main Interest Component**

- Formula type is User defined
- Calculated based on Principal unutilized
- Main component
- Accrued daily
- Verify funds enabled
- Interest type can be fixed or floating
- Repayment schedule starts from value date of contract and schedule frequency is monthly

#### **1.1.4.4 Utilization Fee Component**

- Formula type is User defined
- Calculated based on Amount financed - Principal unutilized (i.e. the Utilized Amount)
- Accrued daily
- Interest type can be fixed or floating
- Repayment schedule starts from value date of contract and schedule frequency is monthly

#### **1.1.4.5 Processing Charge Component**

- Minimum and maximum charges are maintained.
- Any amount can be input during booking of contract.
- Charge is calculated through a flat rate and it is based on the financed amount.
- If calculated charge is less than minimum charge, then minimum charge is collected.

- If calculated charge is more than maximum charge, then maximum charge is collected.
- If calculated charge is neither less than minimum charge nor more than maximum charge, then charge calculated based on amount financed is collected.

### 1.1.5 Events Covered

Event Code	Nomenclature
ACCR	Accrual
ALIQ	Automatic Liquidation
BOOK	Booking of contract
DSBR	Disbursement
INIT	Contract Initiation
MLIQ	Manual Liquidation
LINK	Linkage of commitment
DLNK	De-linkage of commitment
RACR	Reversal Accrual
CLOC	Closure of commitment
VAMI	Value Dated Amendment Initiation
VAMB	Value Dated Amendment Booking
TRFR	Branch Transfer
TADJ	Branch Transfer Adjustment



## 1.1.6 Additional Information (UDF)/Special Maintenance

### 1.1.6.1 UDF

- Character UDF - CUSTOMER CATEGORY

### 1.1.6.2 MIS

- MIS Classes
  - COS\_CENTR
  - LOAN\_TYPE
  - LOAN\_TERM

## 1.2 Product Code CLC1 - Loan Commitment (Commitment Product for CL)

### 1.2.1 Introduction

Commitment is a loan amount that may be drawn-down or is due to be contractually funded in the future. Loan commitments consist of both open-end (Revolving) and closed-end (Non-Revolving) loans.

### 1.2.2 Business Scenario

- Commitments get utilized when loans are booked under the commitment.
- Customer can prefer to take a Revolving or non-revolving kind of commitment:
  - Revolving commitments get their amount financed reinitiated on payment of the Loan linked to the commitment is done
  - Non-Revolving commitments do not get their amount financed (commitment balance) reinitiated on payment of the Loan linked to the commitment is done
- Charges and Fee can also be charged based on the Utilization of the commitment.
- Assigning status to commitments based on overdue days.

### 1.2.3 Synopsis

- The product can be used to create non-revolving and revolving commitments.
- The disbursement mode is manual.
- Commitments created using this product can have Un-utilization fee (MAIN\_INT) and Utilization fee schedules can be booked with user defined formulae and on different dates or in same dates.
- Un-utilization fee calculation based on principal unutilized.
- Utilization fee calculation based on difference of Loan Amount financed and commitment Principal unutilized.
- Handling charge and Service tax collected during the commitment booking.
- Processing charge collected during the commitment initiation.

### 1.2.4 Detailed Coverage

#### 1.2.4.1 Preferences

- Disbursement Mode
  - Manual
- Rate (Cross currency transaction preference)
  - Normal variance: 5
  - Maximum variance: 15
  - Standard Middle rate is used
- Liquidation
  - Auto Liquidation
  - Partial liquidation not allowed
- Holiday treatment
  - Local Holiday
  - Schedule movement is move forward

- Account preferences
  - Liquidate back value dated schedules allowed
  - Interest statement is enabled
  - Back period entry allowed
- Rollover
  - Not Applicable
- Rekey Required
  - Amount financed, Book date, Currency and Maturity date have to be entered during the authorization for all the transactions on the commitment booked using this product.

#### **1.2.4.2 Principal Component**

No Disbursement schedule maintained.

#### **1.2.4.3 Main Interest Component**

- Formula type is User defined
- Calculated based on Principal unutilized
- Main component
- Accrued daily
- Verify funds enabled
- Repayment schedule starts from value date of contract and schedule frequency is monthly

#### **1.2.4.4 Utilization Fee Component**

- Formula type is User defined.
- Calculated based on Amount financed - Principal unutilized (i.e. the Utilized Amount)
- Accrued daily.
- Grace days allowed is 5 days.
- Verify funds are enabled.
- Repayment schedule starts from value date of contract and schedule frequency is monthly.

#### **1.2.4.5 Processing Charge Component**

- Minimum and maximum charges are maintained.
- Any amount can be input during booking of contract.
- Charge is calculated through a flat rate and it is based on the financed amount.
- If calculated charge is less than minimum charge, then minimum charge is collected.
- If calculated charge is more than maximum charge, then maximum charge is collected.
- If calculated charge is neither less than minimum charge nor more than maximum charge, then charge calculated based on amount financed is collected.

#### **1.2.4.6 Handling Charge Component**

- Any amount can be input during booking of contract.
- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

#### **1.2.4.7 Service Tax Component**

- Any rate can be input during booking of contract.
- Service\_tax is calculated through a flat rate and it is based on the processing charge rate and amount financed.
- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

#### **1.2.4.8 Adhoc Charge Component**

- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

## 1.2.5 Events Covered

Event Code	Nomenclature
ACCR	Accrual
ALIQ	Automatic Liquidation
BOOK	Booking of contract
DSBR	Disbursement
INIT	Contract Initiation
MLIQ	Manual Liquidation
LINK	Linkage of commitment
DLNK	De-linkage of commitment
RACR	Reversal Accrual
CLOC	Closure of commitment
VAMI	Value Dated Amendment Initiation
VAMB	Value Dated Amendment Booking

## 1.2.6 Additional Information (UDF)/Special Maintenance

### 1.2.6.1 MIS

- MIS Classes
  - COS\_CENTR
  - LOAN\_TYPE
  - LOAN\_TERM

## 1.3 Product Code CLLM – Loan Limits Product (Commitment Limits Product for Loans)

### 1.3.1 Introduction

This product can be used to create commitments through facilities and collaterals. If this product is linked to a facility/collateral, a commitment contract will be created automatically during the EOD. Commitments created using this product can have Un-utilization fee (MAIN\_INT) and Utilization fee schedules in different dates or in same dates.

### 1.3.2 Business Scenario

- Commitment contract can be created against a facility (credit line) or collateral.
- Loans with Un-utilization fee and Utilization fee can be booked with user defined formulae.
- Un-utilization fee calculation is based on principal unutilized.
- Utilization fee is computed on the basis of difference of Loan Amount financed and commitment Principal unutilized.

### 1.3.3 Synopsis

- This product is a “Limits Product”.
- It can be used to create a revolving commitment.
- Commitments are created automatically.
- Commitments are utilized/re-instated whenever the corresponding facility/collateral is utilized/re-instated.

### 1.3.4 Detailed Coverage

#### 1.3.4.1 Preferences

- Disbursement Mode
  - Auto

- Rate (Cross currency transaction preference)
  - Normal variance: 5
  - Maximum variance: 15
  - Standard Middle rate is used
- Liquidation
  - Auto
  - Partial Liquidation not allowed
- Holiday treatment
  - Schedule movement is move forward
  - Ignore holidays
- Account preferences
  - Liquidate back value dated schedules allowed
  - Interest statement is enabled
  - Back period entry allowed
- Limits Product

#### **1.3.4.2 Principal Component**

Disbursement schedule starts from value date of contract and schedule frequency is daily.

#### **1.3.4.3 Main Interest Component**

- Formula type is User defined
- Calculated based on Principal unutilized
- Main component
- Accrued daily
- Verify funds enabled
- Interest type can be fixed or floating
- Repayment schedule starts from value date of contract and schedule frequency is monthly

### 1.3.4.4 Utilization Fee Component

- Formula type is User defined
- Calculated based on Amount financed - Principal unutilized (i.e. Utilized Amount)
- Accrued daily
- Interest type can be fixed or floating
- Repayment schedule starts from value date of contract and schedule frequency is monthly

### 1.3.5 Events Covered

Event Code	Nomenclature
ACCR	Accrual
ALIQ	Automatic Liquidation
BOOK	Booking of contract
DSBR	Disbursement
INIT	Contract Initiation
MLIQ	Manual Liquidation
LINK	Linkage of commitment
DLNK	De-linkage of commitment
RACR	Reversal Accrual
CLOC	Closure of commitment
VAMI	Value Dated Amendment Initiation
VAMB	Value Dated Amendment Booking



## 1.3.6 Additional Information (UDF)/Special Maintenance

### 1.3.6.1 MIS

- MIS Classes
  - COS\_CENTR
  - LOAN\_TYPE
  - LOAN\_TERM

## 1.4 Product Code MOCM - Mortgage Commitment (Commitment Product for Mortgages)

### 1.4.1 Introduction

Commitment is a loan amount that may be drawn-down or is due to be contractually funded in the future. Loan commitments consist of both open-end (Revolving) and closed-end (Non-Revolving) loans.

### 1.4.2 Business Scenario

- Commitments get utilized when mortgages are booked under the commitment.
- Customer can prefer to take a Revolving or non-revolving kind of commitment:
  - Revolving commitments get their amount financed reinitiated on payment of the mortgage linked to the commitment is done.
  - Non-Revolving commitments do not get their amount financed (commitment balance) reinitiated on payment of the mortgage linked to the commitment is done.
- Charges and Fee can also be charged based on the Utilization of the commitment.

### 1.4.3 Synopsis

- The product can be-used to create non-revolving and revolving commitments.
- The disbursement mode is Auto.
- Commitments created using this product can have Un-utilization fee (MAIN\_INT) and Utilization fee schedules can be booked with user defined formulae and on different dates or in same dates.
- Un-utilization fee calculation based on principal unutilized.

- Utilization fee calculation based on difference of Loan Amount financed and commitment Principal unutilized.
- Processing charge, Handling Charge, Adhoc charge and Service tax is also handled in this product.

## 1.4.4 Detailed Coverage

### 1.4.4.1 Preferences

- Disbursement Mode
  - Auto
- Rate (Cross currency transaction preference)
  - Normal variance: 5
  - Maximum variance: 10
  - Standard Middle rate is used
- Liquidation
  - Auto liquidation
  - Partial liquidation not allowed
- Holiday treatment
  - Ignore holidays
  - Schedule movement is move forward
- Account preferences
  - Liquidate back value dated schedules allowed
  - Interest statement is enabled
  - Back period entry allowed
- Rollover
  - Not applicable

### 1.4.4.2 Principal Component

Disbursement schedule starts from value date of contract and schedule frequency is daily.

#### **1.4.4.3 Main Interest Component**

- Formula type is User defined
- Calculated based on Principal unutilized
- Main component
- Accrued daily
- Verify funds enabled
- Repayment schedule starts from value date of contract and schedule frequency is monthly

#### **1.4.4.4 Utilization Fee Component**

- Formula type is User defined.
- Calculated based on Amount financed - Principal unutilized (i.e. the Utilized Amount)
- Accrued daily.
- Verify funds are enabled.
- Repayment schedule starts from value date of contract and schedule frequency is monthly.

#### **1.4.4.5 Processing Charge Component**

- Minimum and maximum charges are maintained.
- Any amount can be input during booking of contract.
- Charge is calculated through a flat rate and it is based on the financed amount.
- If calculated charge is less than minimum charge, then minimum charge is collected.
- If calculated charge is more than maximum charge, then maximum charge is collected.
- If calculated charge is neither less than minimum charge nor more than maximum charge, then charge calculated based on amount financed is collected.

#### 1.4.4.6 Handling Charge Component

- Any amount can be input during booking of contract.
- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

#### 1.4.4.7 Service Tax Component

- Any rate can be input during booking of contract.
- Service tax is calculated through a flat rate and it is based on the processing charge rate and amount financed.
- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

#### 1.4.4.8 Adhoc Charge Component

- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

### 1.4.5 Events Covered

Event Code	Nomenclature
ACCR	Accrual
ALIQ	Automatic Liquidation
BOOK	Booking of contract
DSBR	Disbursement
INIT	Contract Initiation

Event Code	Nomenclature
MLIQ	Manual Liquidation
LINK	Linkage of commitment
DLNK	De-linkage of commitment
RACR	Reversal Accrual
CLOC	Closure of commitment
VAMI	Value Dated Amendment Initiation
VAMB	Value Dated Amendment Booking

## 1.4.6 Additional Information (UDF)/Special Maintenance

### 1.4.6.1 UDF

- Character UDF - CUSTOMER CATEGORY

### 1.4.6.2 MIS

- MIS Classes
  - COS\_CENTR
  - LOAN\_TYPE
  - LOAN\_TERM

## 1.5 Product Code MOC2 - Mortgage Commitment (Commitment Product for Mortgages)

### 1.5.1 Introduction

Commitment is a Mortgage amount that may be drawn-down or is due to be contractually funded in the future. Mortgage commitments consist of both open-end (Revolving) and closed-end (Non-Revolving) Mortgages.

### 1.5.2 Business Scenario

- Commitments get utilized when Mortgages are booked under the commitment.
- Customer can prefer to take a Revolving or non-revolving kind of commitment:
  - Revolving commitments get their amount financed reinitiated once the payment of the Mortgage linked to the commitment is done.
  - Non-Revolving commitments do not get their amount financed (commitment balance) reinitiated once the payment of the Mortgage linked to the commitment is done.
- Charges and Fee can also be charged based on the Utilization of the commitment.

### 1.5.3 Synopsis

- The product can be-used to create non-revolving and revolving commitments.
- The disbursement mode is Manual.
- Commitments created using this product can have Un-utilization fee (MAIN\_INT) and Utilization fee schedules can be booked with user defined formulae and on different dates or in same dates.
- Un-utilization fee calculation based on principal unutilized.
- Utilization fee calculation based on difference of Mortgage Amount financed and commitment Principal unutilized.
- Processing charge, Handling Charge, Adhoc charge and Service tax is also handled in this product.

## 1.5.4 Detailed Coverage

### 1.5.4.1 Preferences

- Disbursement Mode
  - Manual
- Rate (Cross currency transaction preference)
  - Normal variance: 5
  - Maximum variance: 15
  - Standard Middle rate is used
- Liquidation
  - Auto liquidation
  - Partial liquidation not allowed
- Holiday treatment
  - Local holidays
  - Schedule movement is move forward
- Account preferences
  - Liquidate back value dated schedules allowed
  - Interest statement is enabled
  - Back period entry allowed
- Rollover
  - Not applicable
- Rekey Required
  - Book date and Maturity date have to be entered during the authorization for all the transactions on the commitment booked using this product.

### 1.5.4.2 Principal Component

No disbursement schedule is maintained.

### 1.5.4.3 Main Interest Component

- Formula type is User defined
- Calculated based on Principal unutilized
- Main component
- Accrued daily
- Verify funds enabled
- Repayment schedule starts from value date of contract and schedule frequency is monthly

### 1.5.4.4 Utilization Fee Component

- Formula type is User defined
- Calculated based on Amount financed - Principal unutilized (i.e. the Utilized Amount)
- Accrued daily
- Grace days allowed is 5 days
- Verify funds are enabled
- Repayment schedule starts from value date of contract and schedule frequency is monthly

### 1.5.4.5 Processing Charge Component

- Minimum and maximum charges are maintained.
- Any amount can be input during booking of contract.
- Charge is calculated through a flat rate and it is based on the financed amount.
- If calculated charge is less than minimum charge, then minimum charge is collected.
- If calculated charge is more than maximum charge, then maximum charge is collected.
- If calculated charge is neither less than minimum charge nor more than maximum charge, then charge calculated based on amount financed is collected.

### 1.5.4.6 Handling Charge Component

- Any amount can be input during booking of contract.
- No repayment schedule.



- Verify funds are enabled.
- Calculation method is Actual/365.

#### 1.5.4.7 Service Tax Component

- Any rate can be input during booking of contract.
- Service tax is calculated through a flat rate and it is based on the processing charge rate and amount financed.
- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

#### 1.5.4.8 Adhoc Charge Component

- No repayment schedule.
- Verify funds are enabled.
- Calculation method is Actual/365.

### 1.5.5 Events Covered

Event Code	Nomenclature
ACCR	Accrual
ALIQ	Automatic Liquidation
BOOK	Booking of contract
DSBR	Disbursement
INIT	Contract Initiation
MLIQ	Manual Liquidation
LINK	Linkage of commitment

Event Code	Nomenclature
DLNK	De-linkage of commitment
RACR	Reversal Accrual
CLOC	Closure of commitment
VAMI	Value Dated Amendment Initiation
VAMB	Value Dated Amendment Booking

## 1.5.6 Additional Information (UDF)/Special Maintenance

### 1.5.6.1 MIS

- MIS Classes
  - COS\_CENTR
  - LOAN\_TYPE
  - LOAN\_TERM

## 1.6 Product Code MOLM - Mortgage Limits Commitment (Commitment Limits Product for Mortgages)

### 1.6.1 Introduction

This product can be used to create mortgage commitments through facilities and collaterals. If this product is linked to a facility/collateral, a commitment contract will be created automatically during the EOD. This product can be used to create Mortgage Group Commitments. Commitments created using this product can have Un-utilization fee (MAIN\_INT).

### 1.6.2 Business Scenario

- Commitment contract can be created against a facility (credit line) or collateral.
- Commitment with Un-utilization fee can be booked with user defined formulae.
- Un-utilization fee calculation is based on principal unutilized.

### 1.6.3 Synopsis

- This product is a “Limits Product”.
- It can be used to create a revolving commitment.
- Commitments are created automatically.
- Commitments are utilized/re-instated whenever the corresponding facility/collateral is utilized/re-instated.

### 1.6.4 Detailed Coverage

#### 1.6.4.1 Preferences

- Disbursement Mode
  - Auto
- Rate (Cross currency transaction preference)
  - Normal variance: 5
  - Maximum variance: 10
  - Standard Middle rate is used
- Liquidation
  - Auto liquidation
  - Partial liquidation not allowed
- Holiday treatment
  - Schedule movement is move forward
  - Ignore holidays
- Account preferences
  - Liquidate back value dated schedules allowed
  - Interest statement is enabled
  - Back period entry allowed

- Rollover
  - Not applicable
- Limits Product

#### **1.6.4.2 Principal Component**

Disbursement schedule starts from value date of contract and schedule frequency is daily.

#### **1.6.4.3 Main Interest Component**

- Formula type is User defined
- Calculated based on Principal unutilized
- Main component
- Accrued daily
- Verify funds enabled
- Interest type can be fixed or floating
- Repayment schedule starts from value date of contract and schedule frequency is monthly

#### **1.6.4.4 Utilization Fee Component**

- Formula type is User defined
- Calculated based on Amount financed - Principal unutilized (i.e. the Utilized Amount)
- Accrued daily
- Grace days allowed is 5 days
- Verify funds are enabled
- Repayment schedule starts from value date of contract and schedule frequency is monthly

### 1.6.5 Events Covered

Event Code	Nomenclature
ACCR	Accrual
ALIQ	Automatic Liquidation
BOOK	Booking of contract
DSBR	Disbursement
INIT	Contract Initiation
MLIQ	Manual Liquidation
LINK	Linkage of commitment
DLNK	De-linkage of commitment
RACR	Reversal Accrual
CLOC	Closure of commitment
VAMI	Value Dated Amendment Initiation
VAMB	Value Dated Amendment Booking

### 1.6.6 Additional Information (UDF)/Special Maintenance

#### 1.6.6.1 MIS

- MIS Classes
  - COS\_CENTR
  - LOAN\_TYPE
  - LOAN\_TERM