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Oracle Financial Services Software Limited

Oracle Park

Off Western Express Highway
Goregaon (East)
Mumbai, Maharashtra 400 063
India
Worldwide Inquiries:
Phone: +91 22 6718 3000
Fax:+91 22 6718 3001
www.oracle.com/financialservices/

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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 Banking Corporate Lending.

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 pressing 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 Documentation Accessibility

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

1.4 Organization

This manual is organized into the following chapters:

Chapter	Description
Chapter 1	*About this Manual:* This chapter gives information on the intended audience. It also lists the various chapters covered in this User Manual.
Chapter 2	*Loan Syndication -an overview*: This chapter gives a snapshot of the features that the module provides.
Chapter 3	*Reference Information for Loan Syndication:* This chapter explains the maintenance of reference information for loan syndication processing.

Chapter 4	*Defining Products for Loan Syndication*: This chapter details the procedure to set up Loan Syndication products as well as Tranche / Draw Down products.
Chapter 5	*Loan Syndication Contracts - Part 1*: This chapter deals with the procedure involved in entering the details of syndication contracts (Facility, Tranche, and Drawdowns)
Chapter 6	*Loan Syndication Contracts - Part 2*: This chapter deals with the procedure involved in entering the details of syndication contracts (Facility, Tranche, and Drawdowns).
Chapter 7	*Processing Repayments*: This chapter discusses the setting up of repayment schedules for the drawdowns that are disbursed.
Chapter 8	*Processing Charges and Fees*: This chapter takes you through the procedures involved in applying fees to a drawdown loan contract as well as the sharing of fee income among participants of a syndication contract.
Chapter 9	*Rolling over a drawdown:* This chapter explains the process of rolling over a drawdown.
Chapter 10	*Processing a Value Dated Amendment*: This chapter deals with the value dated amendments for a tranches and drawdowns
Chapter 11	*Straight Through Processing (STP)*: This chapter explains the straight through processing from LB module to OL module of Oracle Banking Corporate Lending
Chapter 12	*Re-pricing*: This chapter explains the re-pricing of fixed rate contracts to floating rate contracts and vice-versa.
Chapter 13	Maintaining Collateral Details: This chapter explains the maintenance of collateral input, tranche account details for a collateral and collateral entity details.
Chapter 14	*Appendix A – Events, Advices and Accounting Entries for Loan Syndication Products* – This chapter contains a list of suggested accounting entries, events and advices used by the loan syndication modules.
Chapter 15	*S.W.I.F.T. Messages for Loan Syndication* – This chapter lists the S.W.I.F.T. messages generated by the system during the life cycle of a tranche or drawdown contract under a syndication contract.
Chapter 16	*FpML Messaging* - This chapter deals with the FpML messages supported by the system.
Chapter 17	*Customer Correspondence* – This chapter enumerates the different advices that are sent to customers involved in loan syndication contracts.
Chapter 18	Function ID Glossary has alphabetical listing of Function/Screen ID's used in the module with page references for quick navigation.

1.5 Related Documents

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

- Core Services
- Core Entities

- Loans
- Deposits
- Procedures
- Products
- Interest
- Charges
- Settlement

1.6 Glossary of Icons

This User Manual may refer to all or some of the following icons:

Icons	Function
	Exit
	Add row
	Delete row
	Option List

2. Loan Syndication – An Overview

This chapter contains the following sections:

- Section 2.1, "Loan Syndication"

2.1 Loan Syndication

The Loan Syndication modules of Oracle Banking Corporate Lending 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 (FC), Syndication Borrower (LB) and Syndication Participant (LP) 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
- In addtion, it can 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
- However, the same set of participants can 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 DrawDowns

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

The tenor of the drawdown loans falls within the period between the start date and the end date of the main syndication contract. In addition, the tenor of the drawdown loans begins 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 drawdown loans. A tranche amount could also be disbursed through a single drawdown loan, if so required by the borrower.

This chapter explains each of the features of the Loan Syndication module of Oracle Banking Corporate Lending, 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

In addition, 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 have the borrowing customer, and may have either common or different participants. In addition, 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 drawdown loan.

Therefore, according to the schedule, the drawdown 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	30th June 2000	30000	1	As agreed for tranche one
2	31st July 2000	35000	1	As agreed for tranche one
3	31st August	35000	1	As agreed for tranche one
4	30th September	30000	2	As agreed for tranche two
5	31st October	35000	2	As agreed for tranche two
6	30th November	35000	2	As agreed for tranche two

Each of the drawdown loans can have independent life cycles and different tenors. However, all six drawdown 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, and so on.

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 does not ensure the closure of the swing line drawdown, before the initiation of regular drawdown as there is 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 Banking Corporate Lending, 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 drawdown. 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 drawdown 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 drawdown under the product into Oracle Banking Corporate Lending, they are automatically applied to it, and you need not specify them new.

In Oracle Banking Corporate Lending, 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 drawdown 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 Banking Corporate Lending processes syndication contracts by allowing you to capture contracts at both the tranche level as well as the drawdown 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 drawdown loan availed has been repaid by the borrower. If the commitment is non-revolving, the commitment amount is not reinstated on repayment of the drawdown loan availed.

2.1.6.2 Processing Drawdown

After a tranche comes into effect (that is, on and after the value date of the borrower tranche contract), the drawdown 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 drawdown loan contract involves the borrower drawdown 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 drawdown 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 drawdown 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 Banking Corporate Lending 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 are 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 Banking Corporate Lending and apportion the liquidated fee income to the participants, net of tax.

3. Reference Information for Loan Syndication

This chapter contains the following sections:

- Section 3.1, "Introduction"
- Section 3.2, "About Privacy By Design"
- Section 3.3, "Maintaining Administrators"
- Section 3.4, "Maintaining Party Types"
- Section 3.5, "Maintaining User Groups"
- Section 3.6, "Maintaining Reason Codes"
- Section 3.7, "Maintaining Diary Events"
- Section 3.8, "Associating Message Types to Events"
- Section 3.9, "Indicating Branch Parameters for Loan Syndication"
- Section 3.10, "Maintaining Interest Limits"
- Section 3.11, "Maintaining Status Rules for a Syndication Product"
- Section 3.12, "Maintaining Margin Component Details"
- Section 3.13, "Maintaining Borrower Rating "
- Section 3.14, "Maintaining the Daily Rate LIBOR"
- Section 3.15, "Maintaining Reporting Requirements"
- Section 3.16, "Maintaining Static Details"
- Section 3.17, "Maintaining Named Agents"
- Section 3.18, "Maintaining Banker's Acceptance"

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 About Privacy By Design

Oracle Banking Corporate Lending implements 'Privacy By Design' by protecting PII (Personally Identifiable Information) data. In Oracle Banking Corporate Lending, 'Privacy By Design' is achieved by following methods.

- Data Masking
- Right To Be Forgotten
- Granular Access
- Transparent Database Encryption
- Data Portability

3.2.1 Maintaining PII data

If the data comes under the following categories for an individual user, then it is considered as PII data.

- Customer Name
- Customer Contact Information
- Demographic Information
- Financial Information
- Unique Identifiers

3.2.2 Data Masking

Oracle Banking Corporate Lending masks the PII (Personally Identifiable Information) data to protect the privacy of the customer.

3.2.3 Right to Be Forgotten

Oracle Banking Corporate Lending provides 'Right to be Forgotten' PII data provision, if the customers are no longer associated with the bank. Once the customer is forgotten in the system, customer data is not available for any operation (including query/re open) in 'Detail screen' as well as in the 'Summary screen'.

3.2.4 Granular Access

Oracle Banking Corporate Lending provides granular access to PII data based on the access group restrictions maintained in the user definition. Each customer is mapped to the access group and each user is provided access to that group. Based on the access group, you can query, view, create, amend, re-open, and so on the customer information.

Example

For 'USER1', only 'ACCGRP'1 is mapped as 'Allowed' in 'Access Group Restriction'. In this case, USER1 can create, modify, view, and query only the customers under access group 'ACCGRP1'. However, 'USER1' cannot create, modify, view or query the transactions for customers mapped to other access group.

For 'USER2', only 'ACCGRP2' is mapped as 'Disallowed' in 'Access Group Restriction'. In this case, 'USER2' cannot create, modify, view, query for the customers under access group 'ACCGRP2'. However, 'USER2' can create, modify, view or query the transactions for customers mapped to other access group.

3.2.5 Transparent Database Encryption (TDE)

It is required to encrypt sensitive application data on storage media completely transparent to the application itself. TDE encrypts data automatically when written to storage including backups, data dumps exports, and logs. Encrypted data is correspondingly decrypted when read from storage. Access controls that are enforced at the database and application layers remain in effect.

3.2.6 Data Portability

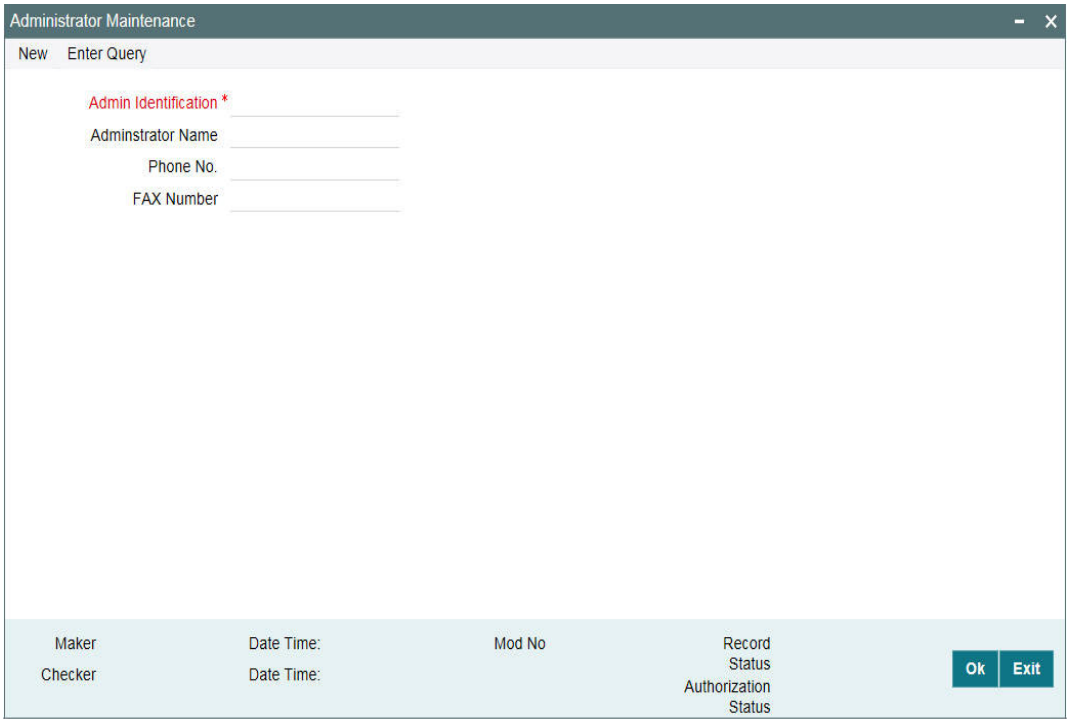
As part of 'Privacy By Design', data portability feature is available for the following summary screens.

- LBSINSTR
- OLSADMIN

3.3 Maintaining Administrators

Your bank may want to assign appropriate administrators to loan syndication contracts. You can maintain such administrators in the system, in the ‘Administrator Details’ screen.

You can invoke the ‘Administrator Maintenance’ screen by typing ‘OLDADMIN’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can capture the following in this screen:

Administrator ID

You have to capture a unique id for each administrator. This helps 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 also helps you in identifying the administrator in the system. The name can comprise a maximum of 30-alphanumeric characters.

Phone Number

Specify the phone number of the administrator.

FAX Number

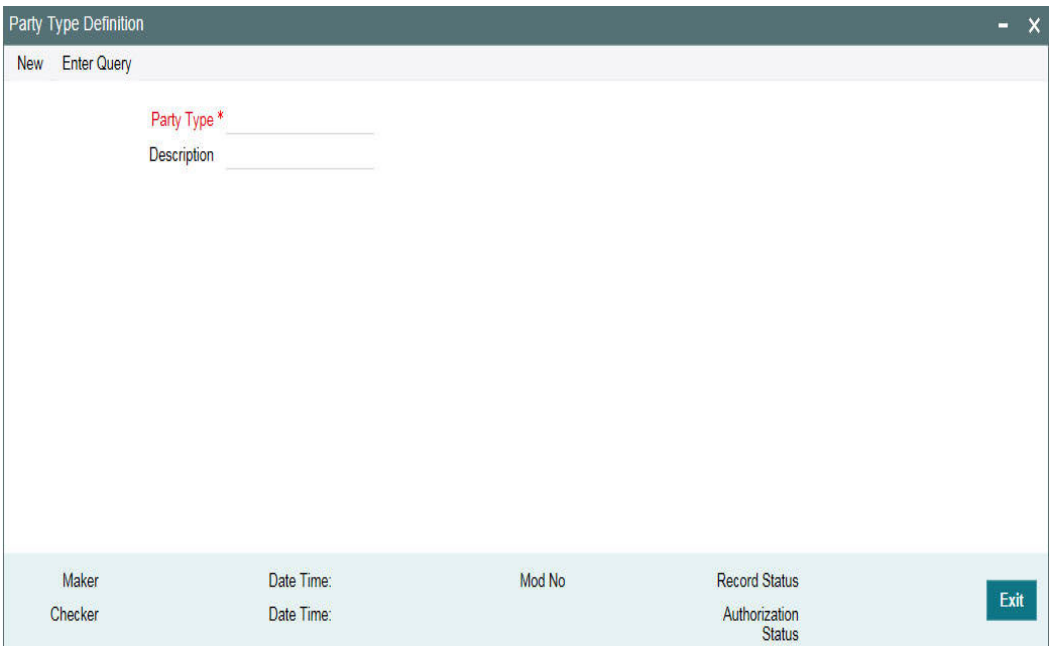
Specify the FAX number of the administrator.

Note

In case of data masking, if 'PII Allowed' check box is not selected in 'User Maintenance screen' (SMDUSRDF), then 'Administrator Name', 'Phone Number', and 'Fax Number' field values are masked. For more information, refer to *Common Core - Security Management System User Guide*.

3.4 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. You can invoke the 'Party Type Definition' screen by typing 'OLDPARDF' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

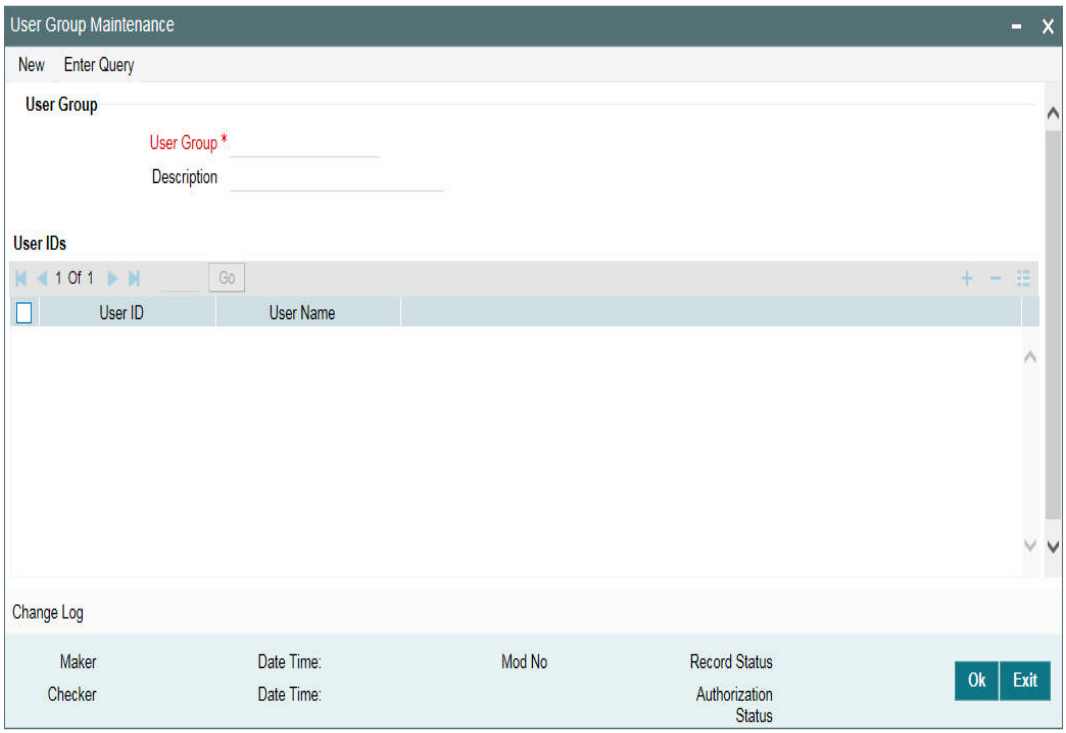
Capture a unique name to identify the entity/party type in the system. The id can consist of a maximum of 10-alphanumeric characters.

Party Type Description

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

3.5 Maintaining User Groups

You can identify the different types of user groups involved in loan syndication contracts through the ‘User Group Maintenance’ screen. You can invoke the ‘User Group Maintenance’ screen by typing ‘OLDUSGRP’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 also helps 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:

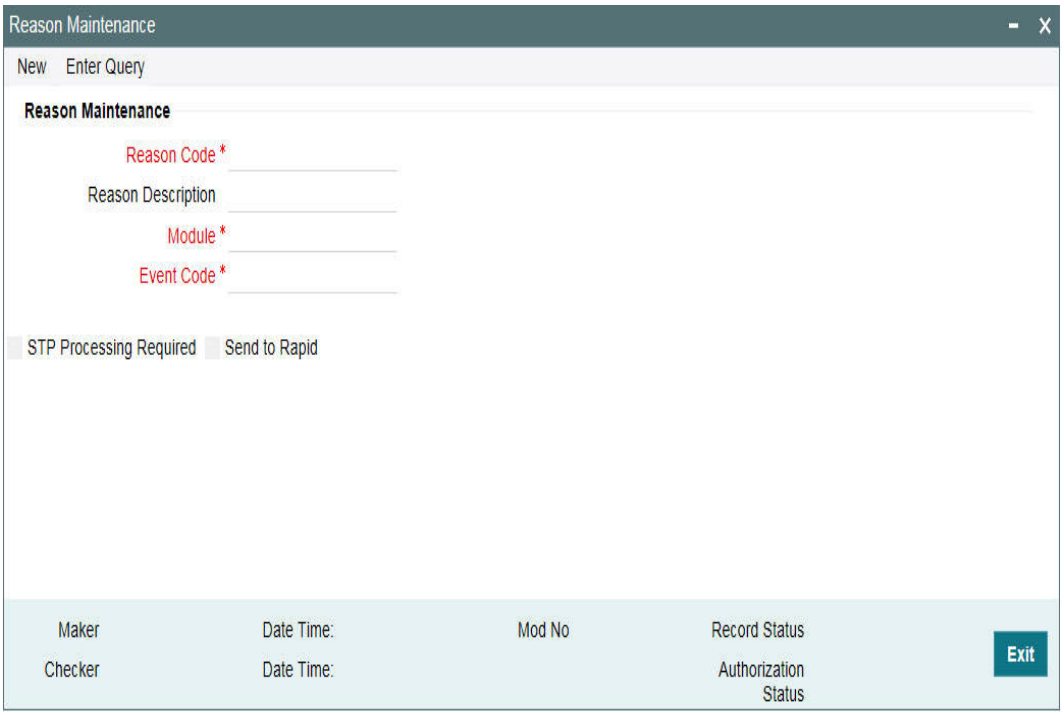
User ID

Select the ID of the user you want to include in the group. The option list displays 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 Row' button to add another user to the group. If you wish to delete a user from the group, click the 'Delete Row' button.

3.6 Maintaining Reason Codes

You can maintain reason codes in the 'Reason Maintenance' screen. You can invoke the 'Reason Maintenance' screen by typing 'LBDRSMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following fields:

Reason Code

Specify the reason code here.

Reason Description

Provide the description of the reason specified.

Module

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

Event Code

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

STP Processing Required

Select this check box if STP processing is required.

Send to Rapid

Select this check box to send the auto reduction feed to rapid.

3.6.0.1 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 ‘Send to Rapid’ check box is selected.

Note

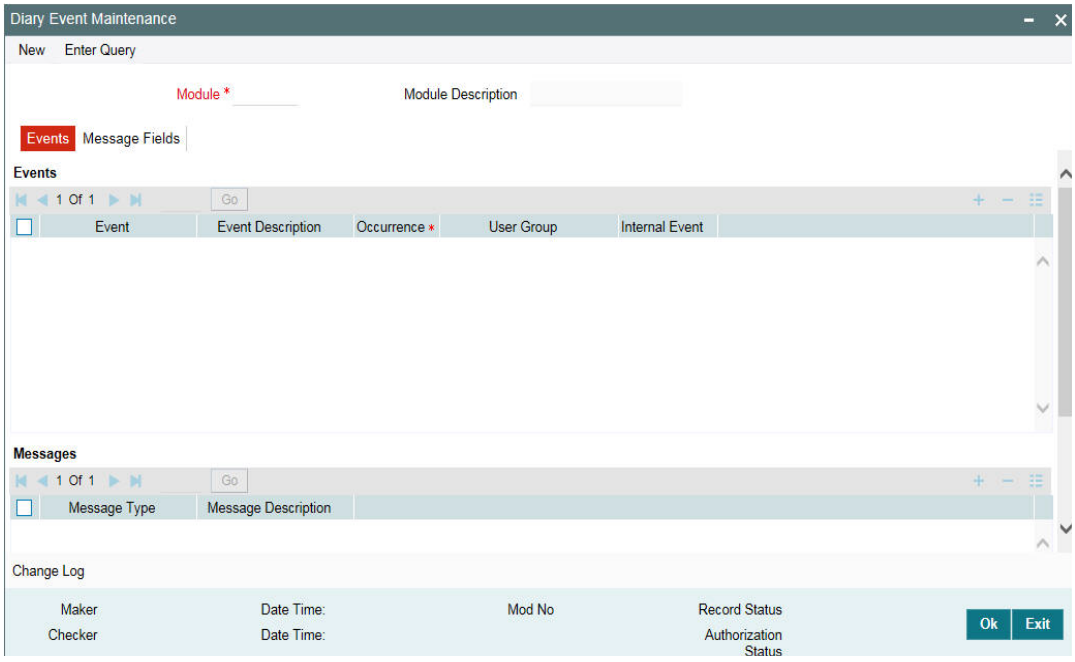
- You have to manually choose this reason code while performing commitment reduction in OL module for the commitment contract.
- The Reason code is factory shipped with the flag ‘Send to Rapid’ deselected by default.
- This reason code is applicable only for commitment VAMI and not applicable for Loan VAMI. This should be controlled operationally
- You are allowed to select / deselect the flag ‘Send to Rapid’ only for OL module

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

3.7 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.

You can invoke the ‘Diary Event Maintenance’ screen by typing ‘OLDDIAEV’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 ‘LB’ to indicate that the diary events are being maintained for loan syndication contracts.

Module Description

Specify the module description for the selected module.

3.7.1 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 LB 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 LB 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.

Note

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

Internal Event

You have to select this option to identify the event as an internal event. In this case, the message is an internal message to the user group.

3.7.2 Capturing Message Details

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.

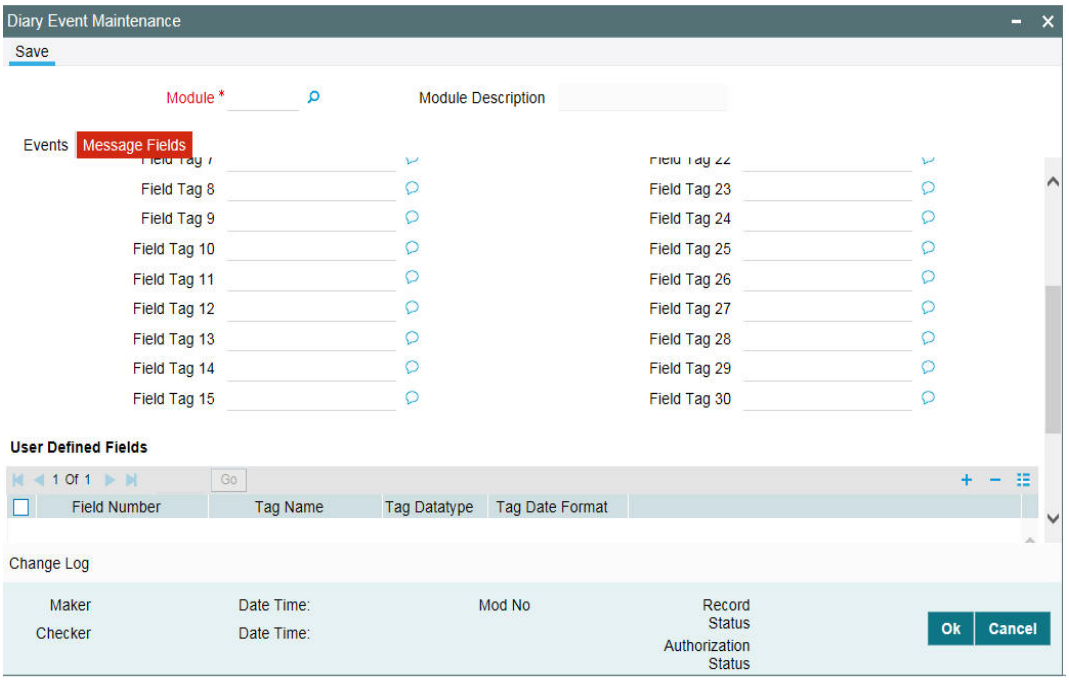
3.7.3 Maintaining Message Types for a Module

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.



In the above screen, you can do the following:

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

3.7.3.1 Defining Field Tags

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

3.7.3.2 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 upto 20-alphanumeric characters. The system displays 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

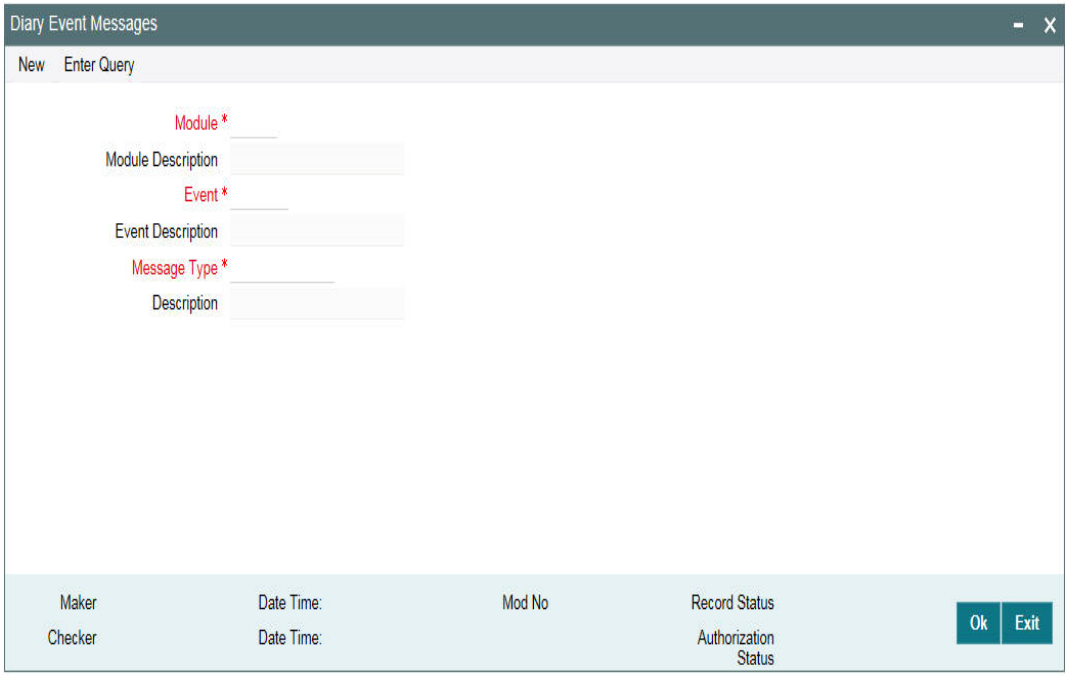
If you specify that the value of the UDF should be of 'Date' type, then you also have to specify the date format. The available options are:

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

3.8 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.

You can invoke the 'Diary Event Messages' screen by typing 'OLDDRYMS' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 ‘LB’ here to indicate the details are applicable to the Loans Syndication module. When you select the module, its description is also displayed.

Event

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

Event Description

Specify the event code description.

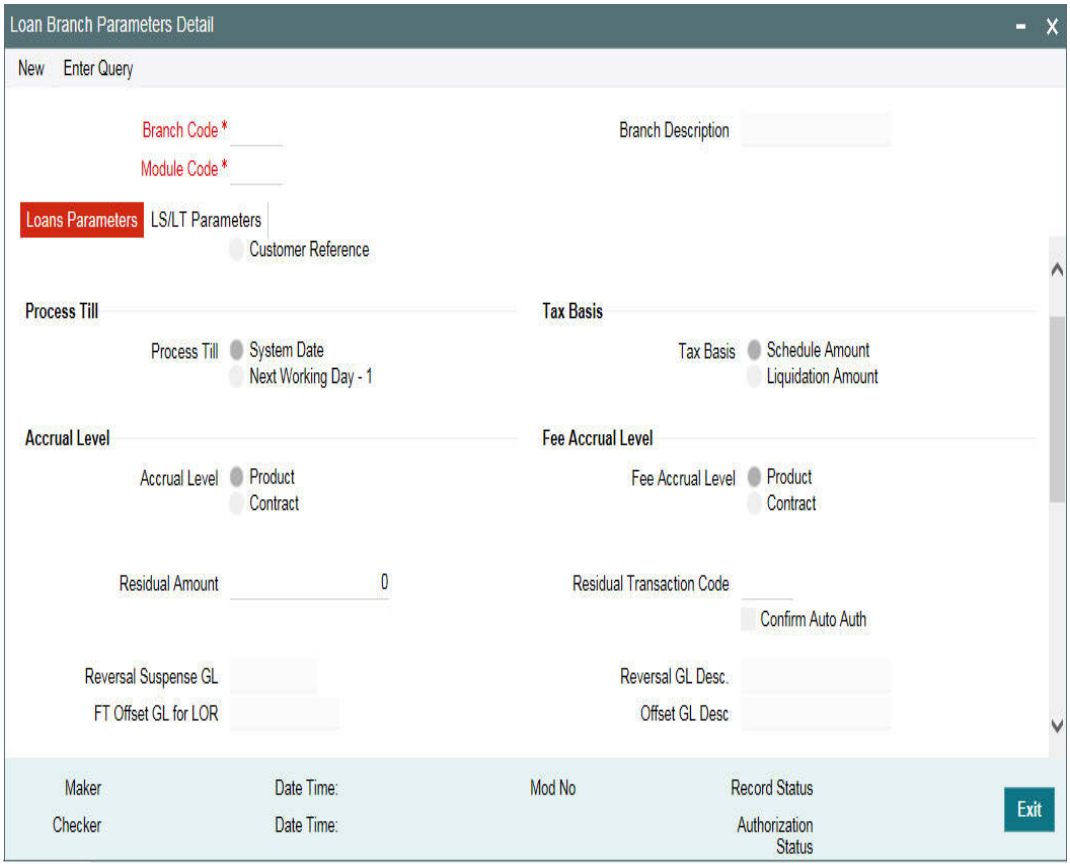
Message Type

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

3.9 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. You can invoke the ‘Branch Parameters Detail’ screen by typing ‘OLDBRPRM’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Branch code

Indicates the alphanumeric 3 characters to identify the branch of the bank

Module Code

Indicate the module code for which the branch maintenance is done

Branch Description

Indicates the brief description of the branch.

Loan Parameter Tab

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 are 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 are processed.

The events scheduled for the holidays, that is, 21st October 2005 and 22nd October 2005 are 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 are also processed.

FTI Handoff Required

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

Chinese Characters in Payment

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

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.

LS/LT Parameters Tab

Reporting Currency

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

Reporting Rate Type

This is the exchange rate type, which is 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 are posted.

Capturing Sighting Funds Parameters

Sighting Funds Applicable

Select this field to indicate that sighting funds is applicable for the branch. On selecting this field, you can 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, is the number of days after the ‘System Date’ for which events marked for forward processing are 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, are 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 are the number of the days before the System Date prior to which any event confirmed for forward processing are 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, are 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 are validated in Tranche currency.

Collateral MaxdrawDown Bal

Specify the maximum drawdown 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:

- New Availability Amount = (Least of Net Available Collateral Amount for the Drawdown Value Date and Tranche Amount) – (Total Outstanding))

On saving the details, an override message is displayed and the transaction requires dual authorization.

An e-mail is 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:

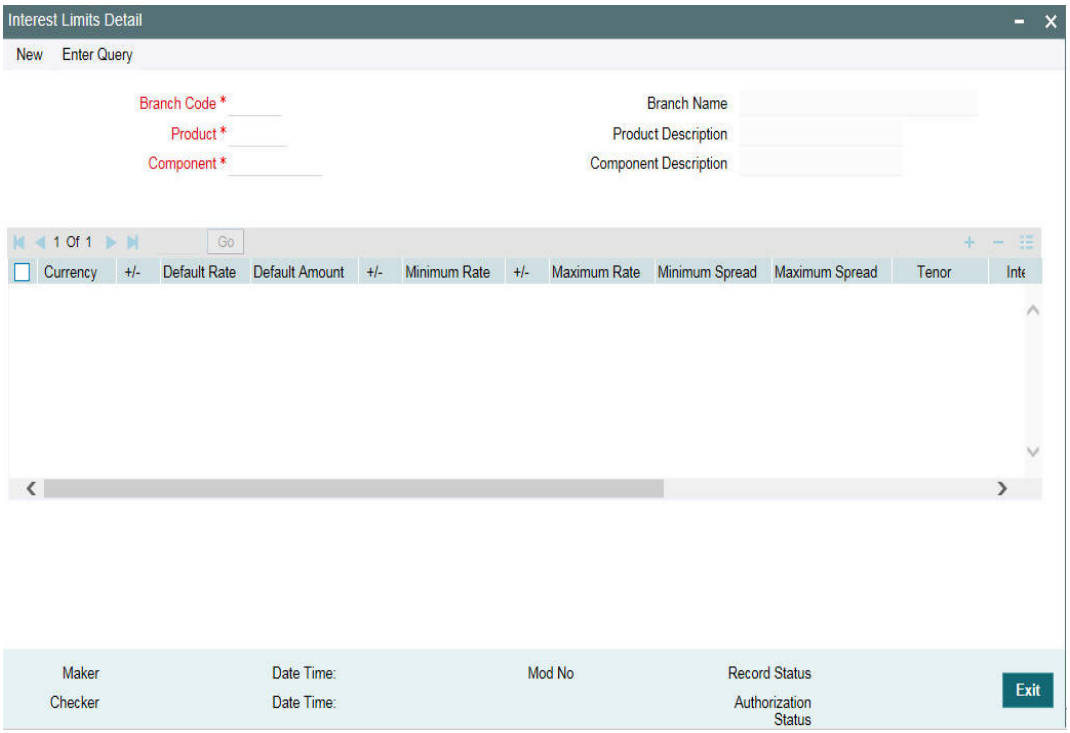
Tranche Availability is less than -collateral Min Tranche balance amount

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

3.10 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 the 'Interest Limits Detail' screen by typing 'OLDINTLM' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

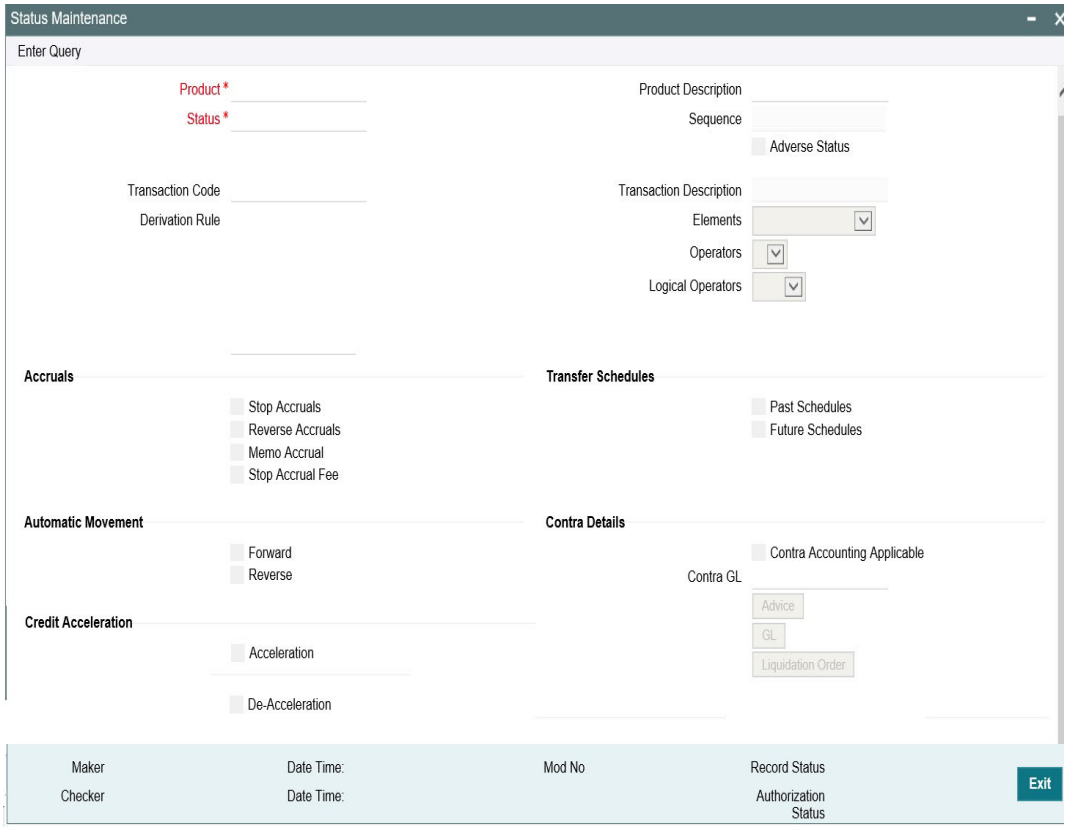


You can maintain tenor based, currency-wise interest limits for a combination of Product and Interest Component through this screen.

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.

3.11 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 the ‘Status Maintenance’ screen by typing ‘OLDSTATS’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Product

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.

Product Description

You can provide the description of the product so that it can be easily identified.

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 displays the Status Codes associated with the selected product.

Sequence

The sequence of actions that takes place for the contract.

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, and so on)

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

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 are applicable for moving a contract from the current status to the status being defined. The option list displays all the transaction codes maintained in the system (through the ‘Transaction Code Maintenance’ screen).

Transaction Description

You can provide the description of the transaction code.

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 Banking Corporate Lending 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, and so on.
- 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 is marked as delinquent. Additionally all contracts involving the customer which are in the normal status are 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 For example, . 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

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

Reverse Accrual

Select this check 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

Select this check 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.

Note

Memo GLs are contingent in nature.

Past Schedules

Select this check 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 enables 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

Select this check box to indicate that the entries for the future schedules have to be transferred to the new GLs for each component. If selected this option enables the transfer of only the principal schedules due in the future to the designated GL.

Forward

Select this check box 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 is 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 Online Details screen.

Reverse

Select this check box 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 is 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.

Contra Accounting Applicable

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

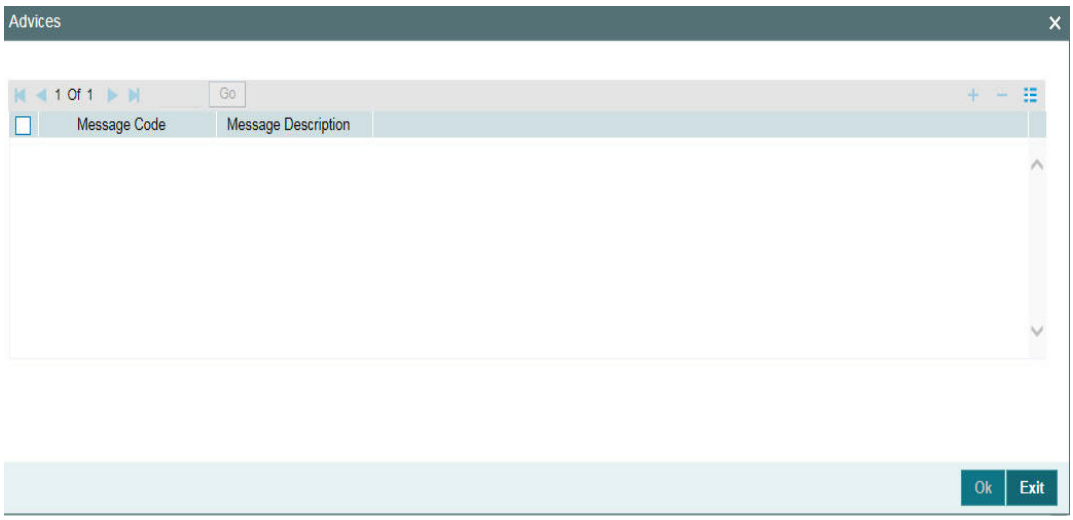
Contra GL

If you have selected the ‘Contra Accounting Applicable’ check box, you 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, is 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 is done.

3.11.1 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 Banking Corporate Lending. Click the 'Advice' to associate the required advices with the status rule.

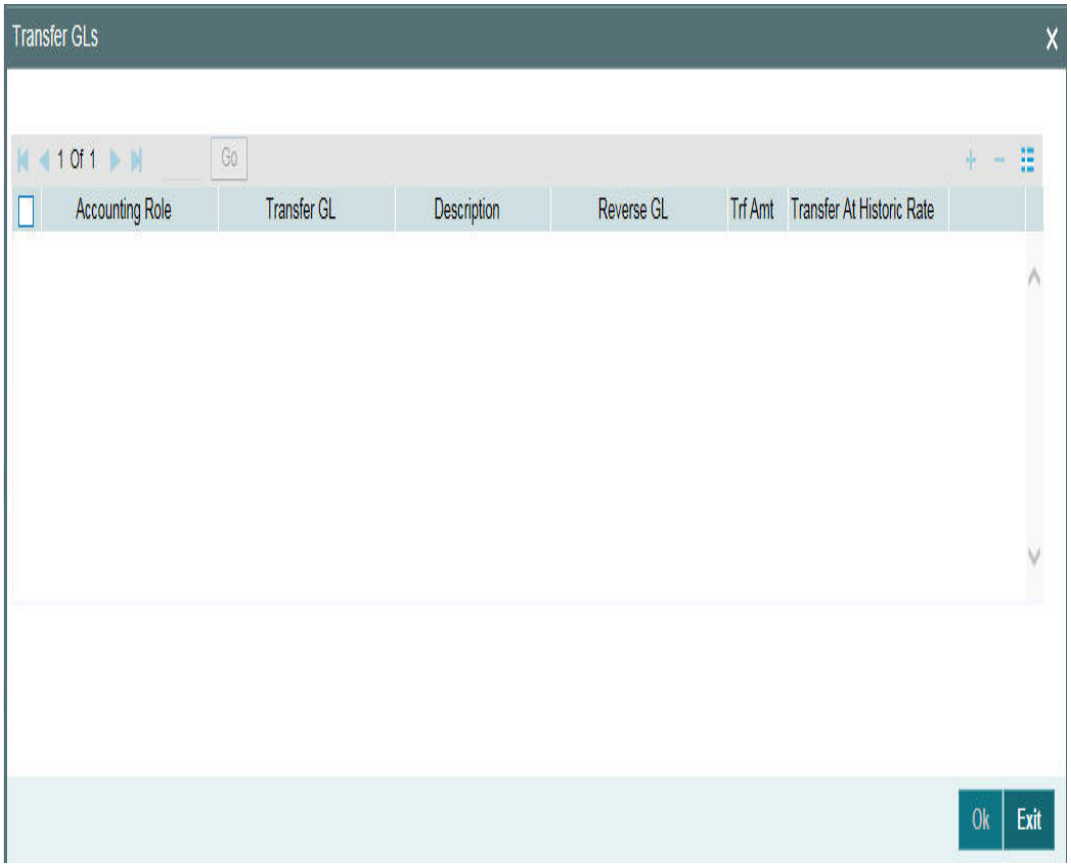


You can associate the message to be generated for a particular status of the product by selecting the Message code in the above screen.

3.11.2 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 (for example, 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 'GL' 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.

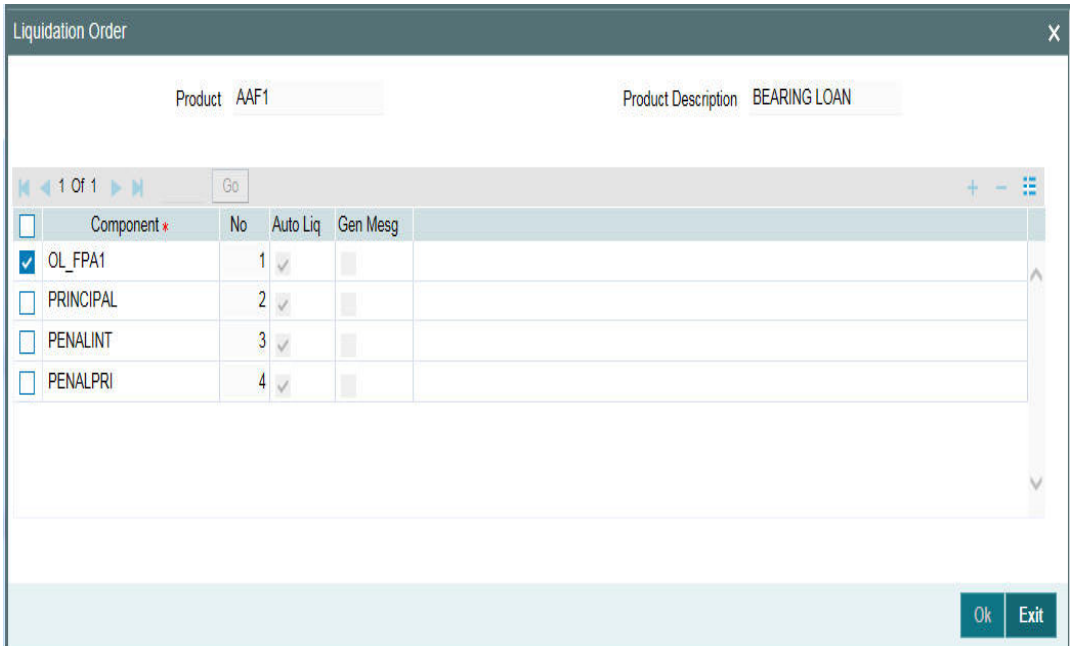
If you enable this option, the system takes the existing LCY balance without further computation. If the option is left unchecked, the LCY equivalent of the FCY amount being transferred is recomputed based on the current exchange rate from the currency rates maintenance.

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

3.11.3 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 'Liquidation Order' 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 are liquidated is displayed here. It is in incremental order.

Auto Liq

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

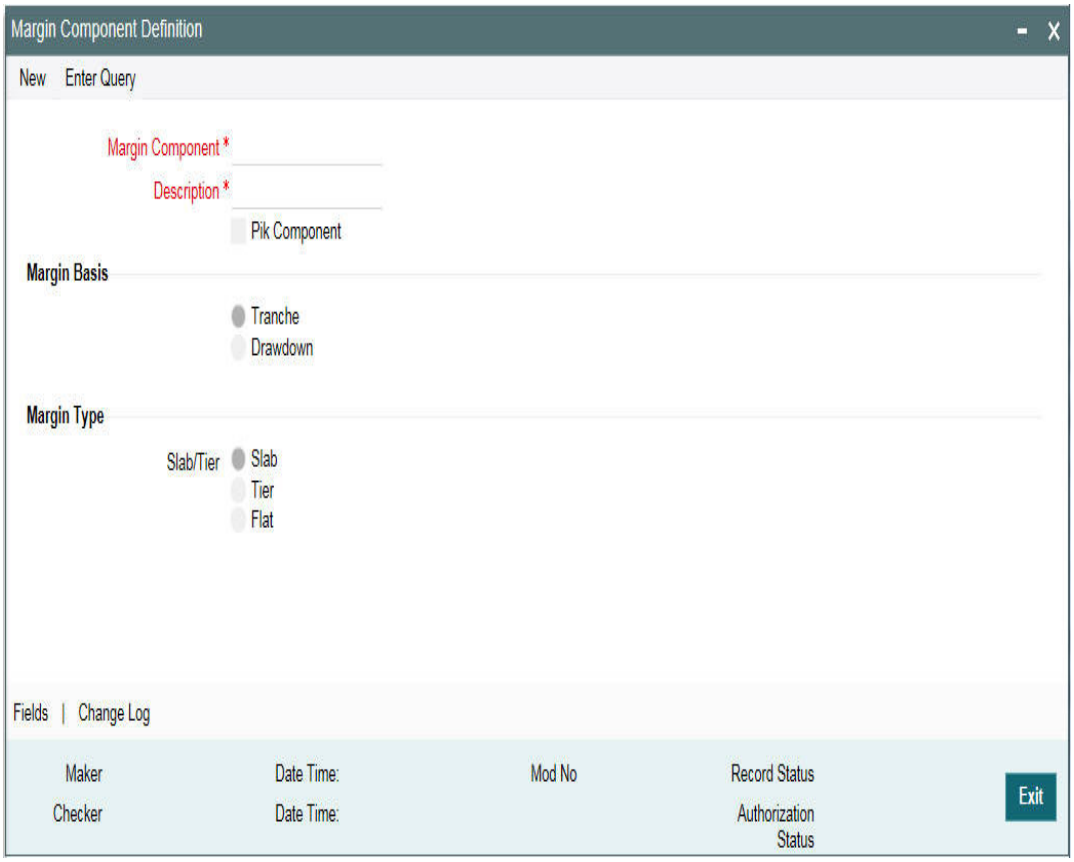
Any components for which you do not select the 'Auto Liq' box must be liquidated manually.

Gen Mesg

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

3.12 Maintaining Margin Component Details

Oracle Banking Corporate Lending allows you to define margin components through the 'Margin – Definition' screen. You can invoke the 'Margin Component Definition' screen by typing 'LFDMGMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, specify the following:

Margin Component

Give the margin component you are defining, a unique code by which you can identify 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 are 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.

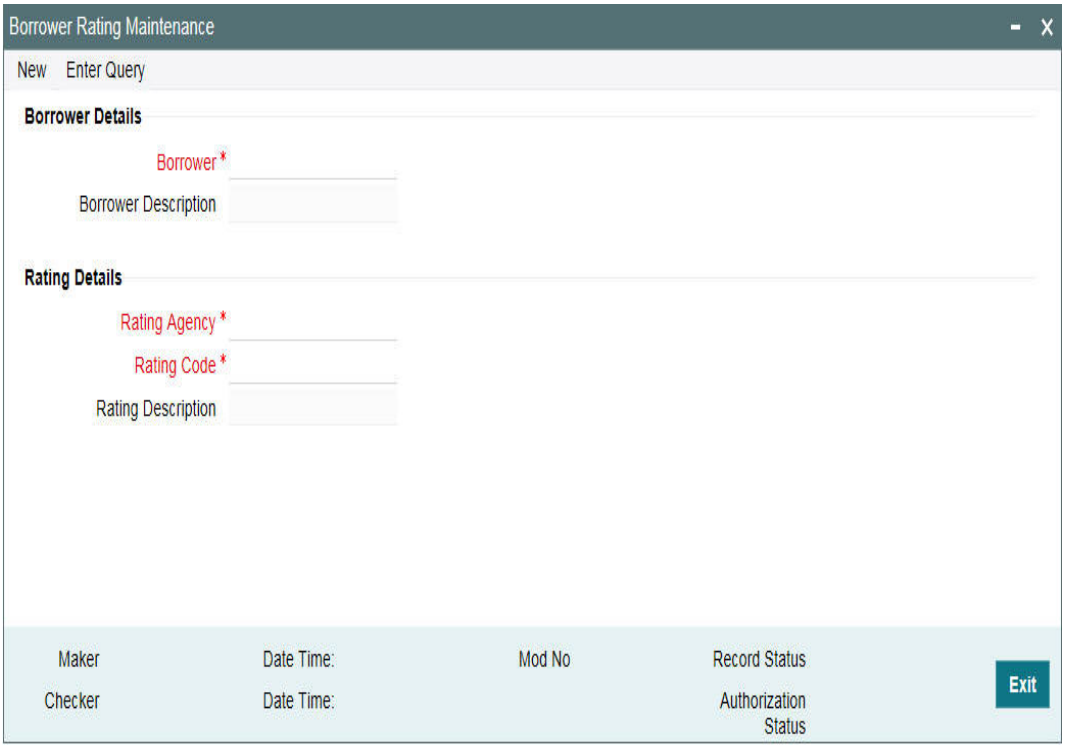
> **Note**
>
> In the ‘Margin Maintenance’ screen (invoked from the ‘LB Tranche Contract Online’ screen) you can define the Slab/Tier structures (for tranche utilization percentage) with different effective dates for margin types of ‘Tranche’ basis.

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

3.13 Maintaining Borrower Rating

Oracle Banking Corporate Lending allows you to associate a margin rating agency to each customer. You can do this through the ‘Borrower Rating Maintenance’ screen.

You can invoke the ‘Borrower Rating Maintenance’ screen by typing ‘LBDBRTAY’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

Note

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.

Borrower Description

The description of the CIF ID of your customer (borrower).

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.

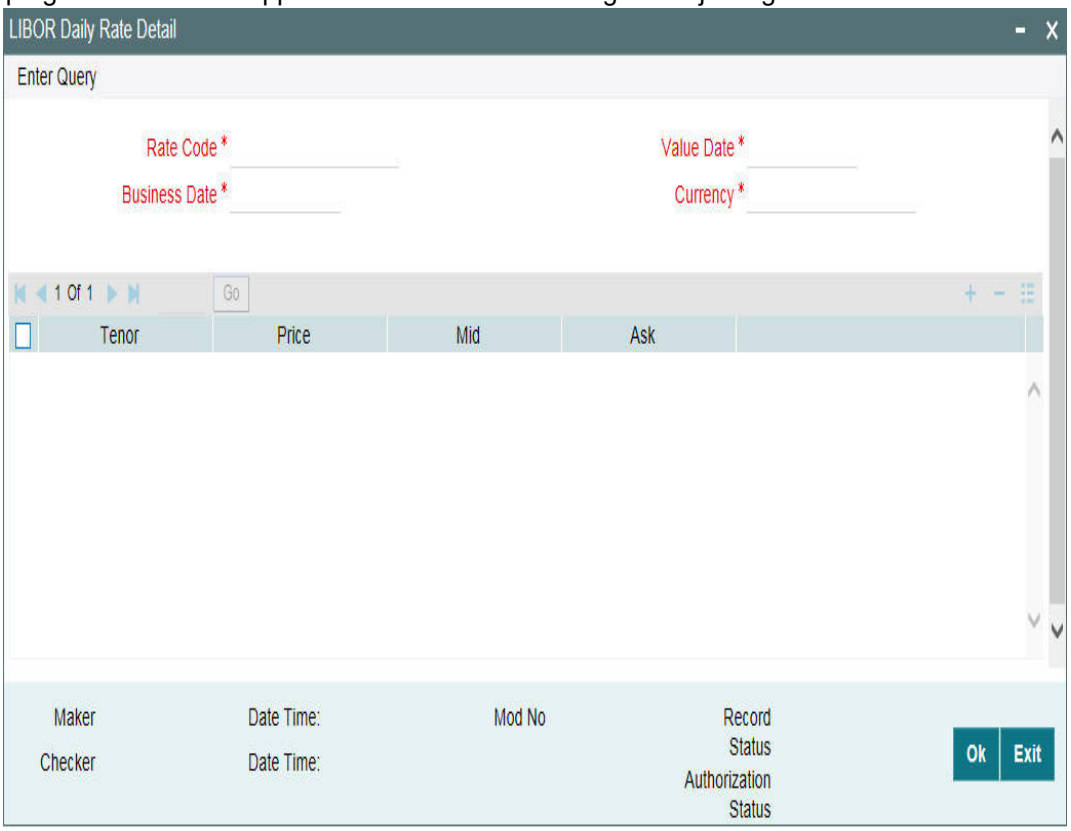
Rating Description

The description of the rating agency.

3.14 Maintaining the Daily Rate LIBOR

Oracle Banking Corporate Lending allows you to receive LIBOR/EURIBOR rates from PMC. You can view this through the 'Daily Rate LIBOR' screen.

You can invoke the 'Daily Rate LIBOR Detail' screen by typing 'LBDPMCFC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



All rates that is received from PMC are displayed below.

Rate Code

The system displays the rate code.

Currency

The system displays the currency.

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

Note

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

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 is not done. This is explained in detail in the subsequent sections
- At the End of Day the Batch is not 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 is 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 Banking Corporate Lending application date is 22-jun-2014)

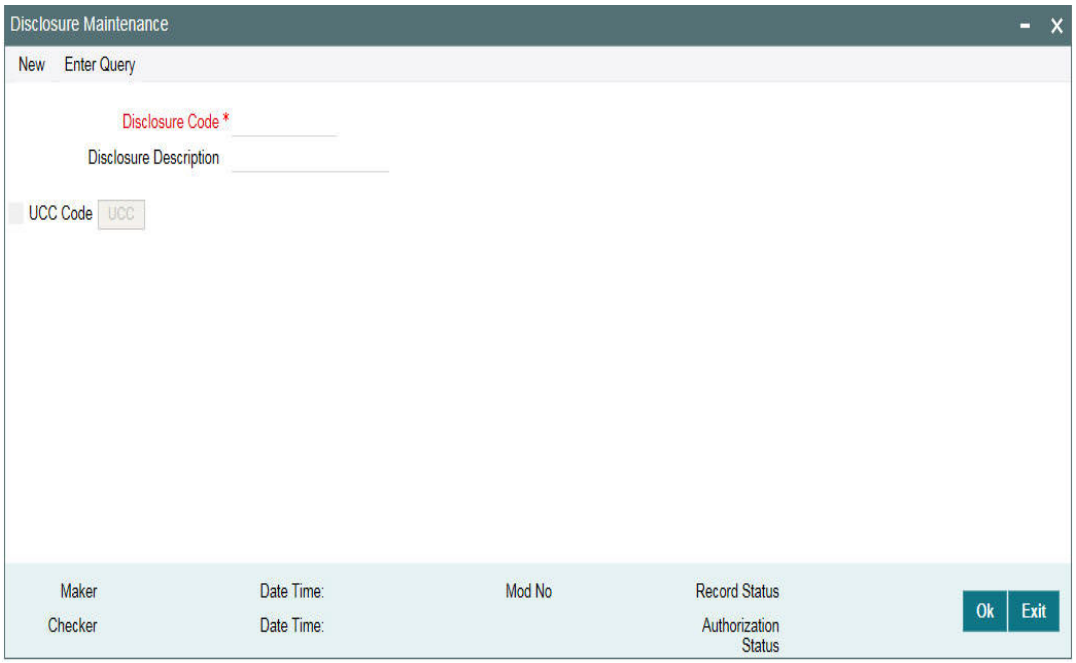
The Rate set the events with the effective date of 22-Jun-2014, will be processed on 22-Jun-2014 only when the system receives file on 22-Jun-2014 and 21-Jun-2014 file is not considered.

3.15 Maintaining Reporting Requirements

Oracle Banking Corporate Lending 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 Banking Corporate Lending. The Disclosure Code is defined in the ‘Disclosure Maintenance’ screen.

You can invoke the ‘Disclosure Maintenance’ screen by typing ‘OLDDSMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

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

Note

Once this check box is selected for a disclosure code and authorized, this check box is disabled and you cannot amend this check box by unlocking the record.

3.15.1 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 is mandatory if you check the 'UCC Code' check box on the 'Disclosure Maintenance' screen.

Propagation Required

Select this check 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 is 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.

Note

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

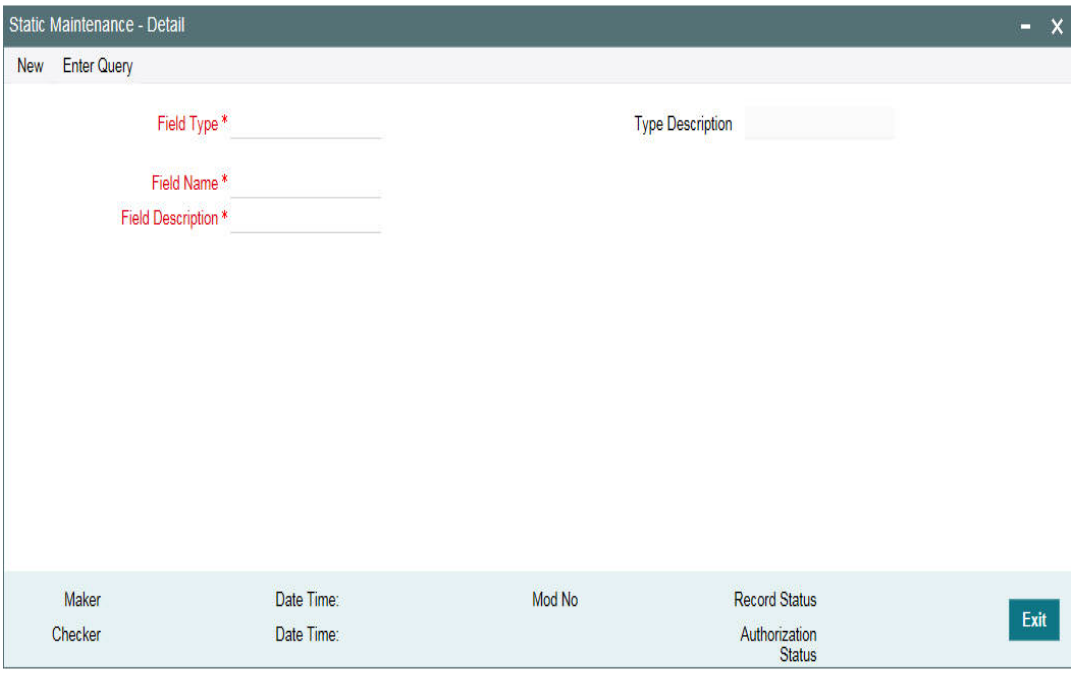
All the fields can be amended on the 'UCC Details' screen by unlocking the Disclosure Maintenance record and clicking the 'UCC' button.

Note

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

3.16 Maintaining Static Details

The system allows you to maintain static maintenance. You can invoke the 'Static Maintenance - Detail' screen by typing 'OLDSFMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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'.

Type Description

Indicates the description of the static field type.

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 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

3.16.2 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

3.16.3 Maintaining Tax Types

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

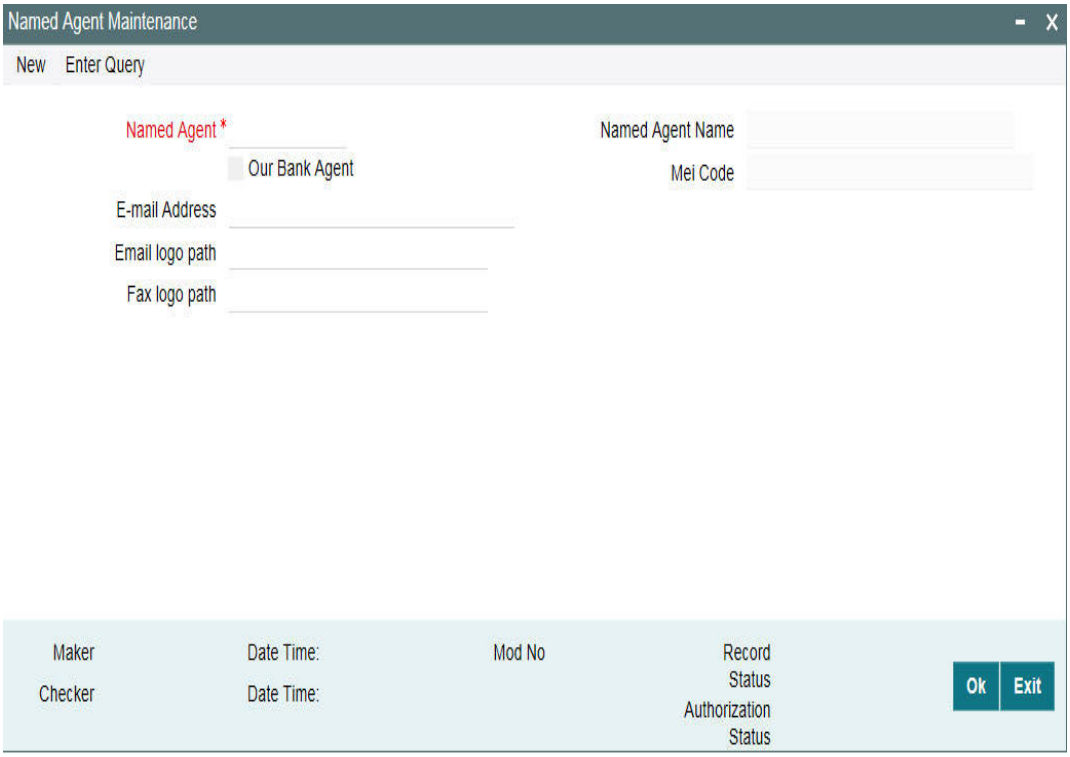
To maintain new insurance type, select ‘ESC1’ from ‘Field Type’ option list and enter the required field name and description. This must be maintained for all tax types offered by the bank.

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.

3.17 Maintaining Named Agents

You can invoke the ‘Named Agent Maintenance’ screen by typing ‘LBDNAMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can maintain the following details in this screen:

Named Agent

Select an appropriate named agent from the adjoining option list.

Our Bank Agent

Select this check box if the agent name belongs to the participant bank.

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 does not attach any logo in the outgoing e-mail messages.

Note

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

Email Logo Path

Specify the email logo path of named agent

Fax Logo Path

Specify the path of the logo for the named agent. This logo is 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

- Amendment of expense code is not 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 does 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

- Amendment of expense code/proof code is not 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 does 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 does not display any value.

Note

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

Note

In case of data masking, if 'PII Allowed' check box is not selected in 'User Maintenance' screen, then 'E-mail Address', field value is masked. For more information, refer to *Common Core - Security Management System User Guide*.

3.17.1 Maintaining Advice Format for Named Agents

3.17.1.1 Maintaining Templates for Automatic Messages

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

The Named Agent option list of the UDF displays 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 is applicable only for the subsequent messages that are generated; existing messages are not 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 displays 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).

3.17.1.2 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 displays 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.

3.17.2 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 are used for Sub-agented contracts while generating the advices.

3.17.2.1 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 searches 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 gets the appropriate format in format file maintenance and message generation is done accordingly.
- If system fails to find the message type in customer address maintenance, then message generation fails 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 does not perform any validation for this.
- If you maintain more than one advice format for the combination of message type and named agent, system picks 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.

3.17.2.2 Generating Free Format Messages

While generating free format messages for participant or borrower under ‘LB/OL Free format Messages’:

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

3.17.2.3 Processing FpML Messages

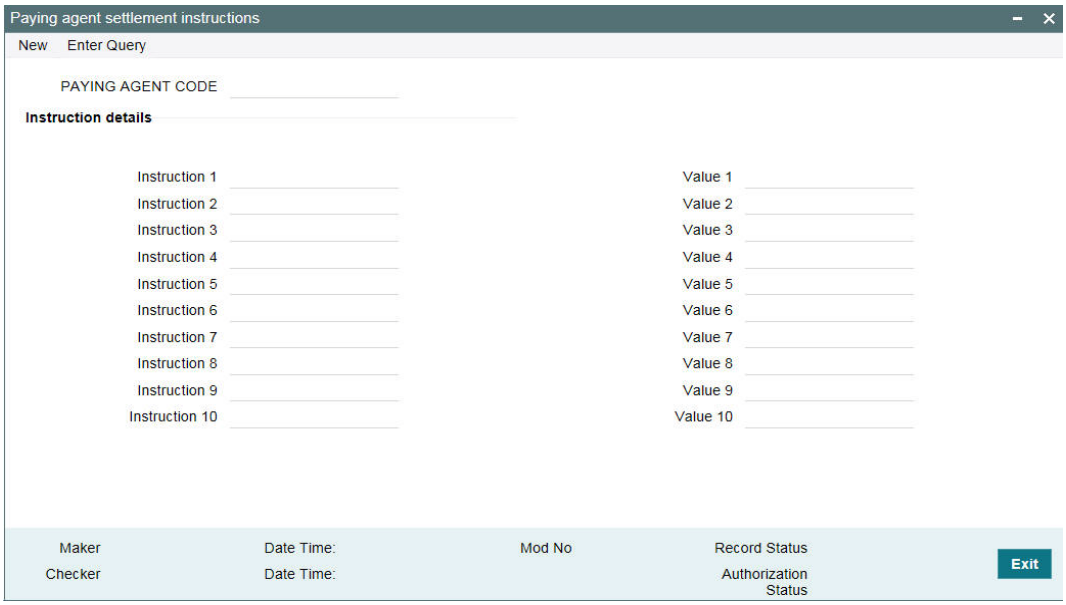
The branch MEI code is replaced with the named agent MEI code for the outgoing FpML messages generated for private label branch or Named Agents.

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.

3.17.3 Paying Agent Settlement Instructions

You can provide the instructions for settlement for a paying Agent in the ‘Paying Agent Settlement Instructions’ screen.

You can invoke the ‘Paying agent settlement instructions’ screen by typing ‘LBDPYSTL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

Note

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

3.18 Maintaining Banker's Acceptance

Bankers' Acceptance (BA) is a negotiable financial instrument used to raise short term funds in the money market. This is a common short term borrowing at a fixed rate in Canadian credit facilities.

This functionality is applicable only if you select the product preferences as 'Bankers' Acceptance' and the payment type as 'Discounted' or ‘True Discounted’ in 'Borrower Product Definition' screen.

Limitations

The following are the limitations in BA contracts.

- You cannot link SLT trade to BA tranche/commitment contracts.
- Rate changes and value dated amendments are not applicable for BA contracts.
- Cascade Participation - N’ is not applicable for the tranches where BA drawdowns are booked.
- Participant ratio amendments are not allowed where BA contracts are booked under the tranche.
- BA contracts are applicable for both LB linked OL contracts as well as standalone OL contracts (bilateral loans).
- Re-linking of OL contracts are not allowed for BA contracts since the system creates the corresponding OL contract through STP once the LB contract is authorized. If you want the OL contracts to be re-linked, you need to reverse the original contract and then re-book.
- Conversion is not applicable for the existing set of contracts.
- There is no change in the Reverse MT103 and not configured/used for these kinds of contracts.
- LB/OL consol rollover/split rollover screens/processes are not applicable for BA contracts.
- LB/OL merge reprice screen/processes are not applicable for BA contracts.
- Participant transfer transactions not supported for tranches with BA products.
- Overdue penalty feature not supported for BA products.

4. Defining Products for Loan Syndication

This chapter contains the following sections:

- Section 4.1, "Introduction"
- Section 4.2, "Products for Loan Syndication"
- Section 4.3, "Creating a Borrower Tranche/Drawdown Product"
- Section 4.4, "Creating Borrower Facility Products"
- Section 4.5, "Creating Participant Products"
- Section 4.5.3, "Setting Preferences for Participant Products"
- Section 4.6, "Specifying Preferences for Syndication Products"
- Section 4.7, "Saving a Loan Syndication Product"

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 are 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 Banking Corporate Lending, 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 Banking Corporate Lending processes the contract, it applies 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 are 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 are 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 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 Banking Corporate Lending In addition, 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 Banking Corporate Lending. 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 need to define products for the tranche contracts of the borrower, and commitments for the two participants. You 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 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 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 enables 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.

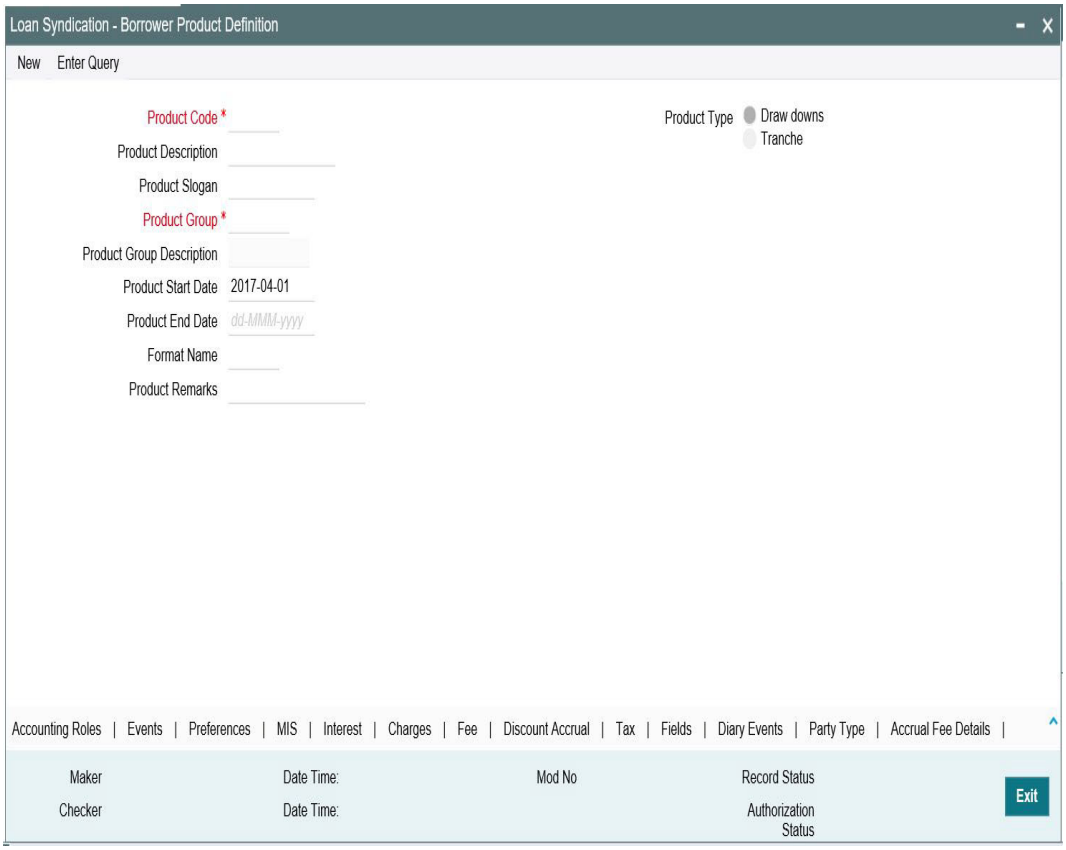
4.3 Creating a Borrower Tranche/Drawdown Product

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 is used to process participant contracts that are 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. You can invoke the ‘Loan Syndication - Borrower Product Definition’ screen by typing ‘LBDPRMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



For any product you create in Oracle Banking Corporate Lending, you can define generic attributes, such as fees, charges, interest details, and so on, by clicking on the appropriate icon in the horizontal array of icons in this screen.

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

Tabs	Description
Accounting Roles	Defining Accounting Roles and Heads for a product
Events	Defining Events and for maintaining Accounting Entries and Advices for each event
Preferences	Maintaining attributes specific to a product
MIS	Maintaining MIS details
Interest	Maintaining Interest details for a product
Charges	Maintaining Charge details for a product
Fee	Specifying fee details for a product
Discount accrual	Specifying discount accrual preferences
Fields	Making User Defined Fields (UDFs) applicable to a product
Diary Events	Associating diary events with the product

Party Type	Associating party types with the product
Change Log	Maintains list of modification details made for a product
Accrual Fee Details	Maintains accrual fee details for a product.

Note

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 Banking Corporate Lending 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.

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.

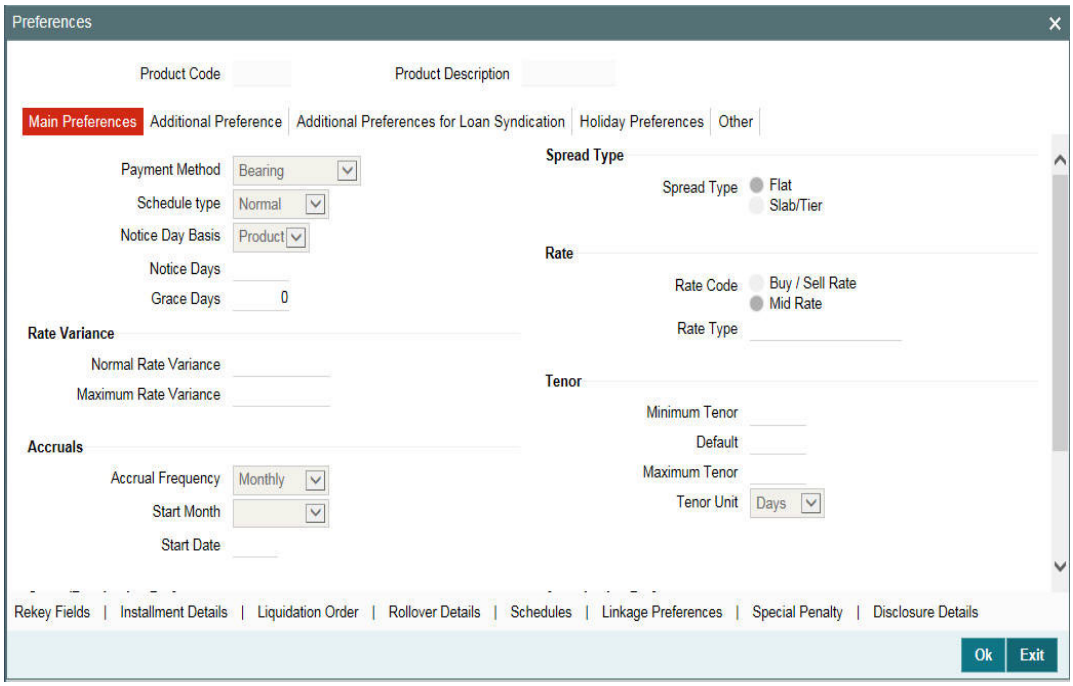
Each borrower product that you define could be placed under any of the following categories:

- 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

4.3.1 Specifying Preferences for Tranche/ Drawdown Products

Preferences are options that you can use to define specific attributes for a product, which is 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 'Preferences' in the 'Loans Syndication – Borrower Product Definition' screen.



You set up the general preferences for a borrower tranche or drawdown product in the ‘Loan 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 *Bilateral Loans User Manual* for a detailed description.

NoteThis section explains about those preferences that you need to set specifically for borrower tranche or drawdown products under a borrower facility contract.

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 processes the two events before the scheduled date, but hold the messages till the spot date or value date. The messages are held in the Forward Processing Queue.

For details on Forward Processing, refer to the ‘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, and defined for the contract.

4.3.1.1 Specifying Details for Drawdown Revaluation

Oracle Banking Corporate Lending 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.

4.3.1.2 Specifying LC Fee Details

Oracle Banking Corporate Lending gives you the option to define LC type of drawdown products. To specify LC Fee details, click ‘Preferences’ and then click ‘Additional Preferences’ tab.

You have to specify the following to define such a product:

LC Drawdown

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

This attribute defaults 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

Note

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.

Product Restrictions

When you create a product, you can provide product restrictions. That is, you can specify the branches of your bank that can offer this product, the currencies that are allowed or disallowed and the customers who can avail the product.

You can set preferences as ’Allowed/Disallowed’ in this screen and the same is defaulted to 'Bilateral Loan and Commitment Restrictions' screen.

4.3.1.3 Specifying Other Preferences

Prime Loan

Oracle Banking Corporate Lending 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.

Note

If you do not select 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. Onselecting the ‘Prime Loan’ check box, Oracle Banking Corporate Lending allows you to define only a bullet schedule for the principal component.

Note

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

Assignment Validations Applicable

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

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

Note

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

Suppress Advices

Select this check 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 are suppressed for contracts booked under the drawdown product. The advices being generated for the tranche contract is also suppressed for such drawdowns.

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

- You 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.

Note

This option is applicable to both fee and interest components.

Sighting Funds Applicable

Select this check box to indicate that sighting funds is applicable for the Borrower drawdown product.

Note

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

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

Media Priority

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

Bankers Acceptance

This check box is enabled only if the payment type is 'Discounted' for the drawdown product. Ensure to deselect ‘Liqd of Interest. on Prepaid Principal’ and ‘Allow Rollover’ before selecting ‘Bankers Acceptance’.

Note

‘Sighting Funds Applicable’ check box is disabled if the payment type is 'Discounted' for the drawdown product.

Allow schedules for discounted

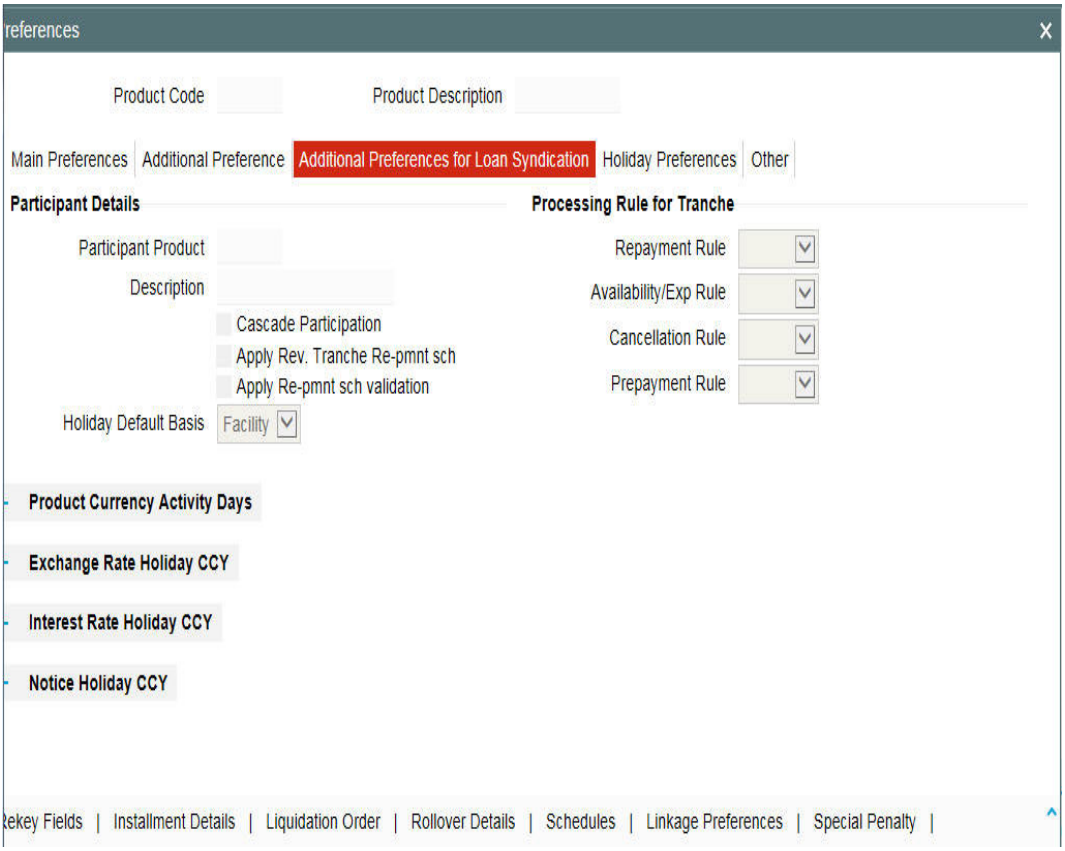
The “Allow schedules for discounted” and “Track Pay Receive” check box are selected if the 'Payment Type' is 'Discounted' or 'True Discounted'. The periodic interest payment schedules are supported if the 'Payment Type' is 'Discounted' or 'True Discounted'.

Note

Rollover is supported for discounted products also if the ‘Payment Method’ is ‘Discounted’ or ‘True Discounted’ and if the ‘Allow Rollover’ check box is selected at the product level

4.3.1.4 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 Loan Syndication’ screen.You can invoke this screen by clicking the ‘ Additional Preferences for Loan Syndication’ button in the ‘LB Product – Preferences’ screen:



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 are created under the borrower tranche contracts that use the product is 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 are created under the borrower drawdown contracts that use the product is 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 selecting the check box ‘Cascade Participation’. The preference you specify for the product can be changed at the contract level.

Apply Rev. Tranche Re-prmnt sch

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

Note

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

Apply Re-prmnt validation

Select this check 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 check box is deselected. You can modify this check 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.

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.

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 is applied to calculate the exchange rate fixing days or date.

Interest Rate Holiday Currency

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

Notice Holiday Currency

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

4.3.1.5 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.

Note

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.

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 check box to indicate that you want the system to check whether a schedule date falls on a local holiday defined for the branch. You cannot 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.

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.

Holiday Processing on Commitment Reduction Schedules

Select the 'Move Comm Redn Sch' check box to indicate the holiday processing rule should be applied on commitment schedules. This is applicable only to tranche products.

Holiday Processing on Repayment Schedules

Select the 'Move Payment Sch' check box to indicate the holiday processing rule should be applied on repayment schedules. This is applicable only to drawdown products.

Holiday Processing on Interest Rate Revision Schedules

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

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

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 check box 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/Tranche Currency

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

Use Local Currency

If you select this check box, 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.

Apply Financial Centre Holiday Treatment

This check box allows you to enable financial centre holiday treatment and add the financial centres for the holiday treatment.

For more information about maintaining financial centre for holiday treatment refer to *Products* User Manual.

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.

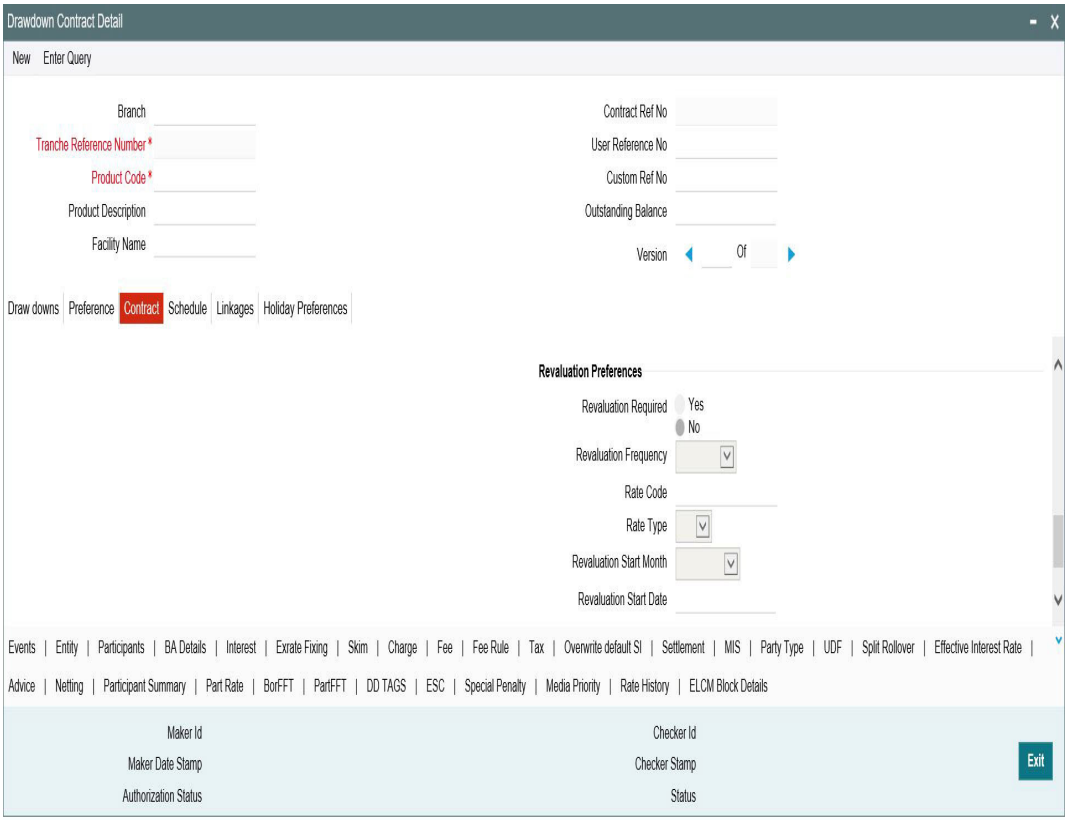
Moving across months

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 is allowable only if you indicate so in the ‘Move Across Months’ field.

4.3.1.6 Specifying Revaluation Preferences for Drawdown Products

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

You can specify revaluation preferences in the ‘Contract’ tab. 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 displays 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 Banking Corporate Lending picks 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.

Note

If Reval Required is 'Yes' for the drawdown product, the same defaults 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 is not applicable for cross currency drawdowns.

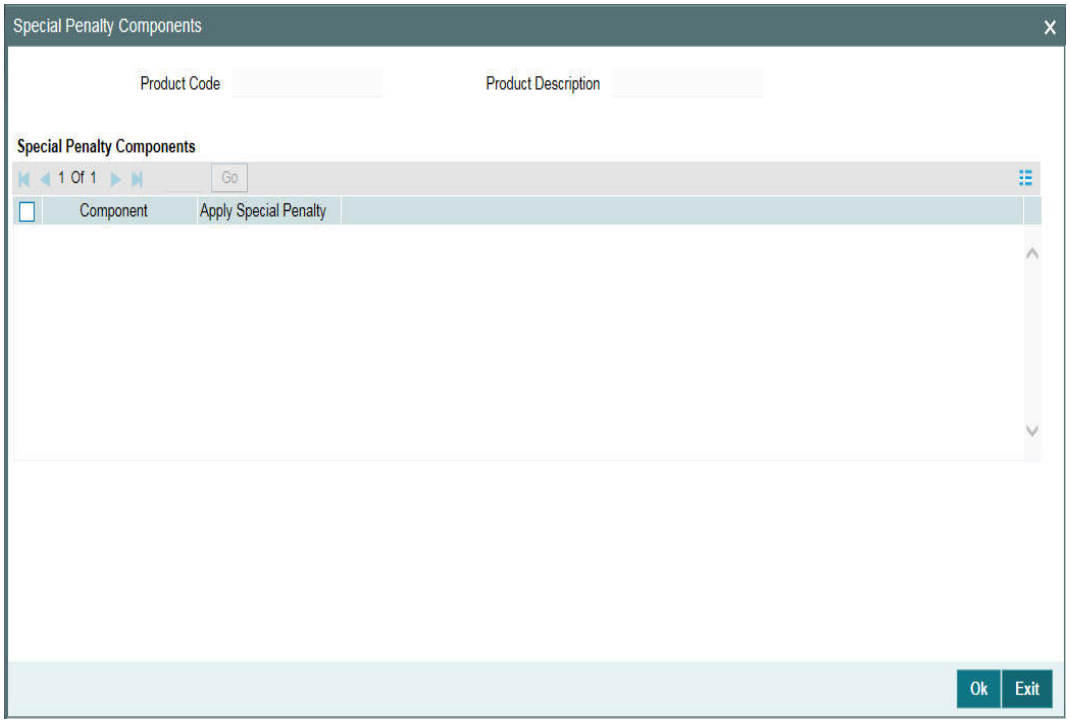
For details on specifying revaluation preferences for a drawdown, refer the heading titled 'Capturing details in the 'CONTRACT' tab' in the 'Loan Syndication Contracts' chapter of this User Manual.

4.3.1.7 Specifying the Linkage Preferences

You can use this tab for ELCM customer and collateral lines linking.

4.3.1.8 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 'Special Penalty' in 'Loans Syndication – 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 is also not impacted 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.

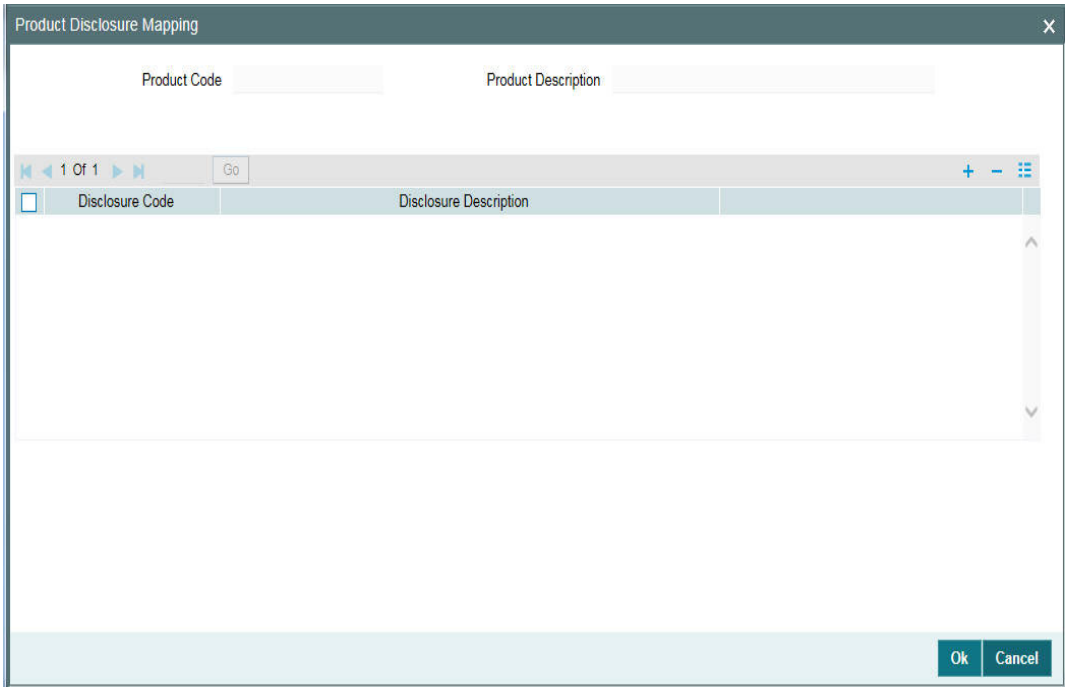
If you recalculate the already calculated late payment charges due to back value dated change of interest rate or principal, then during recalculation system considers the latest late payment charge components at the contract level. Therefore, the late payment charges are recalculated considering the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

Apply Special Penalty

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

4.3.2 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 ’Disclosure Details’ in the ‘Additional Preferences for Loan Syndication’ tab.



On invoking this screen, system displays the product details. If you have opened the above screen from a drawdown, the system 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 defaults from the 'Disclosure Maintenance' screen.

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

Note

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'.

4.3.3 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.

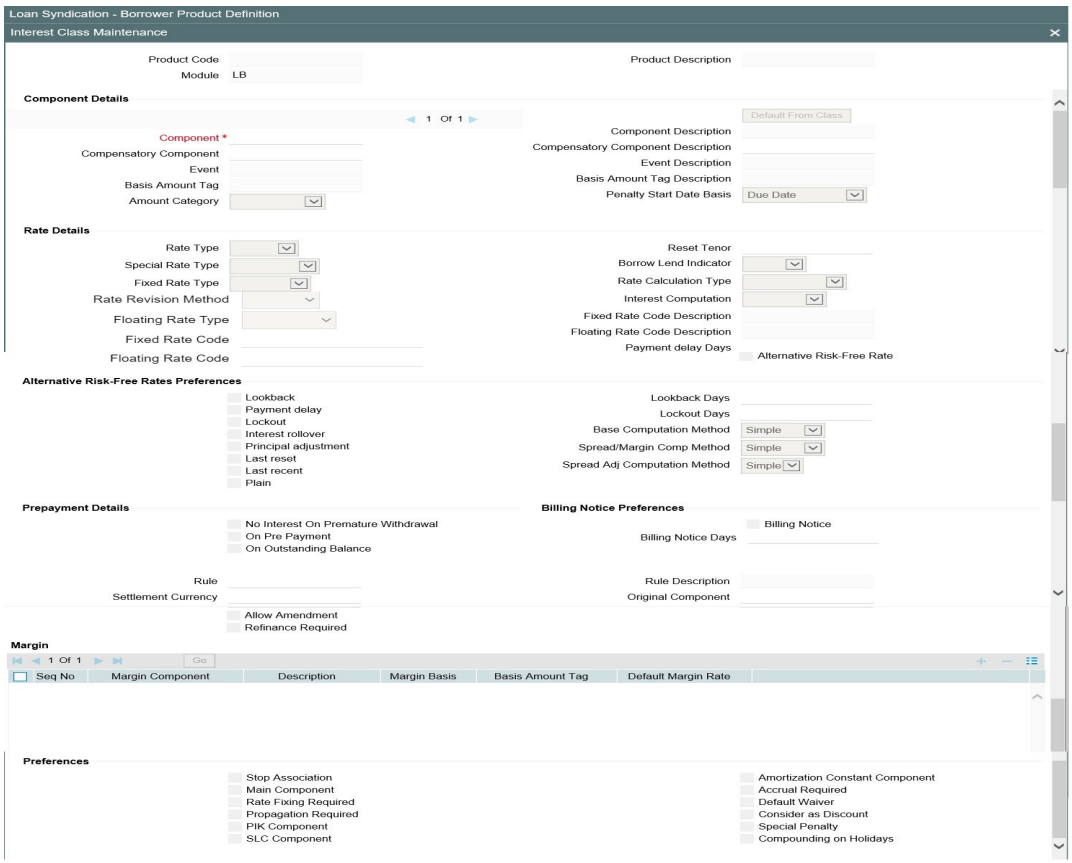
For further information on the generic attributes that you can define for a product, refer the following Oracle Banking Corporate Lending User Manuals:

- Products
- Interest

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

4.3.4 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 Class Maintenance’ screen for this. Click ‘Interest’ in the Tranche/Drawdown Product Definition screen to invoke the ‘Interest Definition’ screen.



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 LB Module is explained here.

Rate Fixing Required

You can fix the interest rate for a component if you check this option. The system arrives 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.

Note

Rate fixing is 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.

Rate Revision Method

You can select 'Auto' or 'Manual' from the drop-down list. The rate revision method is allowed for floating periodic type of loans.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

- You can link only a PIK margin component to the PIK interest component and only one PIK interest component is 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

- You are allowed to specify compensatory name and description only if ‘Sighting Funds Applicable’ field is selected at ‘Loans Syndication – Borrower Product Preferences’ screen. And this is enabled only for the main interest component.
- On specifying this, the system internally creates the compensatory component by defaulting all the parameters from the main interest component except ‘Propagation required’ which is defaulted as ‘No’. The compensatory component is 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

Select 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

- 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 is not settled on participant side, However, it is available to facilitate Tax amount
- For enabling ‘SLC Component’, it is mandatory that you have to select the field; ‘Propagation Reqd’ and upon checking ‘SLC Component’, the system disables the following fields.
  - Main component
  - Rate Fixing Reqd
  - PIK Component

Amortization Constant Component

Select this check box to indicate that the component is amortization constant component.

You can select 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 are 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)

4.3.4.1 Alternative Risk-Free Rates Preferences

The options of ‘Alternative Risk-Free Rates Preferences’ are defaulted from ‘Interest Class Maintenance’ screen (LFDINTCL). If required, you can modify

For more information, refer to Interest User Manual.

4.3.4.2 Specifying Billing Notice Preferences

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

Billing Notice Required

Select this check 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.

4.3.4.3 Defining Margin Components

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

You are 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.

4.3.4.4 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 selecting the Propagation Reqd check box in the 'Interest Class Maintenance' screen.

Note

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

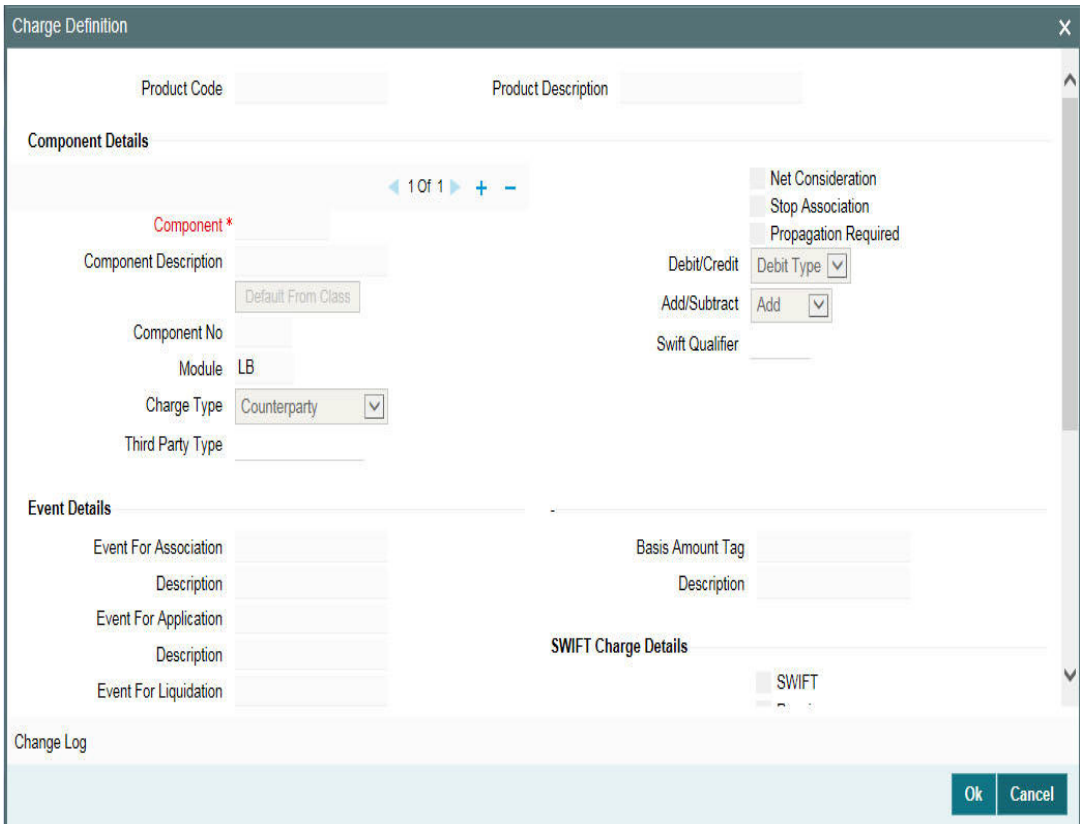
Click the PIK Component check box to indicate that you want to calculate the interest based on the PIK margin.

In the Product 'Interest Class Maintenance' 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 check box is selected.

You can change this specification and deselect the Propagation Reqd check box, if you want 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 select the Propagation Reqd box to indicate propagation of interest class to participants, if required.

4.3.5 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. Click 'Charges' in the Tranche / Drawdown Product Definition screen to invoke the 'Charge Definition' screen.

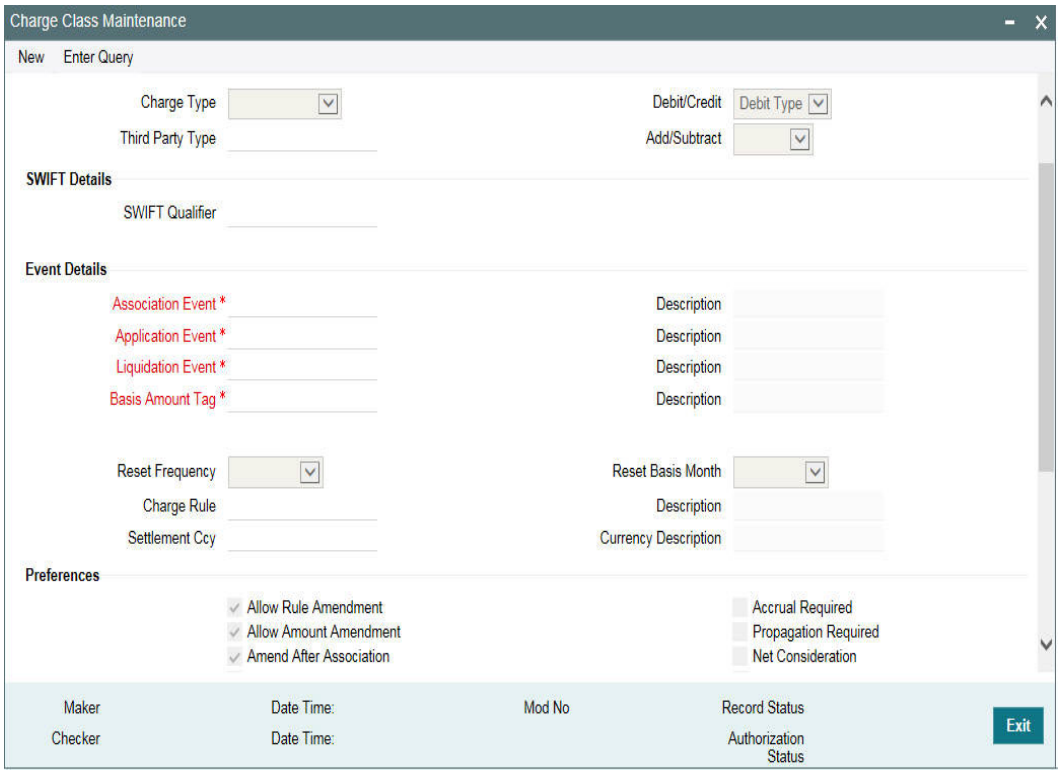


In this screen, you associate charge components in the same manner as you would for a normal commitment or loans product.

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.

4.3.5.1 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' screen (LFDCHGCE).



Note

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

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

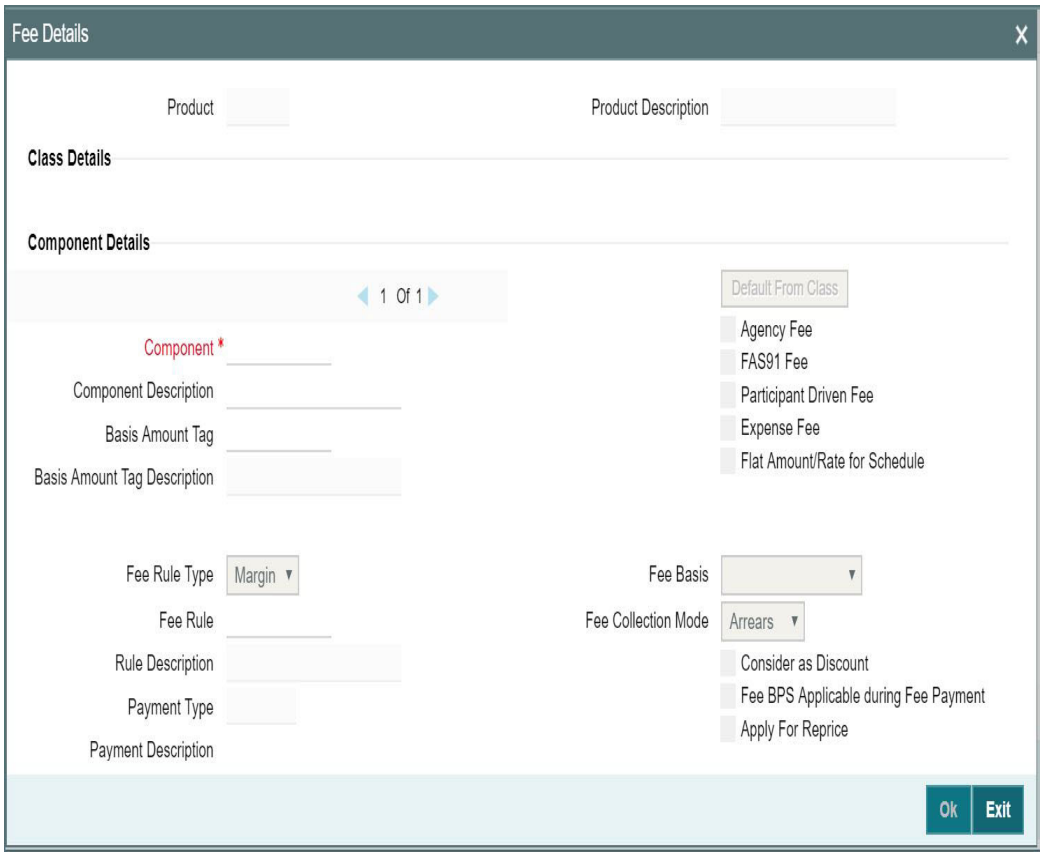
In the product Charge Definition screen, when you are associating the interest components for the borrower tranche or drawdown product, you can choose a charge class for which the propagation to participants option has been indicated in the class definition, if required. If so, the Propagation Reqd check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

You can change this specification and deselect the Propagation Reqd check box, if you want 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 select the Propagation Reqd check box to indicate propagation of charge class to participants, if required.

4.3.6 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 ‘Fee’ in the ‘Tranche/Drawdown - Product Definition’ screen to invoke the ‘Fee Details’ screen.

The fee is applicable to borrowers only.



You have the option of associating a Fee Class to the components, in which case, the attributes of the class is defaulted to the component. To do the same, click the 'Default From Class' button.

The fee details maintained for the fee class in 'Fee Class Maintenance' (LFDFEECL) screen gets defaulted.

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, is 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.

Note

Since issuance fee is not distributed across all the participants, the same is not displayed in the 'Participant Ratio Details' screen. The participant who is identified as the issuer of the LC is 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 selected the box 'Agency Fee', the income on the component is meant for the leading agent alone. It does not get propagated to the participants.

Note

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

FAS91 Fee

Select this check box to perform FAS91 computations. The system validates 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 select this check box, the system allows you to define an individual fee amount for each participant.

Note

- If you check this option, you are not allowed to select the 'Agency Fee' option
- System performs 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 are disabled

Expense Fee

Select this check box to enable the expense fees. The fees can be accrued or amortized.

The expenses may be flat amounts (such as Legal Fee) or rate based on a specific basis amount (such as fee paid to credit guarantor)

These are expenses incurred against a contract which the bank does not directly recover from the borrower. These expenses can be one-time expenses or periodic expenses or paid in advance or in arrears. They may be incurred at the Facility/Tranche/ Drawdown levels.

In expense the fee calculation happens only within the schedule period of the contract whereas in normal arrears the fee calculation happens from the start of the contract till the schedule end date and for advance from the start of the schedule till the end of the maturity date.

For more information refer, to 'Expense Fee' section in this User Manual.

Fee Rule Type

Select the Fee Rule Type applicable from the option list. You have the options ICCF and Margin. The rules are 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
- 30(Euro)/365.25
- 30(US)/365.25
- Actual/365.25
- Working Days/252
- Working Days/360
- 30/360

For more information on fee basis, refer to *Charges and Fees User Manual*.

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

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

Note

'Payment Type' and 'Fee BPS Rate Applicable' options are 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
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

4.3.6.1 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 is applicable to this fee. The fee liquidation event is processed, but the message is 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 have to specify the number of days by which the liquidation is to be deferred, in this field.

4.3.6.2 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. Select this check 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.

4.3.6.3 Accruals Preferences

Accrual Required

Select this check box to indicate accrual is required.

Accrual Method

If you have selected the 'Accrual Required' check box, you 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
- 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 once in five months.

4.3.6.4 Other Preferences

Allow Rule Amendment

Select this check box to indicate the fee rule can be amended.

Allow Amount Amendment

Select this check 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

Select this check 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.

Select 'Participant Propagation Reqd' check box, if you want to transfer the fee to the participant. If you do not select this check box, fees collected from the borrower is not passed to the participant.

4.3.6.5 Date Preferences

Allow End Date Input

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

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

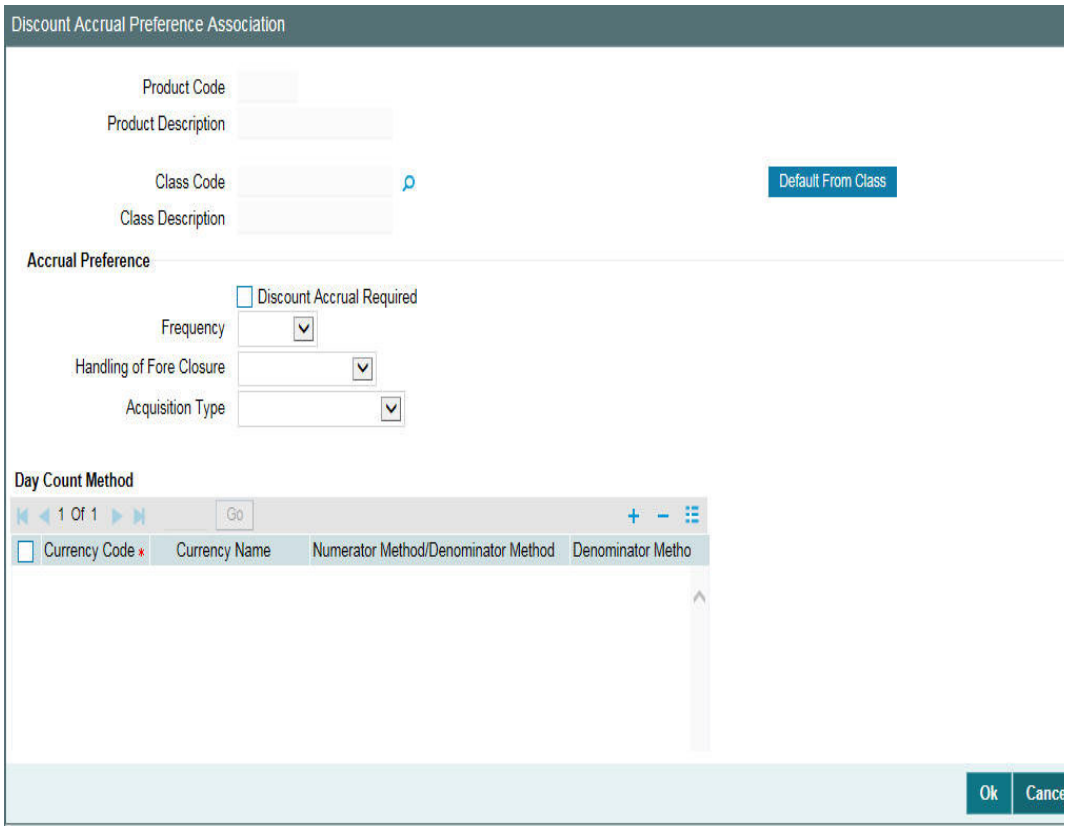
Allow Start Date Input

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

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

4.3.7 Defining Discount Accrual Preference

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



To associate discount accrual fee class with a product, click the 'Default From Class' 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 *Bilateral 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.

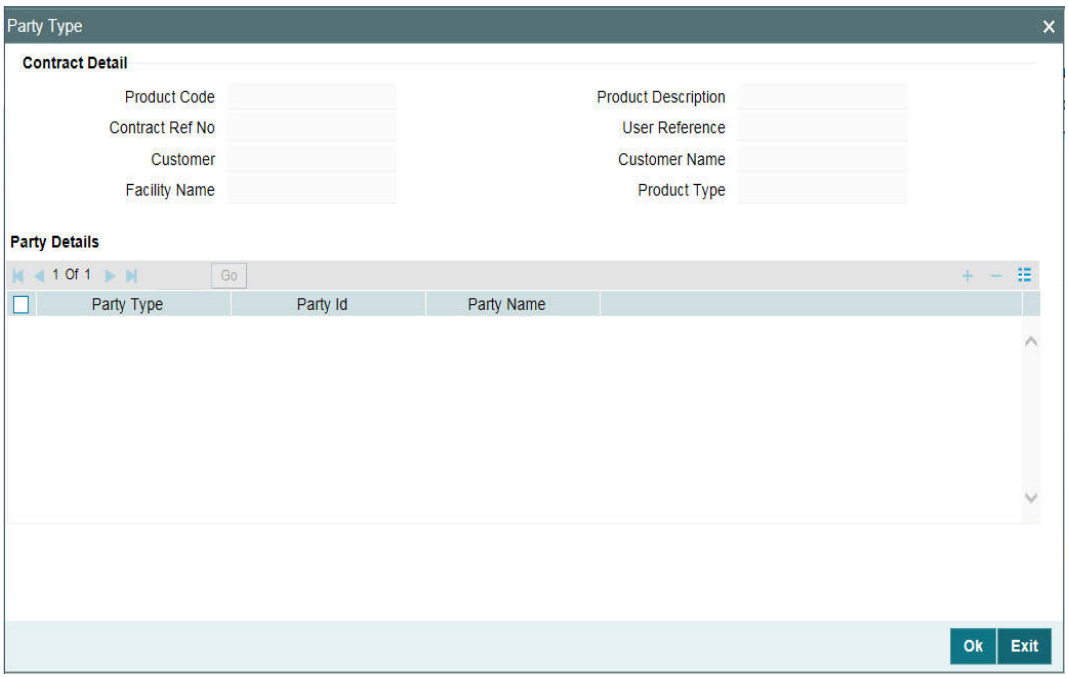
Alternatively, you can choose to define the discount accrual details for the product.

Note

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

4.3.8 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 'Party Type' in the Tranche/Drawdown Product Definition screen to invoke the Party Association screen.



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

Specifying Party Details

You need to maintain the following details here:

Party Type

Select the party type to be associated with the borrower facility contract. The party type associated to the product is defaulted here. However you can modify it.

Party Identification

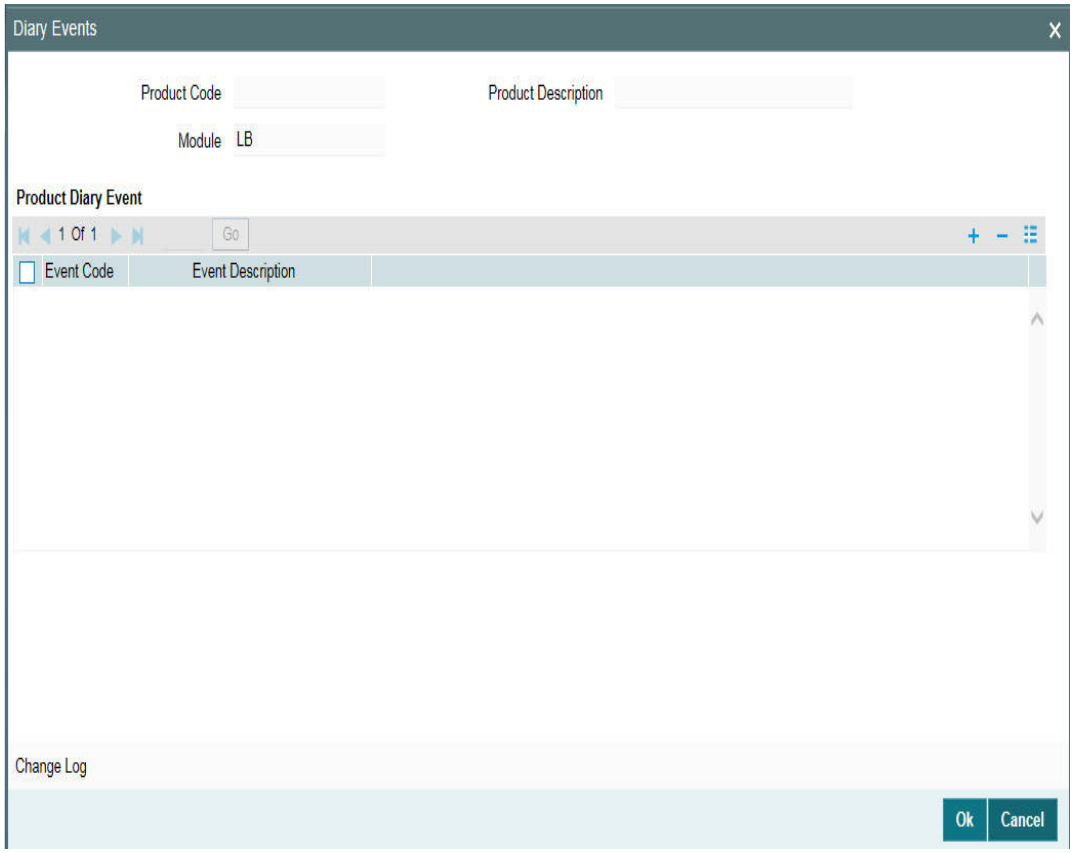
Select a party belonging to the selected party type, to be associated with the borrower facility contract.

Party Name

The name of the selected party is displayed here

4.3.9 Associating Diary Events

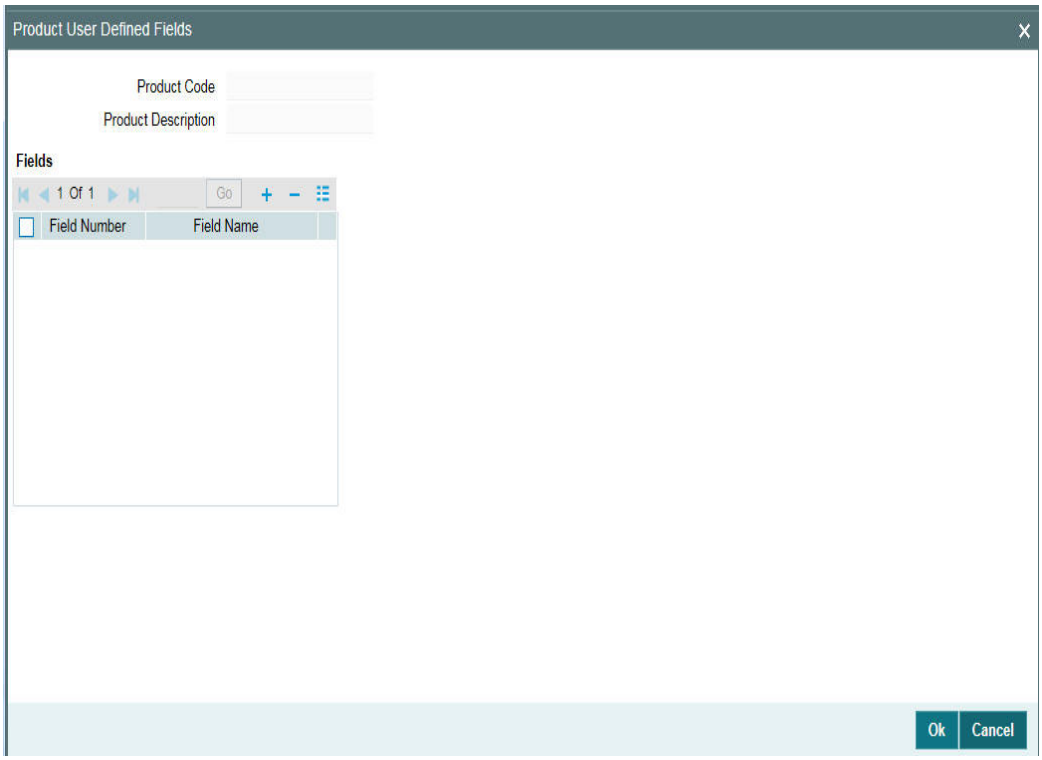
In the Diary Event Association screen, you can also specify the different diary events that would need to be processed for borrower tranche or drawdown contracts using the borrower tranche or drawdown product. Click 'Diary Events' in the Tranche / Drawdown Product Definition screen to invoke the 'Diary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



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

4.3.10 Maintaining UDFs

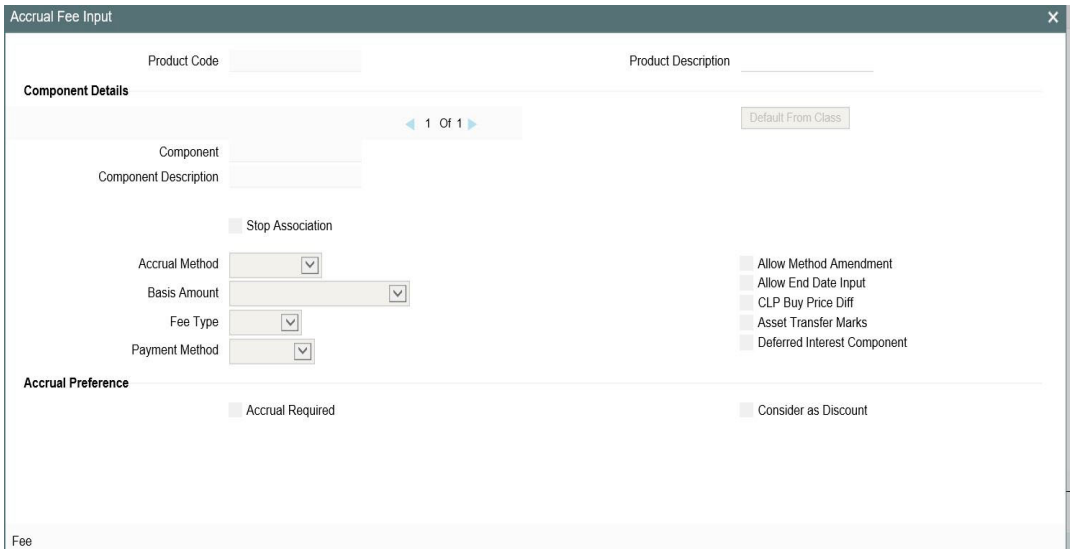
You can maintain the UDFs pertaining to the loan using the 'Product User Defined Fields' screen. To invoke this screen, click the 'Fields' on the Application toolbar of the 'Loan Syndication -Borrower Product Definition' screen.



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

4.3.11 Specifying Accrual Fee Details

You can maintain accrual fee details for a product. These values get defaulted to ‘Amortization Fee Details’ (LFDACFIN) screen.



4.4 Creating Borrower Facility Products

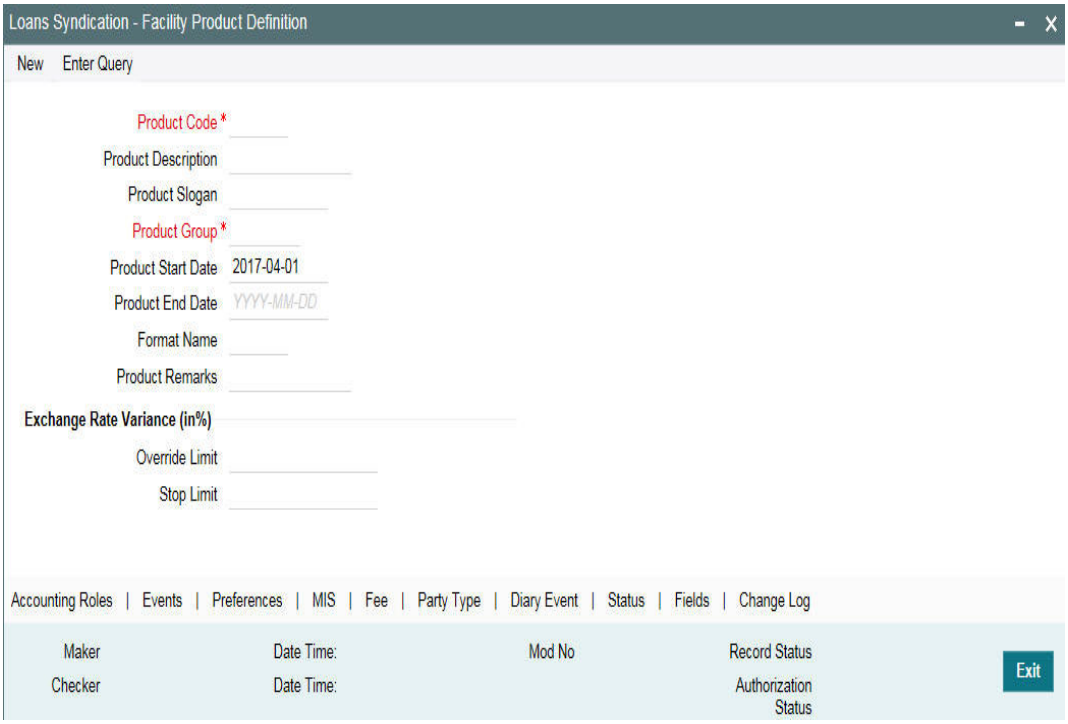
After you have created products to process borrower side contracts in respect of a syndication agreement, such as borrower tranches and drawdowns, as well as products for participant side contracts, you must define products that would be used to process the main syndication

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.

You can invoke the 'Loan Syndication - Facility Product Definition' screen by typing 'FCDPRMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

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.

For a borrower facility product, in addition to 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, refer the following Oracle Banking Corporate Lending User Manuals:

- Products
- User Defined Fields
- Settlements

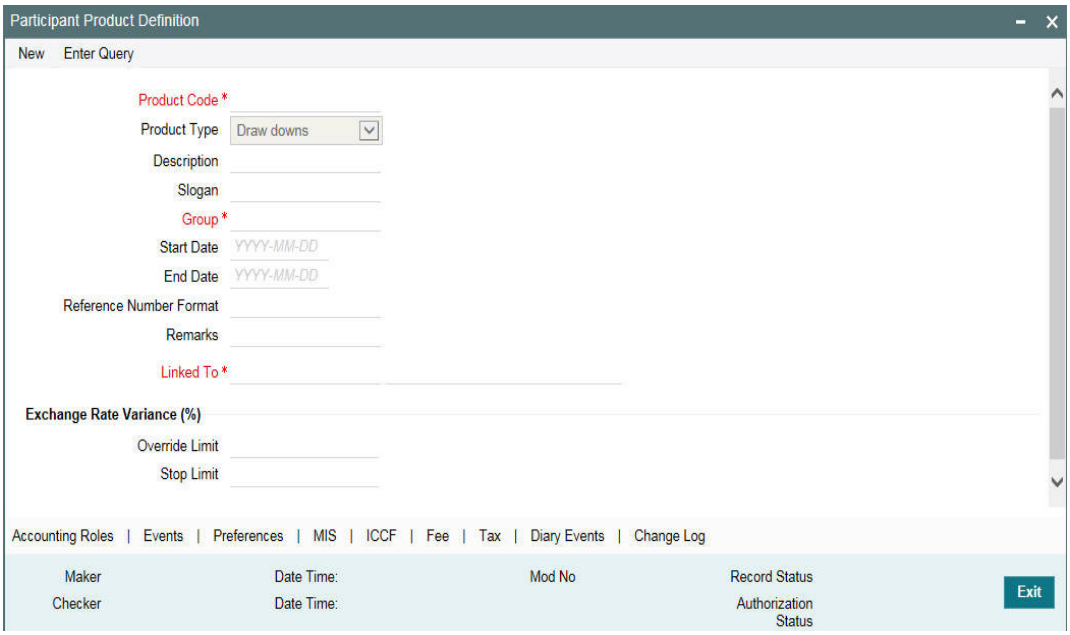
4.5 Creating Participant Products

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.

You can invoke the 'Participant Product Definition' screen by typing 'LPDPRMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Click 'New' to create participants products. 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 at least one alphabet.

Click ‘Ok’ to proceed with product creation. The ‘Loans Syndication – Participant Product Definition’ screen is displayed.

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.

For a participant product, in addition to 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, refer the following Oracle Banking Corporate Lending 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 is 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.

Note

If you have selected the product type as ‘Collateral Online’ or ‘Collateral Settlements’, the following are disabled:

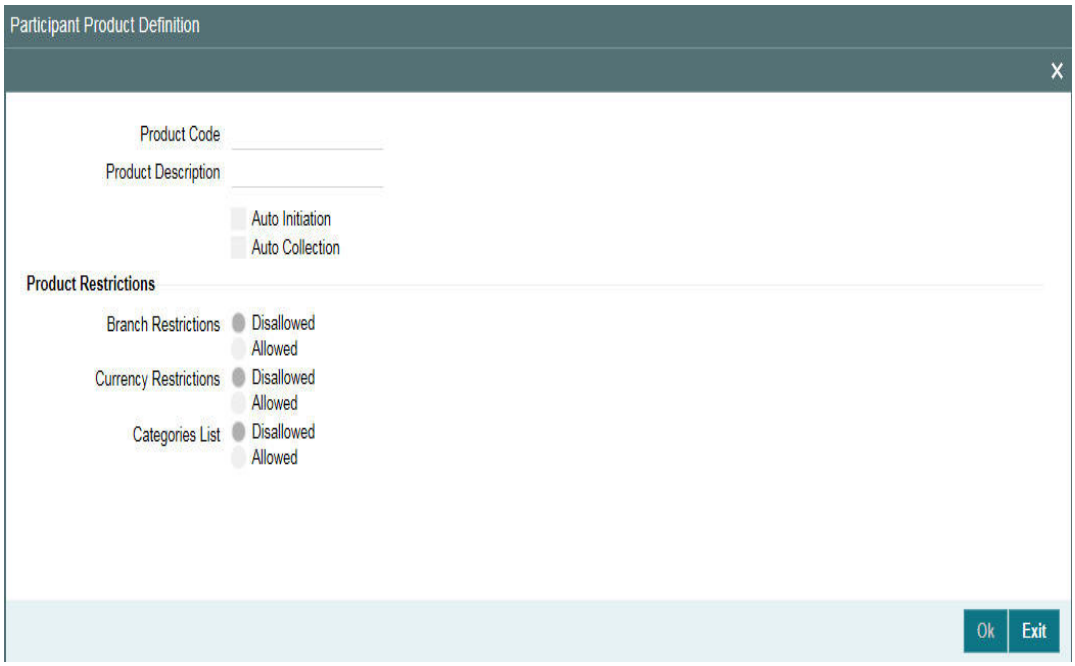
- Override Limit and Stop Limit fields
- Preference, ICCF, Fee, Tax, and Dairy Event buttons

4.5.3 Setting Preferences for Participant Products

Preferences are those options you can use to specify attributes for a product. These attributes are 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 ‘Preferences’ 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.

Note

– If you have selected the product type as ‘Collateral Online’ or ‘Collateral Settlements’, ‘Preferences’ tab is disabled.

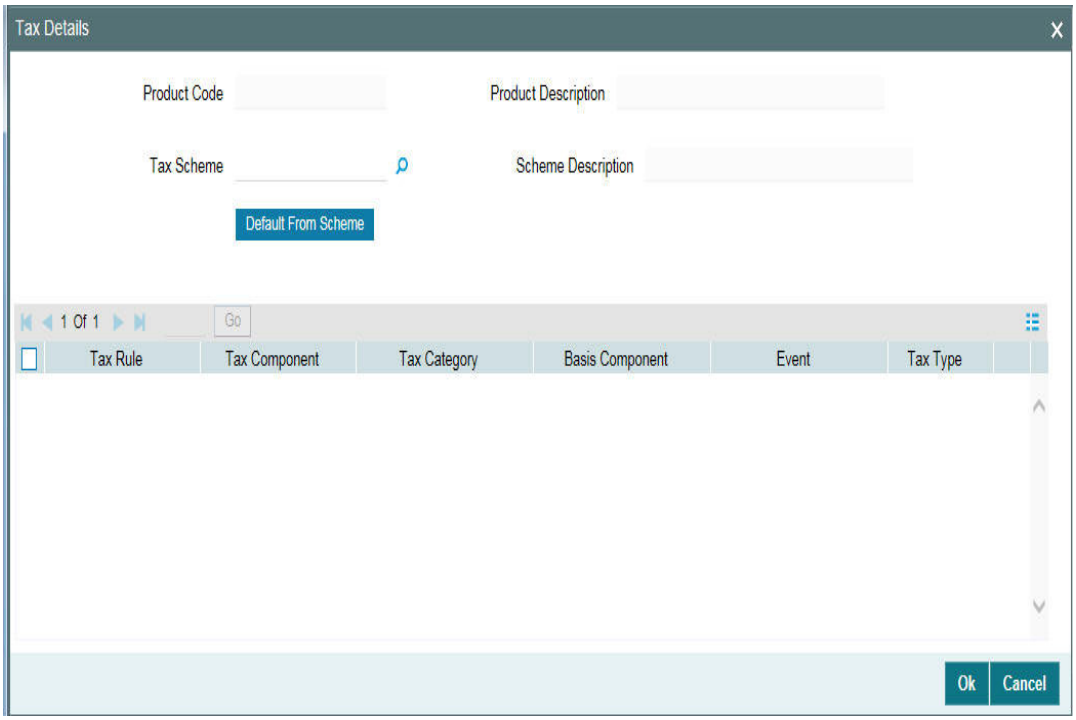
Product Restrictions

When you create a product, you can provide product restrictions. That is, you can specify the branches of your bank that can offer this product, the currencies that are allowed or disallowed and the customers who can avail the product.

You can set preferences as ’Allowed/Disallowed’ in this screen and the same is defaulted to 'Bilateral Loan and Commitment Restrictions' screen.

Specifying Tax Details

You can click ‘Tax’ option to tax components with a product. The ‘Loan Syndication - Facility Product Definition (FCDPRMNT) is used for a facility product, whereas Loan Syndication - Borrower Product Definition (LBDPRMNT) is used for both tranche and drawdown product.



Specify the following details in this screen:

Tax Scheme

A tax scheme can consist of a set of tax rules that can be applied to a product.

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 are available in the option list provided.

When you select a scheme, the following defaults:

- Tax Rules linked to the scheme
- Tax component for each rule

The tax scheme linked is applicable on a contract processed under the product by default. However, you have the option of waiving the application of tax, for a specific contract.

Tax Rule

A tax rule represents the method in which a specific tax has to be applied. Thus, for a tax component to be levied on a contract, you should specify:

- The currency in which the tax has to be levied
- Whether it is a flat amount or a percentage of the component amount to be taxed
- The slab or tier structure, based on which the tax should be calculated

In addition, you can also specify the minimum and maximum amount of tax that can be applied for a specific 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’ are 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 is 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 are 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.

Note

If you have selected the product type as ‘Collateral Online’ or ‘Collateral Settlements’, ‘Tax’ is disabled.

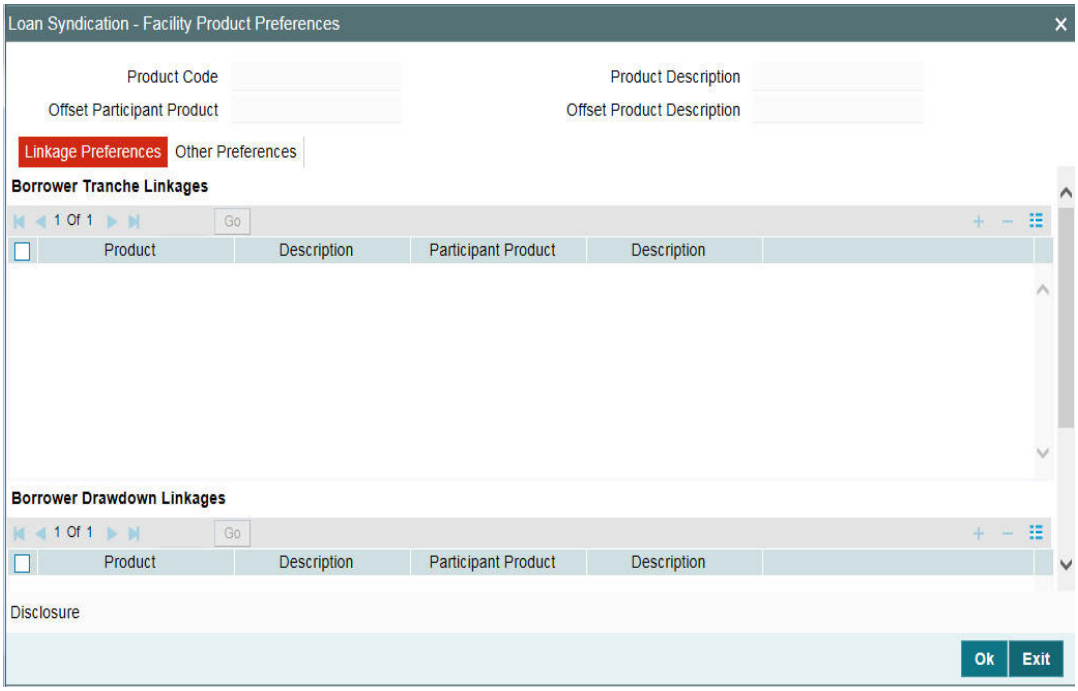
Specifying Accrual Fee Details

You can maintain accrual fee details for a product. These values get defaulted to ‘Amortization Fee Details’ (LFDACFIN) screen

4.6 Specifying Preferences for Syndication Products

Preferences are those options you can use to specify attributes for a product. These attributes are 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 ‘Preferences’ to specify certain preferences unique to the product. The Borrower Facility Product - Preferences (FCDPRMNT) screen is invoked, where you can specify your preferences.



4.6.1 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 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 then defaults the attributes of the product to the contract.

Note

This feature allows you to associate any LC product (which can be treated like a draw-down product) with other drawdown products under a tranche. The participant product that is linked to the borrower facility product while defining the participant product is 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 defaults 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 are defaulted for the corresponding drawdown contracts under each tranche.

4.6.2 Specifying Whether SGEN is Required

Select this check 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 deselected, this event is not fired and no such notification messages get generated by Oracle Banking Corporate Lending.

4.6.3 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 ‘Disclosure’ 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.

4.6.4 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.

4.6.4.1 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 cannot 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.

Apply Financial Centre Holiday Treatment

This check box allows you to enable financial centre holiday treatment and add the financial centres for the holiday treatment.

For more information about maintaining financial centre for holiday treatment refer to Products User Manual.

4.6.4.2 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.

4.6.5 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

4.6.5.1 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 check box 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.

4.6.5.2 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 is allowable only if you indicate so in the ‘Move Across Months’ field.

4.6.5.3 Product Restrictions

When you create a product, you can provide product restrictions. That is, you can specify the branches of your bank that can offer this product, the currencies that are allowed or disallowed and the customers who can avail the product.

You can set preferences as ’Allowed/Disallowed’ in this screen and the same is defaulted to 'Bilateral Loan and Commitment Restrictions' screen.

4.6.6 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 ‘Party Type’ in the Facility Product Definition screen to invoke the Party Association screen.

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

4.6.7 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 ’Diary Event’ in the Facility Product Definition screen to invoke the Diary Event Association screen.

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

Note

If you have selected the product type as ‘Collateral Online’ or ‘Collateral Settlements’, ‘Diary Event’ is disabled.

4.7 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 are not 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

In addition, 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.

4.7.1 Amortize Product Schedule types for Drawdown Contracts

Oracle Banking Corporate Lending 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

In addition, you need to maintain the default schedules for the component ‘Amortise’ in the ‘Product Default Schedules’ screen.

5. Loan Syndication Contracts - Part 1

This chapter contains the following sections:

- Section 5.1, "Introduction"
- Section 5.2, "A Borrower Facility Contract under Syndication Agreement"
- Section 5.3, "Products for Loan Syndication Contracts"
- Section 5.4, "Processing a Borrower Facility "
- Section 5.5, "Capturing Facility Details"
- Section 5.6, "Viewing Facility Details"
- Section 5.7, "Processing Loan Syndication Contracts"
- Section 5.8, "Processing a Draft Tranche Contract"
- Section 5.9, "Processing a Borrower Tranche Contract"
- Section 5.10, "Viewing Borrower Tranche Summary"
- Section 5.11, "Maintaining Tranche Collateral Details"
- Section 5.12, "Maintaining Tranche Collateral Account Details"
- Section 5.13, "Maintaining Tranche Collateral Entity Details"
- Section 5.14, "Maintaining Collateral Percentage Details"
- Section 5.15, "Maintaining Escrow Account Details"
- Section 5.16, "Maintaining Agent CIF and Mnemonic Details"
- Section 5.17, "ELCM Block Details"
- Section 5.18, "Capturing Agreement Details"
- Section 5.19, "Viewing Messages using Message Preview"
- Section 5.20, "Amortize schedule type products for Tranche Contracts"
- Section 5.21, "Amending Tranche Margin Details"
- Section 5.22, "Maintaining Floor and Ceiling Details"
- Section 5.23, "Viewing Floor and Ceiling Adjustment Summary"
- Section 5.24, "Floor and Ceiling for Base Rate Only"

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 (that is, 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 is 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 are 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. (that is, 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 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

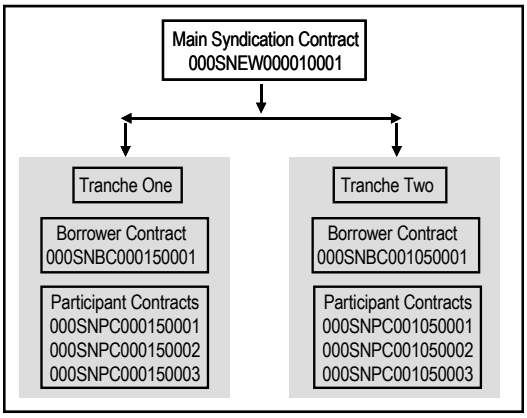
When you open the tranche in the system, you input a borrower commitment for Mr. Robert Carr. When the BOOK event is triggered for the borrower commitment contract, the system then creates commitment contracts for your bank and for South American Overseas Bank and Banco Milan based on the borrower commitment 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.

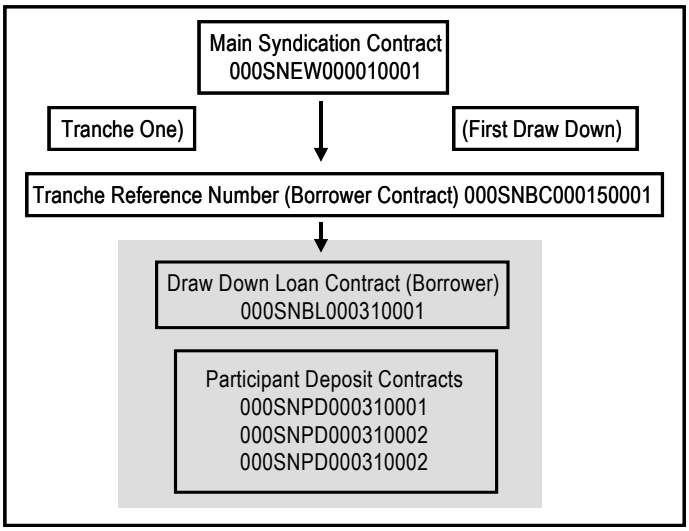
You can enter each of Mr. Carr's drawdown loans into the system. The system saves the loan contract with a unique reference number. When the BOOK event for each of the loans is triggered, the system initiates deposit contracts for the participants of the tranche, based on the drawdown loan reference 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)

5.3 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 Banking Corporate Lending, 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 are applied to all contracts entered against the product automatically, saving your effort to specify them afresh each time you input a contract. When Oracle Banking Corporate Lending processes the contract, it applies 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:

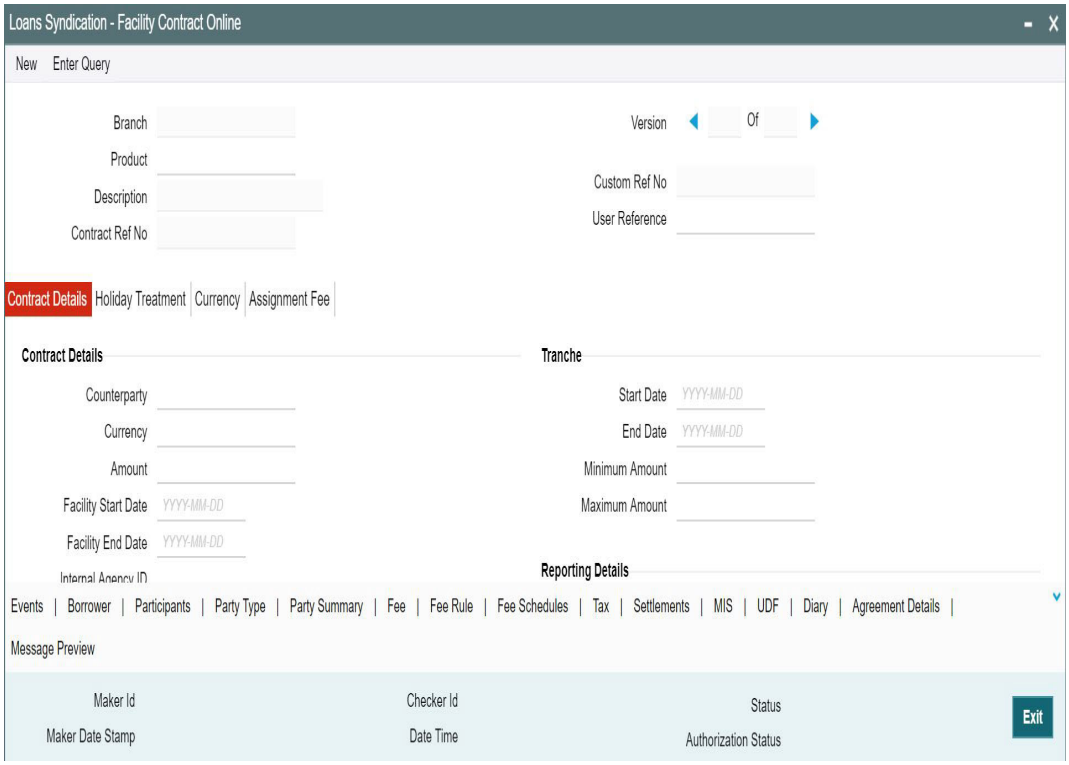
1. A borrower facility product for borrower facility contracts. In addition, participant facility products for the resultant participant facility contracts.
2. Tranche-level commitment type of products for borrowing customers, and participants
3. Loan products for the borrowing customers for drawdowns under a tranche, as well as deposit products for the participants.

The definition of these products is explained in the chapter Defining Products for Loan Syndication in this user manual.

5.4 Processing a Borrower Facility

You can capture details for a borrower facility in the ‘Loan Syndication – Facility Contract Online’ screen. The screen is displayed with details of an existing facility.

You can invoke the ‘Loan Syndication – Facility Contract Online’ screen by typing ‘FCDTRONL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To capture a new facility, click ‘New’ from the menu.

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 are 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.

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 are displayed. A new reference number is automatically generated for the contract. After you have changed the values that need to be changed, click ‘Save’ to store the details in the system.

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**
Currency	Click on this tab to invoke the 'Currency Details' screen. In this screen, you can maintain an allowable list of currencies for the contract.
Borrower	Click on this tab to specify the details pertaining to the borrowers of the facility contract.
Participant	This tab invokes the 'Participant Ratio Details' screen.
Fee	This tab displays the 'Fee Components' screen where you can view the default fee details for the contract.
Fee Rule	You can view/amend the fee rule details for the fee components
Fee Schedules	You can view the 'Fee Schedules' screen. This displays the payment schedules for the various fee components.
Borrower Tax	You can view the tax rule details associated with the facility
Settlements	You can view the 'Settlement Message Details' screen.
MIS	Click this tab to define MIS details for the contract.
UDF	Click this tab to capture values for the custom/user defined fields associated with the contract.
Party Type	Click this tab 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.
Diary	Click this tab to invoke the 'Diary Contracts – Summary' screen where you can view the event details for the contract.
Participation Summary	Click this tab to invoke the 'Participant Facility Contract Summary' screen. In this screen, you can view the underlying Tranche and Drawdown contracts for the Facility contract.

Events	Click this tab to invoke the ‘Event Log Details’ screen. Here, you can view the accounting entries for each event and the overrides encountered, if any.
Agreement Details	Click this tab to invoke the ‘Agreement Details’ screen.

Note

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 Banking Corporate Lending User Manuals:

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

5.5 Capturing Facility Details

The following section explains the procedure for capturing the contract by associating it with a facility product. Based on the product code you choose, many of the fields are defaulted. You can overwrite 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 is 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 is also 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 is 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.

5.5.0.1 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.

Note

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 the 'Calendar' button. The system then displays 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 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, wanting 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, wanting 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 (that is, 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, that is, 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 LB module to OL 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.

CUSIP Number

You have to capture a unique number to identify the tranche. This number is used to identify the loans being traded and to quote the market price. This number gets 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 also appears in all correspondences under the tranche that is,. 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

Note

The Internal CUSIP is mandatory and cannot be made null during contract input or amendment.

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 is 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 validates 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 is also considered in the borrower facility contract currency.

When you enter a borrower tranche contract under the borrower facility contract, the system validates 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.

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

- 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 is displayed in the 'Loans Syndication : Draft - Tranche' and 'LB Tranche Contract Online' screens.

Internal Remarks

You can specify information about the facility contract to be used for reference, within your bank. It is not printed on any correspondence with customers, but it is 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 'LB Tranche Contract Online' screens.

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.

Note

This field is 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 displays 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.

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.

Note

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.

5.5.0.2 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 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 are 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 considers 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 is allowable only if you select 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 checks 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 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 checks 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 checks 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.

Apply Financial Centre Holiday Treatment

This check box allows you to enable financial centre holiday treatment and add the financial centres for the holiday treatment.

For more information about maintaining financial centre for holiday treatment refer to *Products* User Manual.

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.

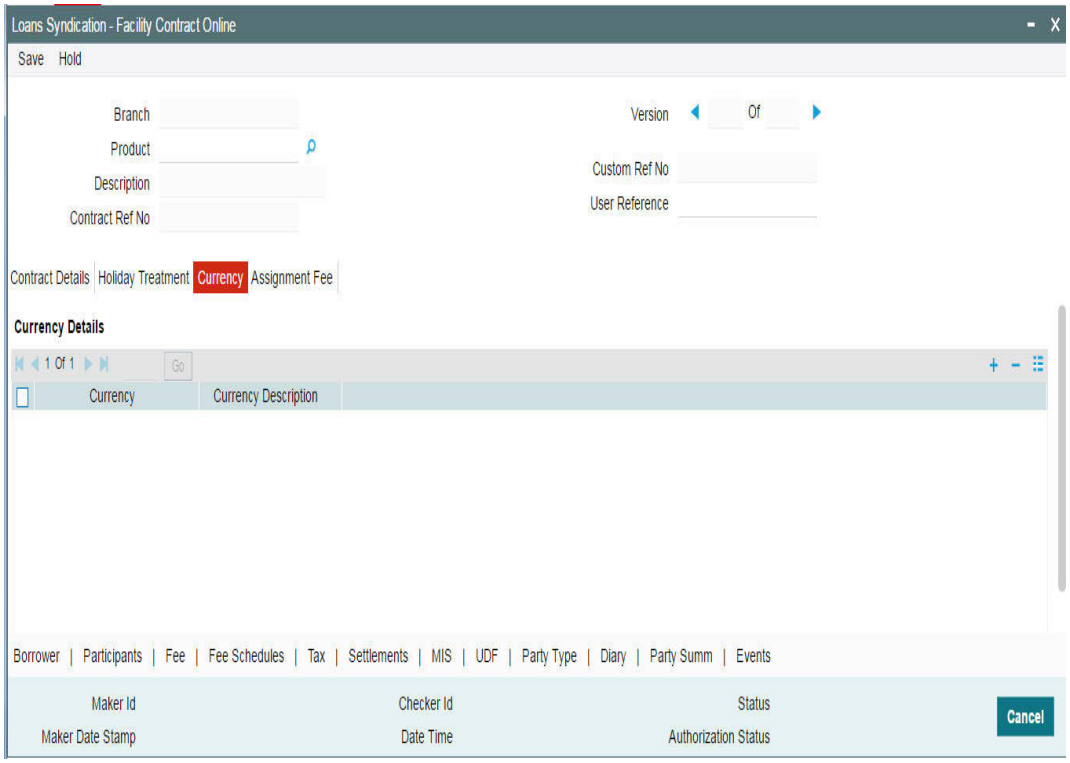
Specifying Status Control

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.

5.5.0.3 Specifying Allowable Currencies under Currency tab

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 'Currency' tab in the 'Facility Contract Online' screen. The 'Currency Details' sub-screen is displayed, where you can specify the required currency list.



To maintain the allowable list of currencies, do the following:

1. Select the currency from the option list provided. The description of the currency will be displayed when you select the currency.
2. Click ‘Add’ button to insert a row and then select the next allowable currency. Continue this procedure until the required currencies are selected.
3. To remove a currency from the allowable list, click the ‘Delete’ button.
4. Click the ‘Save’ to save the list.

When you enter a tranche or a drawdown under the facility contract, the allowable currencies are those defined in this list.

Note

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 displays the following alert message when you attempt to invoke the other sub-screens:

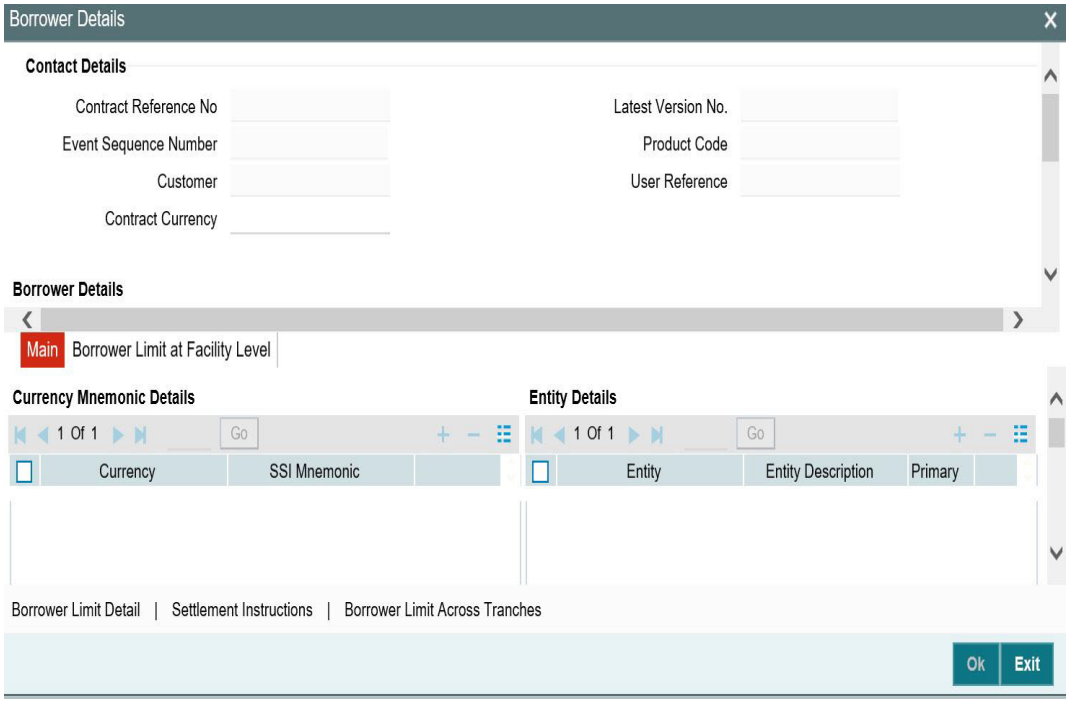
Currencies are not entered.

Assignment Fee tab

The system displays the latest assignment fee amount for the facility/product in the tranche currency if it is maintained at the facility/deal level.

5.5.1 Specifying Borrowers for the Facility

You must specify the borrowers for the facility contract, who actually avail the drawdown loans under the facility contract. Click the ‘Borrower’ tab to invoke the ‘Borrower Details’ sub-screen.



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

Note

You can specify more than one borrower for a facility contract.

To add another borrower, do the following:

1. Click 'Add' button to select a borrower. System displays a message to indicate that the SSI Mnemonic maintained for the counterparty and contract currency becomes applicable for the new borrowers as well. Click 'OK' in the message window to continue.
2. Select the borrower from the option list provided. The 'Borrower Name, SSI Counterparty, Counterparty Name and Entity Name' are displayed when you select the borrower.
3. Repeat steps 1 and 2 to add the required number of borrowers for the contract. To remove a borrower from the facility, click the 'Delete' button.

Note

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:

Specifying Currency Mnemonic Details

The list of allowable currencies maintained through the 'Currency details' screen are 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 becomes 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 is available for the counterparty/borrower of the facility contract. The option list provided display the following details:

- SSI Mnemonic
- Currency (only SSI applicable for the contract currency/ALL are displayed)
- Counterparty ID and Name
- Debit Account Branch, Currency, and Account
- Credit Account Branch, Currency, and Account
- Sequence Number

The Mnemonics selected here obtains the settlement details for the borrower of the contract.

Note

If you do not associate a Mnemonic with the currencies, the system defaults the SSI Mnemonic for the counterparty and contract currency when you exit the 'Borrower Details' screen. The settlement instructions maintained for the counterparty becomes applicable for all the borrowers of the contract.

To return to the 'Borrower Details' section of the screen, you have to click 'Up Arrow' button.

Maintaining Entity Details for a Borrower

The entities maintained for the counterparty through the 'Customer Entity Details' screen defaults 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.

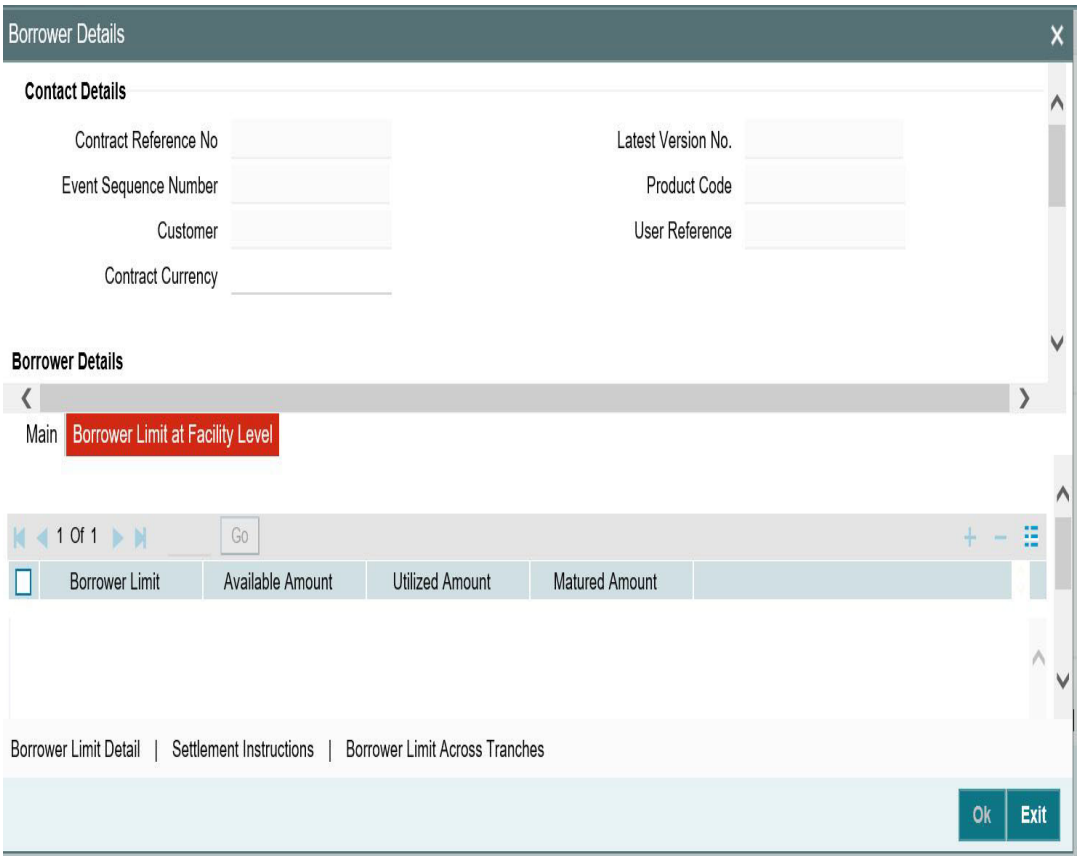
Note

A primary entity must be designated for every customer who is allowed to be a borrower of the facility contract. If not specified, you are not allowed to save the details.

To return to the 'Borrower Details' section of the screen, you have to click 'Up arrow' button.

5.5.1.1 Specifying Borrower's Limit

You can maintain the borrower limit in 'Borrower Limit at Facility Level' tab available in Borrowers Details of 'LB- Facility Contract Online' (FCDTRONL) screen. The borrower limit is based on the type of tranche (Revolving / Non-Revolving).



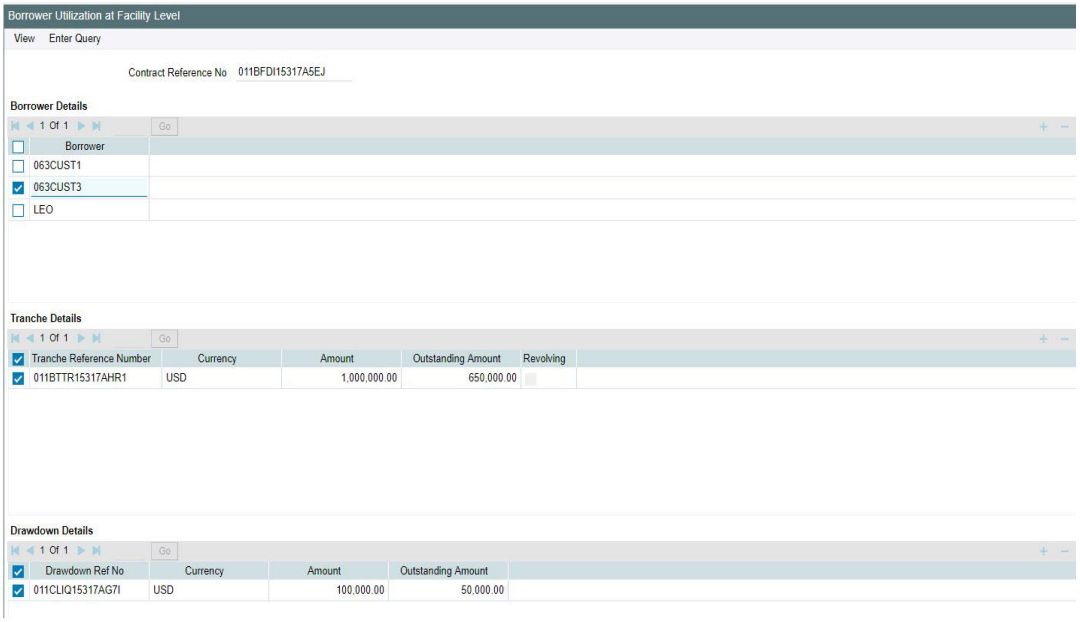
During drawdown creation you need to enter an amount that is within the respective borrower limit in 'Drawdown Amount' available in 'Drawdown Contract Details' screen.

The system does not allow you to exceed the borrower limit available in 'Borrower Limit at Facility Level' tab. Facility and borrower amount are reduced in parallel.

5.5.1.2 Viewing Borrower List

All the borrowers linked to the tranche can make a drawdown from the tranche.

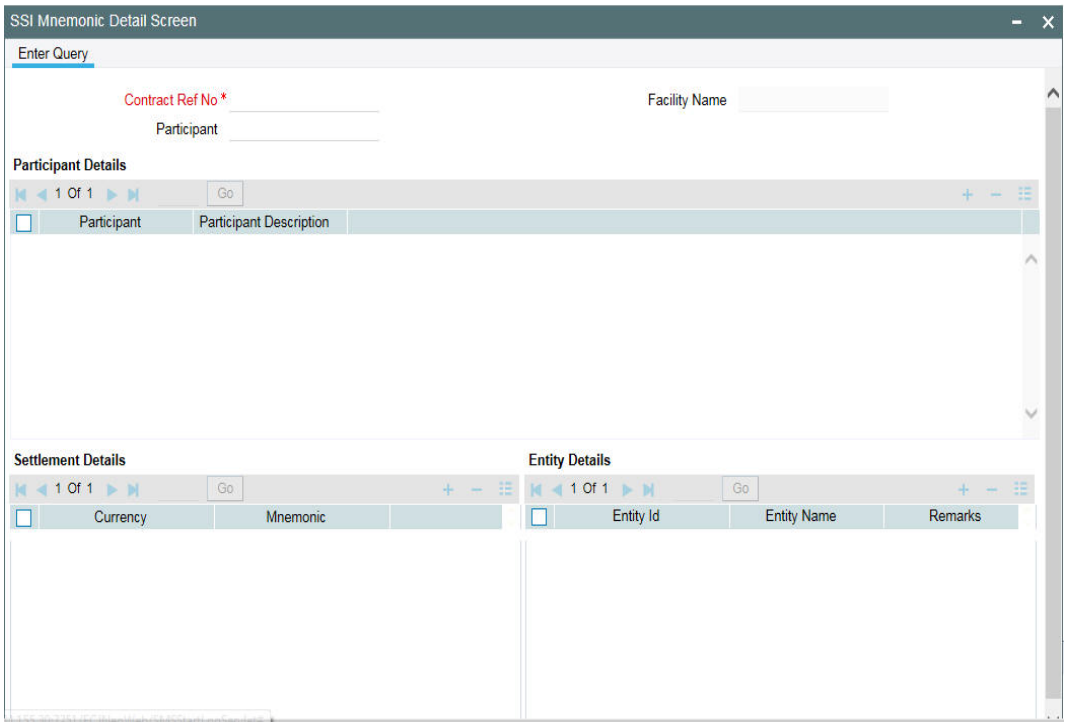
Using 'Borrower Utilization at Facility Level' screen (LBDFBRLM), you can query and view the list of borrowers who have utilized the facility and tranches.



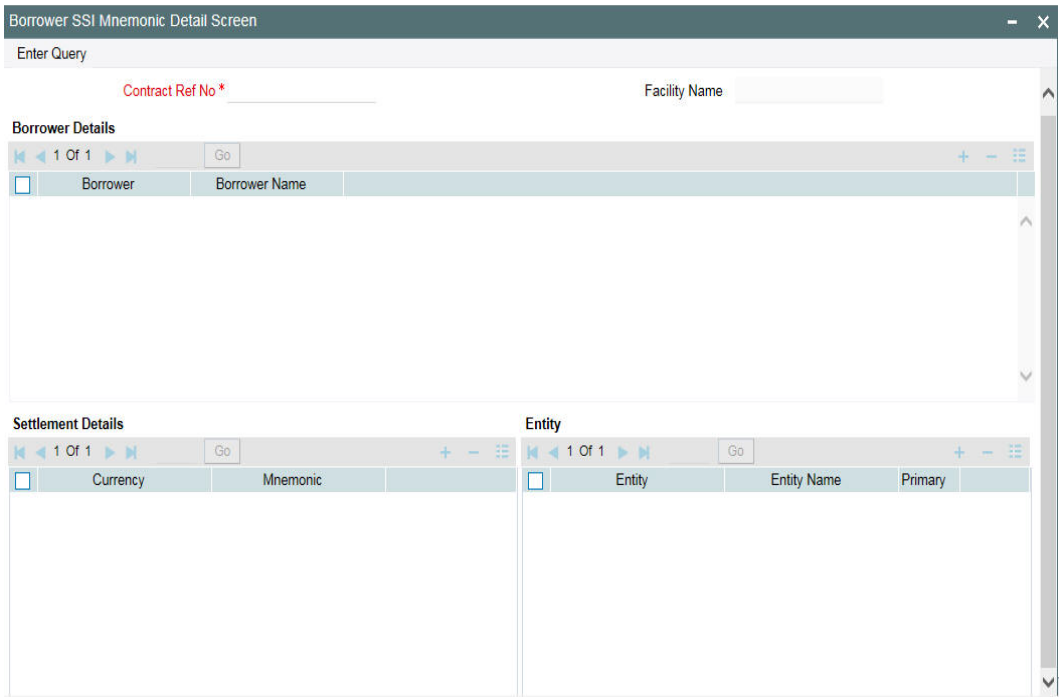
5.5.1.3 Viewing of Settlement Amendment Screen

You can query/unlock tranche for specific 'Participant' by entering participant number during query action. You can unlock /modify SSI mnemonic details and entity details for a queried participant number.

You can invoke the 'SSI Mnemonic Detail' screen by typing 'LBDMENMC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can view the details of the borrower in the ‘Borrower SSI Mnemonic Detail Screen’. You can invoke the ‘Borrower SSI Mnemonic Detail’ screen by typing ‘LBDBRMNC’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can view the following details in the above screens:

- Contract Ref Number
- Participant Details
- Borrower Details
- SSI Mnemonic
- Entity Details
- Settlement Details

Note

You can click the ’Unlock’ menu and edit the SSI Mnemonic details

In Oracle Banking Corporate Lending, 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 displays the Change Log details along with the old values and new values.

Note

You can click on the ‘Unlock’ menu and edit the SSI Mnemonic details for a particular participant.

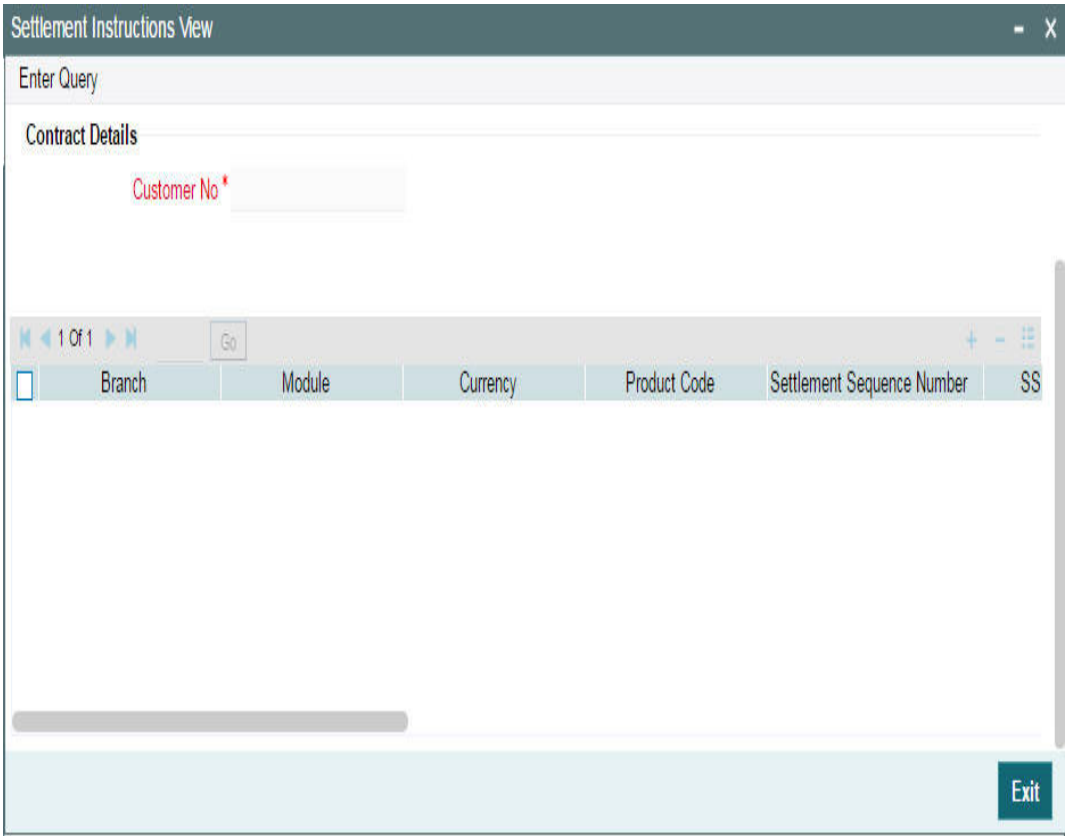
5.5.1.4 Viewing Standard Settlement Instructions for Borrowers

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 from Borrower Details screen and click ‘Settlement Instructions’ button.

You can invoke the ‘Settlement Instructions View’ screen by typing ‘LBDINSVW’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The details are displayed in the ‘Settlement Instructions’ screen as shown below:



You have to click ‘Exit’ button to exit and return to the ‘Borrower Details’ screen.

You can disallow the customers accounts for products those are specific to NOSTRO accounts in Bilateral Loans and Commitment Restrictions (OLDPRDRS).

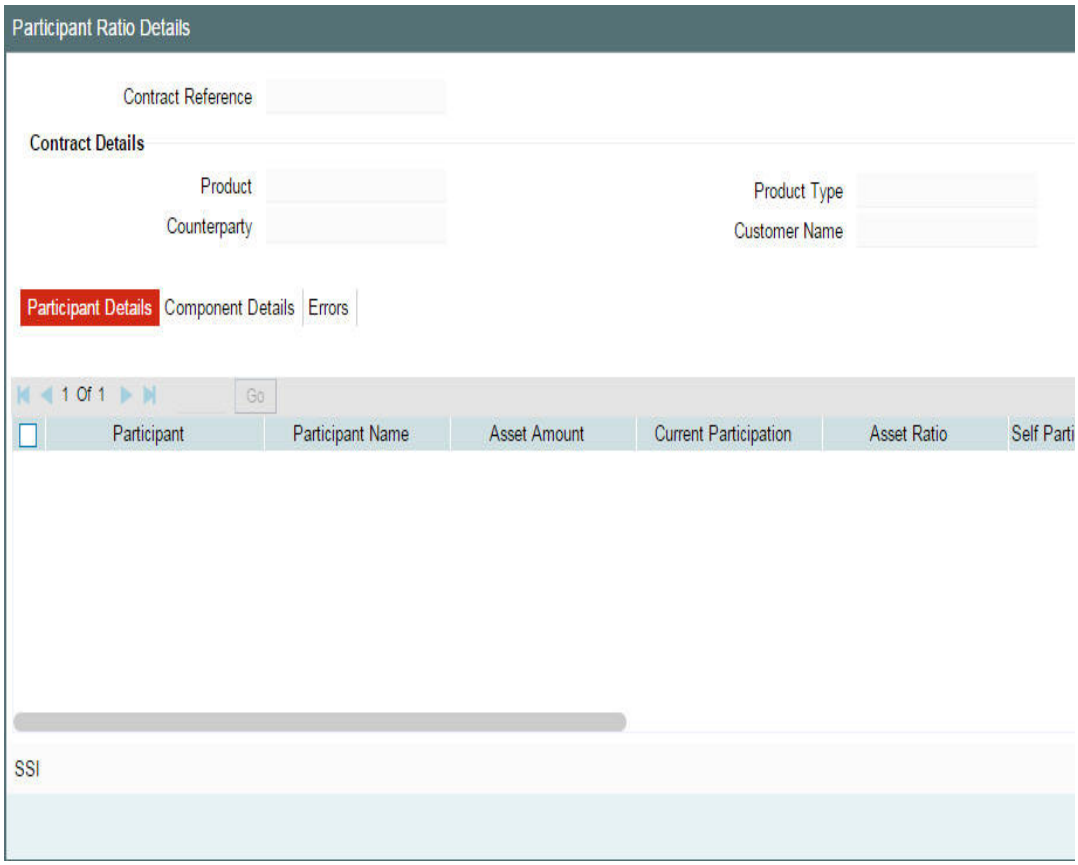
In 'Settlements screen' of "DrawDown Online’ (LBDDDONL), NOSTRO accounts which are disallowed does not appear in the 'Pay Receive' field LOVs. The NOSTRO accounts which are disallowed does not appear in the following screens.

Function ID	Screen Title	Field
LBCPARAT	Participant details	SSI Mnemonic
LBCSTDET	Override settlement details	Internal GL
LBDBRMNC	Borrower SSI Mnemonic Detail Screen	Mnemonic

Function ID	Screen Title	Field
LBDDDONL	Drawdown Contract Detail	Default Settlement Account
LBDMENMC	SSI Mnemonic Detail Screen	Mnemonic
LBDPTFR	Participant Transfer Details	Mnemonic
LBCCONBW	Borrower Details	SSI Mnemonic
TLCEXSSI	SLT Screen EX SSI	Mnemonic
TLCONSSI	SLT Screen SSI	Mnemonic
TLCUPSSI	SLT Screen SSI	Mnemonic

5.5.2 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 'Participant' tab in 'Facility Contract Online' screen.



The following details are displayed in this screen:

- Product Code
- Contract Reference Number

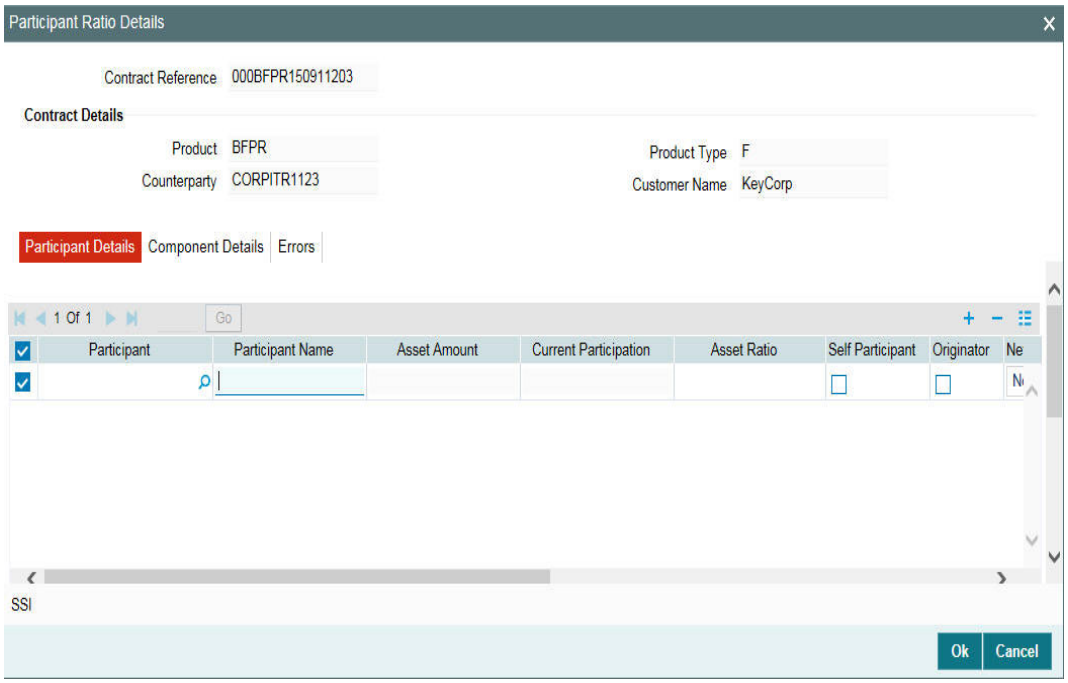
- Customer of the contract
- Participant Name and Code
- Fee components associated with the product (only if the ‘Participant Propagation Required’ option is checked for the component in the Borrower Product – FEE Details’ screen).
- Through this screen, you can select participant details for the contract.

Each of the above procedures is discussed below:

5.5.2.1 Selecting Participants for the Facility

You can select the participants for the contract in the ‘Participant Ratio Details’ screen using Participant Details tab.

You can select participants from the ‘Participant’ option-list.



Note

GFCID is specified at the time of maintaining customer details in the ‘Customer Maintenance’ screen.

In the ‘Participant Ratio 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 displays the component wise ‘Total’ in the last row.

Note

The component wise total ratio should be 100%. The system displays an error message if the total exceeds or is less than this value.

Additionally, you have to specify the following details for each participant:

5.5.2.2 Maintaining Preferences for the Participant

The following preferences can be defined for a participant:

Self Participant

Select this check box to indicate that the participant is a Self Participant. A self participant is one who is leading the loan contract.

Originator

Select this check 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, is displayed in the option list provided. You can select the required value from this list. The value selected here obtains the settlement details for the participants of the contract.

If you do not specify the SSI Mnemonic for all the participants, system displays the following message:

SSI mnemonics for some/all participants have not been entered. It will be defaulted.

Note

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

Note

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 defaults to the contract.

From the list of entities, you can designate one of them as the 'Primary' entity. The primary entity is the recipient of notices and messages for the participant.

Note

A primary entity must be designated for every customer who is allowed to be a participant of the facility contract. If not specified, you are not allowed to save the details.

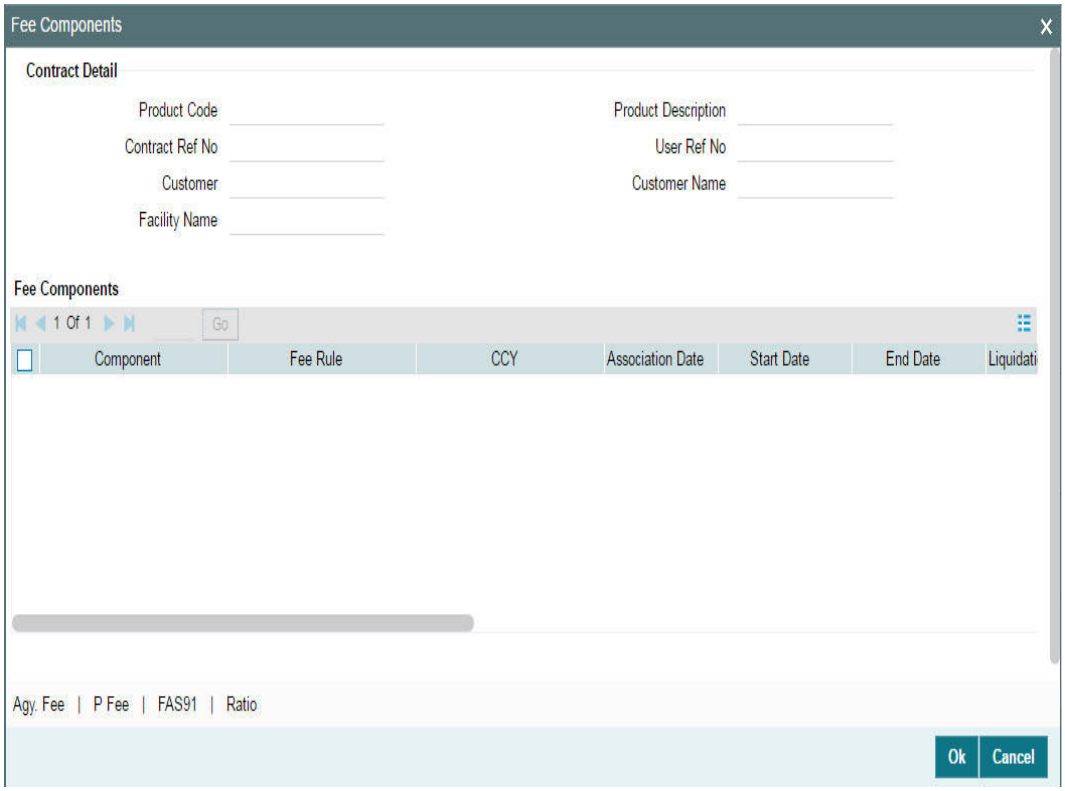
Remarks

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 ‘Add Row’ button.

5.5.3 Specifying Facility Fee Details

The fee components defined for the underlying facility product becomes applicable to the contract. To view the fee details, click ‘Fee’.



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 automatically updates 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

Note

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 is equal to the ‘Facility Start Date’. This is the date on which the ad-hoc fee component becomes applicable for the facility. You can change the date only if the ‘Allow Start Date Input’ is selected 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 selected 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 automatically liquidates 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 want to generate a billing notice for the associated component. You can amend this option, if required.

Note

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 is not generated for such contracts.

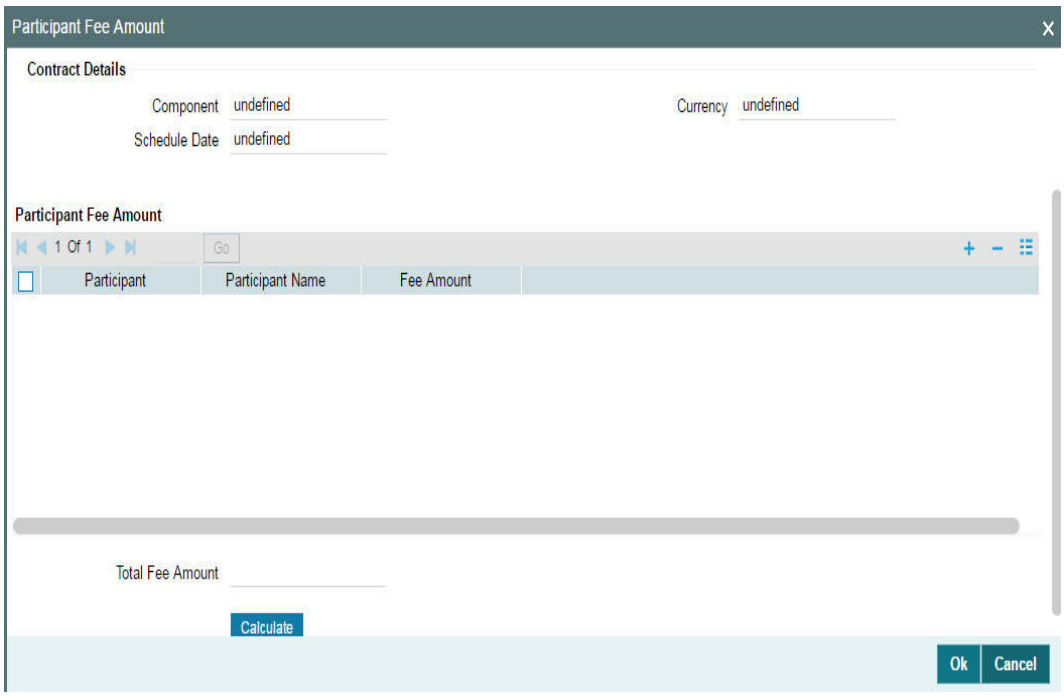
Billing Notice Days

The billing notice days get defaulted from the product level. You can amend this value if required.

For more details on the manual mode of liquidation, refer the heading 'Liquidating Fee Components' in the 'Processing Charges and Fees' chapter of this User Manual.

5.5.3.1 Capturing Participant Fee Details

Click 'P Fee' in the Fee Components screen to define the fee amount for each participant. This button is enabled only if the fee class is Participant Driven. You can specify the participant fee in the 'Participant Fee Amount' screen.



In this screen, click the button to select the participants for whom you want to specify the fee amount. Once you select the participants, the names of the participant's are displayed. You can specify the amount for each participant in the 'Fee Amount' field.

Based on the fee amount you specify here, the participant's ratio is computed and displayed in the 'Participant Ratio Details' screen.

Note the following:

Note

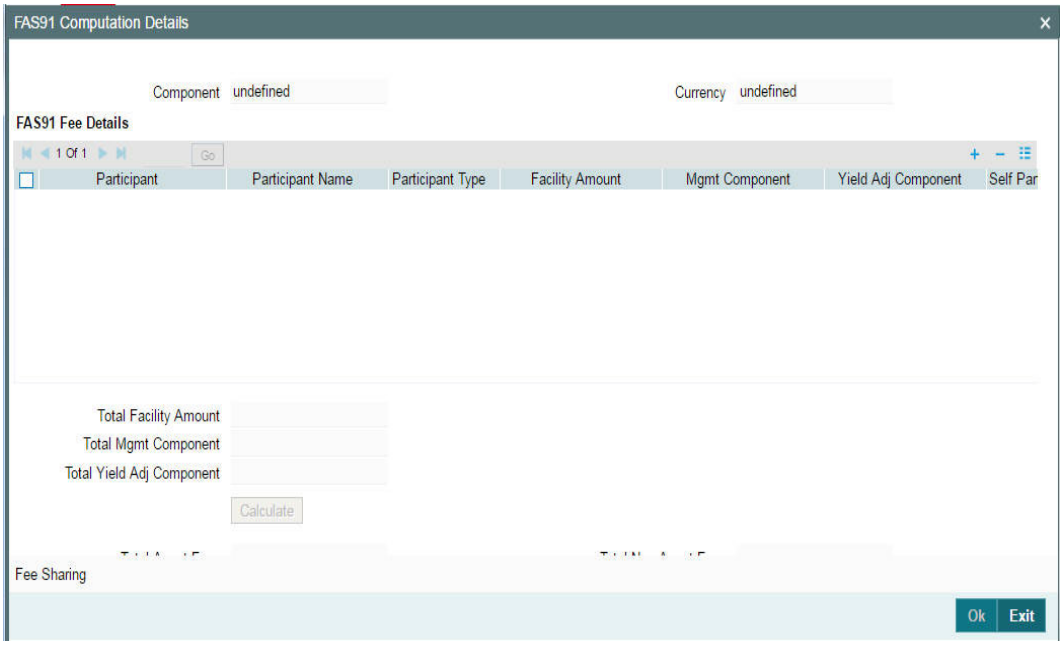
- The individual participant's fee amount should be greater than or equal to zero
- The Total fee amount should be greater than zero

- 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 'Ok' to save and exit screen.

5.5.3.2 Computing FAS91 Fee Details

In the Fee Components screen, you can capture the FAS91 fee details.



On invoking 'Fee Components' screen, the following details are displayed:

- Product Code
- Contract Ref No.
- Customer
- Facility Name
- Fee Component

Click 'FAS91' to specify information related to FAS91 in the 'FAS91 Computation Details' screen. This option is enabled only for components where the FAS91 check box is selected at the product level.

Click to select the participants for whom you want to calculate FAS91 details. A 'Participant Selection' screen will pop up with a list of all customers maintained in the system. On selecting the participants, system will display the same under the FAS91 Fee Details section in the 'FAS91 Computation Details' screen.

The other details required to be maintained in this screen are as follows:

Participant Type

Select the appropriate participant type from the drop down list. Values in the drop down are:

- Leader
- Co Leader
- Manager
- Co Manager
- Participant
- 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:

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:

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

Select this check box to indicate that you can pass accounting entries for FAS91.

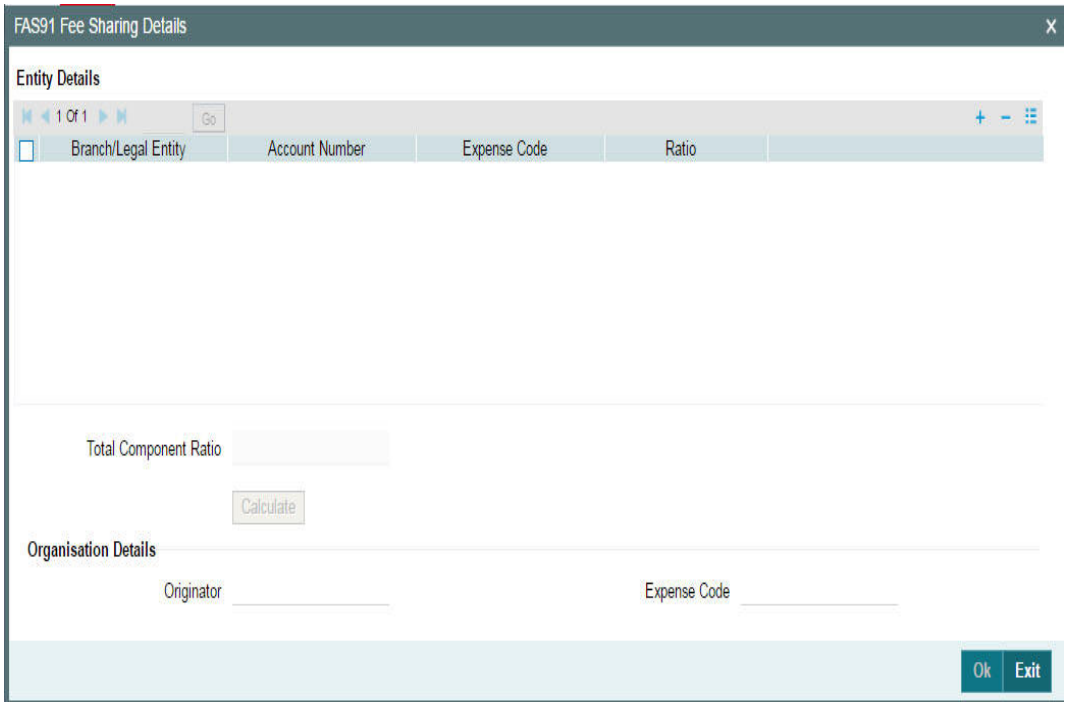
Note

You can liquidate FAS91 fees with other fee components.

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 'Fee Sharing' in the 'FAS91 Computation Details' screen.



Fee Component

System displays the fee for which the fee sharing ratio is calculated. If there are more than one FAS91 fees, system captures the fee sharing ratio for each component.

Branch/Legal Entity

Select the branch or legal entity from the list of options. System displays 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 displays a list of all GL leaves for the branch code are displayed in the option list.

Expense Code

Specify the Expense code with which you want to post an entry. System displays 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 validates 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

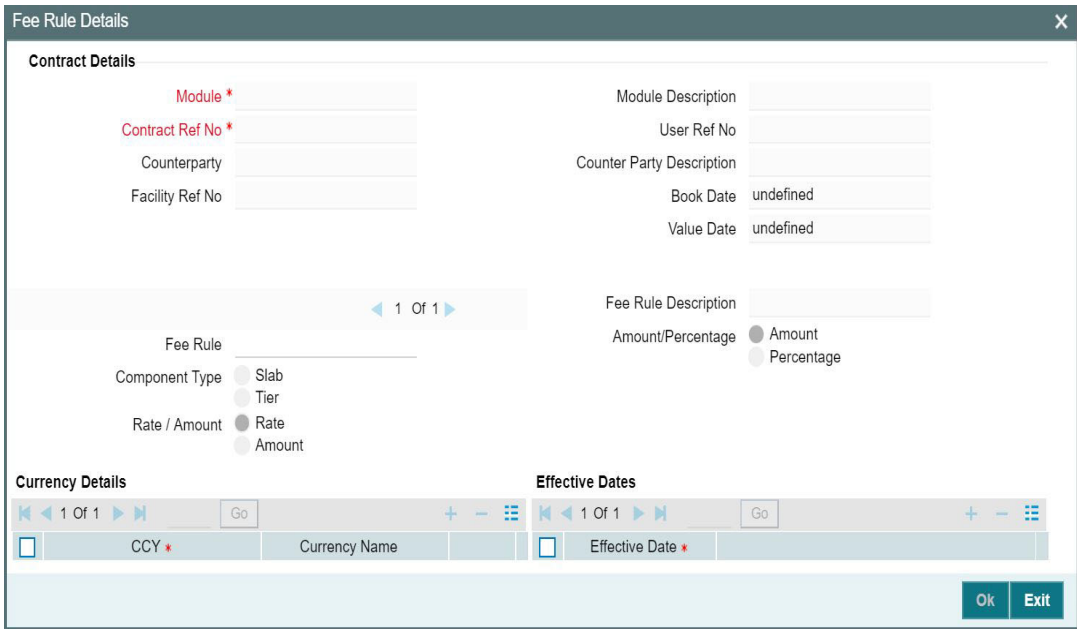
Select an Expense code of the originator self participant from the option list. System displays a list of all valid Expense Codes in the Branch of the Self Participant. This expense code is used while passing the accounting entries for the Fees to be amortized.

On clicking 'Ok' 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.

5.5.4 Maintaining Facility Fee Rules

To view/amend the fee rule details for the fee components, click the 'Fee Rule' tab in the 'Loans Syndication - Facility Contract Online' screen.



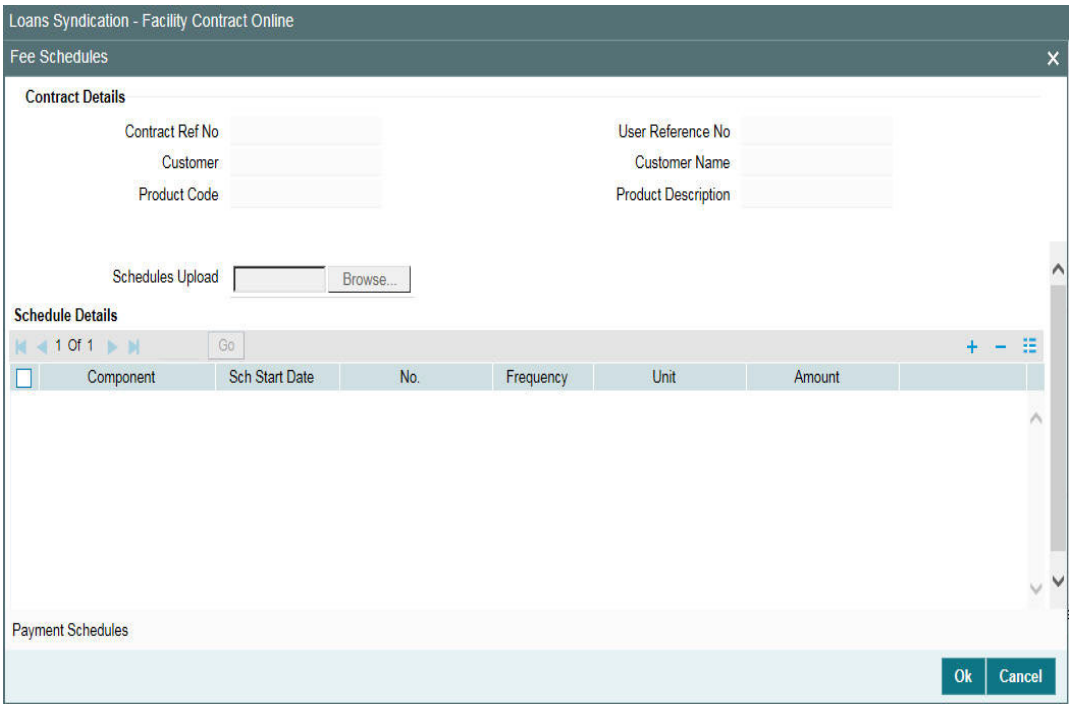
You can define the fee structure and the applicable rate at the facility level.

Using this screen you can modify the existing fee schedule and also set a new fee rule for any new schedule.

For more information on fee rule, refer to 'Processing Charges and Fees' chapter of this User Manual.

5.5.5 Maintaining Facility Fee Schedules

You can specify schedules for fee components through the 'Fee Schedules' screen. To invoke this screen, click the 'Fee Schedules' button in the 'Facility Contract Online' screen.



Capture the following details in this screen:

Schedules Upload

You can upload fee schedules for facility contracts using this option. You can upload file only with *.csv extension.

The fee schedules file must meet the following criteria.

- Contains only fee components associated with the product
- Contains the ‘Facility Start Date’ and ‘Facility End Date’ within the tenor facility. The start date is not lesser than the current application date.
- No overlapping of fee schedules
- ‘Schedule Type’ must be ‘P’
- The uploaded ‘Schedule Frequency’ must NOT contain ‘Y-Yearly’, ‘H-Half Yearly’, ‘Q-Quarterly’, ‘M-Monthly’, ‘W-Weekly’, ‘D-Daily’, ‘B-Bullet’.
- Ensure no duplicate fee schedules are uploaded

Note

- Holiday treatment is applied for the fee schedules after the upload.
- If any fee schedule exists for the facility contract, they are overwritten after the upload.
- If the facility contract is authorized, you cannot perform fee schedules upload
- In case of any error, you need to upload the fee schedules again after correcting the details.

Component

The fee components that have been associated with the product are 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 (that is, the number of schedules is one), Oracle Banking Corporate Lending initiates one schedule on the start date mentioned, not taking into account the frequency and the frequency unit.

Note

The Start Date for a single schedule is as follows:

- 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 Banking Corporate Lending initiates the first schedule on the start date mentioned, and subsequent schedules based on the frequency and the frequency unit specified.

Note

For the fee components having basis amount as UTILIZED or UNUTILIZED, if there is a change in UTILIZED or UNUTILIZED amount due to Value dated amendment (VAMI), creation or liquidation of Drawdowns, then the unpaid schedules are recalculated and reflected in the future fee schedules. The recalculation for the unpaid fee schedules happens during the VAMI, If the change in basis amount happens during the fee calculation period of the Advance fee component's latest paid schedule, then the recalculation happens during the EOD on the date of amendment, and the calculated amount for that schedule is the sum of the calculated amount before amendment and after amendment.

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 are 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.

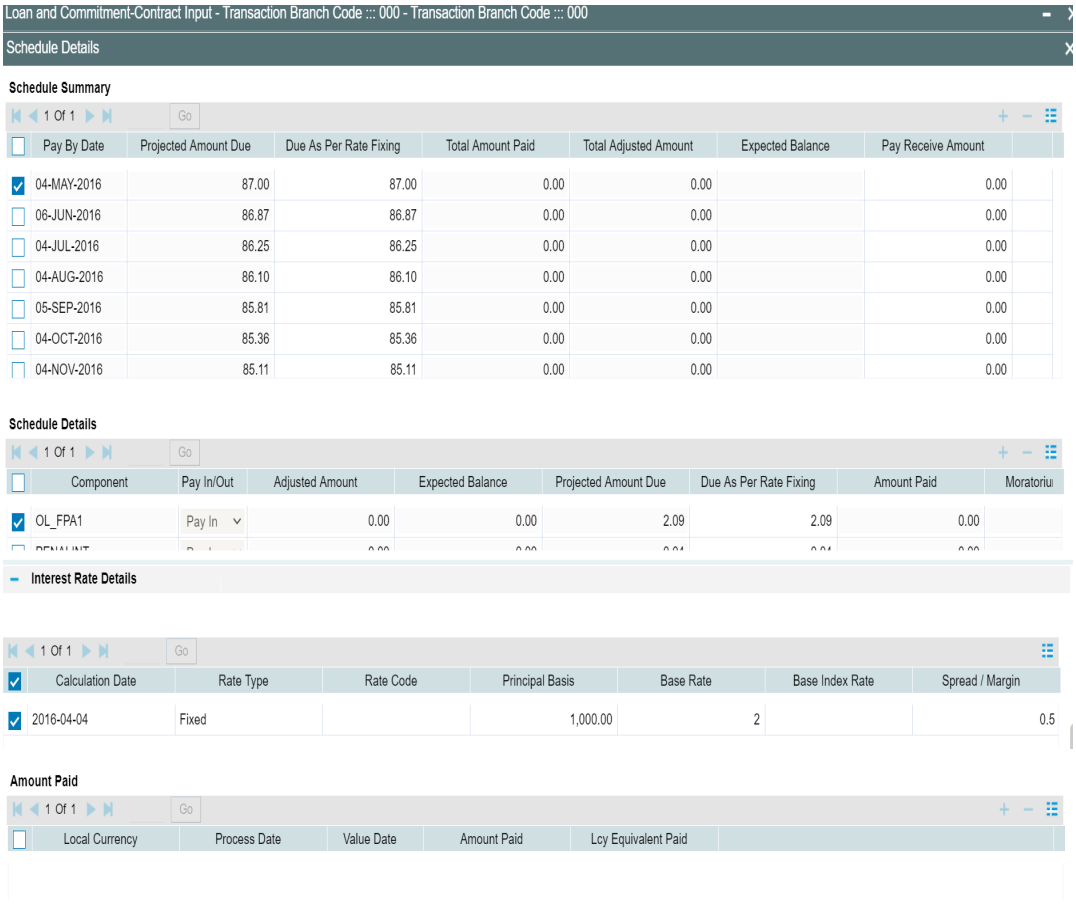
For all other ‘Basis Amount Tags’, the system computes the fee amount based on utilization. For more details on defining fee components, refer the heading ‘Associating a Fee Class or Fee Rule with a product’ in the ‘Processing Charges and Fees’ chapter of this User Manual.

Note

- 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 is remapped to the new schedule date.
- For participant fee components, there cannot be more than one un-liquidated schedule

5.5.5.1 Viewing the Payment Schedules

When you click ‘Payment Details’ in the ’Loan and Commitment - Contract Input’ screen, you can see the Payment Schedule Details screen. Here you can view the details of the schedules for a particular contract. To go back to the schedule definition screen, click the ‘Exit’ button.



Schedule Summary

This section contains total schedule amount across component for a schedule

- Pay By Date
- Projected Amount Due
- Due As Per Rate Fixing
- Total Amount Paid
- Total Adjusted Amount
- Expected Balance
- Pay Receive Amount

Schedule Details

This section contains component wise break up for each schedule date

- Component
- Pay In/Out
- Projected Amount Due
- Due As Per Rate Fixing
- Amount Paid
- Moratorium Interest

- Adjusted Amount
- Expected Balance
- Pay Receive Amount
- Component Type
- Due Date

Interest Rate Details

This section contains interest rate details for each component for a given schedule date

- Calculation Date
- Principal Basis
- Base Rate
- Spread/Margin
- Spread Adjustment
- No of Days
- Compound Interest
- Simple Interest
- Total Interest
- Cumulative Interest
- Moratorium Interest

Amount Paid

This section contains payment details for each component for a given schedule date.

- Process Date
- Value Date
- Amount Settled
- Lcy Equivalent Settled

Note

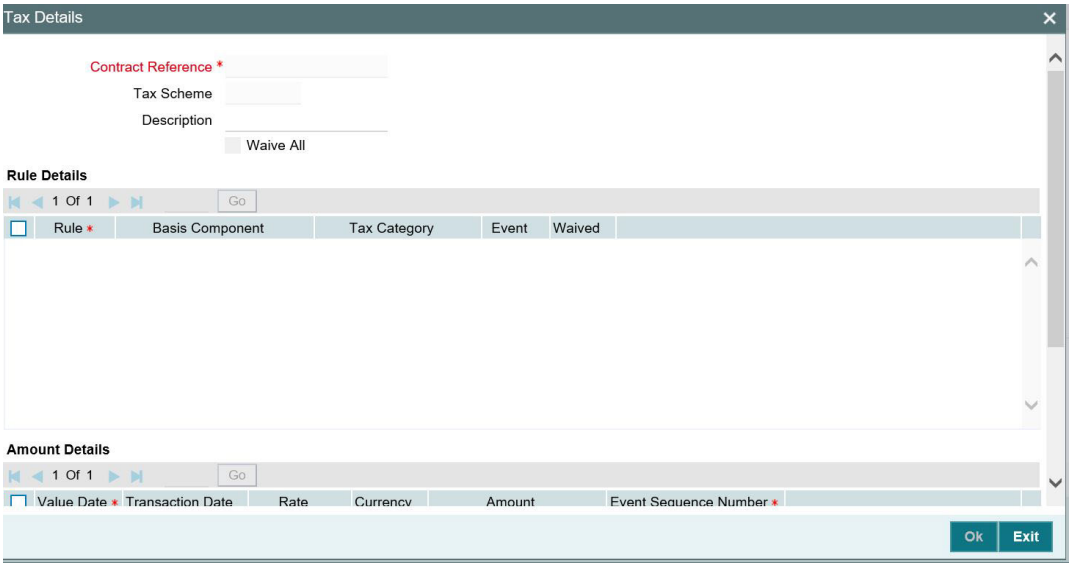
- You can view the remaining Principal balance after deducting the Principal amount due for a particular schedule.
- You can view the Interest amount in FCY and also its LCY equivalent in case of FCY Loans.

5.5.6 Borrower Tax Details

At the facility level, tax is applicable only on the fee component.

The taxes that apply on a contract are of two types, ‘Expense’ and ‘Withholding’.

The tax that is borne by the bank is referred to as an ‘Expense’ type of tax. This tax is booked to a ‘Tax Expense’ account. The tax that is borne by counter party of a contract is referred to as a withholding tax, whereby you debit the counter party’s account and credit the tax component into a Tax Payable account (to be paid to the government on the counter party’s behalf)



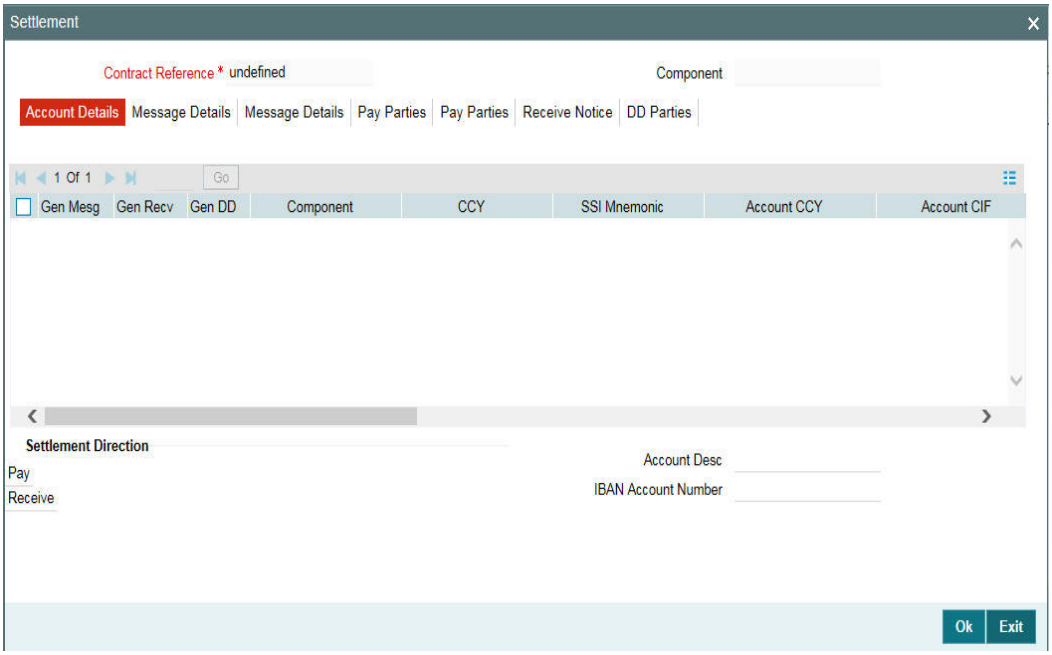
The ‘Borrower Tax’ sub-screen displays the tax rule details associated with the facility product.

You can waive the subsequent tax that is applied for a borrower and tax rule combination.The system passes the entries for tax based on the event you specify in the ‘Product Tax Linkage’ screen.

Typically, tax on fee is calculated upon liquidation of the fee (event ‘FLIQ’ is associated with the rule).

5.5.7 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’ in the ‘Facility Contract Online’ screen to access it.



The system obtains the settlement details based on the SSI Mnemonic for each borrower.

Note

When you are entering a contract in the ‘Facility Contract Online’ screen, and you click the ‘Settlements’ tab 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.

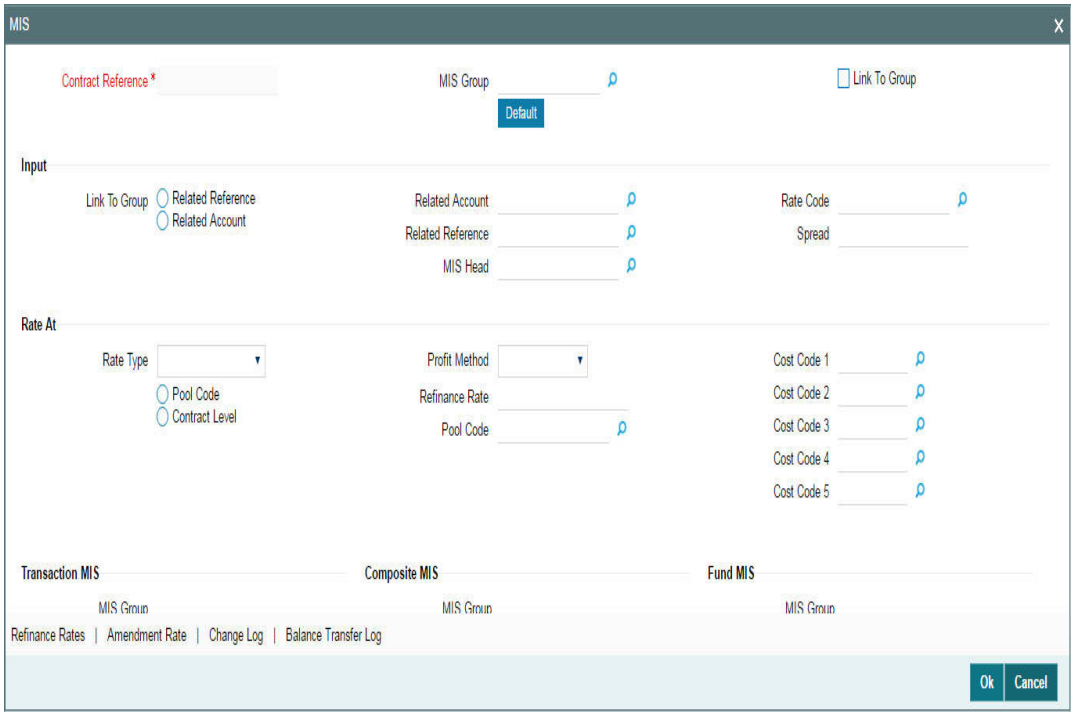
Note

This is applicable only for ASPAC region.

For more details about the ‘Settlement Message Details’ screen, refer the Settlements User Manual.

5.5.8 Viewing the MIS Details

You can view the MIS (Management Information System) details in the ‘MIS Details’ screen. To invoke this screen, click the ‘MIS’ in the ‘Facility Contract Online’ screen.



For details on the 'Transaction MIS Details' screen, refer the MIS User Manual.

5.5.8.1 Validating Expense and Proof Codes

While booking a new facility, upon selection of named agent, the system defaults 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 are defaulted in MIS sub-screen in tranche online screen.

Similarly, while booking a new Drawdown, Expense code and proof code from tranche contract are 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.

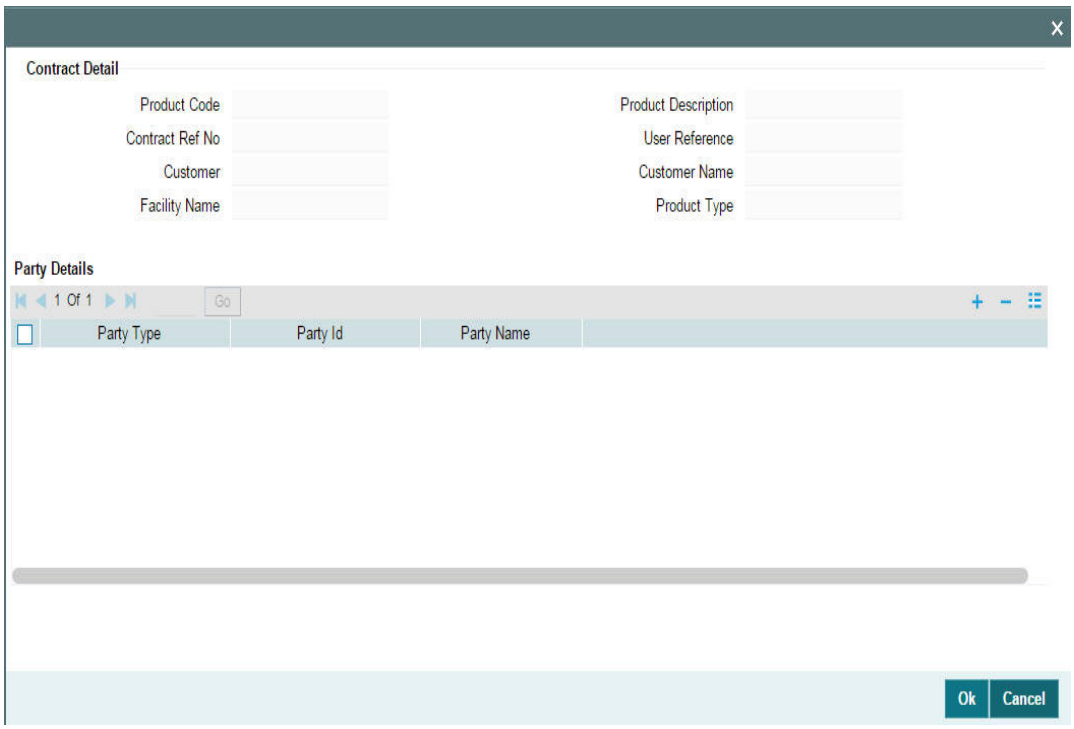
Note

- 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.

5.5.9 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.

Too invoke the ‘Party Details’ screen, click ‘Party type’ button in the ‘Facility Contract Online’ screen.



Capture the following in this screen:

Party Type

The party types associated with the borrower facility product is applicable for the contract. The option list displays the same. Select a type from this list.

Party ID

For the chosen party type, you have t select a party from the option list. This list displays all the customers maintained in the system. Upon selection of the ID, the ‘Party Name’ is displayed alongside.

Note

- 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.

5.5.10 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:

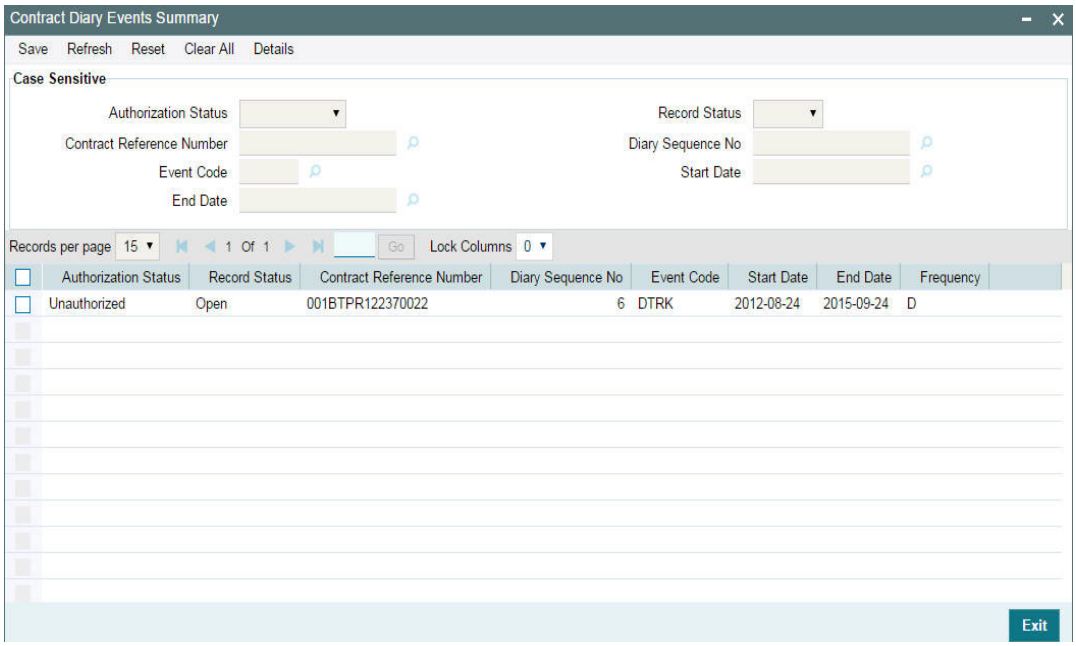
- Entry By: Login ID of the person who has performed the save operation
- Entry Time: The date and time when the facility was saved in the system
- Auth By: Login ID of the person who authorized the facility
- Auth Time: The date and time when the facility was authorized in the system
- Contract Status: 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

5.5.11 Viewing Facility Diary Events

You can view the diary events defined for the contract in the ‘Diary Contracts – Summary’ screen. To invoke this screen, click ‘Diary’.



Diary events are user defined events which are maintained at a module level through the 'Diary Event Maintenance' screen. You can associate the required diary events with a product in the 'Diary Event Association' screen.

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

Note

You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'

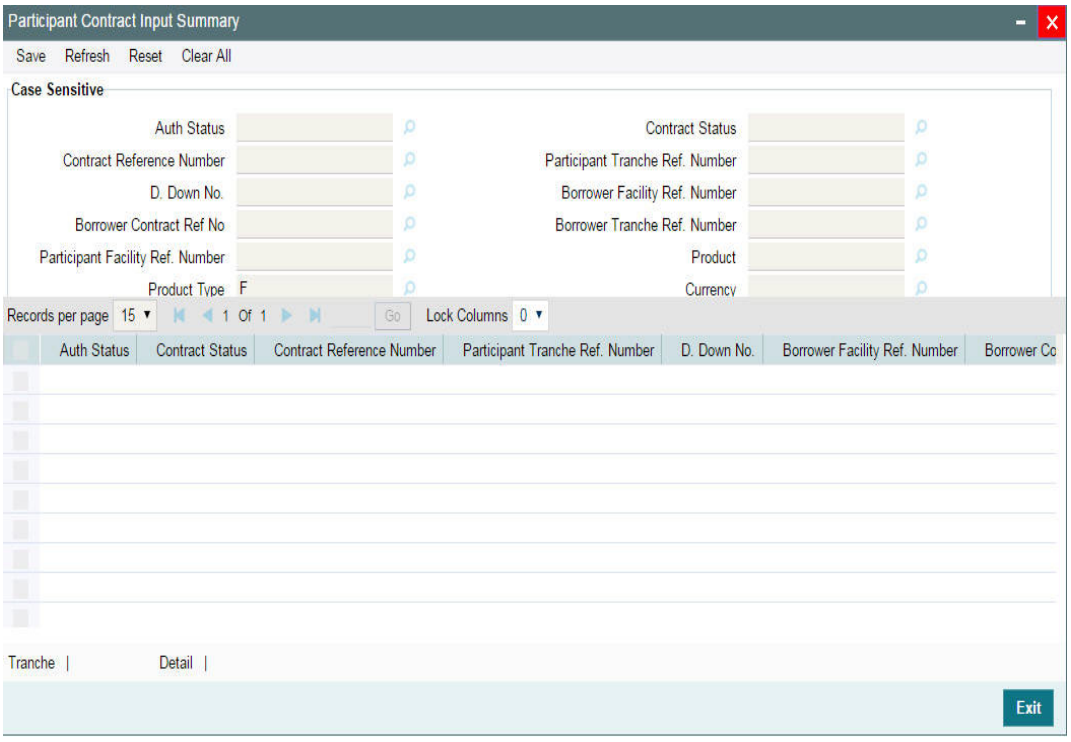
For more details on this screen, refer the heading 'Maintaining diary events' in the 'Reference Information for Loan Syndication' chapter of this User Manual.

For a borrower facility, tranche or drawdown contract, you can specify diary events that needs to be processed through the 'Contract Diary Events' screen.

Refer the heading 'Specifying diary events for a borrower syndication contract' in this chapter for details on the 'Contract Diary Events' screen.

5.5.12 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 'Part Sum'.



In this screen, the following details are displayed:

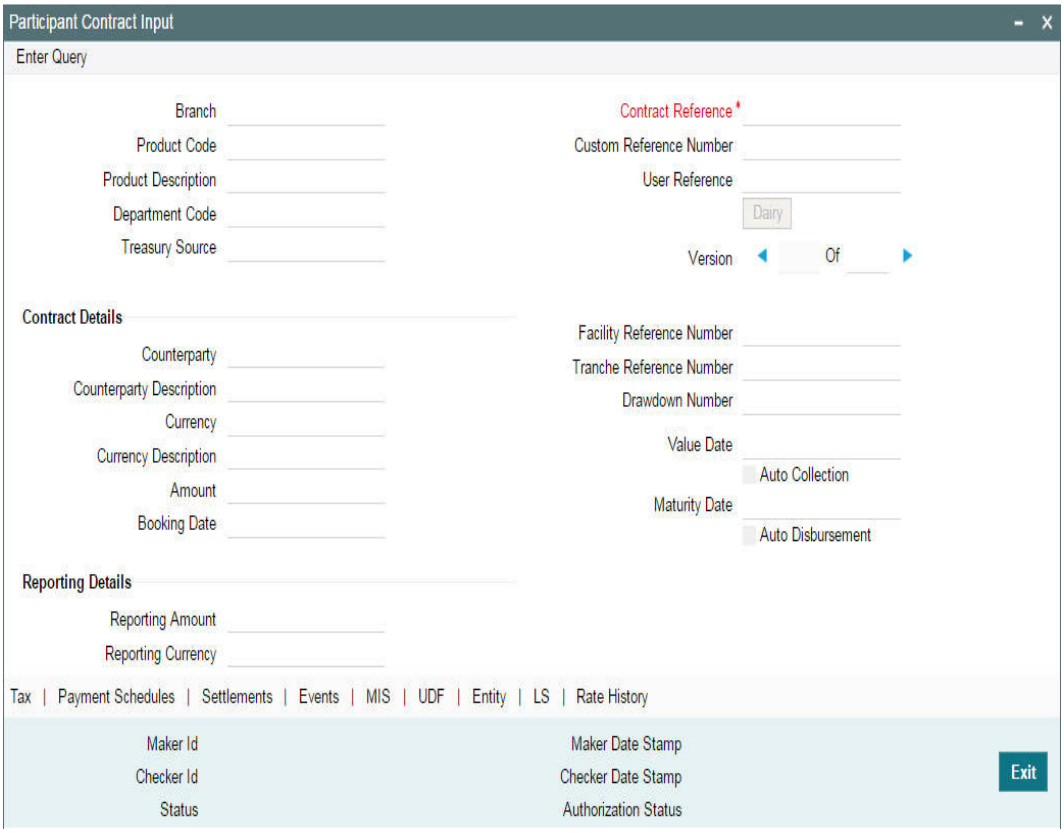
- Authorization status of the contract: The possible values are:
  - A – Authorized
  - U – Unauthorized)
- Contract Status: The possible values are:
  - A – active
  - L – Liquidated
  - H – Hold
  - Y – Yet to be initiated
  - V – Reversed
- Contract Reference Number: The reference number of the participant 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

5.5.12.1 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.

5.5.12.2 Viewing Participant Facility Contract Details

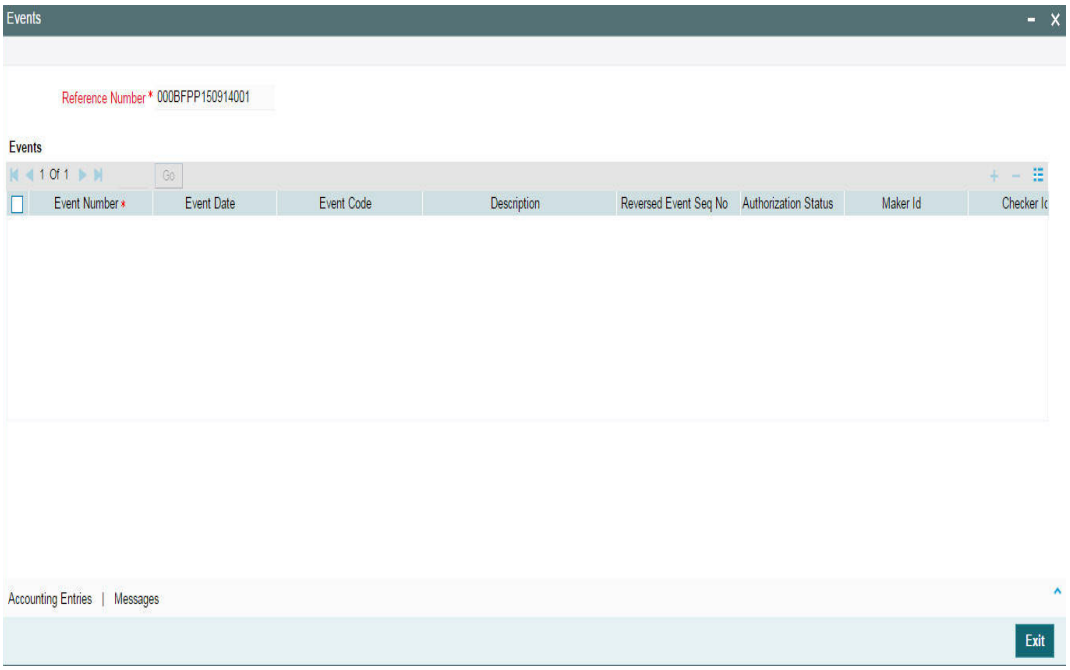
To view a participant facility contract go to 'Loans Syndication – Participant Contract Input (LPDCOMNT)' screen.



For more details on this screen, refer the heading ‘Viewing Participant Contracts’ in this chapter.

5.5.13 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 ‘Events’ in the ‘Facility Contract Online’ screen. The events defined for the facility product are triggered for the contract.

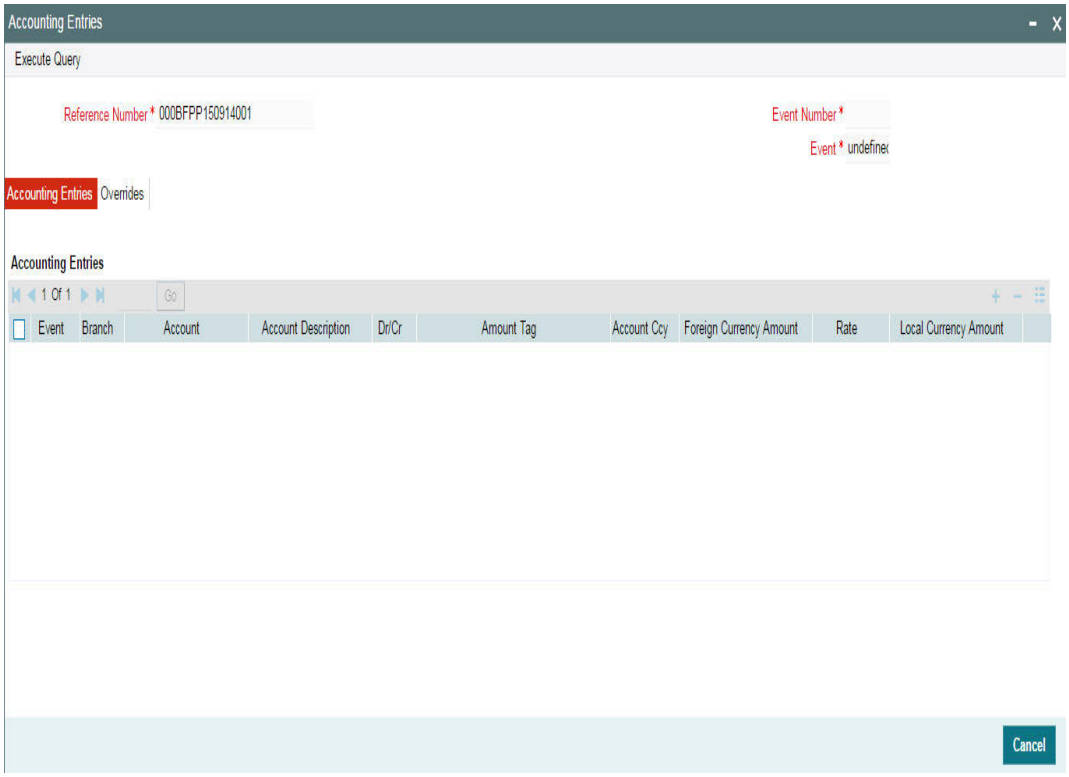


The following details are displayed in this screen:

- 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.

5.5.13.1 Viewing Event-wise Accounting Entries

To view the event wise accounting entries, select the event and click ‘Accounting Entires’.



This screen displays the details of accounting entries passed for the selected event and the overrides encountered during the event, if any.

Click ‘Cancel’ button to exit the screen. You return to the ‘Event Log Details’ screen.

5.5.13.2 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.

1. To view messages, select an event and click 'Messages'.

The Advice Message screen appears. It displays all the messages which are generated against that event.

2. Select a message and click 'Message Details'

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.

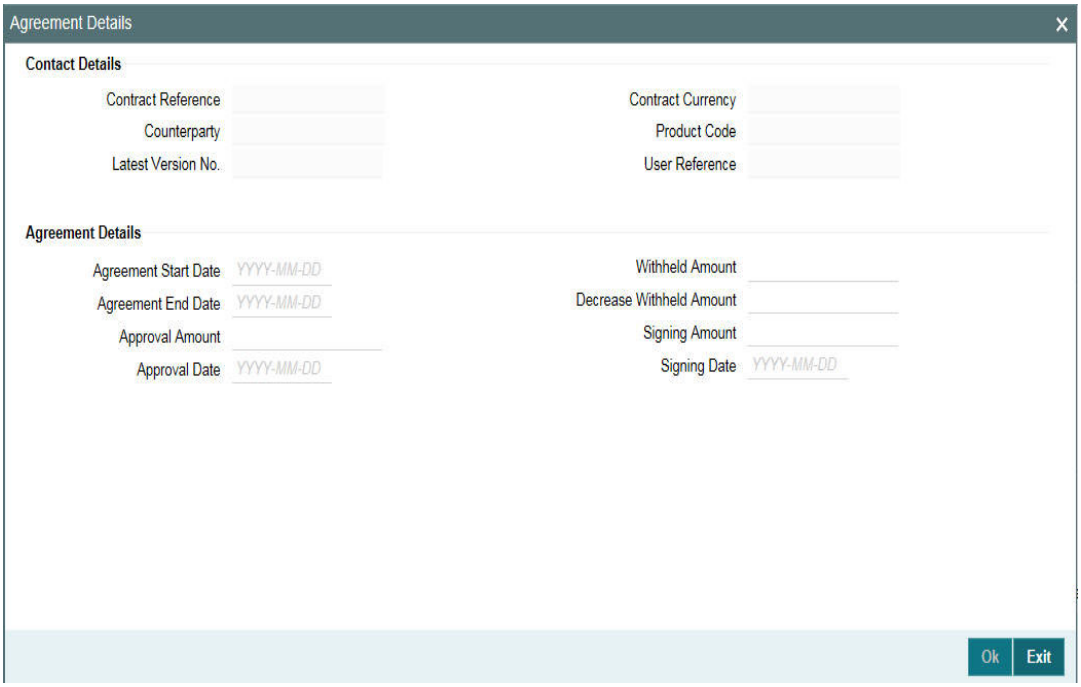
For FpML messages, the value of ‘Media’ gets displayed as ‘FPML’.After you save and authorize the facility contract, you can process tranches under the facility.

5.5.14 Authorizing Facility Contracts

You can authorize the tranche contract using the ‘Authorization’ screen. You can invoke this screen by selecting **Authorize** from the menu.

5.5.15 Capturing Agreement Details

You can capture agreement details using ‘Agreement Details’ screen. You can invoke this screen by clicking ’Agreement Details’ tab.



Contract Details

The following contract details are defaulted from the 'Contract' tab.

- Contract Reference
- Counter Currency
- Counterparty
- Product Code
- Latest Version no
- User Reference

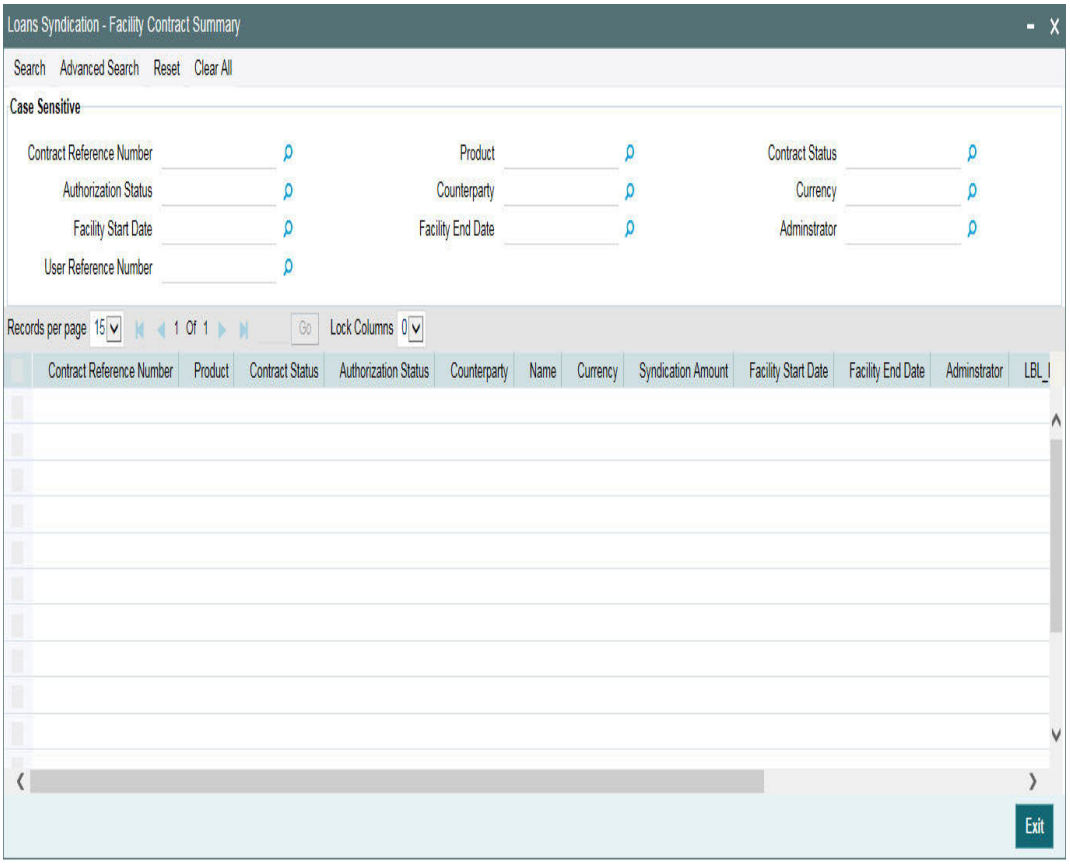
Agreement Details

You can capture the following agreement details in this screen. There are no validation for these fields.

- Agreement Start Date
- Agreement End Date
- Approval Amount
- Approval Date
- Withheld Amount
- Decrease Withheld Amount
- Signing Amount
- Signing Date

5.6 Viewing Facility Details

You can view the Facility details summary on the 'Loans Syndication - Facility Contract Summary' screen. You can invoke the 'Loans Syndication - Facility Contract Summary' screen by typing 'FCSTRONL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

Note

You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

5.7 Processing Loan Syndication Contracts

After you enter a borrower facility contract into Oracle Banking Corporate Lending, you need to:

1. Open a tranche for the borrower
2. 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:

1. Processing the tranches
2. Processing the drawdowns

The system also processes two different types of contracts when it processes a borrower facility contract:

1. 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.
2. Messages to the borrower are generated and transmitted through the borrower leg.
3. 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.

5.7.1 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 is 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 is 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.

5.7.2 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 defaults to the drawdown. If you change the ratio, the system 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.

5.7.3 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.

5.8 Processing a Draft Tranche Contract

You can capture the required data and make multiple changes to them before actually creating an original tranche contract. You can make changes to the contract details as needed, save it as a draft, and then create the final tranche contract from the saved details.

A 'Draft Tranche' screen is created where the below mandatory details are captured.

- The facility contract under which the draft tranche is created
- Tranche Product
- The Counter Party

- Currency and Tranche Contract Amount
- Maturity Date, DD Expiry Date
- Drawdown details

The unique reference number for the contract is automatically generated once the tranche product is entered. The Value Date and Original Start Date are defaulted to the branch date and can be modified if needed.

Other details like Preferences, Holiday Treatment for Schedules, and so on are defaulted from the tranche product which is entered as part of the mandatory details.

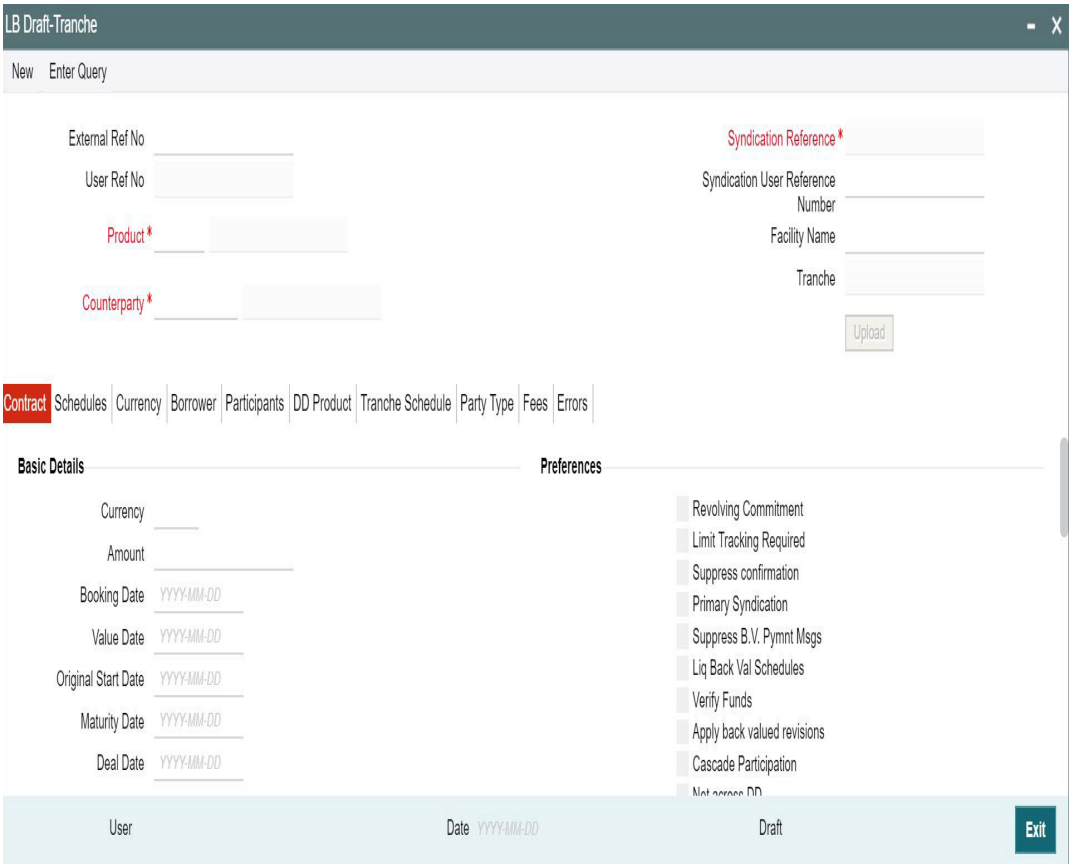
In addition, data entered in the below tabs is used to call other sub systems and capture information for the tranche.

Tab	Description
Schedules	Specify the schedule dates for the contract
Currency	Specify the exchange rate fixing/interest rate fixing details and holiday currencies
Borrower	Specify the details of the borrowers, settlement sequences and entity details.
Participants	Captures the details, SSI Mnemonics, entities and component ratios for participants in the contract
DD Product	Specify the Drawdown Product details
Tranche Schedule	In case of non revolving tranche, mention the repayment schedules
Party Type	Captures the different types of entities or parties that are applicable for the contract
Fees	Displays the default fee details for the product and also captures the fee schedules if any
Errors	View the error codes any error messages if any at the time of creating the Tranche from the Draft Tranche

The ‘Draft Tranche’ screen offers flexibility to make multiple changes any number of times to the data and save it as a draft. It does not require a value dated amendment to change the data. The main tranche contract is created from the draft anytime, once the data to be processed is finalized. The ‘Draft Tranche’ screen does the necessary data validations and ensures that multiple tranche contracts are not created for the single draft.

5.8.1 Viewing the Draft Tranche Screen

You can invoke the ‘Draft Tranche’ screen by typing ‘LBDTRUPL’ in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



Click ‘New’ to capture a new Draft Tranche Contract. Provide the mandatory inputs ‘Syndication Reference’, ’Product’ and ‘Counterparty’. Upon entering the ‘Product’, the ‘External Ref No’ field is automatically populated with a unique identification reference number generated by the system. This number is used to retrieve the information about the draft tranche.

5.8.2 Maintaining the details in the ‘Contract’ tab

You can override some of the default values like the ‘Value Date’ and ‘Original Start Date’.

You need to specify the following as the basic contract details.

Counterparty

By default, the counterparty (borrower) of the facility contract is 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 defaults 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. You can change the currency, if required. The option list displays the allowable currencies defined for the facility contract against which the draft tranche is processed.

Amount

Specify the total amount that should be committed under the draft tranche (for borrower tranche contracts). The amount you enter must be:

- More than the minimum defined at the facility contract level
- Less than the maximum defined at the facility contract level

Value Date

The value date must be

- Later than the value date of the main borrower facility contract.
- Later than the start date of the tranche product
- Earlier than the maturity date of the tranche or drawdown product involving the contract.
- Earlier than the maturity date of underlying facility contract.

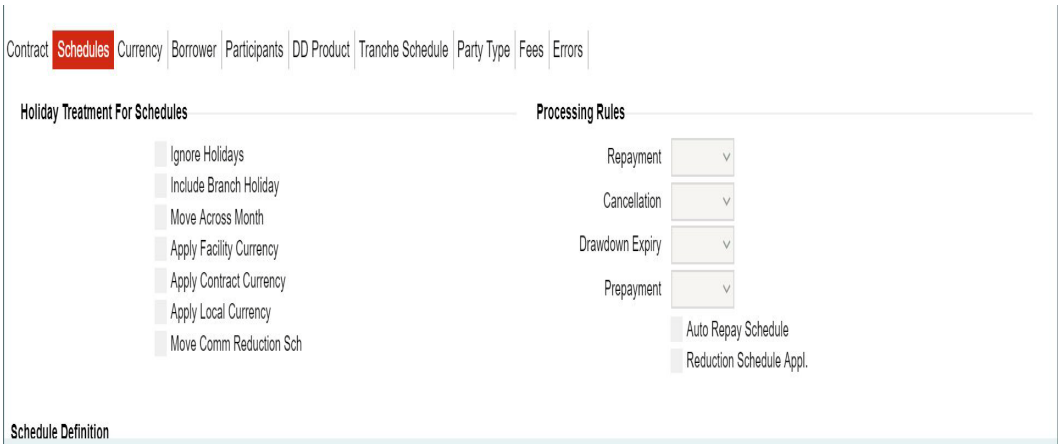
The value date can be changed after saving and authorizing the draft tranche, before initiation of tranche and when no drawdown is booked under the tranche.

- Original Start Date
- Original Start Date cannot be greater than value date of the contract.
- Maturity Date
- Deal Date
- DD Expiry Date
- Minimum DD Amount and Maximum DD Amount
- Maximum No of DDs
- Administrator

Other details which can be provided are Holiday Treatment for Schedules, Commitment Fees and Interest/Fee Distribution method.

5.8.3 Maintaining the details in 'Schedule' tab

You can maintain the Contract Schedule Preferences in the 'Schedules' tab of the screen.



You can define the processing rules for each of the following.

Repayment

The repayment-processing rule for drawdown defaults from the tranche product. You can change it at the tranche level. This is applicable to all drawdowns under the tranche.

Drawdown Expiry

You can define the last date up to 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 does not allow you to process fresh drawdowns under the tranche. On this date, the system cancels 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.

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 defaults from the product. You can override the default rule and choose a different rule at the tranche level.

Prepayment

For a tranche, you can select a rule based on which prepayments for drawdowns are processed

Each of the processing rules support three methods

- FIFO
- LIFO
- Pro-Rata

Reduction Schedule Application

Select this check box to indicate that reduction schedule is applicable for a tranche. After you select this option, you cannot clear it. Once you check this, you need to define the reduction schedules before you save the contract.

Auto Repay Schedule

You have to select this option to instruct the system to automatically rebuild the existing drawdown repayment schedules in case of a repayment/prepayment.

Specifying Schedule Details

You can define reduction schedules in the ‘Schedules Definition’ section of the screen. You can also define payment schedules for fee components, if attached to the tranche.

Schedule Type

You have to identity 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 are available in the option list provided. If you are defining reduction schedules, select the ‘PRINCIPAL’ 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 is equal to the draft tranche start date.

Frequency

This indicates the frequency/interval at which the schedules fall due. The available frequencies are:

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

- Bullet

Unit

Unit of frequency identifies the number of occurrences within a frequency. For example, Unit '2' and Frequency 'Monthly' means bimonthly frequency, that is, the event occurs once in 2 months.

Number of Schedules

Based on the frequency and the unit of frequency, the system displays the number of schedules for the period within the start date and end date.

Amount

You can specify an amount for each payment/reduction schedule. Based on this, the system determines the available amount and then build the reduction schedule for the tranche.

Specifying Holiday Treatment for Schedule

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 defaults to the contract. You can change your preferences at the tranche level.

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 select the 'Move Comm Redn Sch' option for the tranche.

5.8.4 Maintaining the details in 'Currency' tab

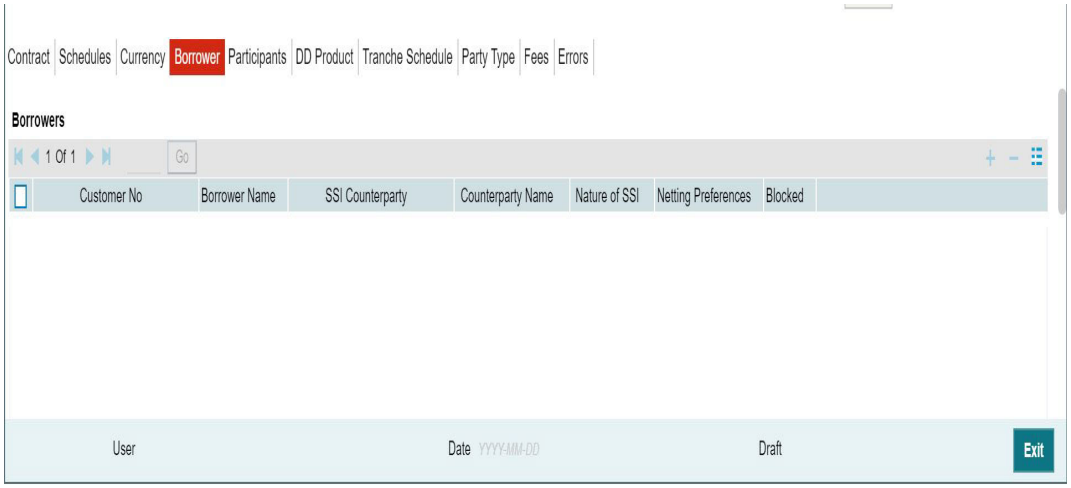
You can specify the currency details and the holiday currencies for the contract in the 'Currency' tab.

Specify the following details.

- Exchange Rate Fixing Days and Time
- Interest Rate fixing days
- Notification Days and Time

5.8.5 Maintaining the details in the 'Borrower' tab

You can specify the borrowers for the tranche who avail the drawdowns under the tranche.



You can specify the 'Nature of SSI' for each borrower. The available options are

- Advisory
- Contractual

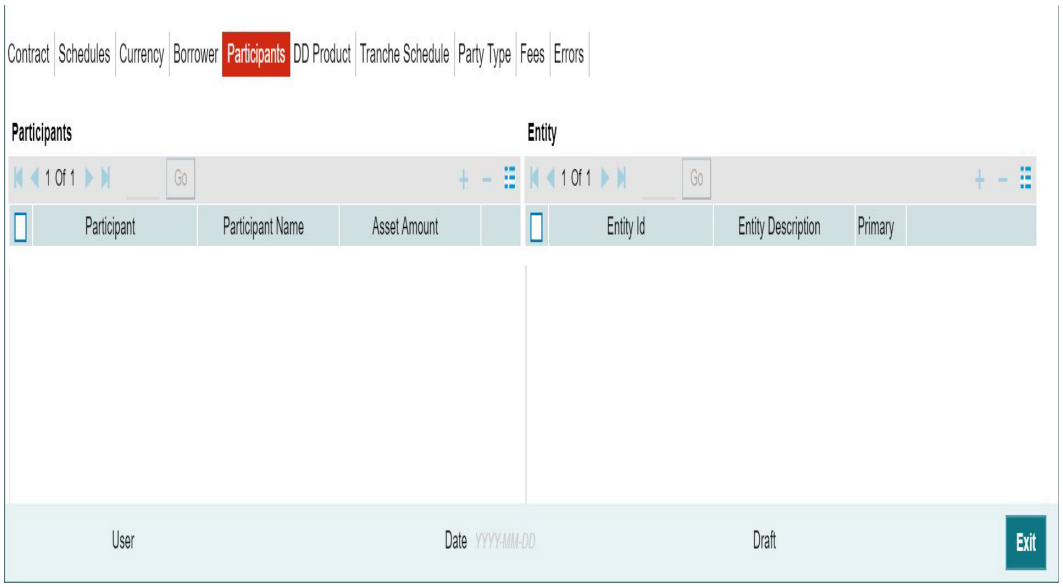
You can specify the 'Netting Preferences' for the tranche borrowers only if you check the 'Net Across DD' option in the 'Contract' tab. The available netting options are

- All Components
- None
- Principal Only

You can also specify the different 'Settlement Sequences' and 'Entity' for the borrower. Ensure that there is at least one Primary Entity for the Borrower.

5.8.6 Maintaining the details in the 'Participants' tab

You can mention the participants who contribute for the committed amount along with the respective asset ratios and define other details like 'Component Ratio', 'Entity' and 'SSI Mnemonic'.



You can specify the following participant details

- Participant
- Asset Ratio
- Self Participant

Select this check box to indicate that the participant is a 'Self Participant'.

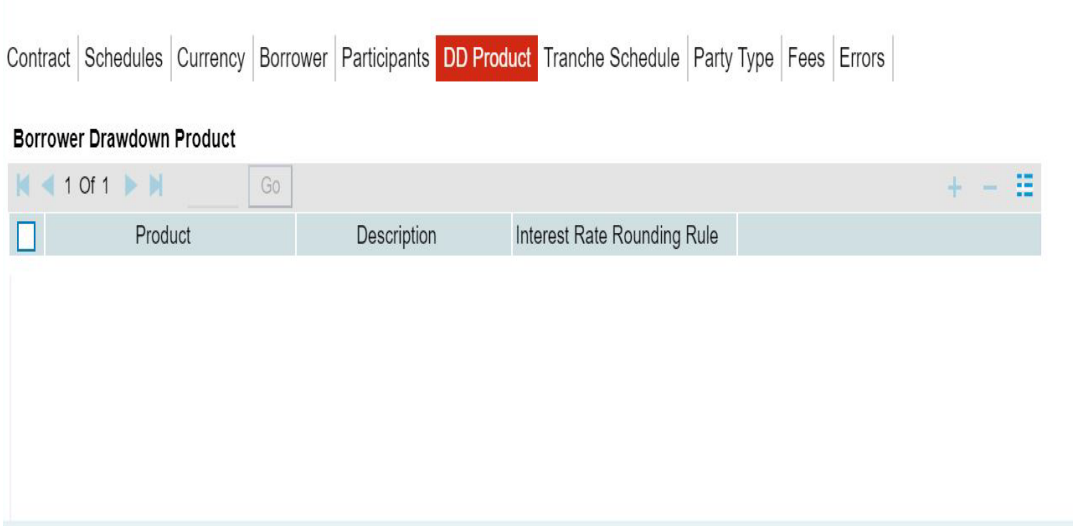
After entering the participant details and the respective asset ratios, click the **'**Populate Participant Cmpts.**'** which defaults the 'Asset Amount' from the ratios and populates the 'Component Ratios' for each participant. Ensure that the 'Asset Ratio' total to 100.

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'.

After the component ratios are populated, enter the 'SSI Mnemonic' and 'Entity' for each participant. Ensure that there exists one primary entity per participant.

5.8.7 Maintaining the details in the 'DD Product' tab

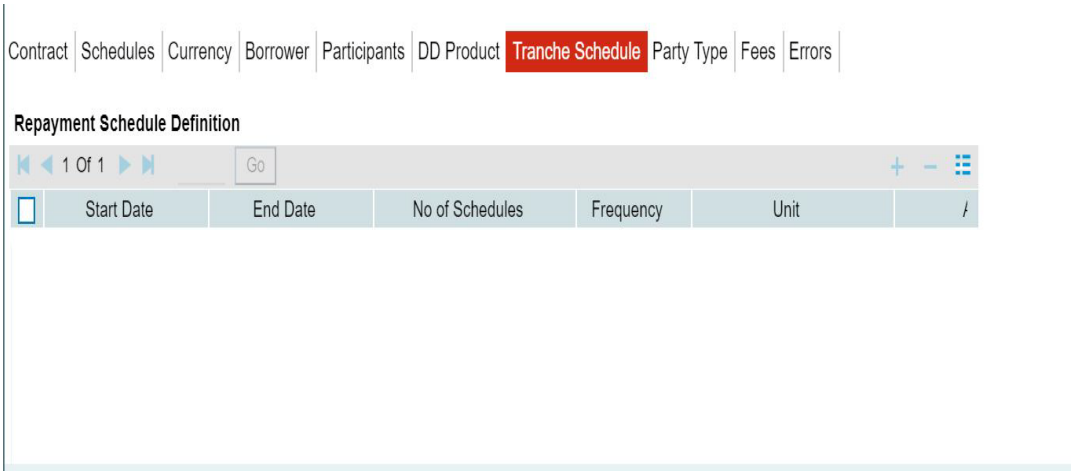
Once the drawdown product is entered, click **'**Populate Product Cmpts**'** to populate the ICCF components for the DD Product.



5.8.8 Maintaining the details in the 'Tranche Schedule' tab

You can define the repayment schedule for non-revolving commitments.

If you define the repayment schedules for revolving commitments, the system throws an error saying that the repayment schedule cannot be defined for revolving commitments.



Below fields need to be entered for defining the Repayment Schedule

- Start Date
- End Date
- No. of Schedules
- Frequency
- Unit
- Amount
- Repayment Rule

Once the above details are entered, click 'Payment Schedules' to explode the schedules. The details for every schedule is populated in the 'Repayment Schedule Block'. Ensure that the sum of Amounts add up to the 'Tranche Contract Amount'.

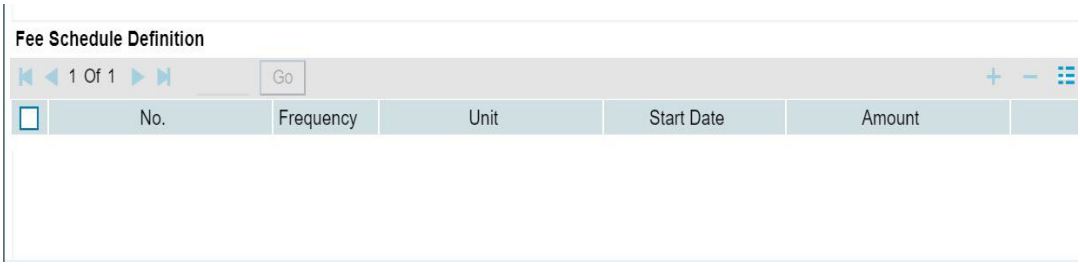
5.8.9 Maintaining the details in the 'Party Type' tab

You can maintain the details of the parties that are applicable for the Contract in this tab.

5.8.10 Maintaining the details in the 'Fees' tab

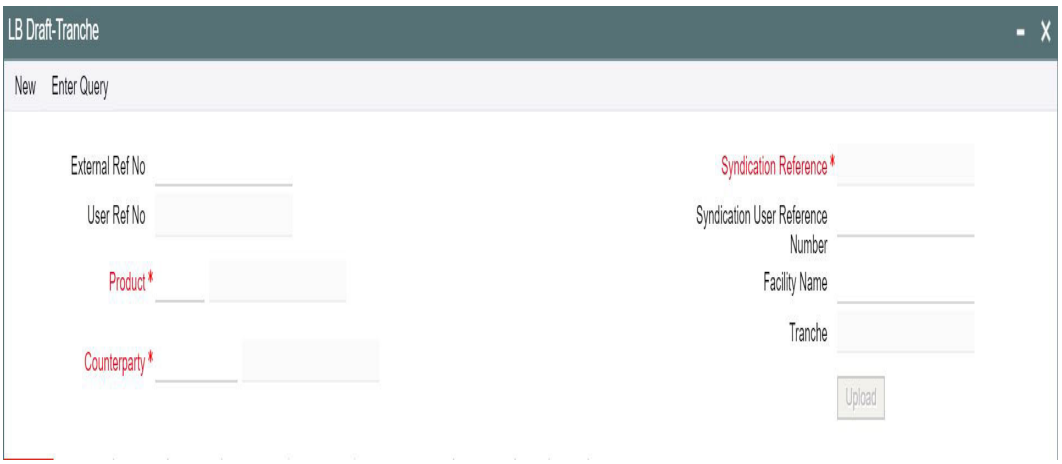
You can define the 'Fee Components' as a part of the tranche contract under this tab.

Once the fee components are entered, click the ‘Default Fee Cmpts.’ button. The fee components default from the product setup. The ‘Start Date’ and ‘End Date’ can be modified. fee schedules can also be defined under the ‘Fee Schedule Definition’ section.



5.8.11 Processing the Draft Tranche

The system validates the data on ‘Save’ and the ‘Draft Status’ is in ‘PENDING’. Any changes to the draft tranche is made by simply querying for the ‘External Ref No’ and unlocking the details. After all the changes have been made, click ‘Upload’ to create the main tranche contract from the Draft Tranche. Once the ‘Upload’ operation completes, the ‘Draft Status’ changes to ‘SUBMITTED’ and the newly created ‘Tranche Contract Number’ is populated in the ‘Tranche’ field.

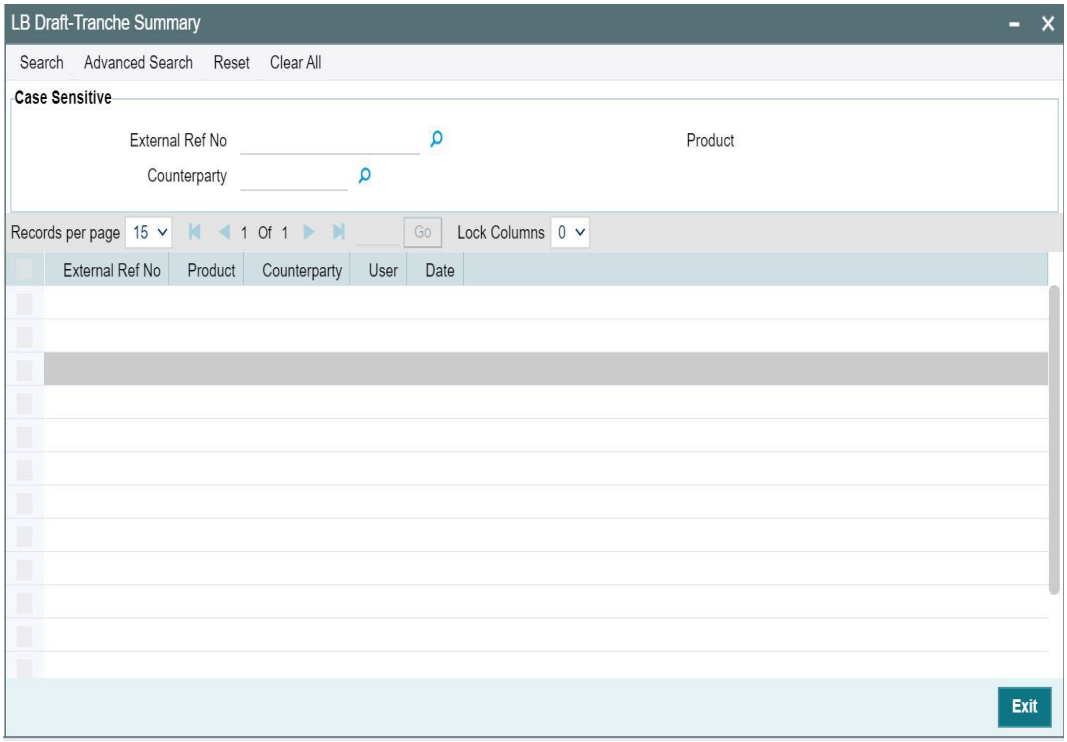


The newly created tranche contract can be viewed in the ‘LB Tranche Contract Online’ screen.

If you again try to submit the draft, the system throws an error saying that the ‘Contract has already been created against the draft’.

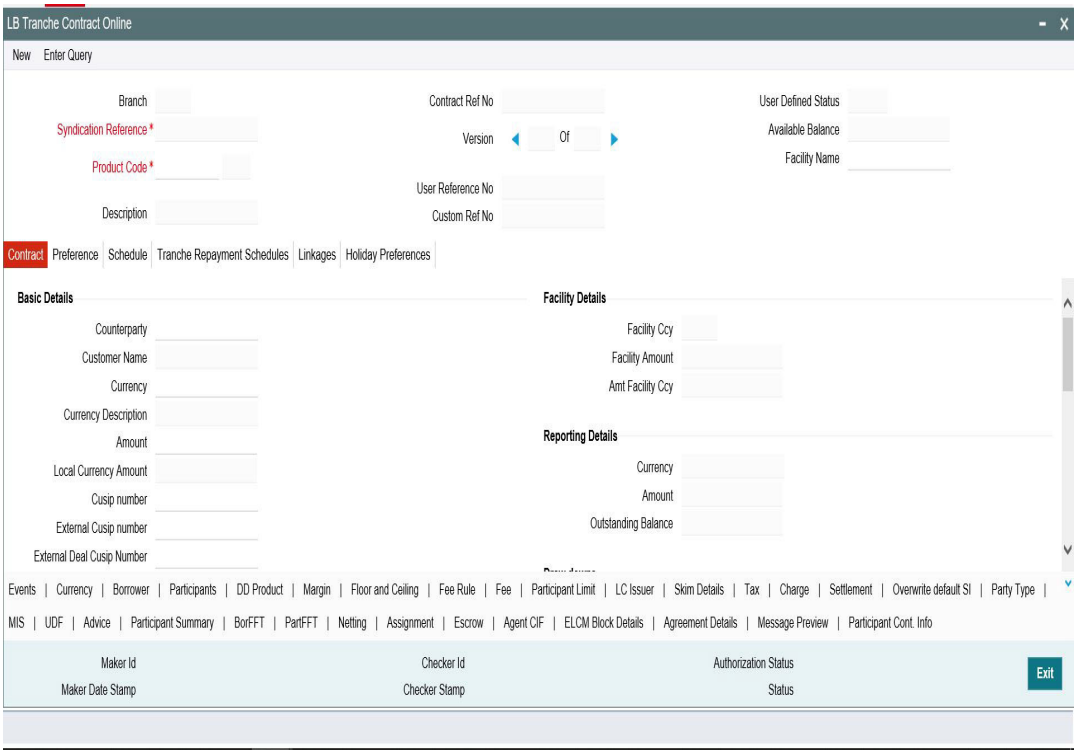
5.8.12 Viewing Draft Tranche Summary Screen

You can invoke the ‘Draft Tranche’ summary screen by typing ‘LBSTRUPL’ in the field at the top right corner of the Application tool bar and click the adjoining arrow button.



5.9 Processing a Borrower Tranche Contract

You can process a tranche contract in the ‘LB Tranche Contract Online’ (LBDTRONL) screen.



Similar to capturing a facility contract, you can capture a tranche contract either by:

- Copying the details from an existing contract

- Associating a product

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 ‘LB Tranche Contract Online’ Screen

In the ‘LB 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, and so on.

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:

Tabs	Description
Currency	Click this tab 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.
Borrower	Click this tab to specify the details pertaining to the borrowers of the tranche contract.
Participant	This tab invokes the ‘Participant Ratio Details’ screen.
Linkages	Click this tab to display ‘Participant Commitment Linkage’ section . You can link the commitment contract to each self participant using this screen.
LC Issuer	Click tab to invoke the ‘LC Issuer Mapping Details’ screen. In this screen, you can identify the participants who could be issuers of LCs.
DD Product	This tab displays the ‘DrawDown Products’ screen.
Skim Details	Click this tab to maintain the Skim details for participants of the tranche.
Charge	Click this tab to view and modify the charge details for the tranche.
Margin	Click this tab to maintain the margin Slab/Tier structure.

Fee Rule	Click this tab to associate fee rules with the contract.
Fee	This tab displays the ‘Fee Components’ screen where you can view the default fee details for the contract.
Borrower Tax	The ‘Borrower Tax’ sub-screen displays the tax rule details associated with the tranche product.
Tax	Click on this button to view the ‘Participant Tax Details’ screen.
Overwrite Default SI	Click this button to view the ‘Overwrite Settlement Instruction Details’ screen.
Settlement	Click this button to view the ‘Settlement Message Details’ screen.
Tranche Repay-ment Schedules	Click this tab to define repayment schedules for tranche
MIS	Click this tab to define MIS details for the contract.
Party Type	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 con-tract.
UDF	Click this tab to capture values for the custom/user defined fields associated with the contract.
Diary	This tab to invoke the ‘Diary Contracts – Summary’ screen where you can view the event details for the contract.
Advice	Click this tab to view the advices for the contract.
‘Netting	Click this tab to view the netting cash flow summary details.
Msg. Prev	Click ‘Events’ tab >’Messages’ tab> Message Preview. This is used to pre-view events/associated messages.
‘Participant Summary’	Click this tab to invoke the ‘Participant Facility Contract Summary’ screen. In this screen, you can view the underlying Tranche and Drawdown contracts for the Facility contract.
Events	Click this tab to invoke the ‘Event Log Details’ screen. Here, you can view the accounting entries for each event and the overrides encountered, if any.
Assignment’	Click this tab to invoke ‘Assignment Validations’ screen.
Floor and Ceil-ing	Click this tab to invoke ‘Floor and Ceiling’ screen.
Collaterals	Click this tab to invoke the ‘Collateral’ screen.
Collateral Account’	Click this tab to invoke the ‘ Collateral Account ’ screen.
Collateral Entity	Click this tab to invoke the ‘Tranche Collateral Entity Maintenance’ screen.
Collateral Partic-ipant	Click this tab to invoke the ‘Participant Collateral Detail’ screen.
Escrow	Click this tab to link escrow accounts to a contract.

Agent CIF	Click this tab to invoke ‘Origination Agent CIF/Mnemonic Maintenance’ screen.
ELCM Block Details	Click this tab to invoke ‘Contract Block Details’ screen.
Agreement Details	Click this tab to invoke ‘Agreement Details’ screen.
Message Pre-view	Click 'Message Preview' tab to preview the messages/advices generated for unauthorized contracts.

5.9.2 Capturing Tranche Details

To capture a new tranche contract, select ‘New’ from the menu.. In ‘LB Tranche Contract Online’ screen, enter Syndication Reference and Product code. The following information defaults 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 is also 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 is 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 is available for querying the contract. This name is also 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 are allowed to amend the name anytime during the tranche life cycle. This results in change of the facility name in all the linked drawdown contracts.

Note

It is mandatory to specify a facility name for a tranche.

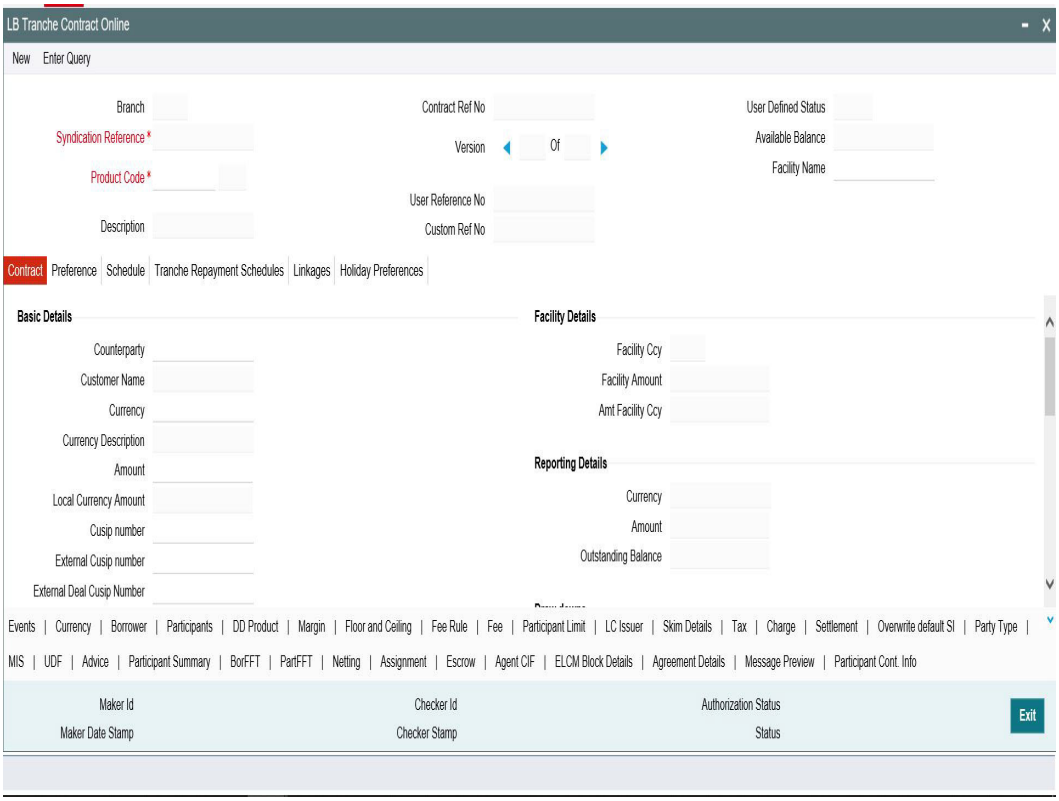
When the facility name is changed at the tranche level, it is propagated to all the underlying trades. When such a tranche amendment is authorized, system searches all the underlying trades having the same CUSIP/ ISIN and updates the latest facility name for all the fetched records.

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.

The facility name is updated both at the draft and trade level.

5.9.3 Capturing Details in the 'Contract' tab

You can overwrite some of the default values at the tranche level.



5.9.3.1 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 is displayed as the customer for the tranche contract. You can select a different customer from the option list provided. This list

displays the borrowers identified for the facility contract. The customer you select defaults to any borrower drawdowns you enter against the tranche.

Upon selection of the customer (borrower), the settlement details maintained for customer is defaulted 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 is used to identify the loans being traded and to quote the market price. This number gets 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 also appears in all correspondences under the tranche that is,. 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

Note

The Internal CUSIP is mandatory and cannot be made null during contract input or amendment.

Currency

The currency of the facility contract is 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 displays 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

- When you specify the contract amount, the system computes 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 computes 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 updates 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 are generated only if you have specified the External CUSIP/ISIN number. Otherwise, it is systematically suppressed.

After authorization of the contact amendment, which triggers 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 sends 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 update 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' is 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.

Note

The following reports 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

5.9.3.2 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 are 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 are 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

Note

The system displays 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. In addition, 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) happens as part of save of amendment.

Value Dated Balances are repopulated when there is amendment of value date. You can define multiple adhoc fee components based on the requirement. In addition, 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 (that is, 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 displays the date on which the contract was originally initiated. If the contract has been rolled over more than once, this is the date on which the first loan was initiated. By default the current system date is 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 is for information purposes only and for all accounting purposes the Value Date is 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 is 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 is available in the option list. The exposure is tracked against the line selected here.

5.9.3.3 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 is considered in the borrower facility contract currency.

When you capture the drawdown amounts, the system ensures that the amount is within the range of minimum amount or maximum amount specified here.

Note

- By default, the maximum drawdown amountis 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

- 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 displays an error message
- As and when you process drawdowns under the tranche, the system updates the ‘Current DD No’ with the total DDs processed

Clearing Line

Specify the clearing line that should be linked to the tranche. The adjoining option list displays all available clearing lines based on the GFCID/customer of the tranche contract, if the box ‘NAM Limit Confirmation’ is selected in the ‘Loan Parameters’ screen. If the box ‘NAM Limit Confirmation’ is not selected in the ‘Loan Parameters’ screen, this list displays 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 is not copied.

The system displays 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

- Clearing line association validations are applicable for Tranche and Drawdown events.
- Clearing line availability validations are applicable only for Drawdown events.

5.9.3.4 Selecting Liquidation Details

In the 'Liquidation' section of the screen, specify the following:

Liquidation Mode

The mode of liquidation of components 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 automatically liquidates 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) are kept on hold. The messages are available in the 'Outgoing Message Browser' with status 'Hold'. You 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 sends a notice to the customer on 29th Dec '05 as a reminder of the payment due on 31st. This applies to ad-hoc fee, interest and principal schedules, defined for the contract.

5.9.3.5 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.

Note

If tranche amount resulted after tranche value dated amendment is less than the global LC sublimit level, then the system throws an error.

However, Tranche Global Amount can be amended using the Global Amount Update/ Amendment screen. The GAMD event fires on the Tranche contract while amending the global amount using the Global Amount Update/Amendment screen.

5.9.4 Capturing Details in the 'Preference' tab

5.9.4.1 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.

5.9.4.2 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. Select 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 selected, netting is 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 are 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 is 5 million.

The following are 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

- Netting takes 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) is always be in the same currency as the drawdown in Oracle Banking Corporate Lending.
- All cash flows on the participant side are eligible for netting. SKIM component is considered if the interest component is selected for netting.
- Once you indicate netting is allowed for a contract, and authorize the contract, you are not 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 defaults 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 automatically converts 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 triggers the 'CASC' event to indicate the change in the 'Cascade Participation' attribute of the tranche. After the CASC event, the system automatically deselects the 'Cascade Participation' option for the tranche.

All restrictions applicable for Non-Cascade type of tranche is 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 are applicable from the Participant Ratio Amendment date.

Note

- You are not 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 are not allowed to perform any activity that results in conversion.
- If you delete any of the activity that results in a conversion, the tranche reverts 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

Select this field to indicate that sighting funds is applicable for the tranche.

Note

- 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 selected 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 selected 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

Select this check box if assignment validations are applicable for a tranche.

Note

This field is enabled only if you have selected the 'Transfer Type' option as 'Secondary' in 'Participant Transfer Details' screen.

The assignment validations are applied at the LT-LB Interface level and if any validations are met, then dual authorization is 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

Select this check 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 processes the events, but holds 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 allows you to select the SSI Mnemonic for each allowable currency for each participant in the ‘Participant Ratio Details’ screen. The SSI Mnemonic selected is applicable to all the components of that participant at the tranche level.
- Component: This option allows 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.

Note

The system displays the fronting share as 100% only if you have selected the ‘LC Fronting’ check box. Otherwise, it display the share as 0%.

In case of non-lead tranches, the system directly defaults the issuers details at the DrawnDown contract. If there are multiple self-participants, the participants with the highest asset ratio is defaulted as the issuer at the DrawnDown.

Fronting risk is computed at the tranche level during batch process as follows:

Lead Tranche

Fronting Risk = (Available LC Sublimit * Percent of deal that is Fronted by Self Participant (%) * Fronting Share (%)) – (Self Participant Issued LC Outstanding* Percent of deal that is Fronted by Self Participant (%)) where,

1. Available LC Sublimit = Minimum [(Global Tranche Amount – Global Drawdown Outstanding), Global LC Sublimit]
2. Global Drawdown Outstanding = Total Drawdown Outstanding / Global Percentage
3. Global LC Sublimit = Borrower LC Sublimit Amount / Global Percentage
4. Percentage of deal fronted = (100 – (Global Percentage))
5. Self Participant issued LC outstanding = Sum of all Self Participant Issued LC’s outstanding balance for a given a tranche / Global Percentage.
6. Global Percentage = Tranche Amount / Global Tranche Amount

Non-Lead Tranche

Fronting Risk = (Available LC Sublimit * Percent of deal that is Fronted (%) * Fronting Share (%)) – (Self Participant Issued LC Outstanding* Percent of deal that is Fronted (%)). where,

1. Available LC Sublimit = Minimum [(Tranche Transfer Available Amount – Drawdown Outstanding), Global LC Sublimit]

2. Percentage of deal fronted = (100 – (Total % of the self-participants in the tranche))
3. Self Participant issued LC outstanding = sum of all LC outstanding where Self Participant participant is selected as LC issuer.

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 defaults 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 is displayed for the tranche as well. You can change this title for a tranche.

Internal Remarks

The remarks captured for the facility contract is applicable to all the tranches processed under it. You can change the remarks for a tranche, if required.

LC Fronting

Select this check box to indicate that the LC fronting is applicable for the tranche. If you have not selected this check box, the LC fronting value is displayed as 0 %.

If this check box is selected, you need to go 'LC Issuer Mapping Details' screen.

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 check box is selected for the tranche contract it indicates that floor/ceiling can be maintained only for base rate. If this check box is not selected 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 check box is selected for the tranche, for each of this combination, the floor and ceiling maintenance is allowed only for base rate.

Global LC Sublimit

Specify the total global LC sublimit level of the tranche.

FpML Type

Select this check 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 selects this check box. You are 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 automatically deselects this check 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 check box is deselected for the liquidated tranche then no activities are allowed for the tranche or drawdown contract.

The preference maintained here is used to determine if the following loan events are to be held or not in the Intellect Browser:

Oracle Banking Corporate Lending Action	Oracle Banking Corporate Lending Events	Intellect Action	Remarks
New loan booking (New Deal) OR PRAM to introduce a new participant	BOOK/INIT	LOAD	Event from LB-OL STP
Reversal/Cancellation	REVC	CANCEL	Event from LB-OL STP
Value dated amendment to increase maturity date/ Principal amount greater than zero	VAMI	AMEND	Event from LB-OL STP
Value dated amendment to decrease maturity date/ Principal amount to zero	VAMI	BRK	Event from LB-OL STP
Rollover	ROLL	ROLL	Event on stan-dalone OL
Rate Change	RTCH	AMEND	Event from LB-OL STP
Contract amendment	CAMD	AMEND	Event on stan-dalone OL

Note

Events performed on the standalone OL contract are not held in the intellect browser and are fed to intellect without manual intervention.

5.9.4.3 Specifying the Rounding Details

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

For more information on Rounding Rule, refer to *Specifying the Rounding Details* section in *Loan Syndication Contracts - Part 2* chapter.

5.9.5 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)

5.9.6 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.

Note

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
BAR-CLAYS	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
BAR-CLAYS	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 looks as below:

Participant	Asset sharing ratio in %	Share in DD	Tranche Available Limits (USD)
CITIBANK	30	9	6
BAR-CLAYS	50	15	10
NATWEST	20	6	4

If you select exclude swing line option, commitment fee at the tranche level is 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
BAR-CLAYS	50	342.465
NATWEST	20	136.986

If you select include swing line option, commitment fee at the tranche level is 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
BAR-CLAYS	5	25	68.49315
NATWEST	0	0	0

5.9.7 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 distributes 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 distributes the interest and fee components among the participants based on the latest participant ratio available at the time of liquidation.

Note

- Once the tranche contract has been authorized, you cannot change this option.
- For all drawdown contracts associated with the tranche, this option gets defaulted. However, you cannot change the defaulted distribution type at the drawdown level.
- Payable and Receivable tracking is 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 checks 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 considers 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 does not get accrued from the interest amendment date.

– If the interest rate amendment is done effective back dated then the system recalculates the accrual by taking all in rate as zero from the amendment date along with the back dated interest amendment process.

5.9.8 Specifying Tax Details

FATCA Waiver

The system defaults the preference maintained at the 'FATCA/Chapter 3 Waiver' screen. However, you can modify it.

Grand Fathered

Select this check 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 defaults 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 undergoes dual authorization.

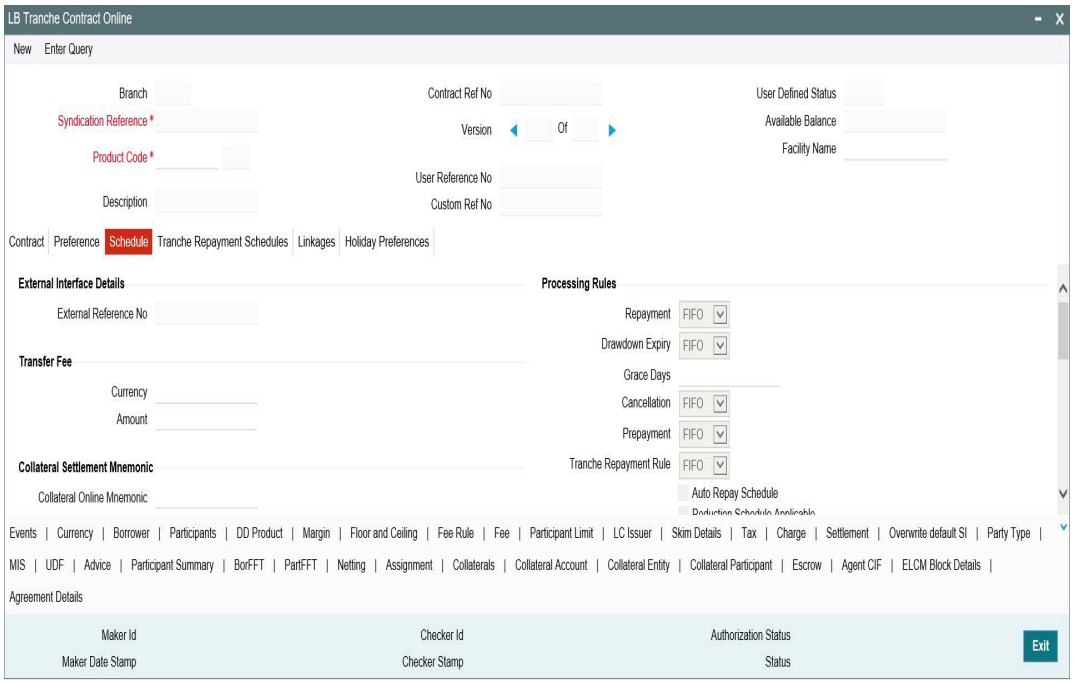
The system calculates the tax based on the logic given below considering the FATCA and Chapter 3 Tax rules waiver option:

- If a customer is FATCA compliant and Chapter 3 withholding waiver option at tranche is 'yes', the system does not do any withholding
- If a Customer is non-FATCA compliant and FATCA withholding waiver option is 'Yes' at tranche, the system does not to any withholding
- Below is 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

5.9.9 Maintaining Details in the 'Schedule' tab

You can maintain the schedule preferences in the 'Schedule' tab of the screen.



5.9.9.1 Schedules Upload

You can upload fee schedules for tranche contracts using this option. You can upload file only with *.csv extension.

The fee schedules file must meet the following criteria.

- Contains only fee components associated with the product
- Contains the ‘Tranche Start Date’ and ‘Tranche End Date’ within the tenor tranche. The start date is not lesser than the current application date.
- No overlapping of fee schedules
- ‘Schedule Type’ must be ‘P’
- The uploaded ‘Schedule Frequency’ must NOT contain ‘Y-Yearly’, ‘H-Half Yearly’, ‘Q-Quarterly’, ‘M-Monthly’, ‘W-Weekly’, ‘D-Daily’, ‘B-Bullet’.
- Ensure no duplicate fee schedules are uploaded
- FAS91 should have 'Frequency' as 'Bullet' schedule, 'Amount' as 'Fee Total Amount', and 'Frequency Unit' as 1.

Note

- Holiday treatment is applied for the fee schedules after the upload.
- If any fee schedule exists for the facility contract, they are overwritten after the upload.
- If the tranche contract is authorized, you cannot perform fee schedules upload
- In case of any error, you need to upload the fee schedules again after correcting the details.

5.9.9.2 Specifying Processing Rules for the Tranche

You can define the processing rules for each of the following:

Repayment

The repayment processing rule for drawdowns default from the tranche product. You can change it at the tranche level. This becomes 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 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 illustrates 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 amount is 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 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 does not allow you to process fresh drawdowns under the tranche. On this date, the system cancels 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 checks 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 displays 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 indicates 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 defaults 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 are processed in Oracle Banking Corporate Lending. The system rebuilds 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 are 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.

Note

The system performs the following on prepayment:

- Rebuild the tranche reduction schedules
- Rebuild existing drawdown repayment schedules. However, the system rebuilds 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 Banking Corporate Lending does not rebuild the repayment schedule automatically on prepayment. You have to change the repayment schedules for each drawdown, if required. Similarly, you have to rebuild the schedules manually if the ‘Auto Repay Schedule’ is not checked for the contract.
- Such manual payments are not part of netting on the value date.
- At the time of prepayment, the system displays 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

Select this check box to indicate that reduction schedule is applicable for a tranche. After you select this option, you cannot deselect it. Once you select 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 select 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 select this option, the repayment rule specified at the tranche level is 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 does not happen for further drawdowns under the tranche.
- If you do not check this option, the rule specified at the tranche level is not applied for defining the repayment schedules for the drawdowns under this tranche. Schedules default from the drawdown product but you are allowed to modify the defaulted schedules for a drawdown.

For more details on processing drawdowns, refer the heading ‘Processing a drawdown’ in this chapter.

5.9.9.3 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 defaults to the contract. You can change your preferences at the tranche level.

Note

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.

5.9.9.4 Specifyng Transfer Fee

CCY

Specify the currency details.

Amount

Specify the amount details.

5.9.9.5 Specifying Special Amount Details

Collateral Account

You can capture the borrower collateral account in order to facilitate the special amount disbursal or special amount payment. You can also capture the internal Cash DDA collateral account.

5.9.9.6 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.

Note

Upon the first authorization of the Tranche contract, you are not allowed to amend this field.

5.9.9.7 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 defaults here but you can modify the default values.

Select the Schedule Details and click 'Add Row' button and add the schedule details.

Schedule Type

You have to identity 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 are available in the option list provided. If you are defining reduction schedules, select the ‘PRINCIPAL’ component.

Note

For fee components of type ‘Advance’, the system does 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 is equal to the tranche start date.

Frequency

This indicates the frequency/interval at which the schedules fall due. The available frequencies are:

- Daily
- Weekly
- Monthly
- Quarterly
- Half-yearly,
- Yearly
- Bullet: The system builds the bullet schedule based on tranche available amount

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Note

You can select the ‘Bullet’ frequency for defining reduction schedules.

Unit

Unit of frequency identifies the number of occurrences within a frequency. Unit ‘2’ and Frequency ‘Monthly’ means bimonthly frequency that is, the event occurs once in 2 months.

No

Based on the frequency and the unit of frequency you specify, the system displays 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 displays 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 computes equivalent amount and vice-versa. Based on this Oracle Banking Corporate Lending determines the available amount and then build the reduction schedule for the tranche.

Note

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'.

5.9.9.8 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.

5.9.9.9 Viewing Tranche Payment Schedule Details

Based on the payment schedules captured for the components, Oracle Banking Corporate Lending computes the schedule and the amount payable for each schedule in the 'Schedule Details' screen.

To view the details, click 'Explode Schedules' button from 'Schedules' tab.

You can select a due date to view the components and the amount settled on that date.

5.9.9.10 Viewing Reduction Schedule Details

Similarly, based on the reduction schedule parameters captured, Oracle Banking Corporate Lending computes the reduction schedules. You can view the schedules in the 'Tranche Reduction Schedules' screen. Click 'Commitment Reduction Schedules' button from 'Schedules' tab.to view the details.

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 Banking Corporate Lending shows the below reduction schedule.

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

- 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 Banking Corporate Lending validates 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 is done under the following conditions:

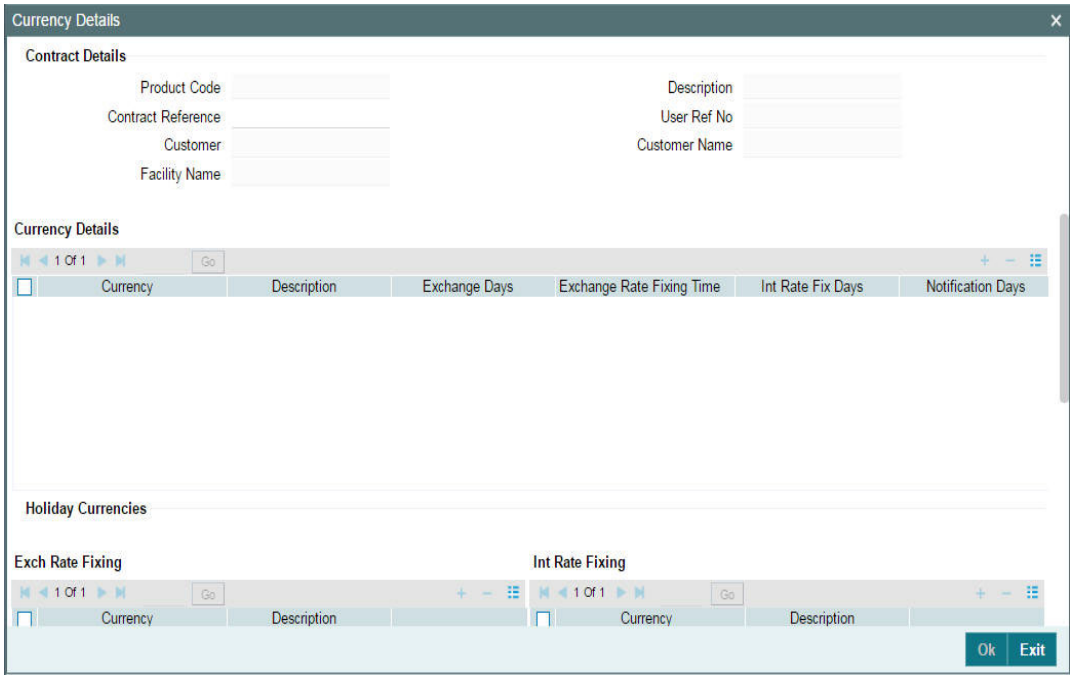
- At the time of Prepayment
- Initiation of a fresh drawdown

- 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) can 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 Banking Corporate Lending uses 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.

5.9.10 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 'Currency' tab in the 'LB Tranche Contract Online' screen.



The details include the following:

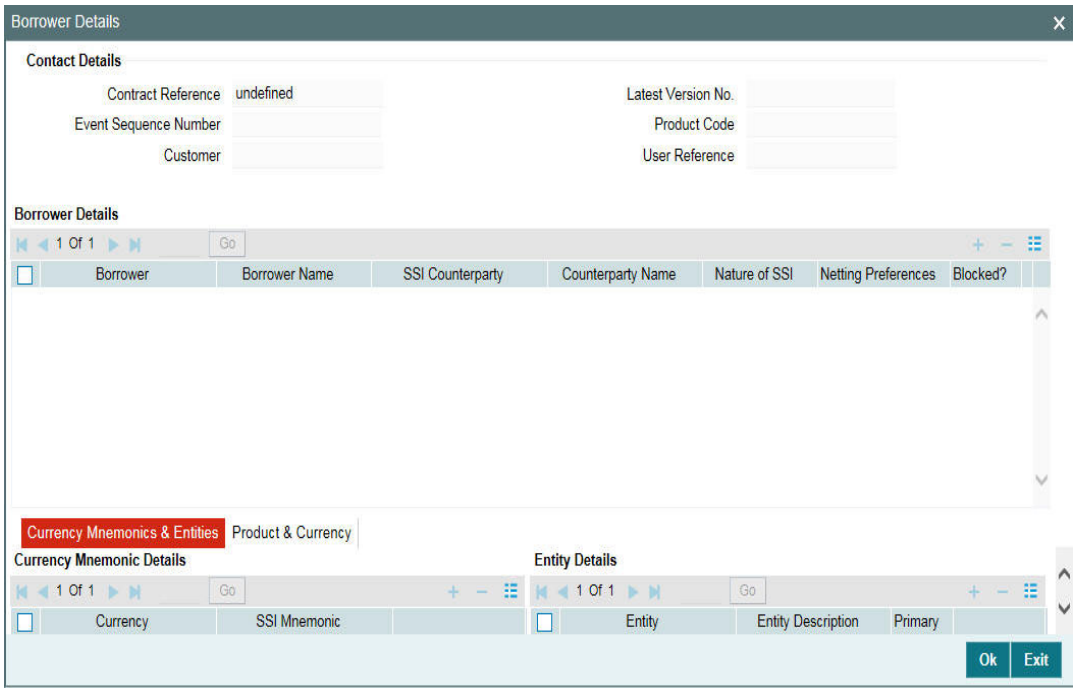
- Exchange rate fixing days and time for each currency
- Interest rate fixing days and time for each currency
- DD Notification days and time for a currency
- Cancellation days

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.

5.9.11 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 ‘Borrower’ tab to invoke the screen.



You cannot add a borrower at the tranche level. You may, however, remove a borrower from the tranche. You have to click ‘Delete Row’ button to do this. When you click on this button, the system displays 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 are 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 displays a warning message to indicate the same.

Note

The SSI selected for the borrowers 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 'LB Tranche Contract Online' screen).

The available netting options are:

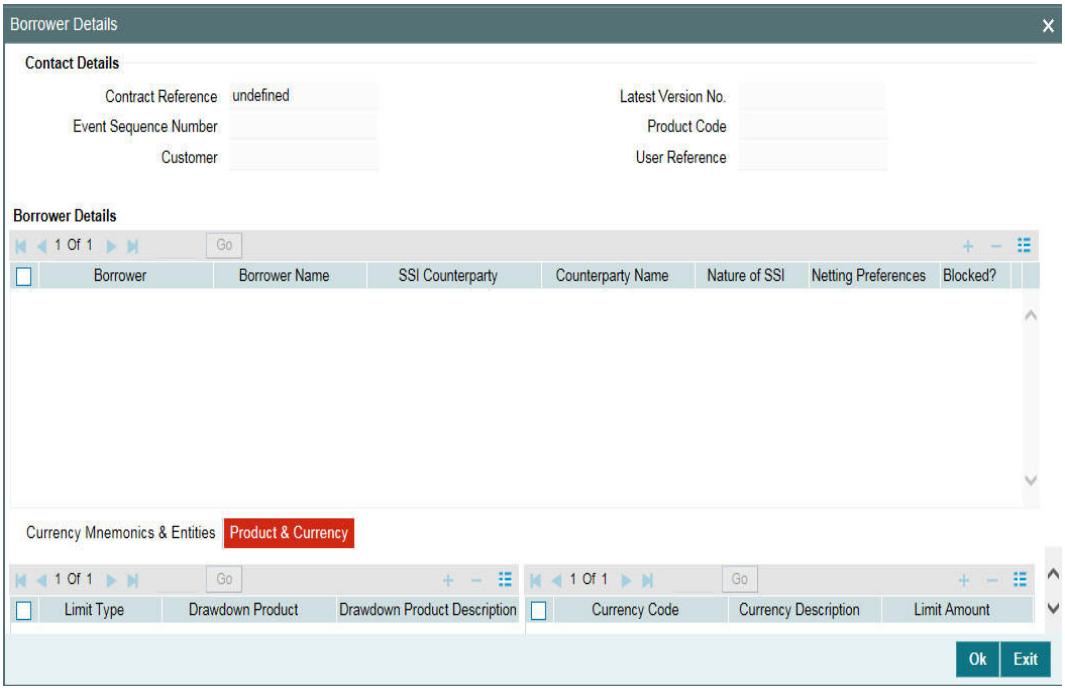
- All Components: Select this option to indicate that netting is applicable for all the components
- None: This option indicates that netting is not applicable for the borrower
- Principal Only: Select this option if you want to net only the loan principal

Blocked

You can select this option if you want to prevent a borrower from availing loans under the tranche.

5.9.11.1 Selecting DD Products and Defining Currency Wise Limits

For a tranche, you can select drawdown products and create sub limits for each DD product selected for a borrower. In effect, you can define a product wise limit for each borrower beyond which the system displays an override. These details are maintained in the 'Product Currency' tab of the 'Borrower Details' screen.



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.The following are the limit types.

- Sublimits

- ALL LC
- Swing Line

By default limit type is 'Sublimits'.

You can select 'Sublimits' limit type for individual product wise or consolidated limit.The system allows to maintain the limit for individual product or “ALL” product, not for both. Similarly, the system allows to maintain 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 does not allow another DD product with “ALL” option. If single limit is maintained with “ALL” currency option then limit is tracked with tranche currency.

You can select 'ALL LC' limit type for the overall limit across all LC Products. If limit type is “ALL LC”, then the system allows 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 does 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 is validated during rollover child contract creation.

You can select ‘Swing Line’ limit to specify currency limit for swing line drawdowns.

Note

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) are available in the option list. When you select the product, the name of the product is 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 is also 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.

5.9.11.2 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. In addition, 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.

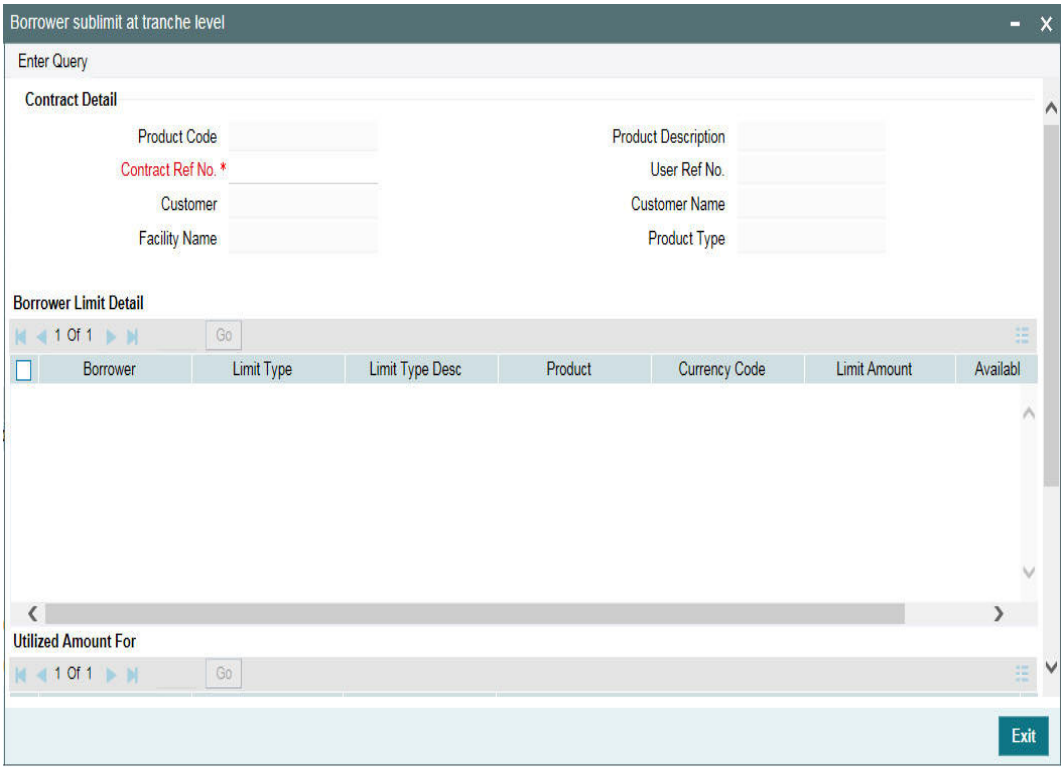
When you process drawdowns under the tranche, the system checks for the following:

- 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 allows 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 displays an override message to indicate the same when you attempt to save the contract. In addition, 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 displays an override in this case.
- If the limit amount changes due to exchange rate fixing or revaluation, the system displays 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.

You can invoke the 'Borrower Sub Limit At Tranche Level’ screen by typing ‘LBDBRLMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

You can also invoke this screen, by going to ‘LB Tranche Contract Online’ screen, clicking ‘Borrower and then clicking ‘Borrower Details’.



This screen displays the following:

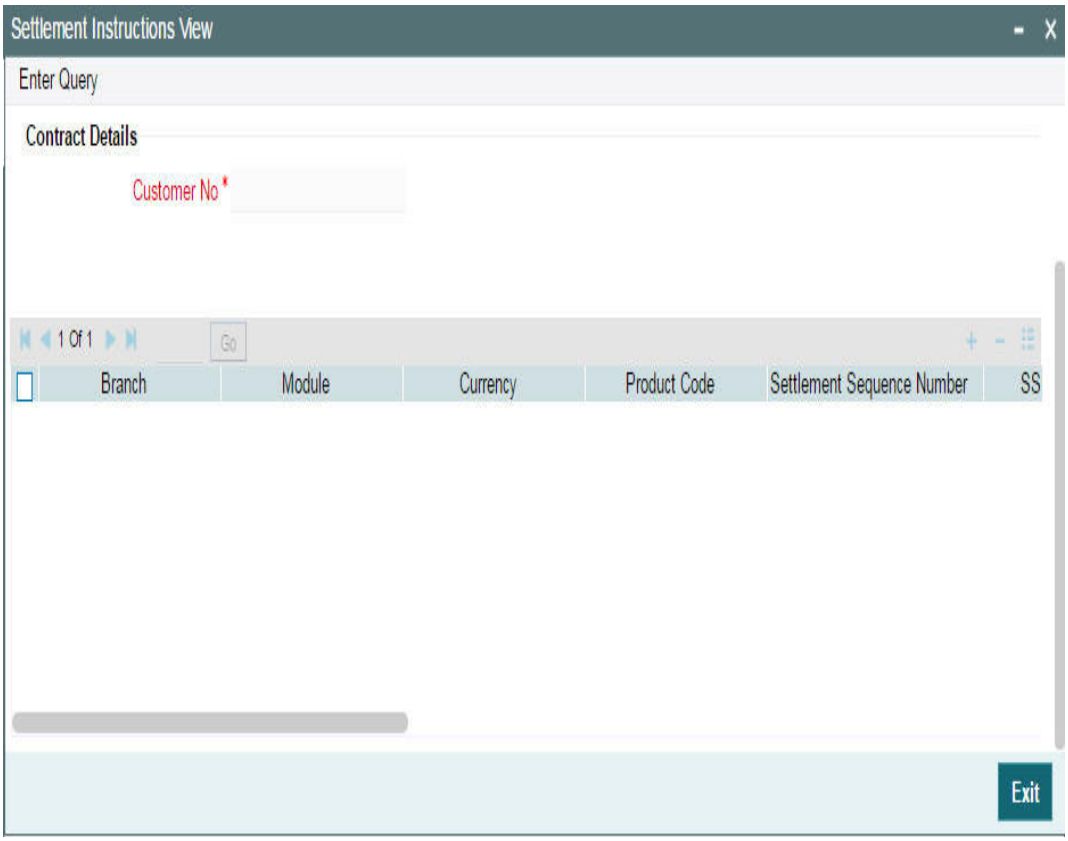
- Limit amount for a borrower, currency and DD product combination
- Available amount for the same combination
- The reference number of drawdowns processed under the combination, the utilized amount and the value date of each drawdown.

5.9.11.3 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 from ‘Borrower Details’ screen and click ‘Settlement Instructions’ button.

You can invoke the ‘Settlement Instructions View’ screen by typing ‘LBDINSVW’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The details are displayed in the ‘Settlement Instructions’ screen as shown below:

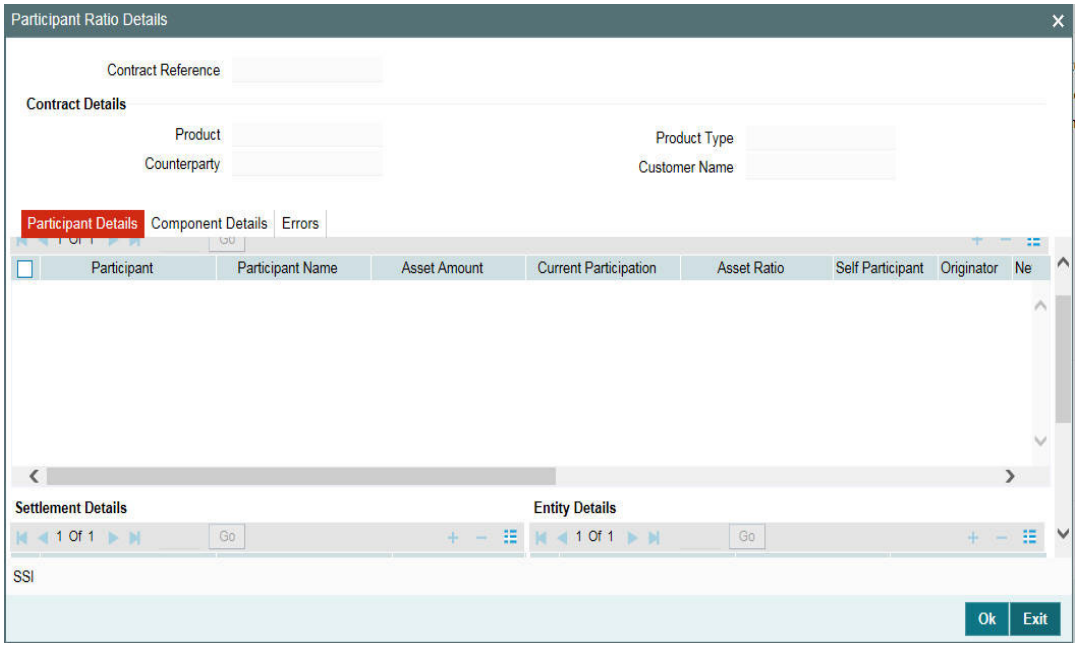


Click ‘Exit’ button to exit and return to the main screen.

5.9.12 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, defaults 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’ tab in the ‘LB Tranche Contract Online’ screen.



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 selected for the component when associating the same with the product.

Note

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.

Note

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 ‘Delete Row’ 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, is 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.

You are allowed to capture swingline limit for participants in the tranche contract even if the asset ratio is 0% for the participants.During swingline drawdown booking, the system defaults all the participants defined in the participant limit screen even if the asset ratio is 0%. The asset amount for the participants is displayed as per swingline ratio maintained.

The value dated balance for the swingline lenders for whom the asset ratio is 0%, is calculated based on their swingline limit amount in the participant limit sub screen.

When participant transfer is done in the tranche contract to the swingline lenders with 0% asset ratio, the system validates that total transfer amount to participant with asset ratio zero cannot be less than total participant limit amount (swingline limit amount). Appropriate error message is displayed if the validation is failed.

Once participant transfer is done to the swingline lenders with 0% asset ratio, the system does not calculate the value dated balance based on the swingline amount of the lender. The system calculates the value dated balance based on the new asset ratio in the participant sub screen.

During booking of normal drawdowns, the system does not display the lenders in the participant sub screen where the tranche asset ratio is 0%. PRAM is not allowed on the tranche if any active swingline drawdown exists under the tranche.

For the tranches having the swingline drawdowns, the commitment fee can be calculated using the following two options. You can select the option in tranche contract.

- Exclude Swing - If this option is selected in the tranche contract, the system does not deduct the swingline drawdown amount while calculating the unutilized tranche amount w.r.t commitment fee basis amount calculation.
- Include Swing - If this option is selected in the tranche contract, the system deducts the swingline drawdown amount while calculating the unutilized tranche amount w.r.t commitment fee basis amount calculation.

Split Reprice/ Rollover is not supported for swingline drawdown

SLT Trades are not allowed to be booked under the CUSIP/ISIN if any active swingline drawdown exists under the tranche.

Trade settlement under tranches with active swingline drawdowns are not allowed from the following screens

- Trade Settlement.
- Ticket Settlement.
- Combined Ticket Settlement

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

Select this check 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 'LB Tranche Contract Online' screen). The available netting options are:

- ALL: Select this option to indicate that netting is applicable for the participant
- NONE: This option will indicate that netting is not 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.

LMA/LSTA Participation

The following are the list of values in the 'LMA / LSTA Participation' (Loan Syndications and Trading Association, Inc./Loan Market Association) drop-down list.

- LMA Participation
- LSTA Participation
- Non-Standard

You are allowed to select the value during new tranche contract creation. In the drawdown creation screen, the value is defaulted from the tranche contract and you are not allowed to edit the same.

Note

LMA / LSTA participation is applicable only for 'Cascade Participation'.The default value of 'LMA / LSTA Participation' is 'Non-Standard' during new tranche contract creation. However, you are allowed to manually update the same to 'LMA Participation' / 'LSTA Participation'.

The system validates at the time of clicking 'Ok' button in the participant sub screen if position identifier and portfolio maintenance is present with the 'LMA / LSTA Participation' value selected when you create a tranche contract with the new field value for 'LMA/LSTA Participation'. Appropriate error messages are displayed if the validation is failed.

When the 'LMA / LSTA Participation' value is selected 'Non-Standard' for a participant for whom the 'LMA / LSTA Participation' is selected in the portfolio / position maintenance, the system displays an error message advising 'LMA Participation' is selected at position identifier or portfolio maintenance for $1.LMA/LSTA Participation flag cannot be Non-Standard when self-participation flag is checked for this participant' at the time of save.

You have to either change the value of the field to ‘LMA Participation’ / ‘LSTA Participation’ or clear the ‘Self-Participation’ check box and proceed to save the contract.

The ‘Self Participant’ check box is selected and disabled if the value ‘LMA /LSTA Participation’ is selected.

Note

If the value ‘Non-Standard’ is selected , the ‘Self Participant’ check box is cleared and disabled.

The value of the ‘LMA / LSTA Participation’ is not editable during contract amendment.

When you select the value for ‘LMA / LSTA Participation’, there will not be any validations to check if the linked trade contract has the similar value in the field ‘Trade Standard’.

When a participant transfer or value dated amendment is processed for tranche / drawdown contracts with value selected in the ‘LMA / LSTA Participation’, the same value is defaulted to the participant sub-screen in the corresponding tranche and drawdown contracts.

SSI Mnemonic

The SSI Mnemonic selected for the facility contract defaults for each participant of the tranche. However, you can change it at the tranche level. The option list displays 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:

5.9.12.1 Specifying Currency Wise

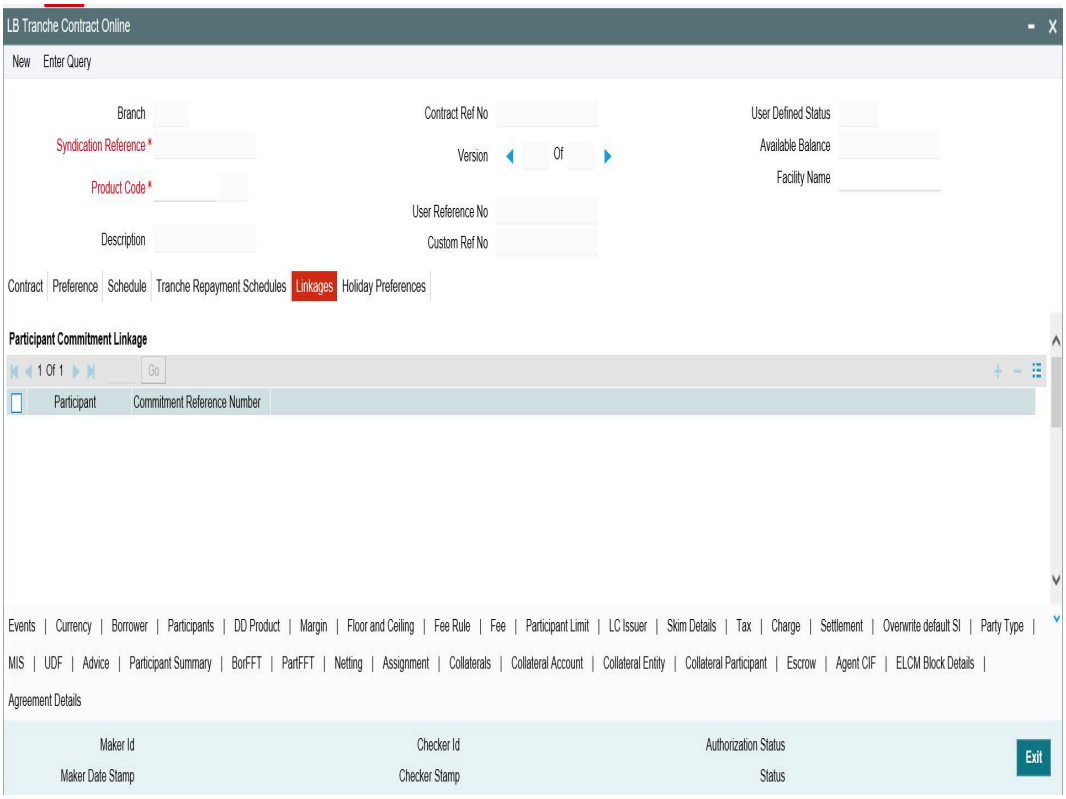
Currency wise Mnemonic details can be given in Pariticpant Ratio Details screen.

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:

1. Select the participant from the list of participants
2. Select the currency from the option list will display the allowable currencies for the tranche.
3. Select the SSI Mnemonic for the currency
4. Click ‘Add Row’ button to select the next allowable currency, if any. To delete a currency, click ‘Delete Row’ button.
5. After specifying the currency wise SSI Mnemonic for a participant, select the next participant from the list

5.9.13 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 ‘Linkages’ tab and the ‘Participant Commitment Linkage’ section is displayed as follows:



Enter the following details:

Participant

The participant name to which the OL 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.

- 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 ‘LB-OL 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.

Note

For ELCM linkage, you can link the facility, collateral and collateral pool of counterparty and other additional borrowers as part of loan creation.

5.9.14 Specifying Holiday Treatment for Value Date/Maturity Date

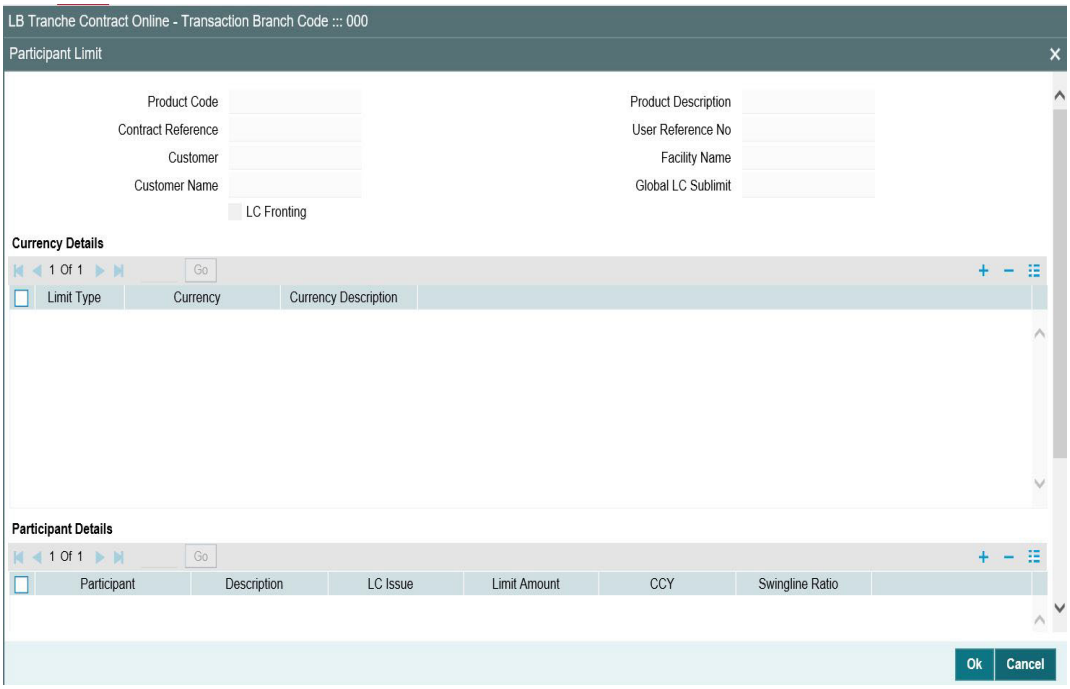
In ‘Holiday Preferences’ tab, you can specify the holiday treatment preferences for value dates and maturity dates of contracts falling due on holidays defined for the branch. The holiday treatment details maintained for the tranche product defaults to the contract. You can change your preferences at 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.

5.9.15 Maintaining Currency Restriction for Participants

Oracle Banking Corporate Lending 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 ‘Participant Limit’ in the ‘LB 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 want 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.

Note

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

- 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 is allowed to make any transaction involving that currency to the extent of the defined limit amount of the given currency.

The system calculates 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 is 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 % is calculated and displayed in the respective field.

The limit amount should be specified in the tranche currency only.

Note

- 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 is shared between the 4 participants in the ratio 25% each. Therefore, the ASR for each of the 4 participants are 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).

Note

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 are not allowed to participate in any future drawdowns. The future drawdowns are shared amongst the remaining participants.

System executes 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 ‘LB Tranche Contract Online’ screen.
- If you are maintaining currency restrictions at the tranche level, the asset sharing ratio for participants at the drawdown level is defaulted based on the availability of each participant.
- If the participants utilize an amount more than the availability amount, system displays an error. Subsequently, the drawdown is not saved.

Note

- You can maintain multiple currency restrictions under a single tranche contract.
- Oracle Banking Corporate Lending 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.

Swingline Ratio

The ‘Swingline Ratio’ is calculated systematically once the ‘Limit Amount’ entered. If ‘Swingline Ratio’ is entered, the system calculates the ‘Limit Amount’ systematically as the pro-rata of the swingline ratio to the swingline limit amount.

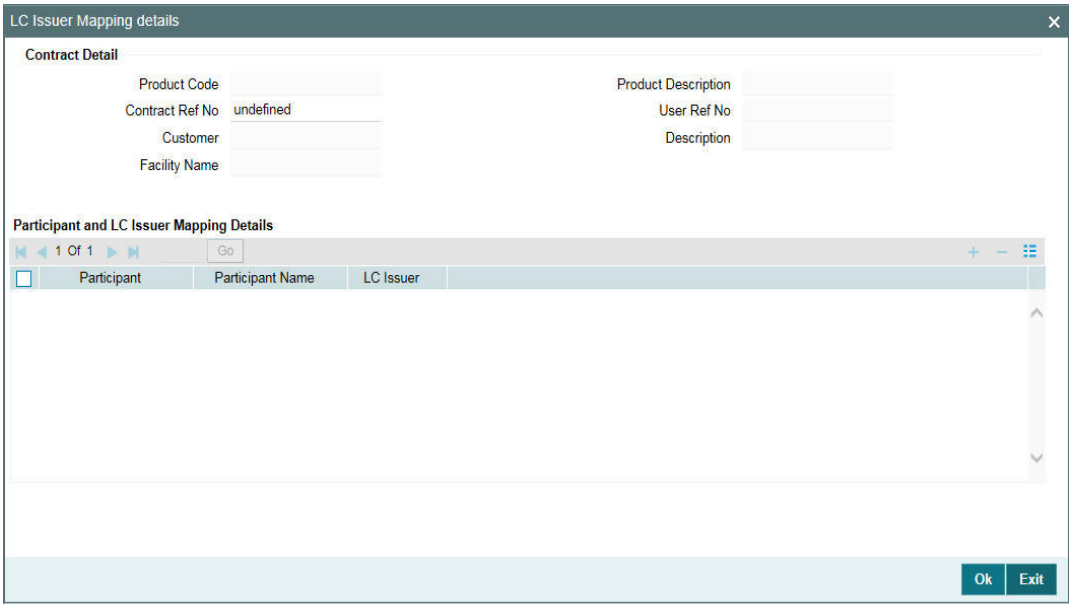
The system validates that the sum of swingline ratio for all the participants should be equal to 100%. You are not allowed to amend the value of the new field ‘Swingline Ratio’ or the existing field ‘Limit Amount’ if active swingline drawdowns exist under the tranche contract.

The participants where limit is captured with the limit type as ‘Swing Line’ in the 'Participant Limits' sub-screen is considered as swingline lenders in OBCL. You are allowed to select participants (from the list of participants available in the 'Participant Limits' sub-screen even if

the asset ratio is 0%) in the 'Participant Limits' sub-screen. You are also allowed to capture swingline limit for such participants where asset ratio is 0%.

5.9.16 Identifying Participants as Issuers of LC

At the time of booking a tranche, you can capture the participants of the tranche as issuers of LC in the ‘LC Issuer Mapping Details’ screen. Click ‘LC Issuer’ tab to invoke this screen.



The LC Issuance Fees are paid to only those participants who are identified as issuers of LC. This fee is computed on the outstanding amount of all the LC drawdowns for that issuer. The customer codes and the names of all participants of the tranche are displayed here. You have to associate each possible issuing bank with an Issuing Bank Number. At a time, you can associate a maximum of ten participants with issuing bank numbers. The drop-down list consists of numbers ISSUER1, ISSUER2 up to ISSUER10. This list defaults to all LC type of drawdowns processed under the tranche. At the drawdown level, you can select an LC issuer from this list.

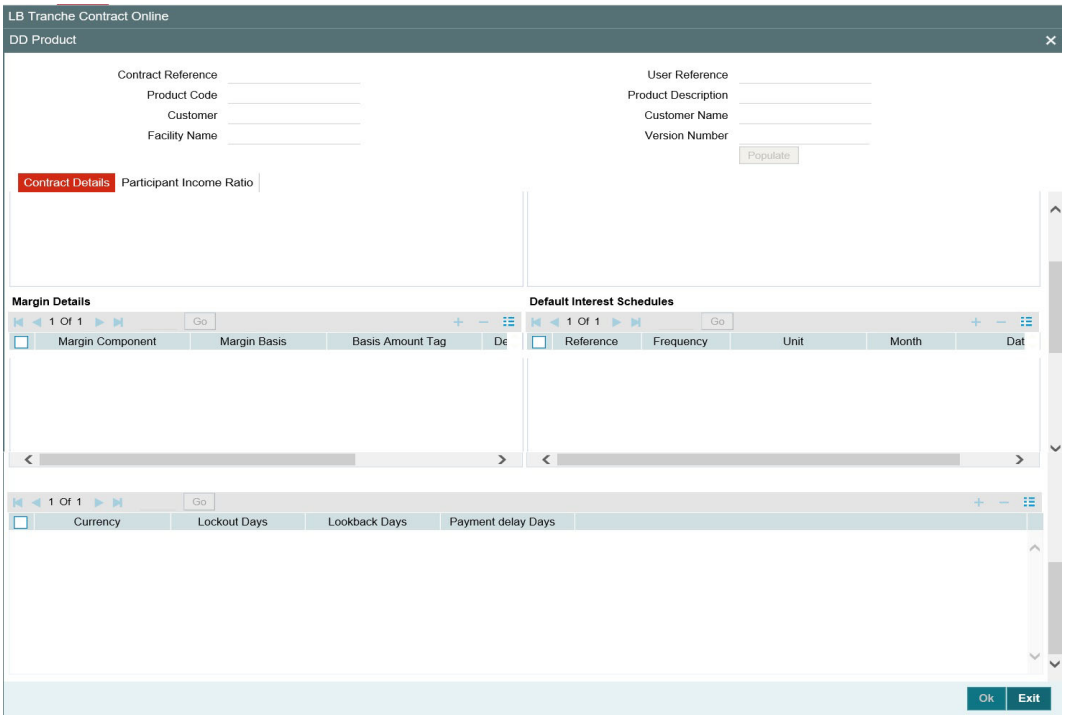
Note

You need not associate an issuing bank number if a participant is not an issuing bank

- You cannot assign the same issuing bank number to multiple participants
- After you authorize the tranche, you cannot change the issuing bank numbers assigned to the participants
- If you add a new participant through a Participant Ratio Amendment (PRAM) and the participant is a possible LC issuing bank, you have to amend the tranche and then assign an issuing bank number to the participant through the above screen.

5.9.17 Maintaining Drawdown Product Details for the Tranche

Click ‘DD Product’ tab in the ‘LB Tranche Contract Online’ screen to specify the drawdown product details.



The details you can capture in this screen are discussed below:

5.9.17.1 Selecting Borrower Drawdown Products

To process drawdowns under the tranche, you have to select the drawdown product at the tranche level. The option list displays 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
- Select 'Allow Ratio Change' check box if you want specify the participant ratio change in 'Loan Syndication - Contract Payment' screen (LBDPYMNT).
- 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 is registered for this amendment
- The new Drawdowns that are booked after the amendment and existing Drawdowns 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 follows the rate setting rule and automatic rate setting happens. If there is no maintenance for Rate setting rule at the tranche level for any Drawdown product then the system does not follow the rate setting rules and user have to manually input the rates for the underlying Drawdown contracts

5.9.17.2 Selecting SSI Mnemonics for Each Component

You have to associate an SSI Mnemonic for each participant and component combination. The system uses 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

Note

If you do not define the SSI Mnemonics, system will apply the default values and display an appropriate message to indicate the same.

5.9.17.3 Margin Details

The margin, if maintained for the interest components defined for the borrower drawdown product (in the ‘Interest Definition’ screen), gets defaulted at the tranche level. The following details are 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

5.9.17.4 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 want to schedule the interest from the drop-down list provided.

Frequency

Select frequency on which you want 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 want to schedule the interest from the drop-down list provided.

Date

Select the date on which you want to schedule the interest from the drop-down list provided.

Note

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.

Alternative Risk-Free Rates Preferences

The options of ‘Alternative Risk-Free Rates Preferences’ are defaulted from ‘Interest Class Maintenance’ screen (LFDINTCL).

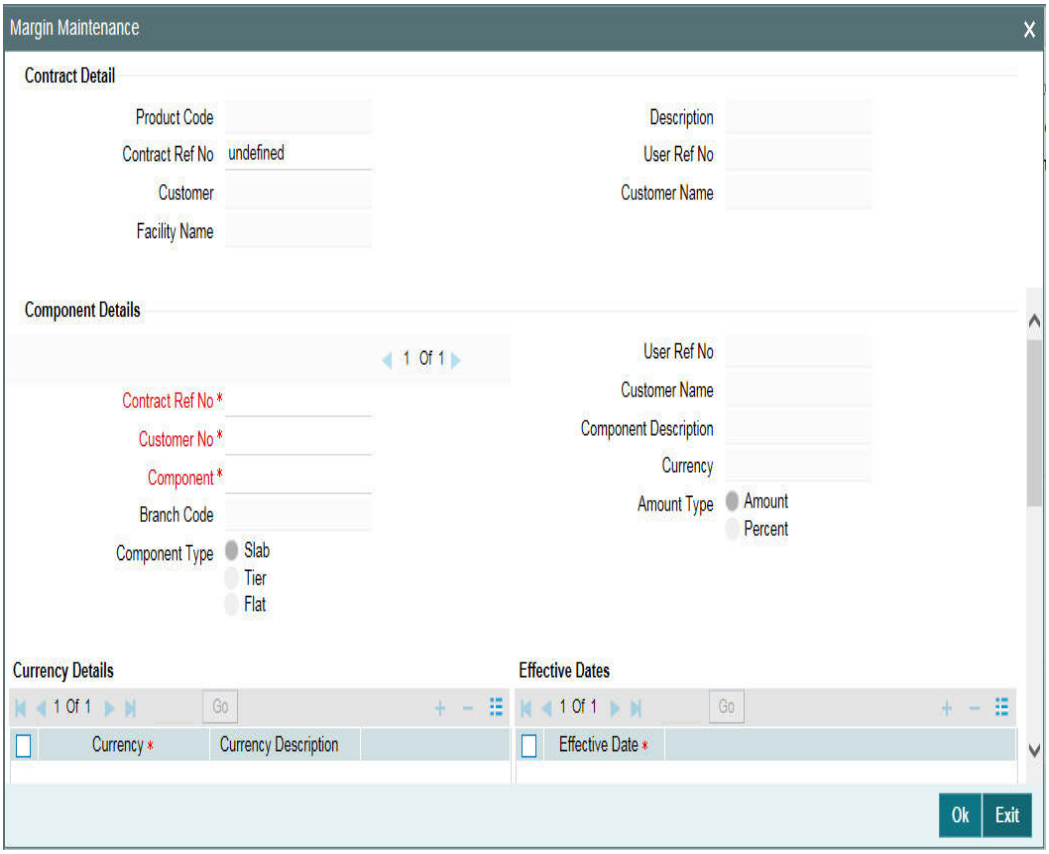
While booking the contract you can modify the 'Alternative Risk-Free Rates Preferences' options. You cannot modify the preferences during contract amendment and value dated amendment.

In case loan is booked with 'Alternative Risk-Free Rates Preferences' and during contract amendment if you try to change the preferences to LIBOR Fixed/Floating, then the following error appears "Modification of parameters from RFR to Non-RFR and vice-versa is not allowed"

For more information, refer to Interest User Manual.

5.9.18 Maintaining Margin Details

You can view and modify the margin details in the ‘Margin’ tab of the ‘DrawDown Products’ screen.



The margin, if maintained for the interest components defined for the borrower drawdown product (in the ‘Interest Definition’ screen), gets defaulted at the tranche level. The following details are 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.

Note

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.

Click ‘Ok’ button to save the details and exit the screen.

5.9.18.1 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 is not a main interest component. This is maintained in ICCF Class Screen invoked from ICCF Maintenance; PIK Component flag is 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 computes 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 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 are 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 is 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.

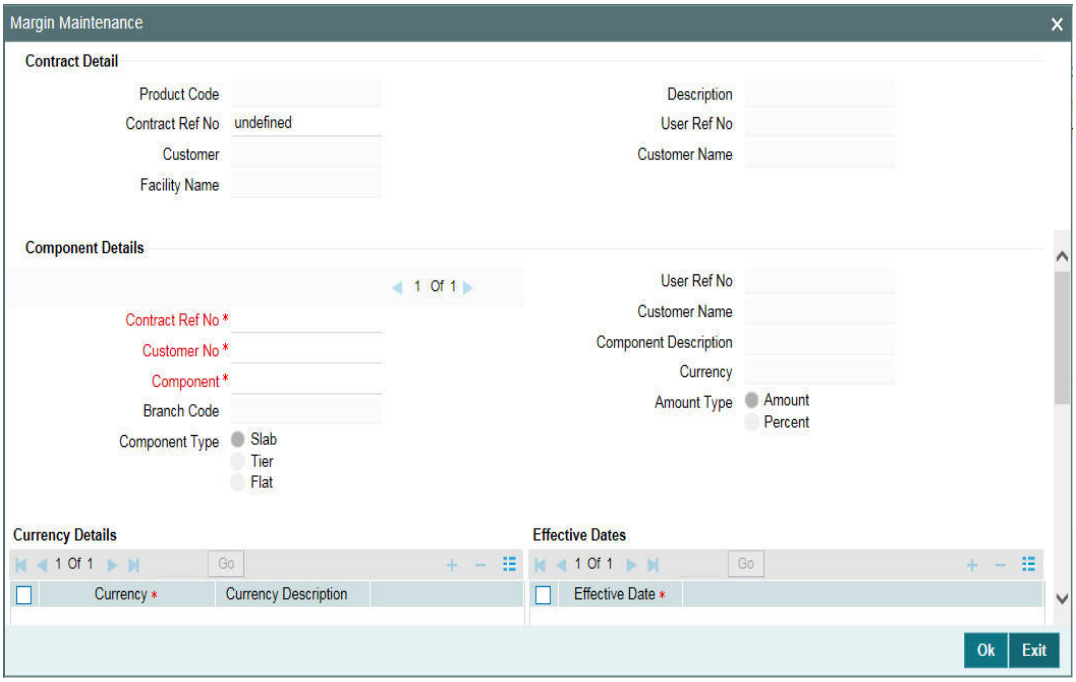
PIK margin component can be paid from Manual Payment screen as well during the complete Principal is being paid. PIK interest is recalculated when “PIK Rollover with capitalization” is checked or unchecked.

5.9.18.2 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 ‘Margin’ tab to invoke this screen. Margin of all drawdowns will be based on the percentage utilization of the tranche.



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 displays all the validcontract reference numbers.

Customer No

Select the borrower for whom the margin details have to be maintained. The option list displays the borrowers selected for the tranche. The margin details are applicable to drawdowns processed for the selected customer. You can also select the ‘ALL’ option to indicate that the margin details are applicable to all the borrowers of the tranche.

Component

The option list displays 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 field defaults 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 is 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 displays 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 is 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 becomes the 'From Amount/Percent' for the next Slab/Tier.

Margin Rate

Specify the rate applicable for each Slab/Tier. The rate specified here is applicable on the tranche outstanding amount which varies based on the utilization of the tranche.

Use the navigation buttons - to move from one margin component to another.

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 does not allow user to maintain participant margin. If user has captured positive margin rate for borrower and participant then, the system does not allow user to amend the margin rate from positive to negative.

Click 'Ok' button to save the details and exit the screen.

5.9.18.3 Specifying Participant Margin Rates

You can capture margin rates for each participant of the tranche by clicking the 'Part populate' 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.

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 'List of Values' 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 'Delete Row' button to delete that participant.

Click 'Ok' button to save the details and exit the screen.

The system ensures 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 l 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 displays an error message and will abort the transaction. You have to correct the margin rates and then proceed.

5.9.18.4 Application of Margin Based on Percentage/Amount Utilized

Any change in the tranche utilization amount changes 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 increases the utilization amount for the tranche. The new marginis 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%)

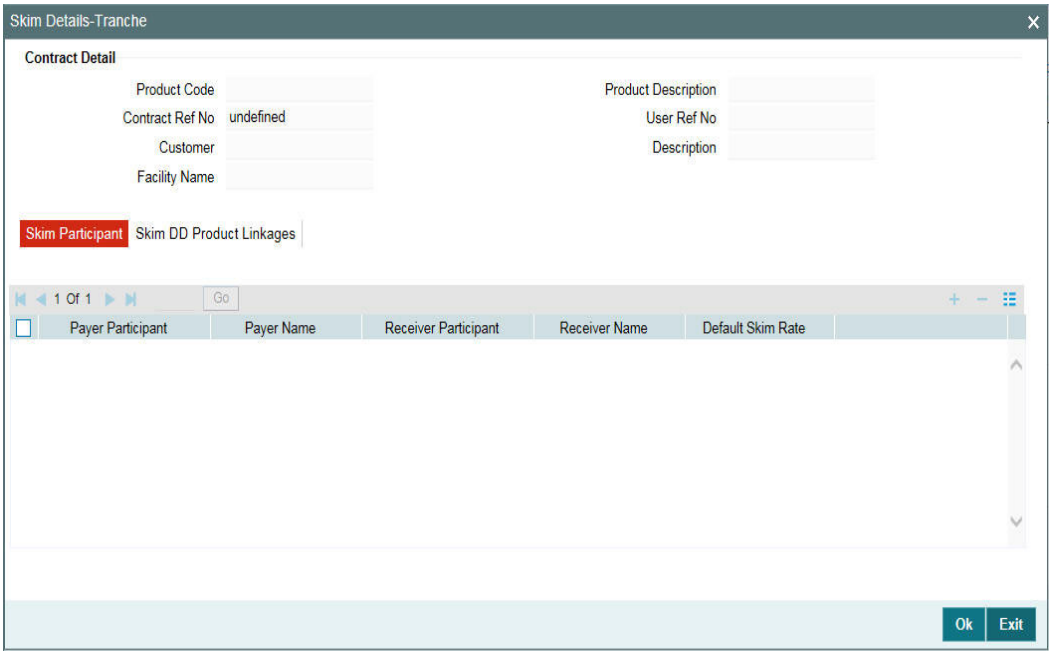
The new margin is based on the total outstanding under the tranche. In case of drawdowns where initiation of the drawdown has not yet happened, Oracle Banking Corporate Lending provides the margin details in the advices sent to participants. The margin rate indicated in the advices are the margin that 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.

5.9.19 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 captured for the tranche in the 'Skim Details – Tranche' screen. Click 'Skim Details' button to invoke this screen.



The Skim details to be captured in the screen above are discussed below:

5.9.19.1 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 makes the Skim payment. The participants associated with the tranche are available in the option list. You may select a participant from this list. When you select the participant, the name of the participant is also displayed.

Receiver Participant

Likewise, you have to select the participant who receives the Skim payment. The participants associated with the tranche are available in the option list. When you select the participant, the name of the receiver is also displayed.

Default Skim Rate

Here, you have to specify the rate applicable for calculating the Skim amount. This rate is applied on the participation amount contributed by the payer. Skim is paid or received as per the Interest schedule. The rate specified here is applied.

Click 'Add Row' button to select the next payer participant.

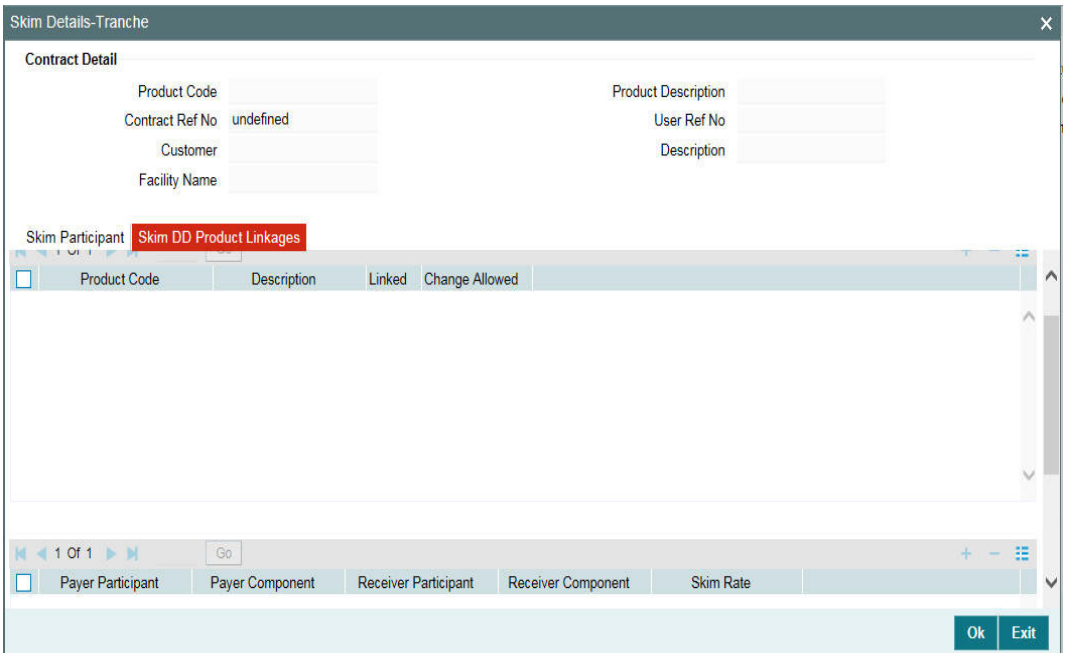
Note

- 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.

5.9.19.2 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.



You have to indicate the following details here:

Product Code

The borrower DD products selected in the ‘DrawDown Products’ screen is available in the option list. Upon selection of the product, the following details are also 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 is selected and you are not 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 is automatically unchecked and vice versa. You can then maintain product wise Skim rates for the tranche.

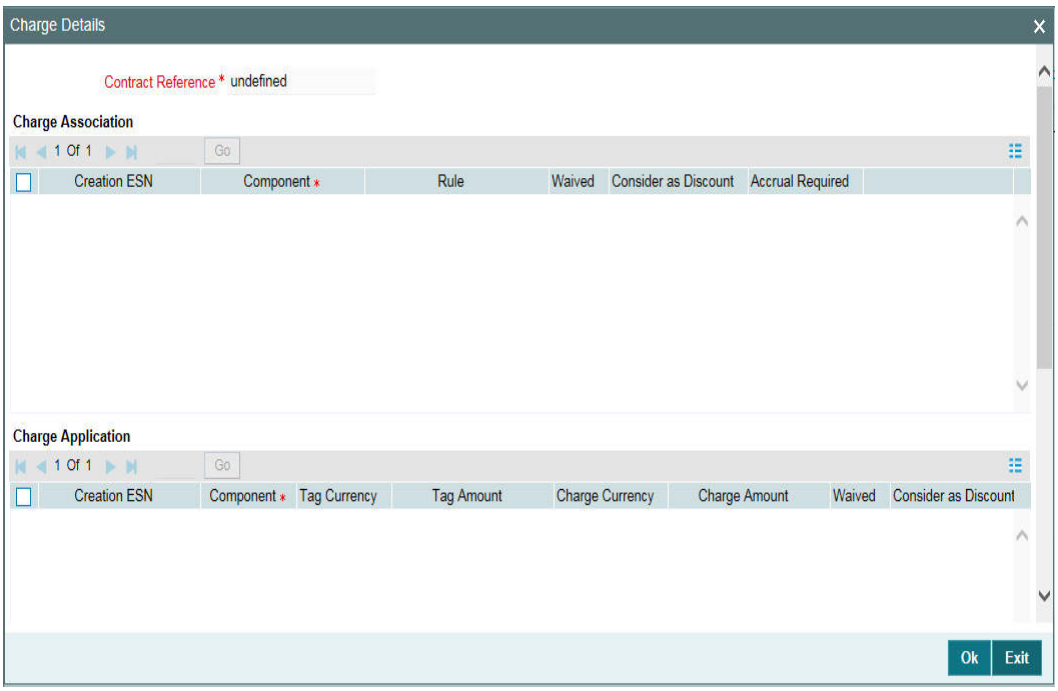
The Skim details captured at the tranche contract gets propagated to the drawdown contracts processed under it. However, you are allowed to amend the details at the drawdown level.

Click ‘Add Row’ button to select the next DD product from the list.

After making the required amendments, click ‘Ok’ to save the changes and return to the ‘LB Tranche Contract Online’ screen.

5.9.20 Modifying Charge Details for the Tranche

The charge components associated with the tranche product are applied to the contract. You can view the details and makes changes, if required, through the ‘Contract Charge Details’ screen. Click ‘Charge’ tab to invoke this screen.



The details pertaining to the following events are 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 displays 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 'Ok' to save the changes and return to the 'LB Tranche Contract Online' screen.

For more details on processing charges, refer the 'Charges and Fess' User Manual.

5.9.21 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 unutilized fee or commitment based on the unutilized tranche amount. However, the basis amount on which this is calculated depends upon whether the tranche is revolving or non-revolving. In non-revolving tranche, repayments are not considered whereas in revolving tranches, repayments are considered.

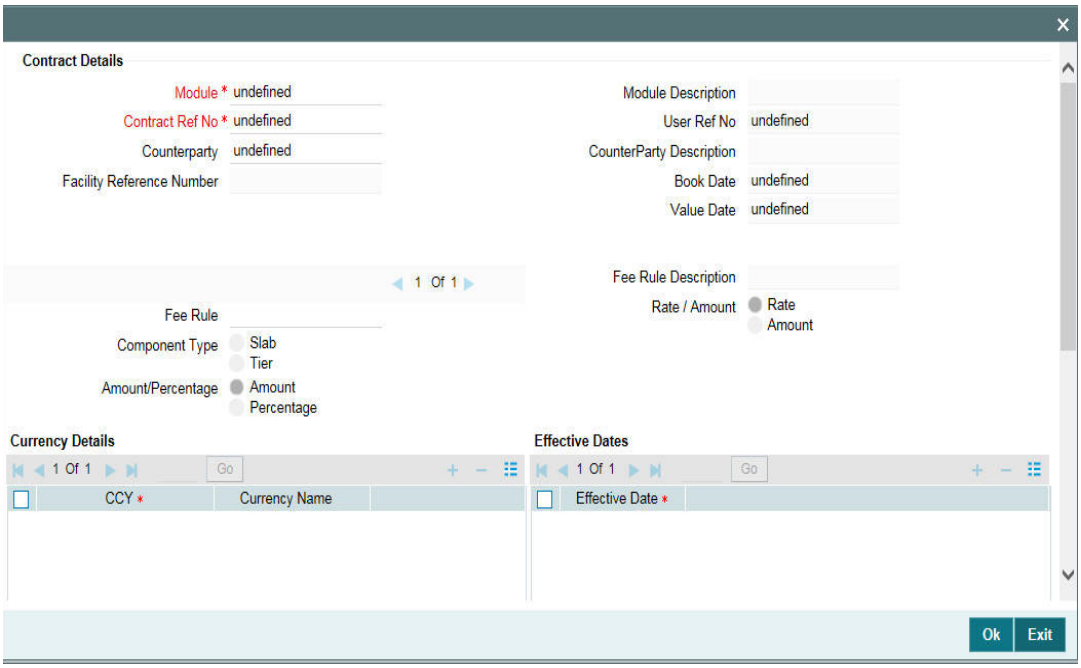
Example

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 'Fee Rule' tab to invoke this screen.



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 displays the borrowers selected for the tranche. The fee details are 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.

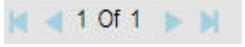
Fee Rule

Associate a fee rule based on which the system computes the fee applicable on the tranche outstanding amount. The option list displays the fee rules associated with the borrower tranche product. Upon selection of the rule, the following details are 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 'Add Row' 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.

5.9.21.1 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 uses the following amount tags for calculation of utilization and non-utilization fee. The formula to arrive at the amounts is also given:

Outstanding Amount

Outstanding Amount = ∑Drawdown amount-∑Drawdown Repayment

Non-Utilization amount

There are two types:

- For non-revolving:
  Non-Utilization Amount = Tranche Current Limit - ∑Drawdown amount
- For revolving:
  Non-Utilization Amount = Tranche Current Limit - ∑Drawdown amount +∑Drawdown repaid

Tranche Current Limit

Tranche Current Limit = Initial Tranche Amount - ∑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.

Note

The fee is calculated on the everyday balance and collected as per the schedule you define in the 'SCHEDULE' tab of the 'LB Tranche Contract Online' screen.

5.9.21.2 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.

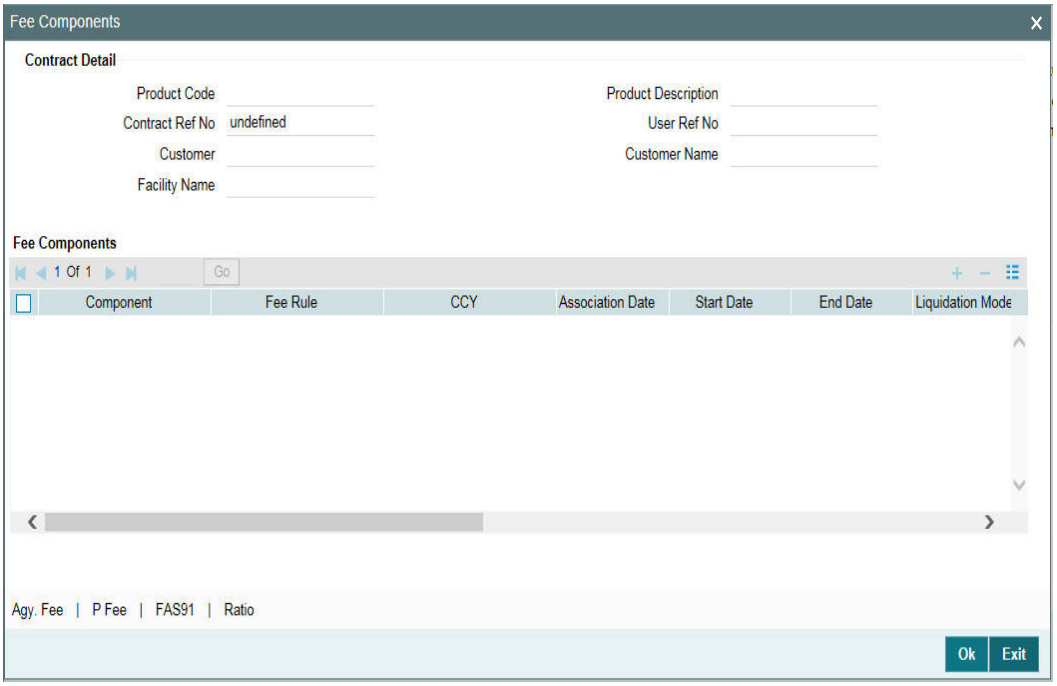
Note

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'.

5.9.22 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 'Fee' tab to access this screen.



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 automatically updates 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

Note

For the fee components having basis amount as UTILIZED or UNUTILIZED, if there is a change in UTILIZED or UNUTILIZED amount due to Value dated amendment (VAMI), creation or liquidation of Drawdowns, then the unpaid schedules are recalculated and reflected in the future fee schedules. The recalculation for the unpaid fee schedules happens during the VAMI, If the change in basis amount happens during the fee calculation period of the Advance fee component's latest paid schedule, then the recalculation happens during the EOD on the date of amendment, and the calculated amount for that schedule is the sum of the calculated amount before amendment and after amendment.

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 defaults here. Here, you can opt for a different mode for each component. The available options are:

- Auto: The system automatically liquidates 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) is kept on hold. The messages are available in the 'Outgoing Message Browser' with status 'Hold'. You 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 recomputes the schedule fee amount from the start date of the fee component. The amendment becomes applicable from the value date of the contract.

Note

- You can amend the day basis both as part of contract amendment (in the 'LB 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 'LB 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 'LB 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 selected for the tranche product (in the 'Borrower Product – Fee Details' screen), the same is applicable for the contract. Based on the number of days defined for billing notice generation for the product, system triggers 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 is not generated for such contracts.

Note

Oracle Banking Corporate Lending 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 'Ok' button to save and exit the screen.

5.9.22.1 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

- If you change the start date of a Fee component which has liquidated schedules, system tracks 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, is not 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.

5.9.22.2 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 is always be collected in arrears. Oracle Banking Corporate Lending calculates 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 are 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 are used for fee calculation.

The system does 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 does 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 are not 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 is based on the outstanding amount and non-utilization amount. However, the system does 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 are not allowed beyond the last schedule/liquidation date of the utilization/non-utilization fee components of the tranche.

5.9.22.3 Processing LC Fees

Oracle Banking Corporate Lending 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’ captures 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, and so on.

For processing issuance fee, you 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 defaults to the drawdown. You have to select an issuer from this list.

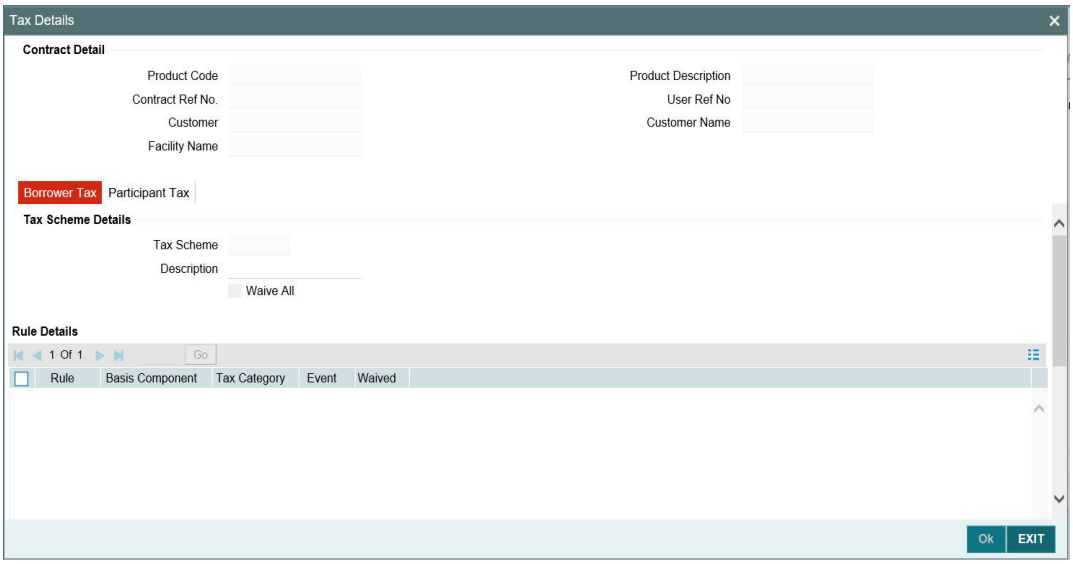
The basis amount tags ISSUER1_LCOS, ISSUER2_LCOS, to ISSUER10_LCOS associated with ISSUER1, ISSUER2 to ISSUER10, respectively, is used to track the outstanding amount of all the LC drawdowns for that issuer.

5.9.23 Tax Details

At the tranche level, tax is applicable only on the fee component.

The taxes that apply on a contract are of two types, ‘Expense’ and ‘Withholding’.

The tax that is borne by the bank is referred to as an ‘Expense’ type of tax. This tax is booked to a ‘Tax Expense’ account. The tax that is borne by counter party of a contract is referred to as a withholding tax, whereby you debit the counter party’s account and credit the tax component into a Tax Payable account (to be paid to the government on the counter party’s behalf)



The ‘ Tax’ sub-screen displays the tax rule details associated with the tranche product.

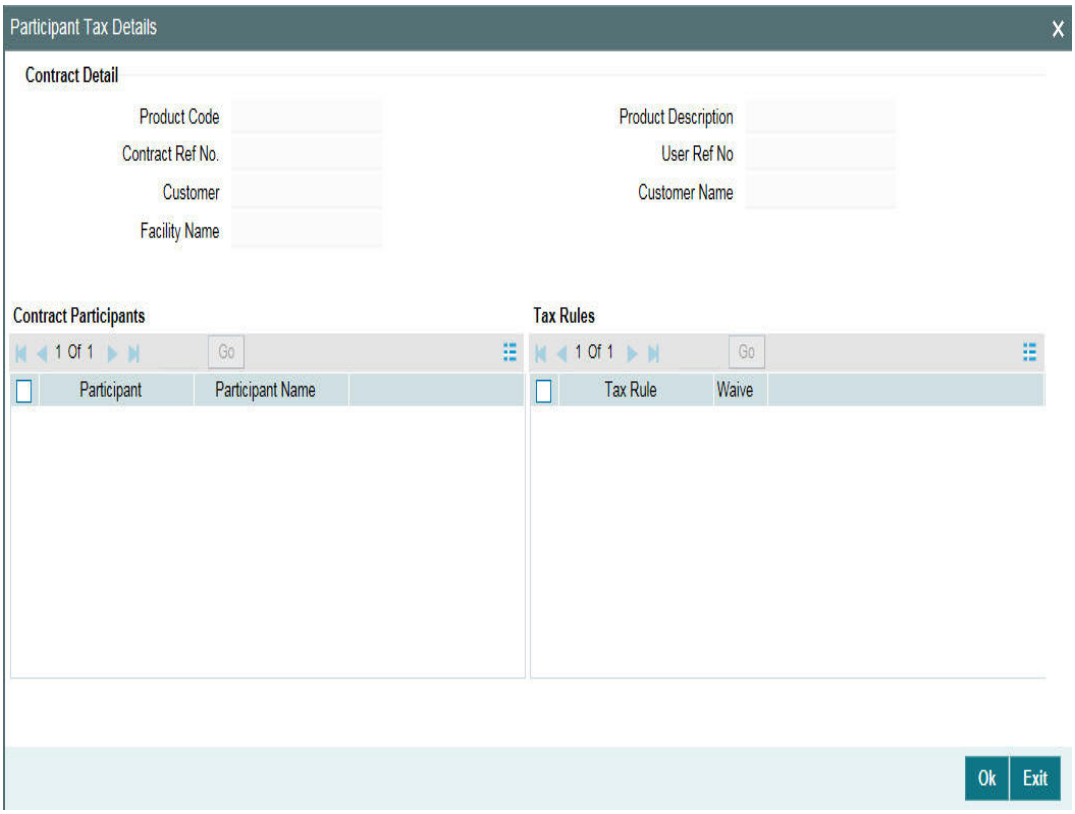
You can view both borrower and participant tax details associated with the tranche.

You can waive the subsequent tax that is applied for a borrower/participant and tax rule combination.The system passes the entries for tax based on the event you specify in the ‘Product Tax Linkage’ screen.

Typically, tax on fee is calculated upon liquidation of the fee (event ‘FLIQ’ is associated with the rule).

5.9.24 Viewing Tranche Tax Details

The tax details defaults from the facility contract if a tax rule is associated with the participant product linked to the facility product. You can view the tax details for the contract in the ‘Participant Tax Details’ screen. Click the ‘Tax’ tab to invoke the screen.



At the tranche level, tax is applicable only on the fee component. This screen displays the tax rule details associated with the tranche product. You have the option to waive the subsequent tax to be applied for a participant and tax rule combination.

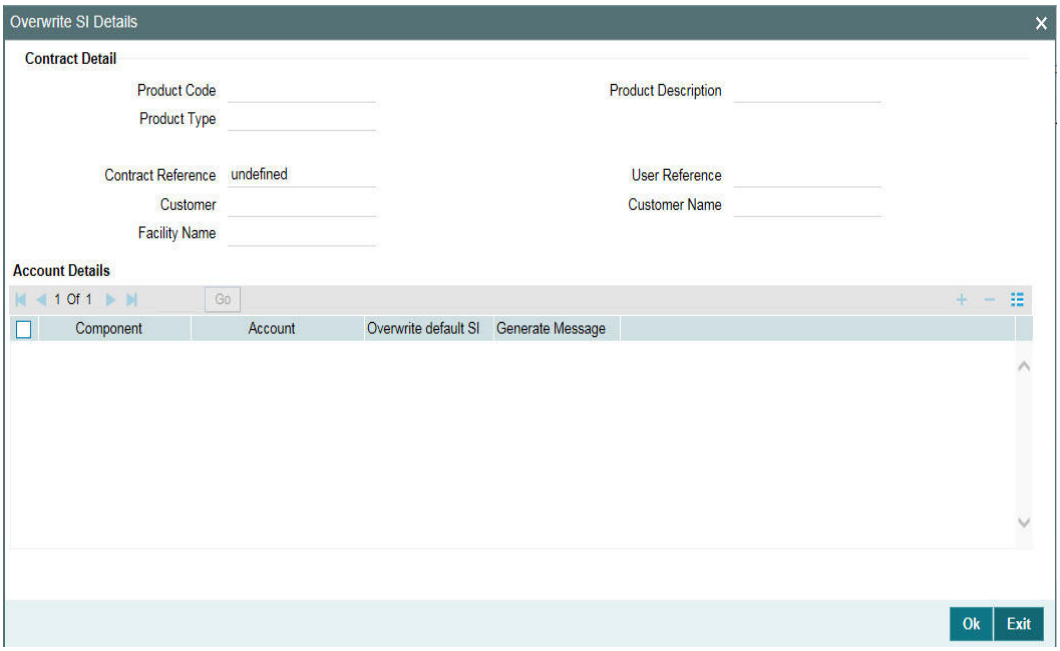
The system passes the entries for tax based on the event you specify in the 'Product Tax Linkage' screen. Typically, tax on fee is calculated upon liquidation of the fee (event 'FLIQ' will be associated with the rule) while tax on interest is computed on interest liquidation (event 'LIQD).

For more information on the Tax sub-system of Oracle Banking Corporate Lending, refer the *Tax User Manual*.

5.9.25 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 Default SI'in the 'LB Tranche Contract Online' screen to invoke the following:



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 posts the entries to the Internal GLs only if you check this box. Otherwise, system posts the entries as per the settlement instructions specified for the component of the contract.

Note

- The internal GL accounts maintained for the tranche is applicable only for the tranche contracts and not default to the drawdown level.
- If you select the 'overwrite default settlement instruction' check box for a component, system overwrites 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.

5.9.25.1 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 are not 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. You can invoke the 'Dual Authorization' screen by typing 'LBDOVDET' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

This screen displays the following details related to the LB module:

- Number of contracts related to the LB module
- Number of overrides related to the contracts

If you double-click the module field in this screen, the 'Details of the Overrides requiring dual authorization' screen is displayed.

You can view the following details in this screen:

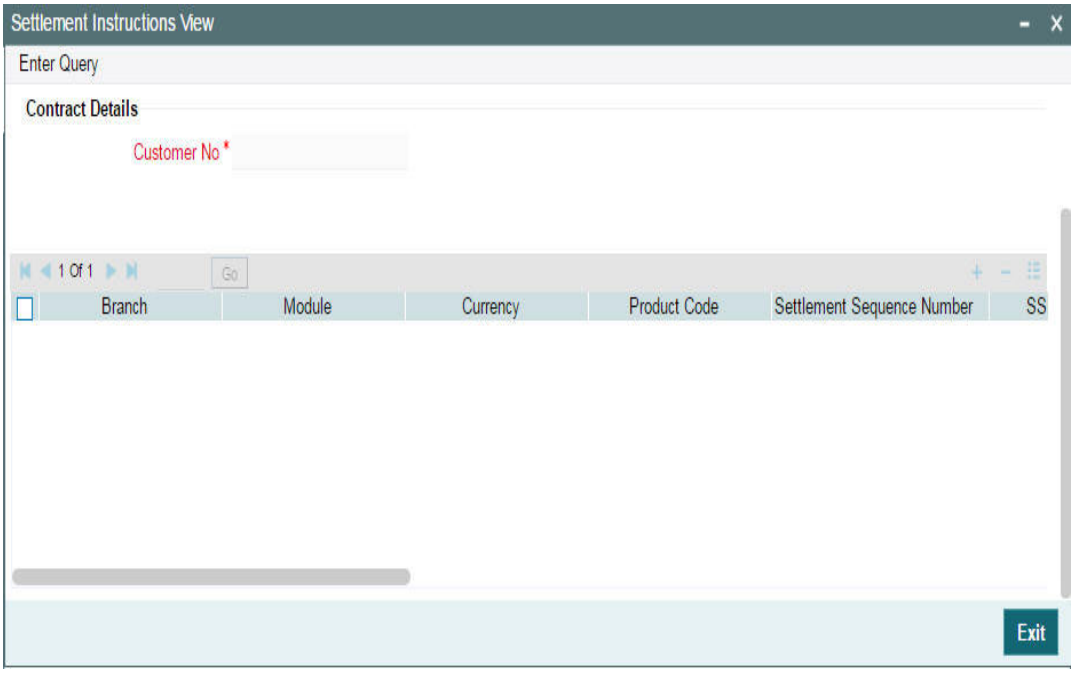
- Contract reference number
- Module
- Error code
- Override details
- Override status
- Remarks

You can change the Override Status to 'Authorized' and click 'Confirm' to authorize single record or 'Authorize All' to authorize all the records pending for authorization.

After authorizing all the related overrides, you can proceed with the authorization of the event.

5.9.26 Viewing Settlement Instructions for the Tranche

To view the settlement instructions for the tranche borrowers, click the 'Settlement Instructions' button from 'Borrowers Details' screen.



The system obtains the settlement details based on the SSI Mnemonic for each borrower.

If the ‘Chinese Characters in Payment’ box is selected 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 are no 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 considers it as Chinese and allow up to 35 characters.

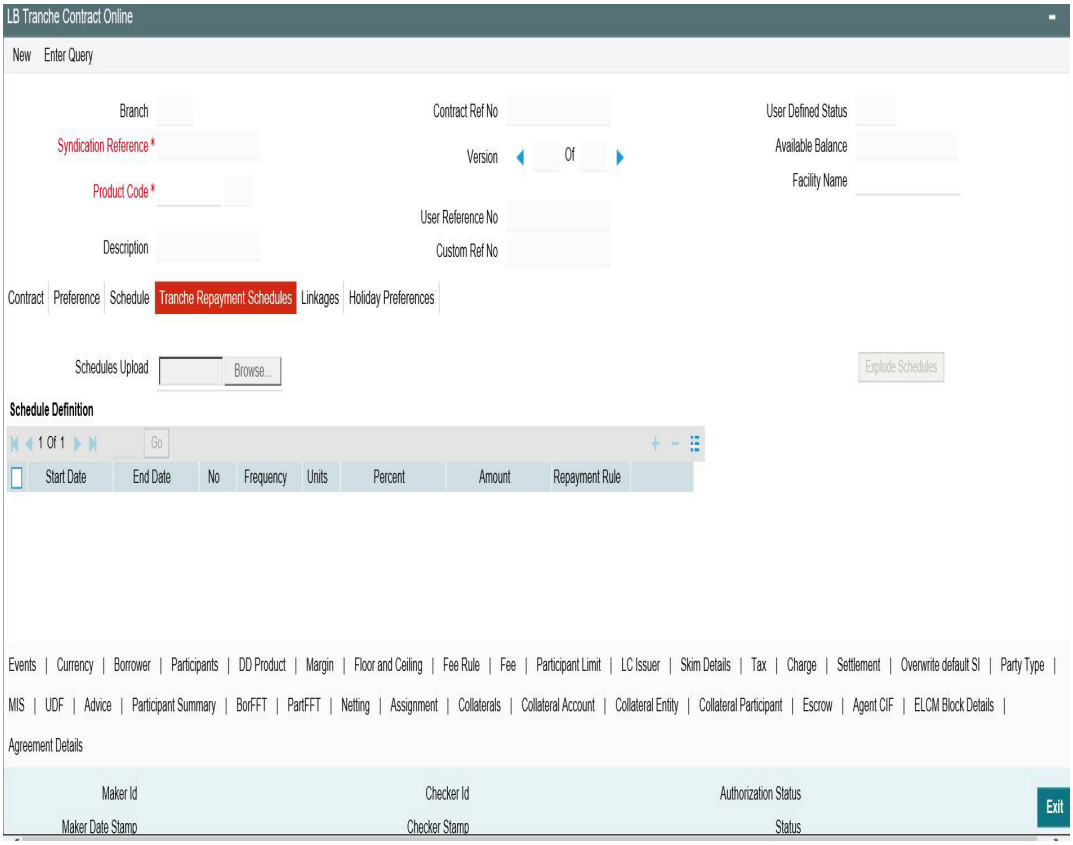
Note

This is applicable only for ASPAC region.

For more details about the ‘Settlement Message Details’ screen, refer the Settlements User Manual.

5.9.27 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’ section. Click the ‘Tranche Repayment Schedules’ tab to access this screen.



The tranche repayment schedule screen displays the all the schedules from the value date to the maturity date of the tranche.

Note

No processing is supported for the tranche repayment schedules life cycle. In events of drawdown repayments, the tranche schedules are not updated by the system. The data capture is for information purposes only.

You can specify the following in this screen:

Schedules Upload

You can upload tranche repayment schedule details during tranche contract creation using this option. You can upload file only with *.csv extension.

The system performs the following validations during repayment schedule upload

- Duplicate schedule definitions with same start date is not allowed
- Schedule start date and end date cannot be later than maturity date
- Schedule start date cannot be lesser than application date
- Schedule start date and end date should be within tranche contract start and end date
- If upload is successful then the system displays a message saying the upload is successful. The uploaded schedules are displayed under schedule input section.
- Ensure that tranche repayment schedule must be in of ‘F-FIFO’, ‘L-LIFO’, and ‘P-PRO-RATA’.

- Once the schedules are uploaded successfully, the system defaults the schedules into 'Schedules Details' section. The payment schedules get defaulted from schedule input section to 'Schedules Details' section.
- Tranche repayment schedules are not uploaded even if one validation is failed. You have to re-upload after correcting the details.
- You can re-upload the repayment schedules on an authorized tranche. Re-upload is allowed only for the future schedules. If any unpaid schedules exist with schedule date lesser than application date then such schedules remain during re-upload. Only the future schedules are deleted and re-uploaded with the revised future schedules.
- Holiday treatment is applicable for the schedules once the schedules are uploaded

Schedule Definition section

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.

Percent/Amount

You can specify a percentage or an amount for each payment/reduction schedule.

If you specify the percentage, system computes equivalent amount and vice-versa. If there is a mismatch between the percent and amount, then the system computes the percentage based on the amount. You can give percentage between the rage 0-100.

If both the percentage and amount is not specified, then an error appears.

Repayment Rule

Select the amount repayment rule applicable for the tranche repayment from the adjoining drop-down list. You can select one of the following values:

- FIFO
- LIFO
- PRO-RATA

Schedule Details section

You can either enter the schedule details manually

or

You can click ‘Explode Schedules’ option. Based on schedule definition, the system determines the available amount and then build the reduction schedule for the tranche.

Date

The schedule date should not be later than the tranche maturity date.

Percent/Amount

You can specify a percentage or an amount for each payment/reduction schedule.

If you specify the percentage, system computes equivalent amount and vice-versa. If there is a mismatch between the percent and amount, then the system computes the percentage based on the amount. You can give percentage between the rage 0-100.

If both the percentage and amount is not specified, then an error appears.

Note

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 show the status as ‘Processed’ and all the future schedules show the status as ‘Unprocessed’. You can not modify ‘Processed’ schedules.

Drawdown Details section

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.

Note

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

- 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.

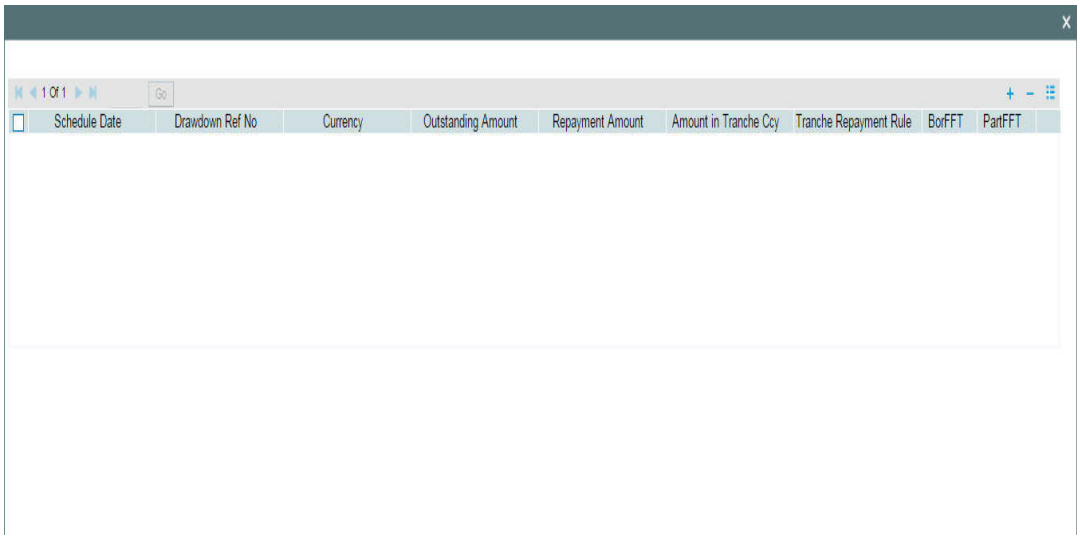
Redefinition of tranche repayment schedule happens as part of end of day process after the liquidation. Based on the repayment rule specified during the actual liquidation across drawdowns, the future schedules get adjusted against the respective schedule date.

You can invoke the borrower and the participant Free Format Message screens using the 'BorFFT' and 'PartFFT' tabs respectively.

You can amend the details of current or future dated repayment schedule amounts as well as their allocations, if required.

5.9.27.1 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 'Unscheduled Repayments' button in 'Tranche Repayment Schedules' tab. This button is enabled only for non-revolving tranches.



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.

Note

You can not specify an amount greater than the outstanding amount for that drawdown.

Tranche Repayment Rule

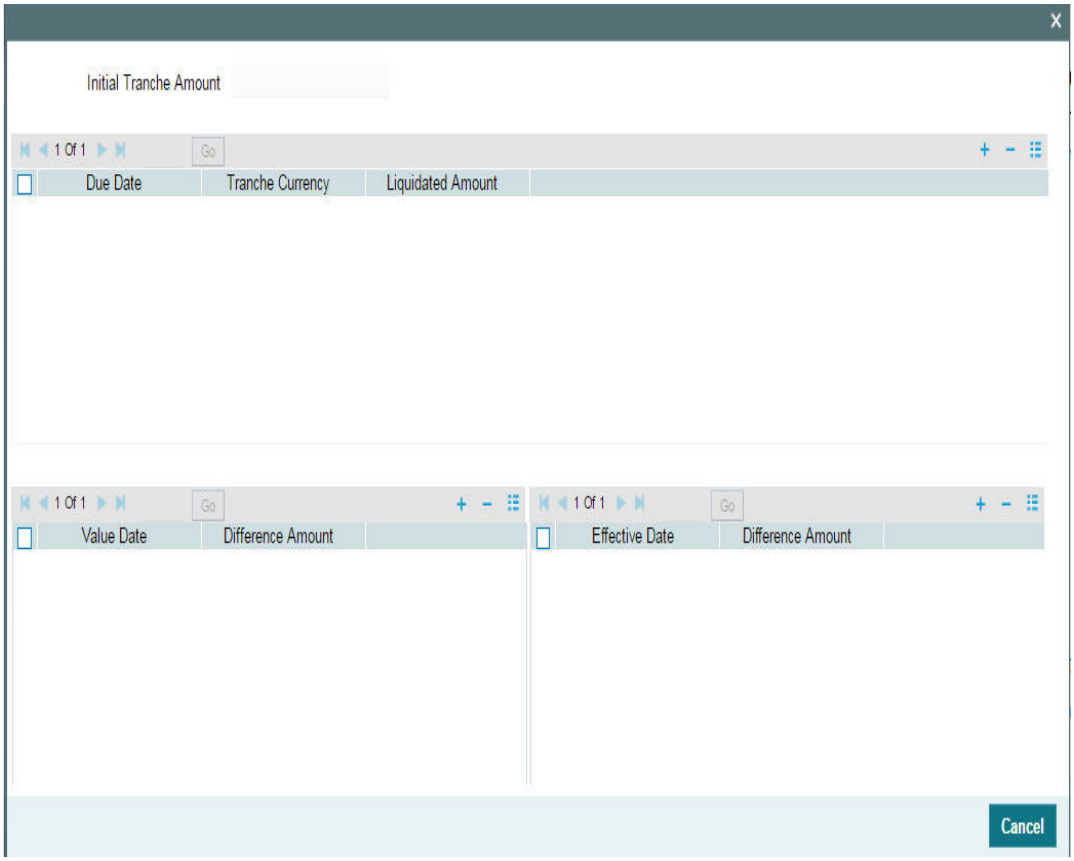
Select the repayment rule for each drawdown schedule date. The possible options are LIFO, FIFO, and PRO-RATA. By default, tranche repayment captured will be displayed against each drawdown.

You can invoke the borrower and the participant Free Format Message screens using the ‘BorFFT’ and ‘PartFFT’ buttons respectively.

5.9.27.2 Viewing Repayment History

Click ‘Schedule History’ button in the Tranche Repayment Schedule tab 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.



Note

- Normal scheduled repayments for the drawdown does not affect the repayment schedules at the tranche level.
- Prepayments for the drawdown affects only the future repayment schedules at the tranche level which fall on or after the application date.
- The reversal of the prepayments of drawdowns does not affect the repayment schedule at the tranche contract level. Any changes to the schedules should by amending the tranche contract.
- Any pre-payments processed for a drawdown is identified and adjusted against the future tranche repayment schedules defined in the above screen.
- The pre-payment apportionment method is 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 wheter 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(rith 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.

5.9.27.3 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 LB' 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

Note the following in case of non-lead (wrapper) products:

– You should maintain the 'Shedule 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.

5.9.28 LMA / LSTA Participation in LB

This section contains the following topics:

- Section 5.9.28.1, "Agency Wrapper Processing Changes for Lead Tranche"
- Section 5.9.28.2, "LB Processing Changes"

5.9.28.1 Agency Wrapper Processing Changes for Lead Tranche

1. When a trade is settled with the new field 'Trade Standard' as 'LMA' / 'LSTA' and the trade is linked to a lead tranche, instead of adding an external participant, the system adds a silent participant in the lead tranche like the existing functionality.

2. Agency wrapper handoff process is enhanced to handoff the 'LMA Participation' / 'LSTA Participation' field from the linked trade contract.

3. While processing the Agency wrapper STP, the system adds the external participant to wrapper tranche and value for 'LMA Participation' / 'LSTA Participation' field is defaulted from handoff data.

4. External participant is not added in the lead tranche. STP processing to OL and new changes for accounting in OL happens from the wrapper tranche linked to lead tranche.

Note

No changes are envisaged in the LT processing of buy and participation trades as well as buy / sell and assignment trades and the same continues to work.

5.9.28.2 LB Processing Changes

1. During LB - OL STP processing, the system validates if there is a default LB - OL product and component maintenance available for the corresponding OL product. In addition, system validates if the new field 'LMA Participation' or 'LSTA Participation' is selected in the corresponding external participant for which STP is processed.

2. The LB- - OL STP processing logic is enhanced to process the STP for a self-participant in a tranche / drawdown contract even if there is STP failure for other self-participants under the same tranche / drawdown contract.

3. While processing the STP, the system picks the expense code and branch code from the linked trade contract.

In case of new tranche booking, if the tranche contract is not linked to a trade contract but the new field 'LMA Participation / 'LSTA Participation' is selected for the participant, the system marks the 'Processing Status' as 'Enrich' in the STP interface browser. You can select the OL product, expense code and branch to proceed with STP in the STP interface browser. The system does not validate the branch entered by the user and the same needs to be operationally controlled.

Note

Any tranche booking with the 'LMA Participation / 'LSTA Participation' checked is marked as 'Enriched' if there is no linked trade contract.

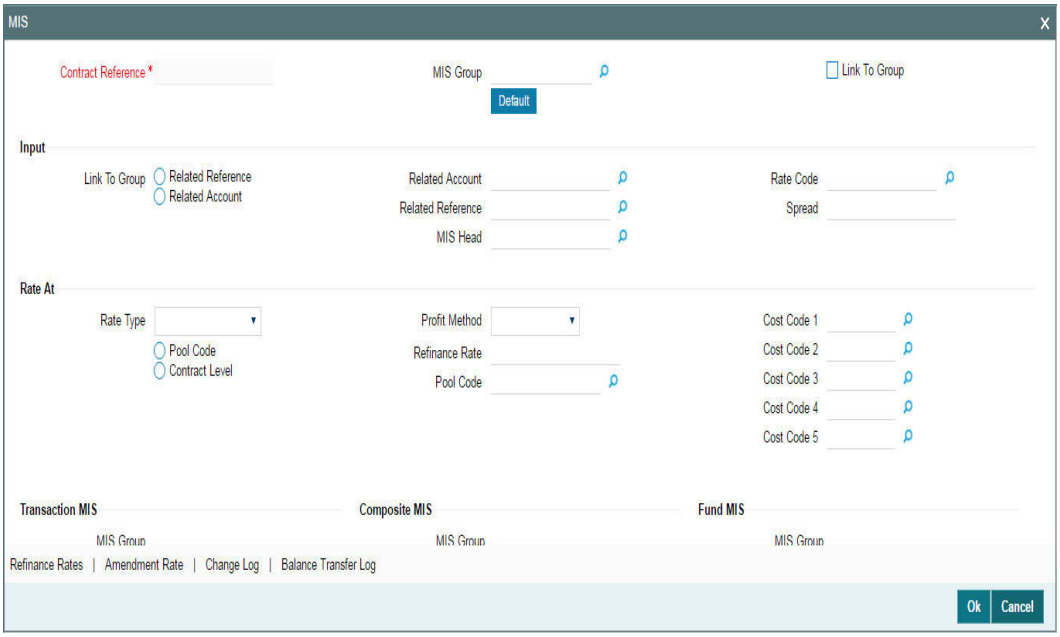
4. While processing the STP, if product code is not present, then the 'Processing Status' is marked as 'Extraction' in the STP interface browser.

Value dated amendment process is enhanced to propagate the 'LMA Participation' or 'LSTA Participation' field from the 'Non Prorata Participation Ratio Details' sub-screen to the 'LB Participant' screen for the sub participated external participant after the authorization of the value dated amendment.

Participant transfer process is enhanced to propagate the 'LMA Participation' or 'LSTA Participation' field to the LB participant screen for the sub participated external participant after the authorization of the participant transfer.

5.9.29 Specifying the Tranche MIS Details

You can specify the MIS (Management Information System) details for the tranche in the ' MIS ' screen. To invoke this screen, click the 'MIS' tab.

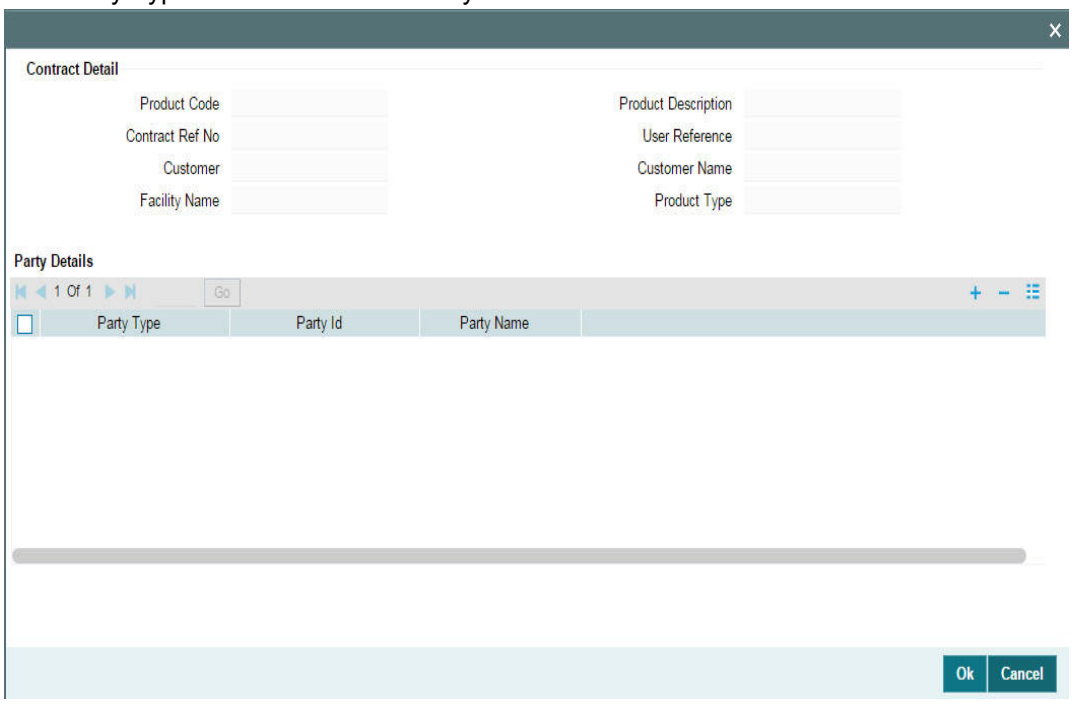


For details on the ‘Transaction MIS Details’ screen, refer the *MIS User Manual*.

5.9.30 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 defaults to the tranche; you can change them and specify the required types at the tranche level.

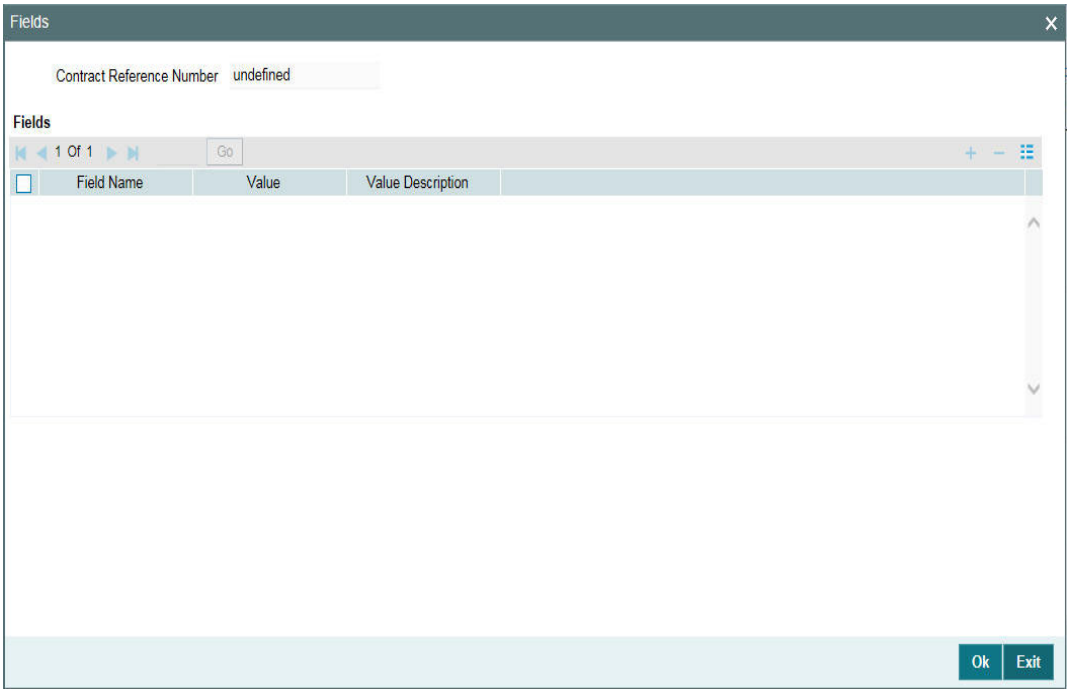
Click ‘Party Type’ tab to invoke the ‘Party Details’ screen.



For more details on the above screen, refer the heading ‘Specifying parties for the facility’ in this chapter.

5.9.31 Specifying UDF Values for the Tranche

The User Defined Fields (UDFs) defined for the tranche product are applied for the contracts processed under it. You can view the UDFs, if applicable, in the 'User Defined Fields' screen. Click the 'UDF' tab 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.

Note

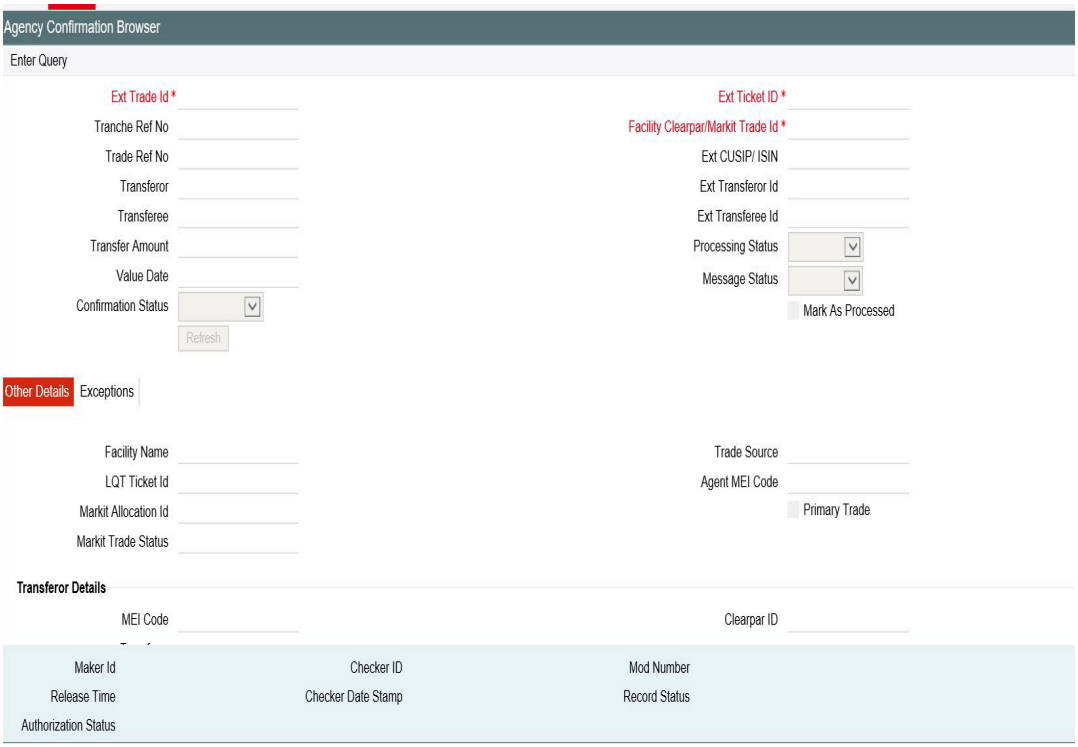
This UDF is not maintained for drawdown products.

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.

5.9.32 Agency Confirmation Browser Screen

You can invoke the 'Agency Confirmation Browser' screen by typing 'LBDAGCBR' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



- The system matches the value of the tag <instrumentId> in the incoming message from Markit with that of the value of the UDF field ‘LOANX ID’ in the 'LB Tranche Contract Online' screen to identify the matching tranche contract.
- The new user defined field should be created with the below values.
  - Function - LBDTRONL
  - Field Name - LOANX ID
  - Field Description – LOANX ID
  - Field Type – Text
  - Validation Type - None
- When you click ‘Refresh’ button, new matching SLT reference number is identified and updated in the field ‘Trade Ref No’ if available.
- When you click ‘Refresh’, if the mapped SLT trade is reversed, the system allows remapping of new SLT trade.
- If the matching process fails, then the system continues with the existing matching process based on external CUSIP in the lead tranche contract.
- There can be multiple CUSIPs present in the message ‘Syndicated Loan Trade Notice Agent’ received from Markit.
- If multiple CUSIPs are present in the same message, then the system populates as many records as that of the CUSIPs in the 'Agency Confirmation Browser' screen.
- The messages ‘Trade Status Update Notification’ and ‘Submit Agency Update’ are received from Markit for each ‘Markit Trade ID’ + ‘Allocation ID’ combination.
- The updates received as part of these two messages are populated in the respective records in the 'Agency Confirmation Browser' screen.
- You should manually process PRAM for the records in the pending trade processing queue.
- The system allows the you to delete the modification done before authorization in the 'Agency Confirmation Browser' screen. When you delete the modifications, older values are restored.

- If a backdated trade is received, the system marks the ‘Process Status’ as ‘WIP’ in the agency confirmation browser.
- You are allowed to manually mark the status as ‘Handoff’ after reviewing the browser.
- You are also be allowed to manually process the PRAM and mark the status as ‘Processed’ when the ‘Confirmation Status’ of the record is ‘Closed’.
- If a future dated trade is received, the system marks the ‘Process Status’ as ‘Hold’ in the 'Agency Confirmation Browser' screen.. The held trades are picked for processing once the system date reaches the settlement date (value date) of the trade during the BOD batch if the ‘Confirmation Status’ of the record is ‘Closed’.
- MEI code from ClearPar is used to resolve the portfolio ID for the matching trade.
- If the matching process fails, the system uses the ClearPar ID on active trades to resolve the portfolio ID.
- Based on the ‘Markit ID’ + ‘Allocation ID’ + ‘External CUSIP No’ combination, the system finds out the related trade reference number. Then system defaults the portfolio ID from the trade identified.
- When a primary trade is received, the value of the field ‘Primary Trade’ is displayed as ‘Y’ in the 'Agency Confirmation Browser' screen.

5.9.32.1 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 displays 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 is saved for further processing. If the override is selected as ‘No’, the save operation fails.

Once the contract is saved successfully, the contract reference number with override details 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.

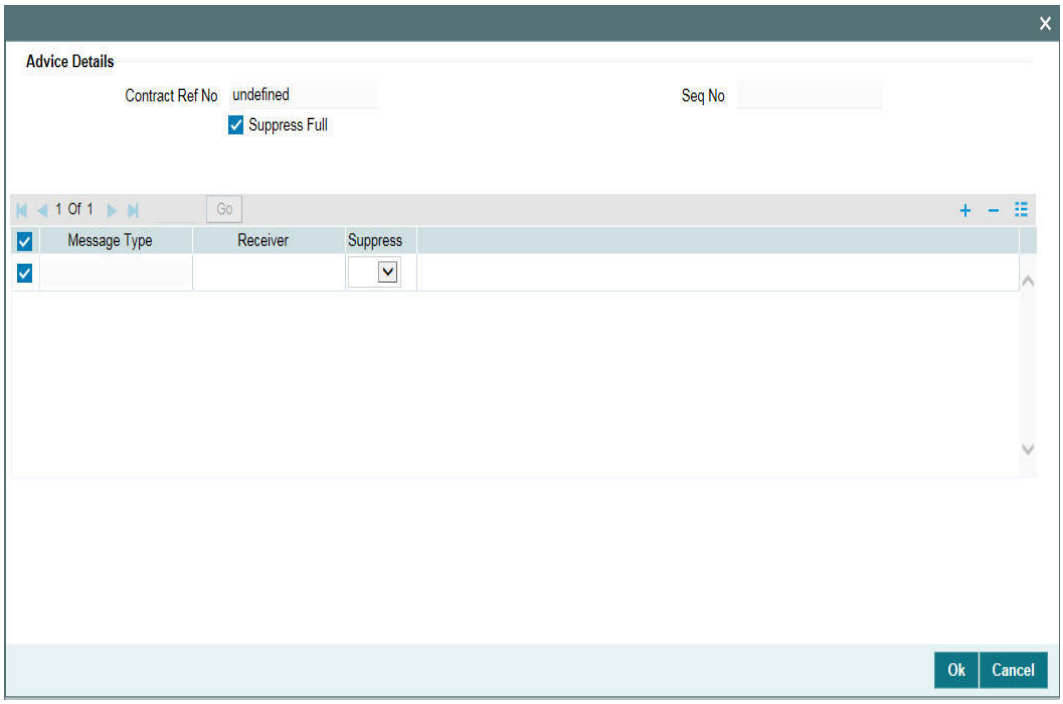
Once the contract is authorized in the dual authorization screen, final authorization is done.

Note

If the UDF ‘RATE-VARIANCE’ is not maintained or maintained as zero, dual authorization is not required.

5.9.33 Modifying Tranche Advice Details

The advices associated with the product default to the contract. You can view the advice details in the ‘Advices’ screen. Click the ’Advice’ tab to invoke this screen.



The following details are 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

Select this check 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.

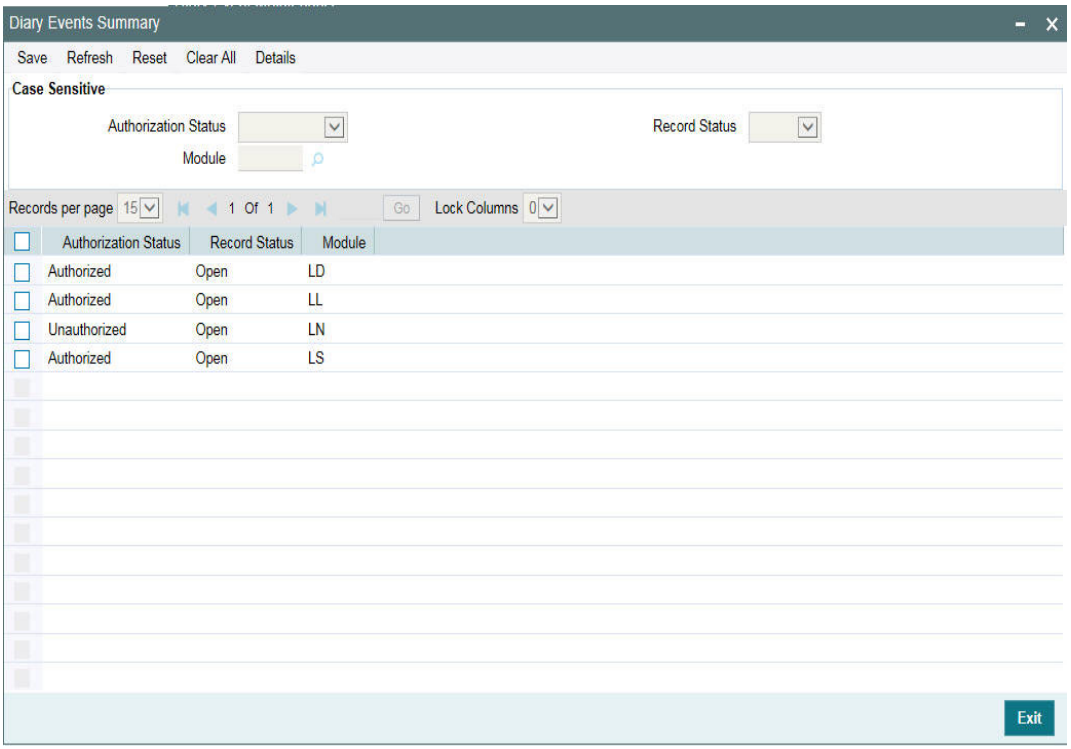
After you save the tranche, you can view the following details of the contract:

- Diary Events for the contract
- Netting Cash Flow Summary
- Messages generated for the tranche
- Participant Summary details
- Events

These details are discussed below.

5.9.34 Viewing Tranche Diary Events

You can view the diary events defined for the contract in the 'Diary Contracts – Summary' screen (OLSDIAEV). To invoke this screen, click 'Diary' tab.

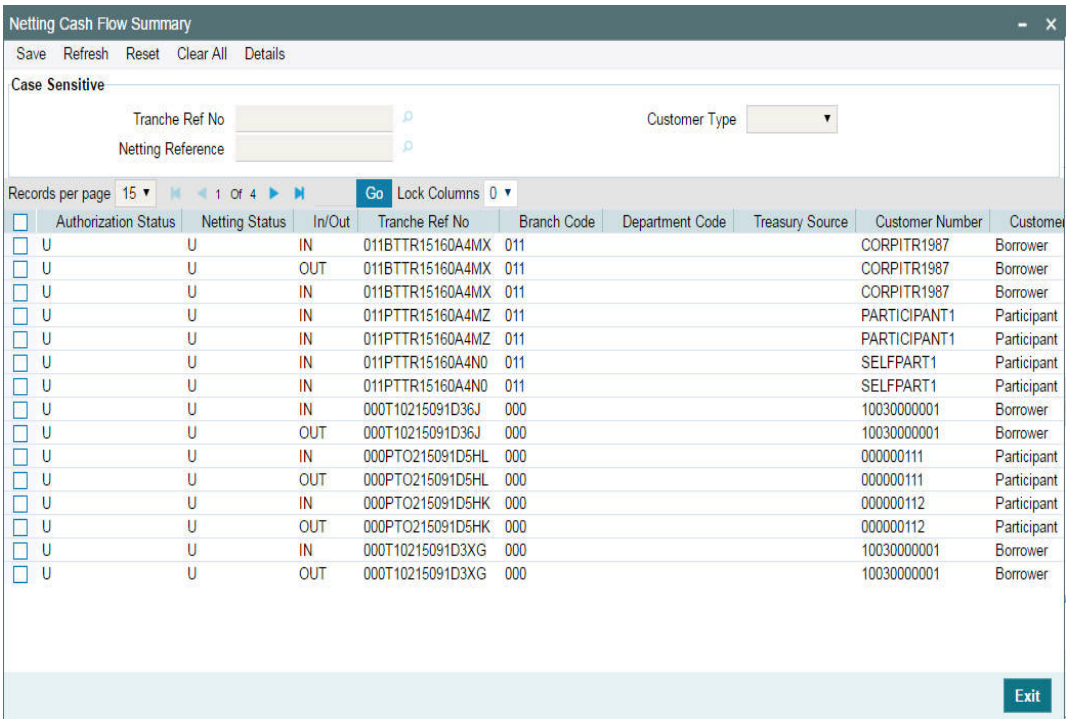


This screen displays the various dairy events fired for the main facility contract as will as for the drawdowns processed under it. Dairy events include events like Contract Amendment (CAMT), Interest Rate Fixing (IRFG), Exchange Rate Fixing (EXFG), and so on.

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.

5.9.35 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 ‘Netting’ tab to invoke this screen.



Authorization Status	Netting Status	In/Out	Tranche Ref No	Branch Code	Department Code	Treasury Source	Customer Number	Customer
U	U	IN	011BTTR15160A4MX	011			CORPITR1987	Borrower
U	U	OUT	011BTTR15160A4MX	011			CORPITR1987	Borrower
U	U	IN	011BTTR15160A4MX	011			CORPITR1987	Borrower
U	U	IN	011PTTR15160A4MZ	011			PARTICIPANT1	Participant
U	U	IN	011PTTR15160A4MZ	011			PARTICIPANT1	Participant
U	U	IN	011PTTR15160A4N0	011			SELFPART1	Participant
U	U	IN	011PTTR15160A4N0	011			SELFPART1	Participant
U	U	IN	000T10215091D36J	000			10030000001	Borrower
U	U	OUT	000T10215091D36J	000			10030000001	Borrower
U	U	IN	000PTO215091D5HL	000			000000111	Participant
U	U	OUT	000PTO215091D5HL	000			000000111	Participant
U	U	IN	000PTO215091D5HK	000			000000112	Participant
U	U	OUT	000PTO215091D5HK	000			000000112	Participant
U	U	IN	000T10215091D3XG	000			10030000001	Borrower
U	U	OUT	000T10215091D3XG	000			10030000001	Borrower

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 ‘Netting’ tab.

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.

5.9.36 Viewing Messages for the Tranche

You can view messages generated for the contract using ‘Message Preview’ screenTo view the messages click Events > Messages> Message Details button. The ‘Message Preview’ is displayed.

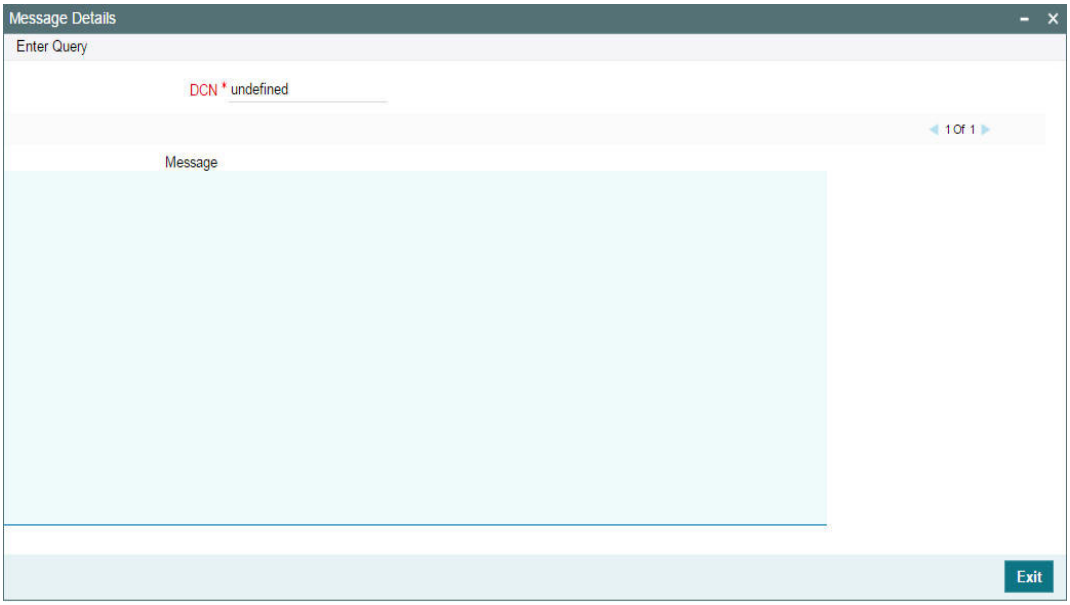
Note

This button is enabled only if the latest event, with a payment message associated with it, is unauthorized.

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 Details’ button to view the messages generated, if any.



If messages are not available, the following message will be displayed:

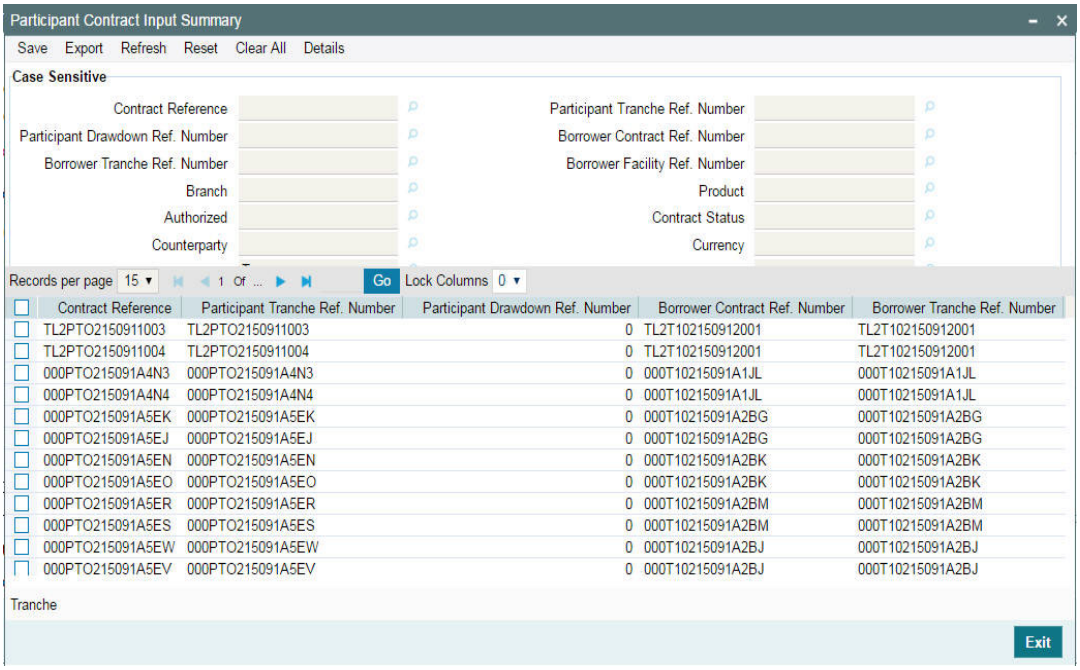
No messages for preview

Note

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.

5.9.37 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 ‘Participant Summary’ button.



The following details are displayed in this screen:

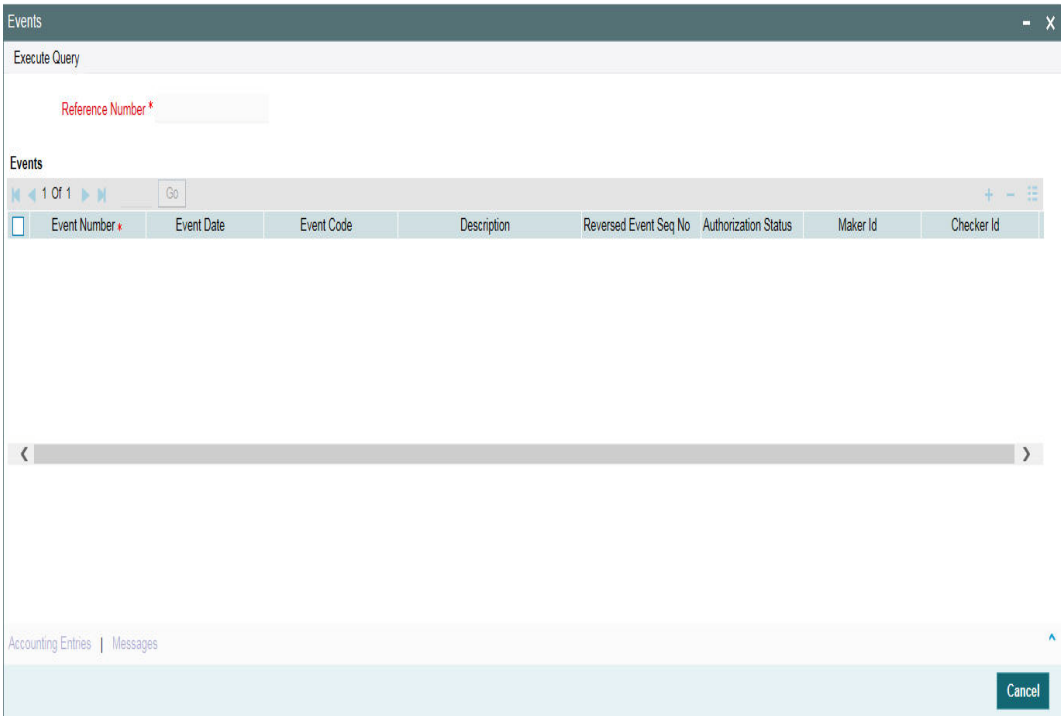
- Authorization status of the contract: The possible values are:
  - A – Authorized
  - U – Unauthorized)
- Contract Status: The possible values are:
  - A – active
  - L – Liquidated
  - H – Hold
  - Y – Yet to be initiated
  - V – Reversed
- Branch Code
- Participant Facility Reference Number: Participant 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.

5.9.38 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 ‘Events’. The events defined for the tranche product are triggered for the contract

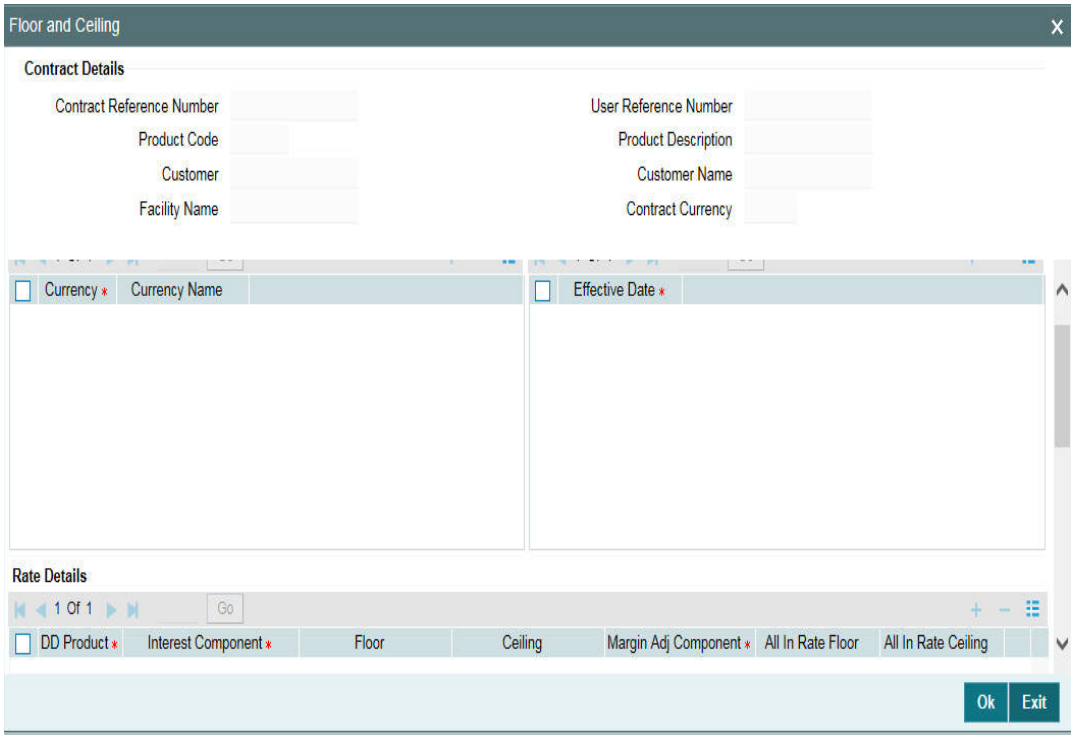


For more details on this screen, refer the heading ‘Viewing Events for the facility’ in this chapter.

After you save and authorize the tranche contract, you can process drawdowns under the tranche.

5.9.39 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 and Ceiling’ to access this screen.



The following details are displayed in this screen:

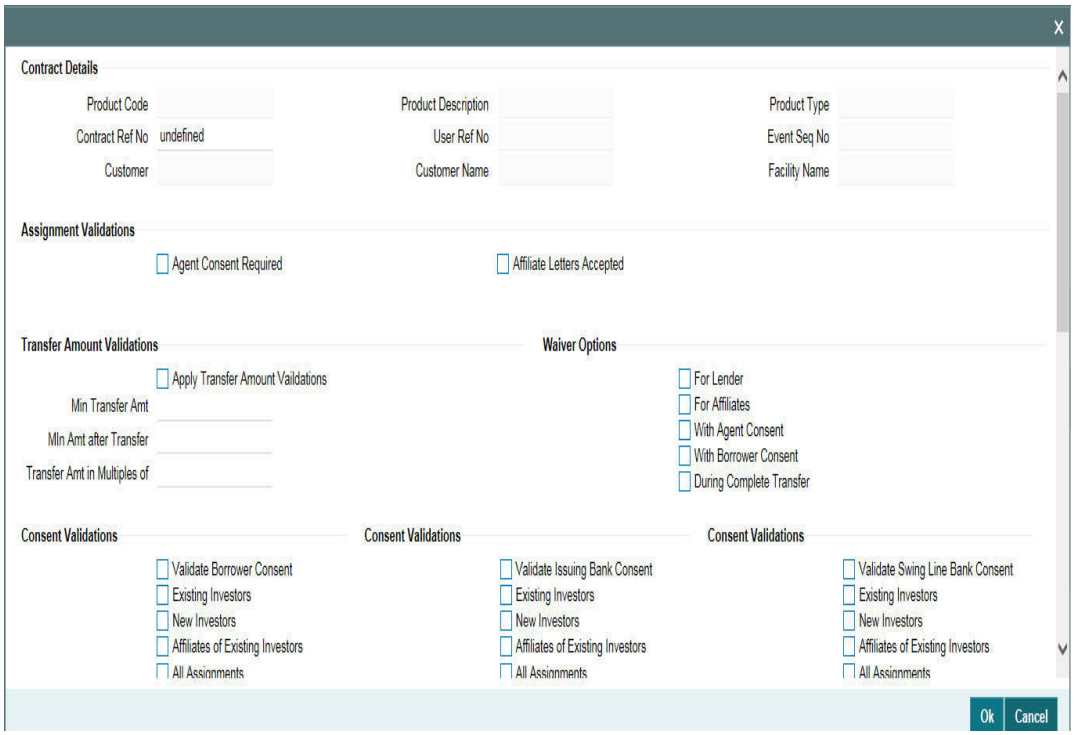
- Contract Details
  - Contract reference number
  - Product code
  - Customer
  - Facility name
- Currency Details
  - Currency
  - Currency name
- Effective Date
- Base/All-in Rate Floor and Ceiling
  - DD Product
  - Interest Component
- Base Rate
  - Floor
  - Ceiling
  - Margin Adj Comp
- All-in 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.

5.9.40 Capturing Assignments for the Tranche

You can capture the assignment validations for a tranche in the ‘Assignment Validation’ screen. Click ’Assignment’ tab to access this screen.



You can specify the following details in this screen:

5.9.40.1 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.

5.9.40.2 Specifying Assignment Validations

Agent Consent Required

Select this check box if agent consent is required.

Affiliate Letters Accepted

Select this check box if affiliate letters are accepted.

Transfer Amount Validations

Apply Transfer Amt Validations

Select this check 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.

Note

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 does 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 checks 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 displays the following override message:

Transfer amount is not in Multiple of <Multiple amount for Transfer>

Note

If the transfer amount is zero or not captured, then the system does not check for any validations.

Specifying Waiver Options

The system waives the transfer amount validations based on the transferor or transferee type.

For Lender

Select this check box if the system waives the transfer amount for a Lender type.

For Affiliates

Select this check box if the system waives the transfer amount for an Affiliate type.

With Agent Consent

Select this check box if the system waives the transfer amount for an Agent Consent.

Note

This check box is enabled only if you have checked the ‘Agent Consent Required’ box.

With Borrower Consent

Select this check box if the system waives the transfer amount for a Borrower Consent.

During Complete Transfer

Select this check box to waive the complete transfer amount.

Specifying Consent Validations

Validate Borrower Consent

Select this check box to validate the borrower consent.

Required For

Selecting ‘Validate Borrower Consent’ box, the ‘Required For’ options will be enabled.

Existing Investors

Select this check box to validate the borrower consent for existing investors.

New Investors

Select this check box to validate the borrower consent for new investors.

Existing Investors of Affiliate Type

Select this check box to validate the borrower consent for existing investors of Affiliate type.

Note

This check box is enabled only if you have checked ‘Affiliate Letters Accepted’ box.

All Assignments

Select this check box to validate the borrower consent for all the above parameters.

Note

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

Select this check box to validate the issuing bank consent.

Note

All the participants defined in the ‘LC Issuer’ sub screen of ‘Tranche Online’ are considered as Issuing Bank.

Required For

Selecting ‘Validate Issuing Bank Consent’ box, the ‘Required For’ options will be enabled.

Existing Investors

Select this check box to validate the issuing bank consent for existing investors.

New Investors

Select this check box to validate the issuing bank consent for new investors.

Existing Investors of Affiliate Type

Select this check box to validate the issuing bank consent for existing investors of Affiliate type.

Note

This check box is enabled only if you have checked 'Affiliate Letters Accepted' box.

All Assignments

Select this check box to validate the issuing bank consent for all the above parameters.

Note

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

Select this check box to validate the swing line bank consent.

Note

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

Select this check box to validate the issuing swing line bank consent for existing investors.

New Investors

Select this check box to validate the issuing swing line bank consent for new investors.

Existing Investors of Affiliate Type

Select this check box to validate the issuing swing line bank consent for existing investors of Affiliate type.

Note

This check box is enabled only if you have checked 'Affiliate Letters Accepted' box.

All Assignments

Select this check box to validate the swing line bank consent for all the above parameters.

Note

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

Select this check box to indicate that simultaneous transfer of the deal is required for the tranche.

Notify Borrower of Assignment

Select this check box to indicate that the borrower should be notified about the fee assignment,

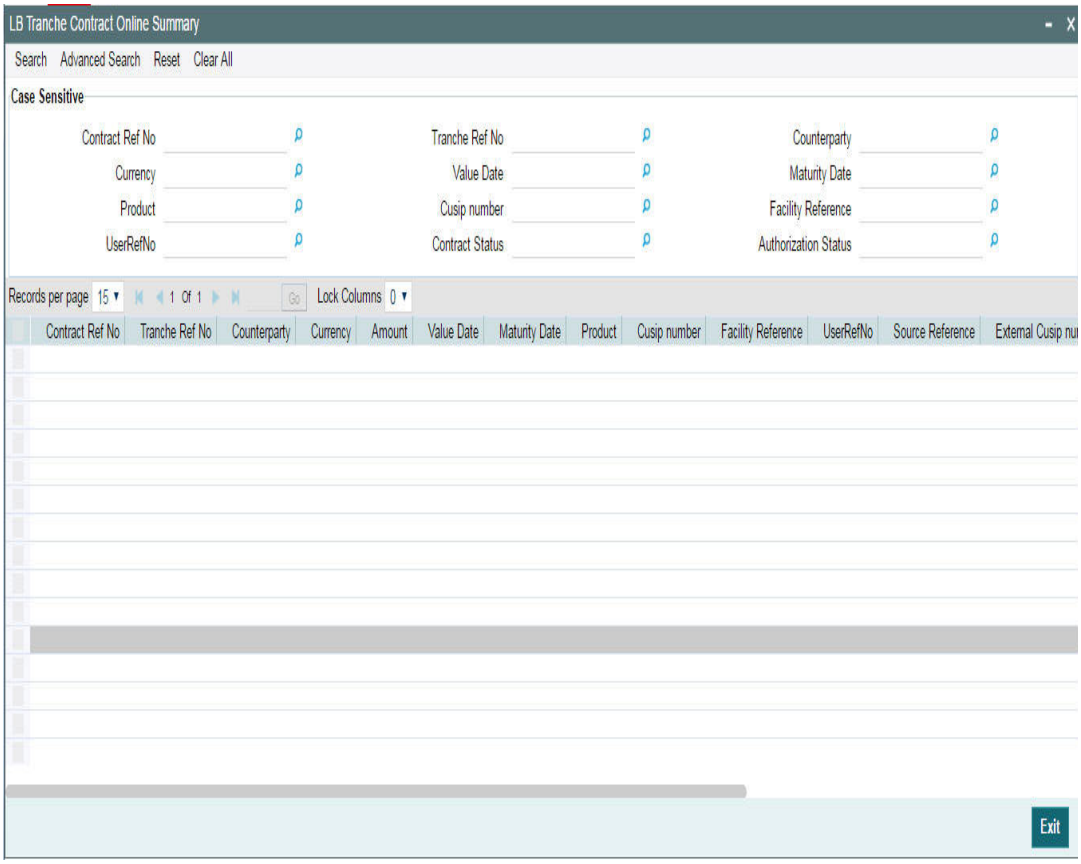
5.9.41 Processing of Banker's Acceptance Contracts

The following processing takes place in 'LB Tranche Contract Online' screen for BA contracts.

- When a BA drawdown is booked under a tranche, the utilization amount of the tranche is calculated with the principal amount of the drawdown like discounted loans.
- If 'Sighting Funds Applicable' check box is selected at tranche level and if you have linked any discounted drawdown BA to tranche, then system throws an error, and you need to clear the 'Sighting Funds Applicable' check box.

5.10 Viewing Borrower Tranche Summary

You can view the Borrower Tranche summary in the 'Borrower Tranche Summary' screen. You can invoke the 'Borrower Tranche Summary' screen by typing 'LBSTRONL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The system allows you to perform a case-independent query (upper, lower, or mixed case) using the following fields:

- Tranche Ref No

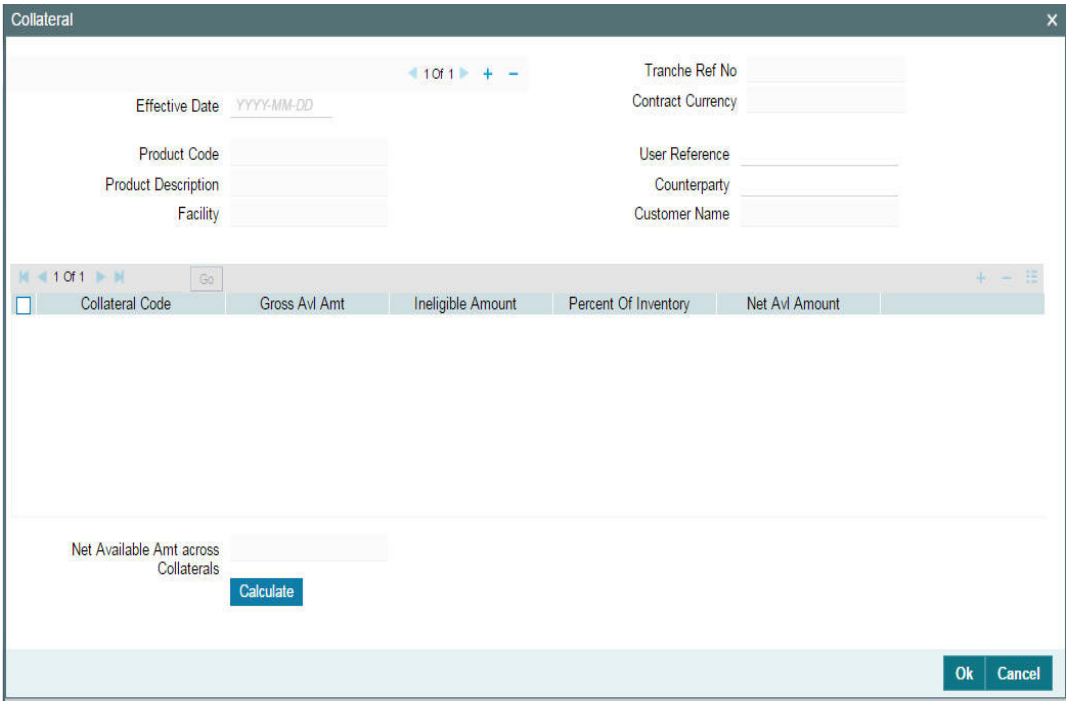
- Facility Ref No
- External Ref No
- Short Name
- Customer
- Product
- Ccy
- Branch Code

Note

You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

5.11 Maintaining Tranche Collateral Details

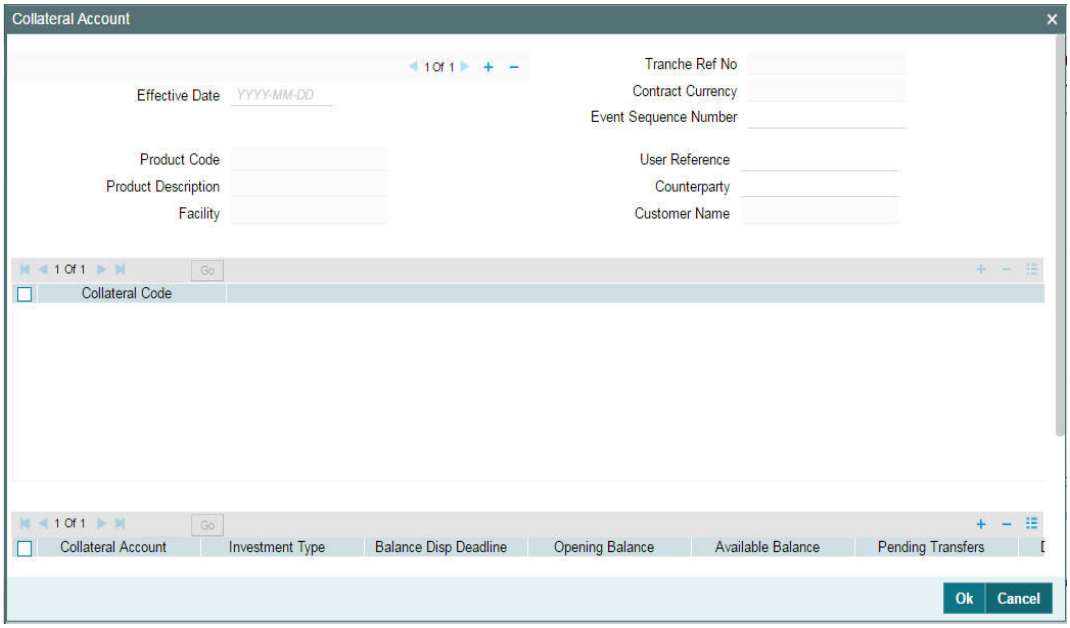
You can maintain the collateral details for a tranche in the 'LB Tranche Collateral Online' screen. Click 'Collaterals' tab to access this screen.



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.

5.12 Maintaining Tranche Collateral Account Details

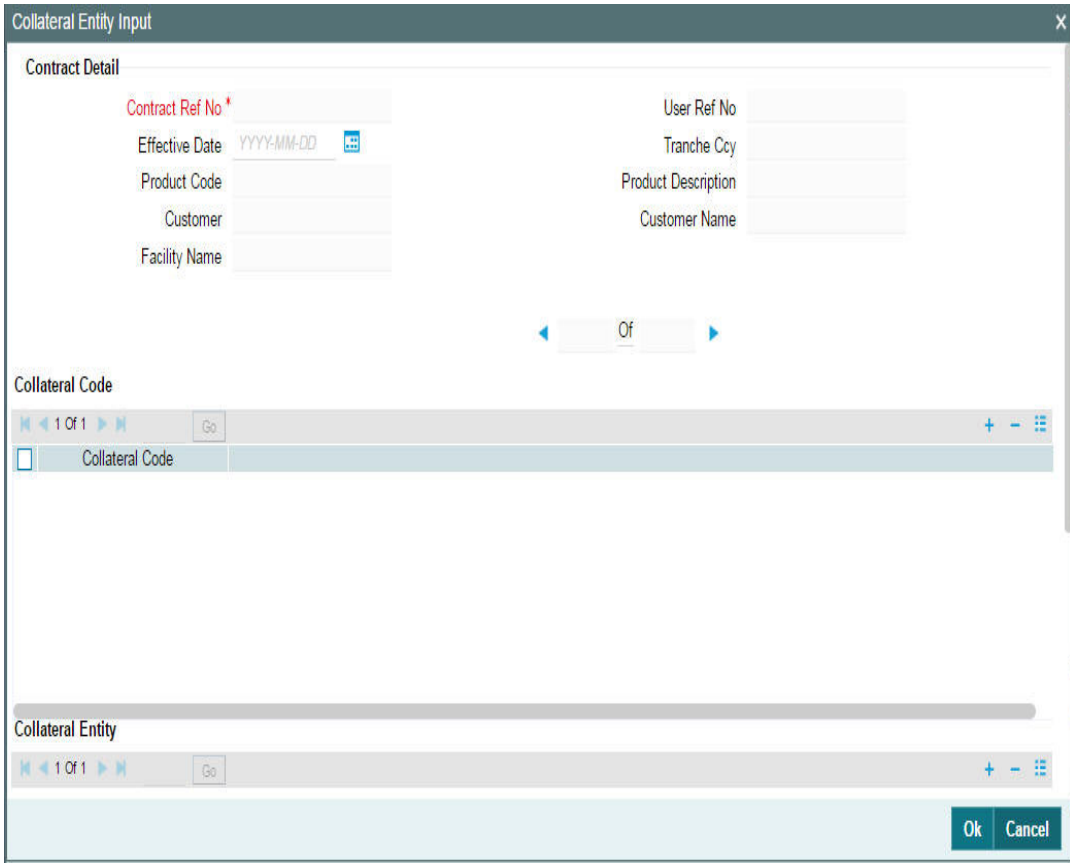
You can maintain the tranche account details for collateral in the 'Collateral Account' screen. Click 'Collateral Account' tab to access this screen.



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.

5.13 Maintaining Tranche Collateral Entity Details

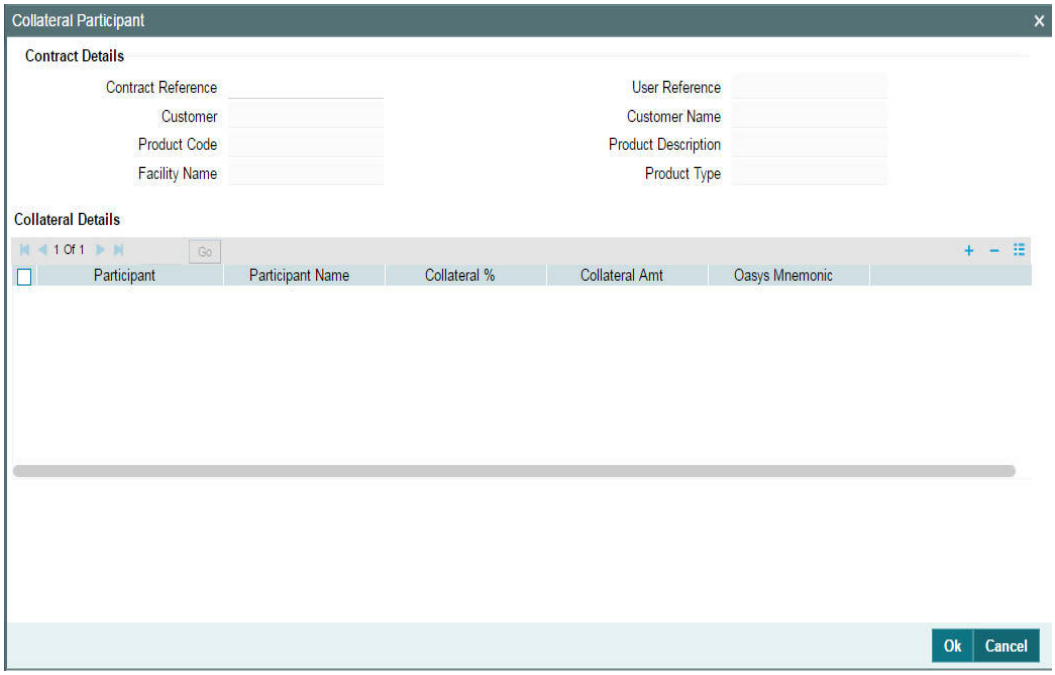
You can maintain the tranche collateral entity details in the 'Collateral Entity Input' screen. Click 'Collateral Entity' to access this screen.



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.

5.14 Maintaining Collateral Percentage Details

You can maintain the collateral percentage details for the participants in the 'Participant Collateral Detail' screen. Click on 'Collateral Participant' to access this screen.

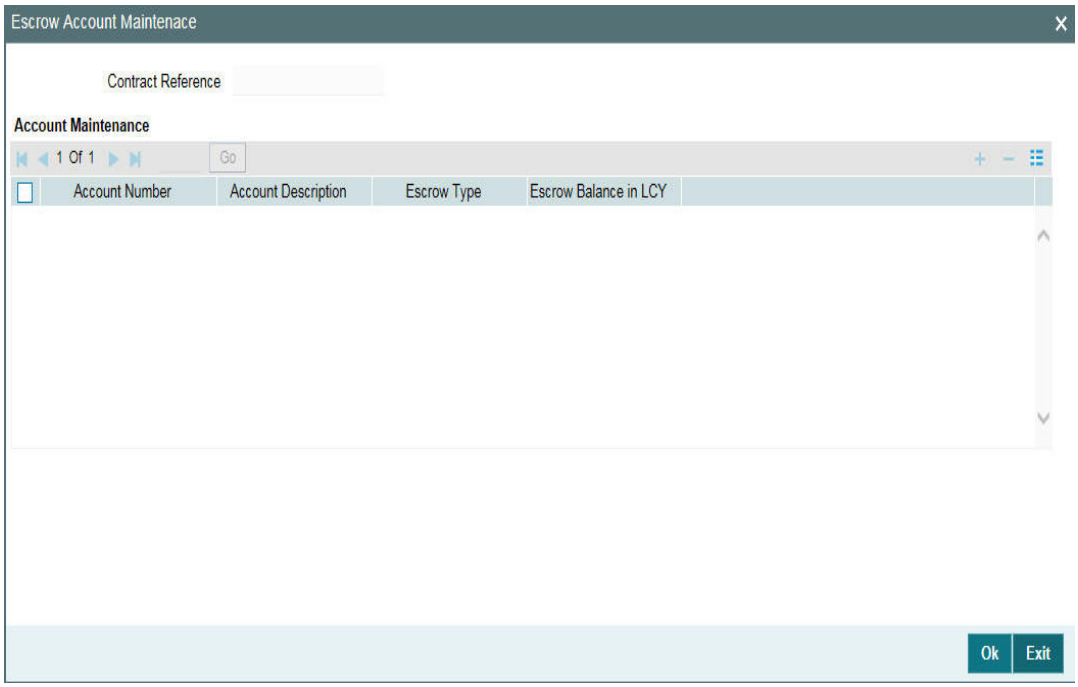


You can access this screen only during tranche booking.

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.

5.15 Maintaining Escrow Account Details

You can link escrow accounts to a contract using the 'Escrow Account Maintenance' screen. Click the 'Escrow' in the 'LB Tranche Contract Online' screen to access this screen.



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

You can select the escrow account from the option list, which lists 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

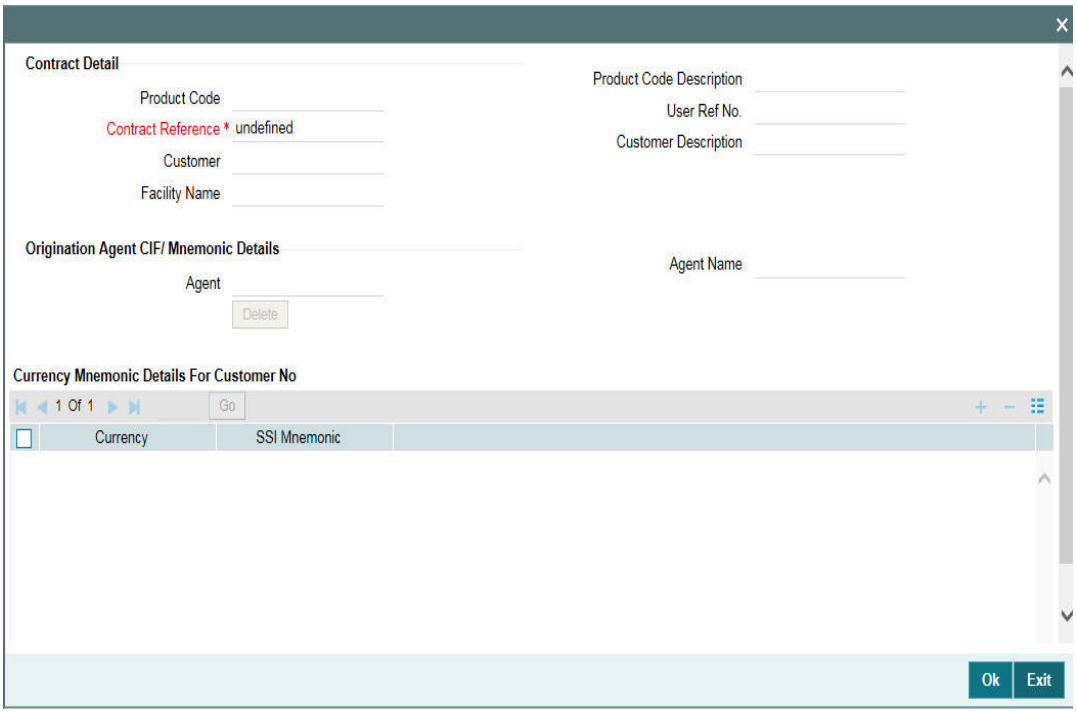
01-Jan-2005: Adjustment entries are posted for contract (No Escrow Accounts)

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.

5.16 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’ in the ‘LB Tranche Contract Online’ screen to access this screen.



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 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 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 does 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.

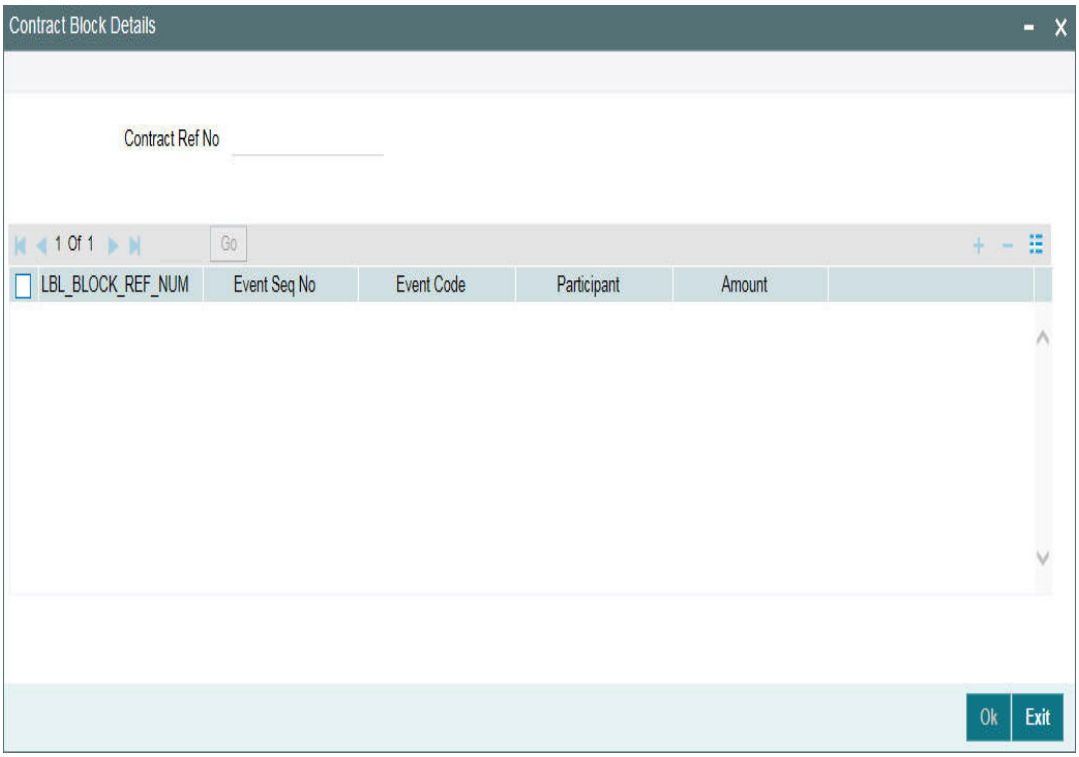
5.17 ELCM Block Details

You can use the ‘Contract Block Details’ screen for viewing blocked funds of facility, liability, collateral, and collateral pool.

Click the ‘ELCM Block Details’ in the ‘LB Tranche Contract Online’ screen to access this screen.

Or

You can invoke the ‘ELCM Block Details’ screen by typing ‘OLDBLKIN’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button



Contract Reference Number

The contract reference number attached to the block is displayed.

Block Reference Number

Indicates the unique block number with the combination of User Ref Number, Participant, and Event Sequence Number. This block number is assigned for every block that has been created.

Event Sequence Number

The system defaults the corresponding event sequence number.

Even Code

Select the block event code that you want to associate with the contract.

Participant

Select the participant of the contract.

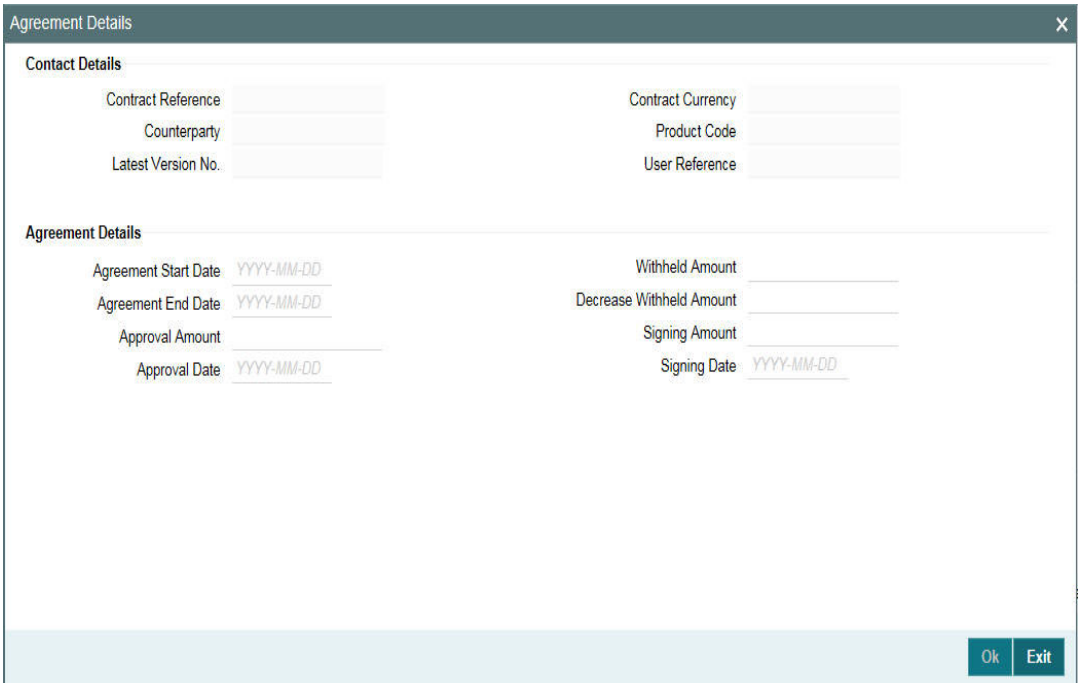
Amount

Specify the amount to be blocked

5.18 Capturing Agreement Details

You can capture agreement details using ‘Agreement Details’ screen. You can invoke this screen by clicking ’Agreement Details’ tab.

> **Note**
>
> For tranche contract 'Agreement Details' gets defaulted from facility to tranche in case agreement details are provided at facility level.



Contract Details

The following contract details are defaulted from the ‘Contract’ tab.

- Contract Reference
- Counter Currency
- Counterparty
- Product Code

- Latest Version no
- User Reference

Agreement Details

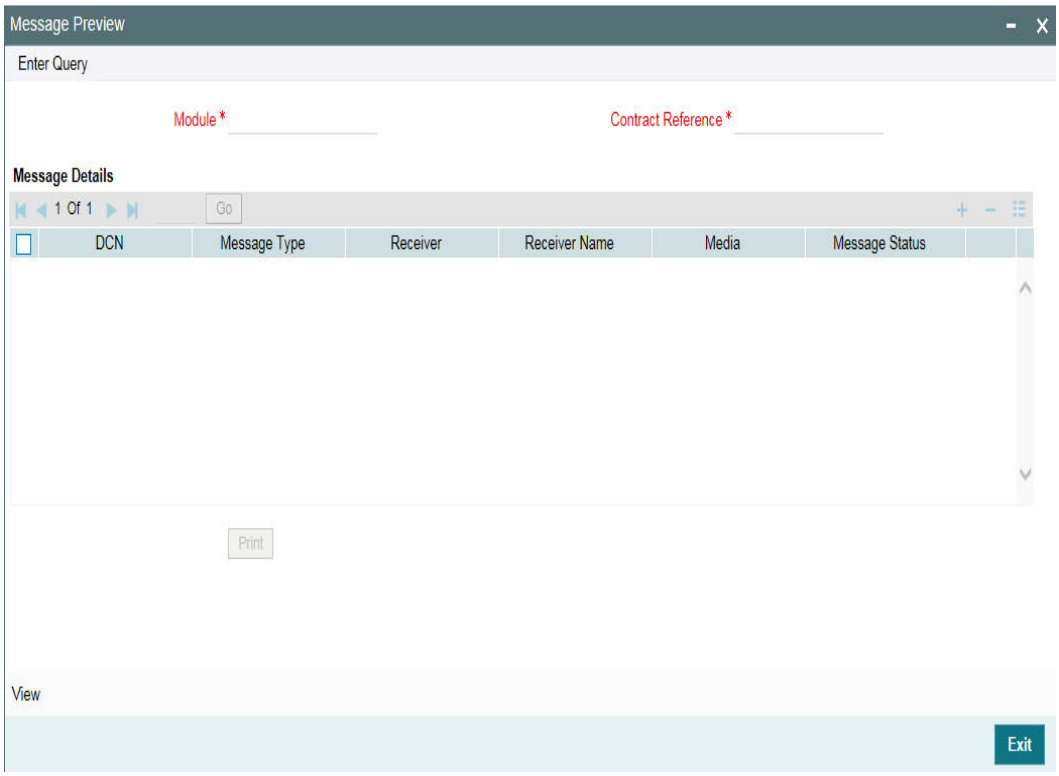
You can capture the following agreement details in this screen. There are no validation for these fields.

- Agreement Start Date
- Agreement End Date
- Approval Amount
- Approval Date
- Withheld Amount
- Decrease Withheld Amount
- Signing Amount
- Signing Date

5.19 Viewing Messages using Message Preview

The 'Message Preview' screen allows you to preview the messages/advices generated for unauthorized contracts. By saving the contract, you can preview the messages/advices generated.

From ‘Loan and Commitment - Contract Input’ screen, click ‘'Message Preview' tab to view the ‘Message Preview’ screen.

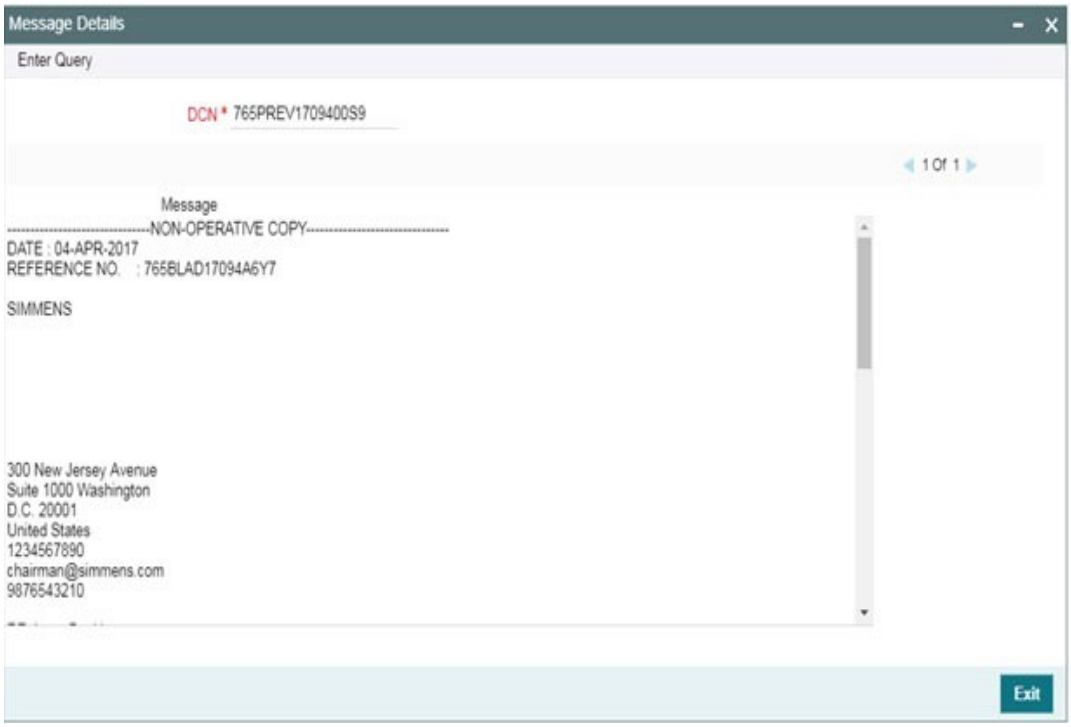


In addition, you can take print of the messages/advices generated from the 'Message Preview' screen.

Instead of going to 'Message Preview' screen (OLDMSPRV), you can preview the messages/ advices generated in the 'Message Preview' tab.

- Contract Reference- The current contract reference number appears.
- DCN - The generated DCN number of the particular message/advice appears.
- Message Type - The type of message generated for that event appears.
- Receiver - The customer ID (Receiver) of the particular message/advice appears.
- Name - The name of the receiver of the particular message/advice appears.
- Media- The media through which the particular message/advice is transmitted. For example, SWIFT or mail.
- Message Status - The status of the particular message/advice appears.

Click 'View' to open 'Message Details' screen. The DCN and the message format is displayed in this screen.



You can also click 'Print' to print the generated messages/advices.

5.20 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 ‘LB 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 ‘LB Dual Authorization screen’

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 remains as Lender of Actuals (LOA)Amortization is not supported for the following functionalities:

- Participants Transfer (PRAM)
- Re-price/ Rollover

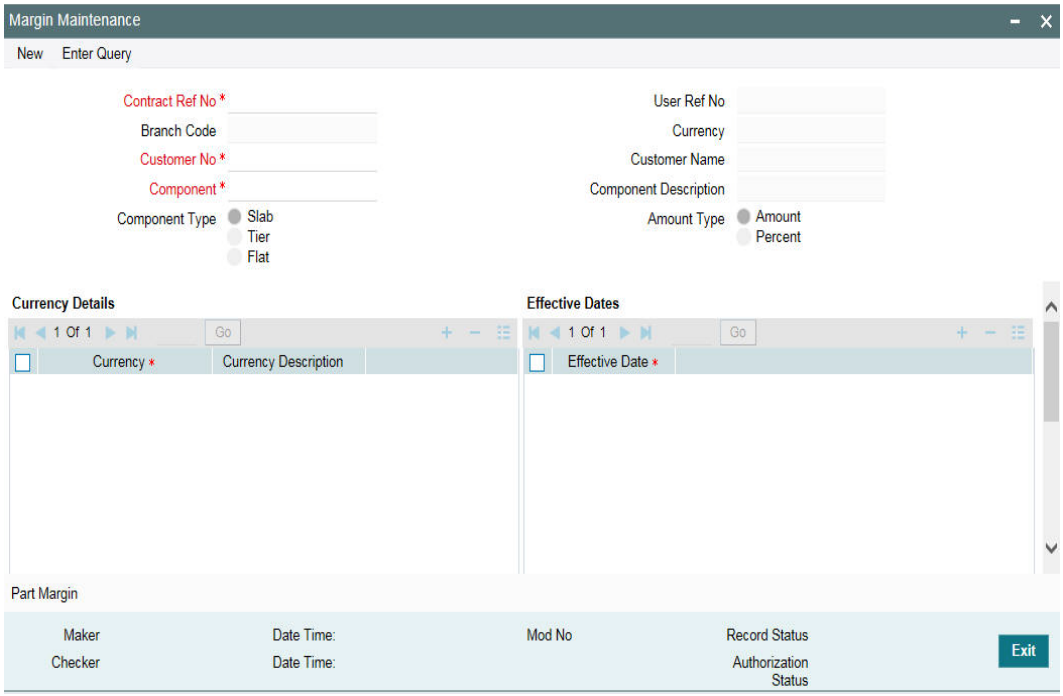
5.21 Amending Tranche Margin Details

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. In addition, 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 cannot amend margin rates for borrowers and participants before the participant transfer value date if a transfer has been initiated with a future value date.

You can invoke the 'Margin Maintenance' screen by typing 'FCDRCMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To maintain/amend the details, select New from the 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 displays all the authorized tranches processed in the system. When you select the tranche, system displays 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 displays 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.

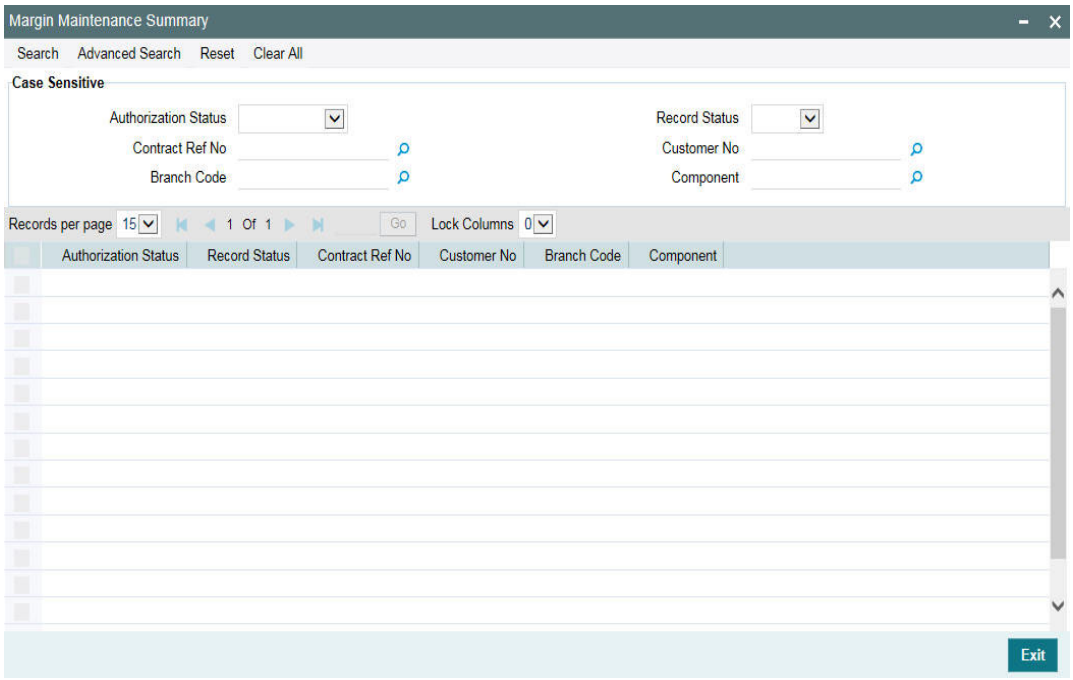
Note

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.

5.21.1 Viewing Margin Maintenance Summary

You can view the Margin Maintenance summary in the ‘Margin Maintenance Summary’ screen. You can invoke the ‘Margin Maintenance Summary’ screen by typing ‘FCSRCMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

Note

You can perform a case independent search only if the parameter, ‘CASE_SENSITIVITY’ in cstb_param, is set to ‘Y’.

5.21.2 Spreading Margin Rate Revisions

Oracle Banking Corporate Lending allows you to revise the margin rates to active drawdowns and the liquidated contracts also under a Tranche.

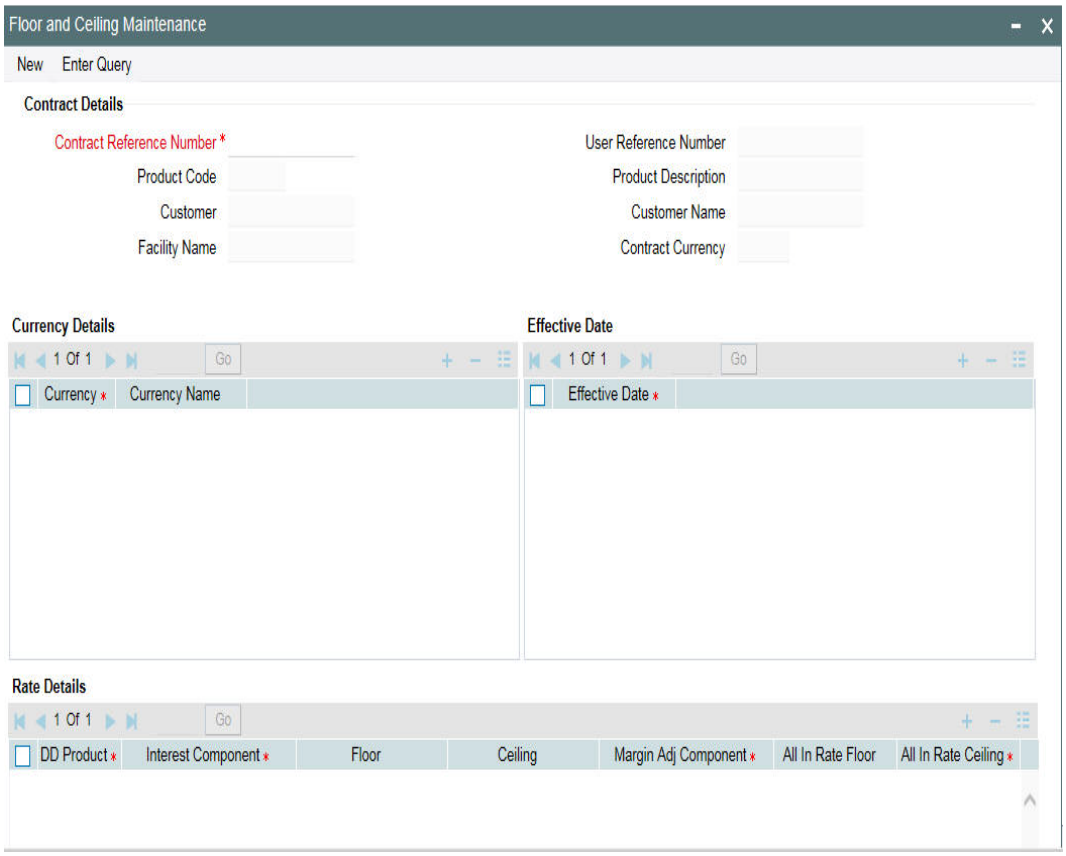
When a rate revision happens for a Tranche, MRFX event get fired across all drawdowns that are either in active or liquidated status. Payable and Receivable details get updated for the schedules which are falling after the effective date of the Margin Rate revision along with the settlement of difference 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 generates pay-receive (based on the margin maintained for the individual participants) for any change in the interest due, and this interest is 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.

5.22 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.

You can invoke the 'Floor and Ceiling Maintenance' screen by typing 'LBDFLRCL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

5.22.0.1 Specifying Currency Details

CCY

Specify the currency details.

Currency Name

The system displays the name of the currency selected.

5.22.0.2 Specifying Effective Date

Effective Date

Specify the effective date for each currency you select.

5.22.0.3 Specifying Base/All-in Rate Floor and Ceiling

DD Product

The system displays the DD product details.

Interest Component

Specify the interest component details.

5.22.0.4 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, otherwise the system adjusts the rate to the margin adjustment component accordingly.

Note

- Floor and Ceiling maintenance is not 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 is used only for subsequent propagations

5.22.0.5 Specifying All-In Rate for Floor and Ceiling

Floor

Specify the floor all-in rate.

Ceiling

Specify the ceiling all-in rate.

5.22.0.6 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.

5.22.1 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 displays 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 defaults 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 displays 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 the 'OK' button, the system defaults 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 defaults 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 displays 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 defaults 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.

5.22.2 Propagating Base Rate Floor and Ceiling for an Effective Date

Oracle Banking Corporate Lending 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 propogate 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 selected 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 is propagated as the Base rate for the drawdown. Interest Rate Amendment (IRAM) event is 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 is propagated as the Base rate for the Drawdown. Interest Rate Amendment (IRAM) is 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 is updated with the new rate based on the floor/ceiling. Interest Rate Amendment (IRAM) event is registered on the uninitiated drawdown for this change.

Note

Propagation happens for base rate only at the time of batch.

Propagation process happens 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.

5.22.3 Validating Margin Rate Floor and Ceiling at Drawdown Level

Oracle Banking Corporate Lending 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 displays 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 defaults 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 displays 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.

5.22.4 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;

5.22.4.1 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' is 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 is 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 is 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 is 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 is 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 are 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 are updated with the new margin based on the ceiling margin value.

If margin maintenance for an effective date is done, then the system checks 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 does not allow you to maintain such margin rates.

5.22.4.2 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 is 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 is propagated as the Margin rate for the drawdown for the component. Value-Dated Amendment (VAMB/VAMI) event is 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) is triggered on the drawdown with application date as value date for the Margin rate change.

The system validates 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 fails 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 validates 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 prompts 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 considers 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 considers the Ceiling value of All-in rate for interest computation.

If the interest is calculated as part of online activity such as rate fixing, then the system displays an override message. If the validation happens as part of batch exercise such as margin rate revision, system does not display any override message, but apply the above logic to overwrite the all-in rate.

The system calculates 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 considers 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 considers 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 considers 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%

5.22.5 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 is 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 checks 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 checks 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 is 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 checks 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 is stored in the Adjustment rate field and the Floor all in rate is used for computation. If the current all in rate is greater than the new Ceiling all in rate, the difference is stored in the Adjustment rate field and the Ceiling all in rate is used for computation.
- The Rate amendment event (RTAM) is used to handle this propagation at the drawdown level and interest is recomputed with the revised all in rates. RTAM event also considered for the STP functionality.
- Any Margin propagation that results in change of All-In-Rate leads to the Floor/Ceiling all-in rate validations as well and the above mentioned defaulting logic will be applicable in such cases as well.

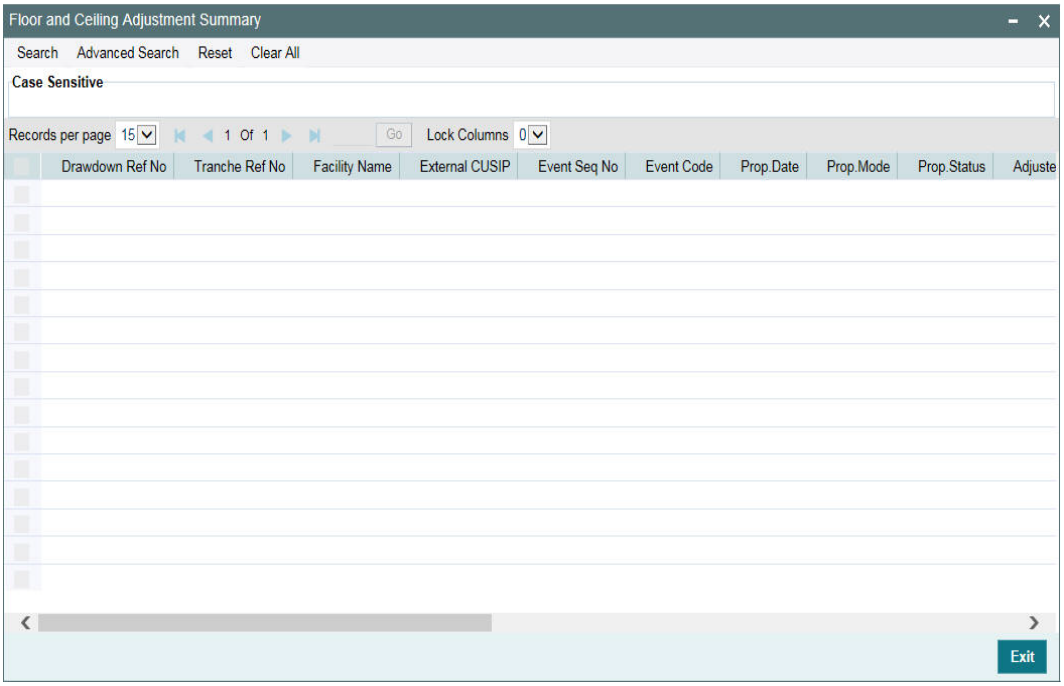
Note

RTAM will not fire when base rate, all-in rate and margin are changed as part of the propogation during a contract.

5.23 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.

You can invoke the ‘Floor and Ceiling Adjustment Summary’ screen by typing ‘LBSFCADJ’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Note

This screen is applicable for floor and ceiling for base rate only.

You can view the following details for each record:

- Drawdwon reference number
- Tranche reference number
- Facility Name
- External CUSIP
- Event Seq No
- Event Code
- Propogation Date
- Propogation Mode
- Propogation Status
- Adjustment Margin Component
- User input base rate

- Margin Rate Eff. F/C Propogation
- 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

5.24 Floor and Ceiling for Base Rate Only

The following sections explains the details related to floor and ceiling for base rate.

5.24.1 Propogating Floor and Ceiling

For an effective date, currency and DD product/component combination:

Propagation in EOD batch is 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, that is the latest maintenance is taken if there is no maintenance for the current date. System always considers the latest maintenance.

5.24.1.1 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 does 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

5.24.1.2 Online Propagation Process

The following online activities 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 is propagated to underlying Drawdown’s margin adjustment component and its margin rate are adjusted accordingly. Propagation will trigger a VAMB/VAMI for the change of the rate for this margin for the drawdown.

Note

- There is not any change to the Drawdown base rate during propagation and only Margin rate is adjusted accordingly on the adjustment component.
- VAMB/VAMI is not registered during propagation if the margin rate of the adjustment component is already zero. In this case, only RTAM is registered as the propagation results 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 does 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 happens during drawdown initiation. The initiation of the uninitiated drawdown on the drawdown value date is 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 is not 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 Banking Corporate Lending, adjustment rate and adjusted rate are tracked individually, for each propagation.
- All-in-rate is 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 is zero based and there is not 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
Existing Contract	Draw-down1	11	3.5	14.5	
F/C Propagation	Draw-down1	11	0	9.5	-1.5

5.24.2 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 is initiated online during save of each of the transactions.

Note

- You cannot save the transaction if the over-ride is cancelled.
- Floor and ceiling propagation are done only by adjusting the margin component maintained in the floor/ceiling maintenance and there is not any change to the drawdown base rate.
- Online propagation is 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 are used for the propagation but the propagation is effective from the Floor/ ceiling effective date and not from the value date of the transaction.

5.24.3 Override during Online Transactions

If base rate is lesser than the Floor defined at the Tranche, system displays 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 cannot 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 displays 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 cannot save the transaction without giving a rate lesser than or equal to the Ceiling value.

5.24.4 Validating Rollover and Reprice (Renewal) Instructions

While saving renewal instructions, system provides an over-ride indicating that the base rate is not within Floor / ceiling limit. If you cancel the override, system saves the renewal instruction though the maintained fixed base rate is not within the limit of Floor/Ceiling. If you click Ok, base rate is systematically changed based on Floor and ceiling maintenance and system does 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 does not update the margin rate in the existing instructions as part of the batch propagation. Propagation is always be based on the latest Floor and ceiling maintenance as of the renewal processing date.

6. Loan Syndication Contracts - Part 2

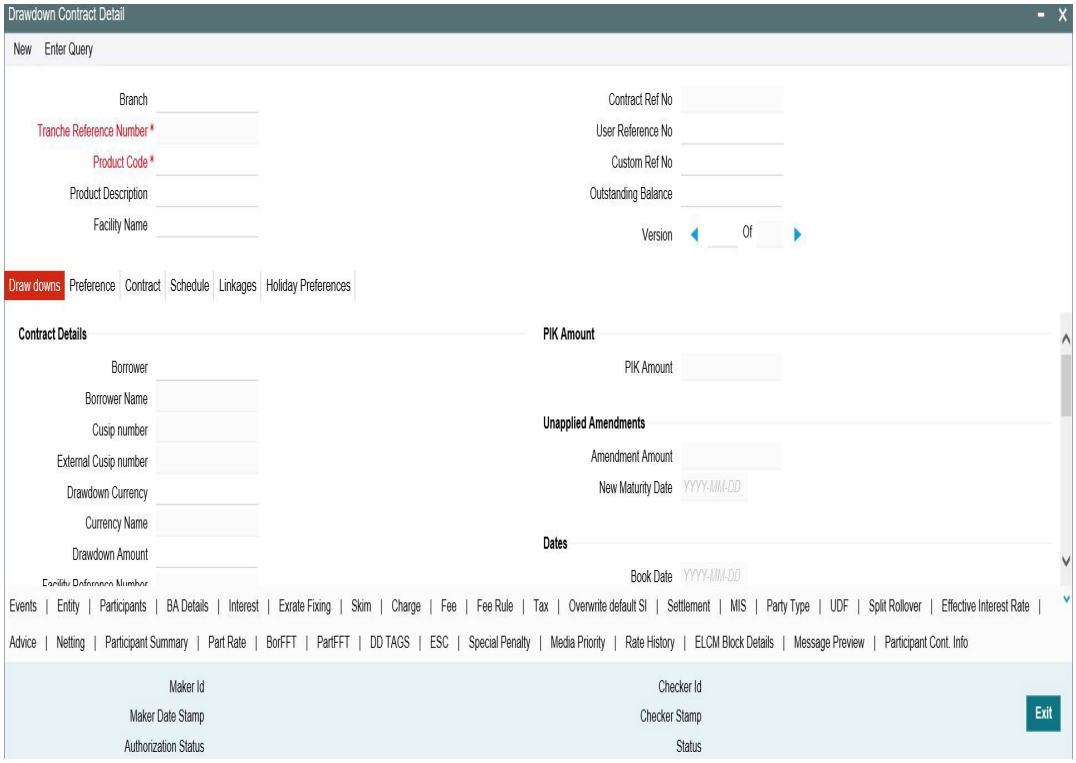
This chapter contains the following sections:

- Section 6.1, "Processing a Drawdown"
- Section 6.2, "Capturing Drawdown Details"
- Section 6.3, "Amending Drawdown SKIM Details"
- Section 6.4, "Processing Future Value Dated Payments"
- Section 6.5, "Processing Revaluation of Drawdowns"
- Section 6.6, "Allowing Back Valued Activities on a Drawdown Beyond the Trade Date"
- Section 6.7, "Amending Global Amount for a Contract"
- Section 6.8, "Processing Participant Contracts"
- Section 6.9, "Loans Syndication – Participant Contract Online screen"
- Section 6.10, "Participant Position Summary"
- Section 6.11, "Transferring Participant Assets "
- Section 6.12, "Processing Sighting Fund Rollover/Reprice"
- Section 6.13, "Remitting Withheld Tax"
- Section 6.14, "Refunding Withheld Tax"
- Section 6.15, "Processing Back Valued Interest and Fee for Payables and Receivables"
- Section 6.16, "Viewing Borrower/Participant Contract Processing Status"
- Section 6.17, "Maintaining Special Penalty Component Waiver Details"
- Section 6.18, "Viewing the Waiver Details of Special Penalty Components"
- Section 6.19, "Netting Cash Flows for a Tranche"
- Section 6.20, "Free Format Messages for Loan Syndication Contracts"
- Section 6.21, "Processing the Release of Payment Messages"
- Section 6.22, "Settlement Instruction Maintenance Information"
- Section 6.23, "Viewing Syndication Contracts"
- Section 6.25, "Contract Status Change"
- Section 6.26, "Principal Schedule Upload"
- Section 6.27, "Payable Receivable Upload"
- Section 6.28, "Maintaining multi-level authorization of a contract"

6.1 Processing a Drawdown

You can process a drawdown contract in the ‘Drawdown Contract Online’ screen. You can invoke the ‘DrawDown Online’ screen by typing ‘LBDDDONL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

The screen is displayed with details of an existing drawdown contract, as shown below.



When you are capturing a new drawdown, Oracle Banking Corporate Lending validates 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 is validated against the LC Sublimits defined at the tranche level.

You can capture a drawdown contract either by:

- 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, and so on

You capture information pertaining to the drawdown in the following tabs of the screen:

- DrawDown
- Preference

- Contract
- Schedule
- Linkages

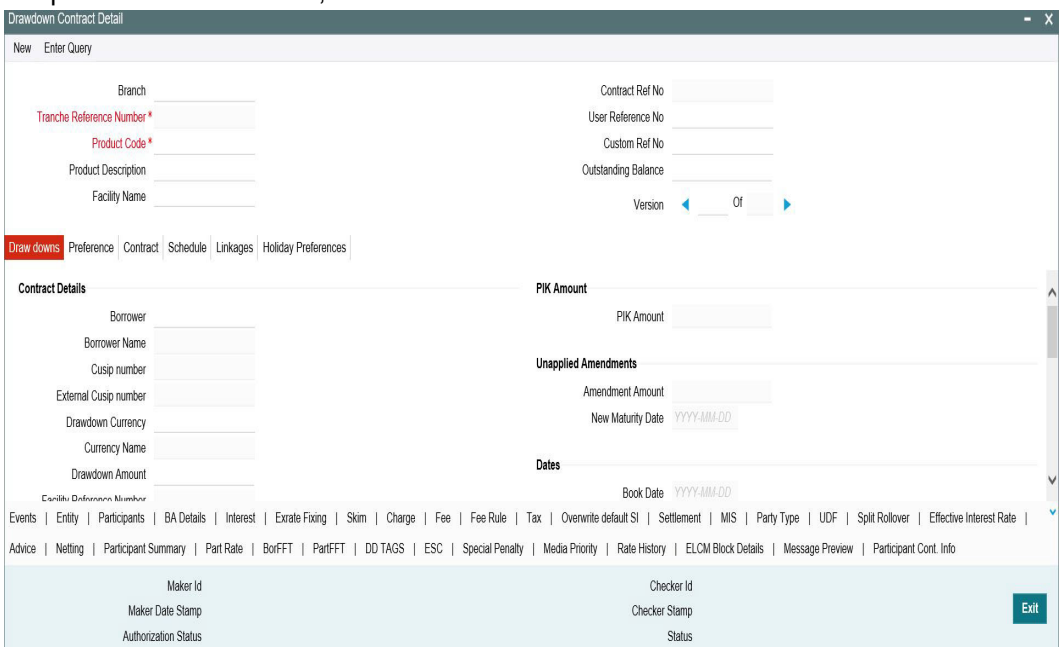
In addition, a vertical toolbar provided in the screen, may be used to invoke other sub-systems meant to capture important information for the drawdown.

These buttons are same as the ones available for the 'LB Tranche Contract Online' screen, except for the following:

'Entity'	Click this tab to view/modify the entity details for the drawdown
'Exrate Fixing	Click this tab to fix the exchange rate for a cross currency drawdown
'Interest'	Click this tab to view the interest and margin components
Split Rollover	Click this tab to specify the spilt rollover details if applicable for the drawdown
'Effective Interest Rate'	Click this tab to view the Effective Interest (EI) rates for the drawdown
'Media Priority'	Click this tab to specify the media for message generation

6.2 Capturing Drawdown Details

To capture a new drawdown, click New from the menu.



The 'Drawdown Type' is displayed as 'New'. The contract inherits the details of the template. Alternatively, you can also select the following details to capture a new drawdown:

Branch
Branch for which the drawdown is processed. You can process inter-branch contracts too.

Tranche Ref No

You have to select the reference number of the tranche under which you want to book a drawdown. The option list displays all active and authorized Tranche 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.

Note

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 displays a message to indicate the same when you click the 'Ok' button. You are 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 is displayed here. You can specify a different borrower, if required. The option list displays all the borrowers specified for the tranche.

Drawdown Product

Select the drawdown product you want to use for the drawdown. The option list displays all the drawdown products associated with the tranche under which the drawdown is being processed. The following information defaults 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 is equal to the current system date and you cannot change it. This date is only for information purposes. The actual accounting entries are passed only as of the Value Date of the drawdown.
- Drawdown Date, Original Start Date and Maturity Date defaults based on the tranche under which the drawdown is being processed.
- Drawdown Type – New
- SSI Pickup At – Component/Currency so on
- 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 is 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 is 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 'Drawdowns' Tab

You can change some of the default values for a drawdown. You can also capture additional information specific to a drawdown in the 'Drawdowns' tab of the screen.

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 gets propagated to the drawdowns for the tranche. The updated details for the drawdown are 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 displays the currencies allowed for the tranche. If the drawdown currency is different from the tranche currency, the system displays the following message:

Exchange Rate needs to be fixed!

The 'Exchange Rate Fixing Date' displays the current system date (booking date of the drawdown).

Note

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), the system displays 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 displays 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

– Collateral net available amount is included in the validation for drawdown amount.

- New borrowings are 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 requires 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 is equal to the value date of the tranche. You can change the date to any date within the tranche period. In addition, 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 displays 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 is 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 is 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 is automatically be changed to the date of the drawdown paid.

DD Notice Date

This date is displayed based on the notification days maintained for the DD currency at the tranche level (in the 'Currency Details' screen). The notification date is 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 gets 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 displays 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 is 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 re-computes the interest rate fixing date and displays the same here.

Exch Rate Fixing Date

Similarly, the exchange rate fixing date for the drawdown currency is 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 disbursal, if any.

Note

– For new drawndown, 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.

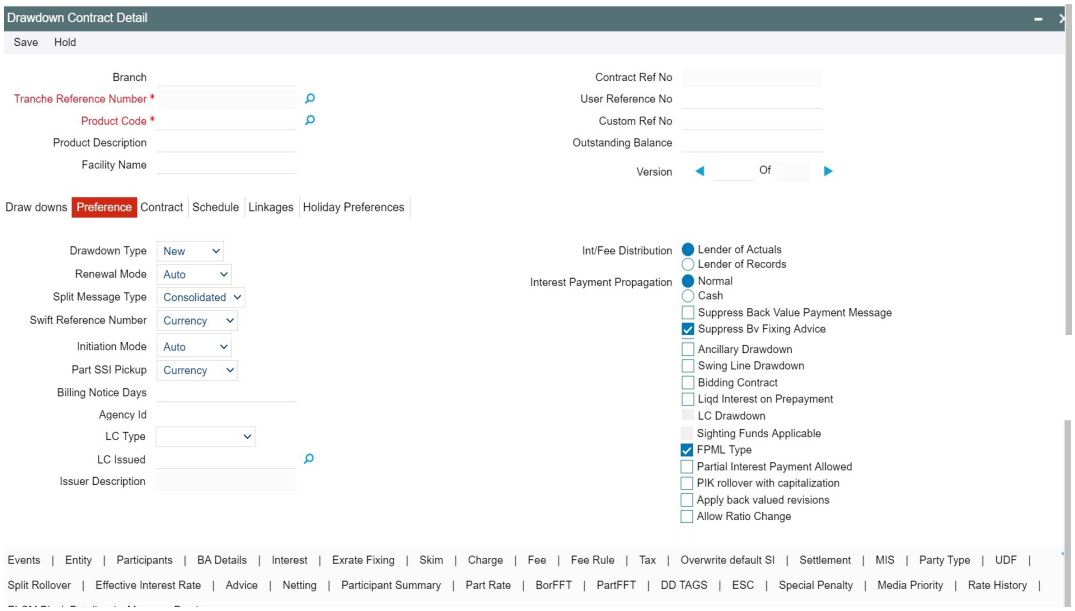
You can amend this amount only for non-lead drawdowns and only if the corresponding Tranche has ‘Cascade Participation’ set to ‘No’. You cannot amend this amount if the underlying Tranche has ‘Cascade Participation’ set to ‘Yes’. The latest Global Amount as on the date of handoff is used for handoff 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 Global Amount Update/Amendment screen.

Note

The Global Drawdown amount cannot be updated during drawdown amendments.

6.2.2 Capturing Details in the ‘Preferences’ Tab



Drawdown Type

This indicates whether you are defining a new drawdown or renewing an existing drawdown. For a new drawdown, ‘New’ is 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 is created for the amount you want to rollover.
- Consolidated: Several drawdowns are consolidated into a single new drawdown.
- Split: You can split the original drawdown into multiple drawdowns.

Note

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 defaults 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 automatically initiate the contract on the Value Date. The event ‘INIT’ is 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 processes the events, but 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 Banking Corporate Lending 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 is 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

- 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.

Note

If you process a swing line drawdown under a tranche for which the 'Cascade Participation' option is checked, the system automatically converts the tranche into a non-cascade participation type.

Further, it triggers the event 'CASC' to indicate this conversion.

Bidding Contract

You can select this check box to specify whether the contract is of competitive bidding type.

Note

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

- If the field is selected, 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

Select this check 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 check box is selected, Oracle Banking Corporate Lending allows you to define only a bullet interest schedule. Otherwise, you can define a frequency-based schedule.

Note

- Prime contracts are Normal or Bearing type.
- Swing line contracts are not 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 allows partial liquidation of interest only for Prime drawdown contracts. This enables 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 deselected.
- Liquidation of interest is not allowed if the option ‘Partial Prepayment Allowed’ has been selected.

FpML Type

Select this check box to indicate that the FpML type is required for the DrawDown contract.

If you have selected this box, the system does 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 generates 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 in case if all FpML maintenance is available and ‘Send FpML’ is chosen at the entity level

If you have not selected this check box and the ‘Media Priority’ option is selected at the product level, then ‘Media Priority’ tab is enabled.

For more information, refer the section ‘Specifying Media for Message Generation’ in this chapter.

Partial Prepayment Allowed

Select this check box to indicate that for drawdown products, partial prepayment is allowed.

Note

Partial prepayment is 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

Allow Ratio Change

Select ‘Allow Ratio Change’ check box if you want specify the participant ratio change in ‘Loan Syndication - Contract Payment’ screen (LBDPYMNT).

LC Type

This specification defaults from the product. You may change it at the contract level, if required. The available types are:

- Standby LC
- Commercial LC

Note

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 displays the names of participants you have identified as issuers of LC. This is done at the tranche level.

The LC Issuance Fees is 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 are 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 defaults 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 allows you to select the SSI Mnemonic for each allowable currency for each participant in the ‘Participant Ratio Details’ screen. The SSI Mnemonic selected is applicable to all the components for the drawdown participant.
- Component: This option allows 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 defaults 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

Select this check 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’ is not allowed and system provides an appropriate error message. Amendment from ‘Cash’ to ‘Normal’ is allowed upon reversal of all active cash payments.
- You cannot amend from ‘Normal’ to ‘Cash’ if ‘Partial Prepayment Allowed’ is selected at contract level; if interest payment exists on drawdown then, the system does not allow to deselect the flag 'Liqd int on prepayment’.
- You can amend from 'Normal' to 'Cash' to allow user to deselect the flag 'Liqd interest on prepayment' even if an active interest payment exists. If the flag is selected then amendment from ‘Normal’ to ‘Cash’ does not 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 is not allowed to change back the value from ‘Cash’ to ‘Normal’ during the amendment.

For the drawdowns under lead tranches, the value is ‘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.

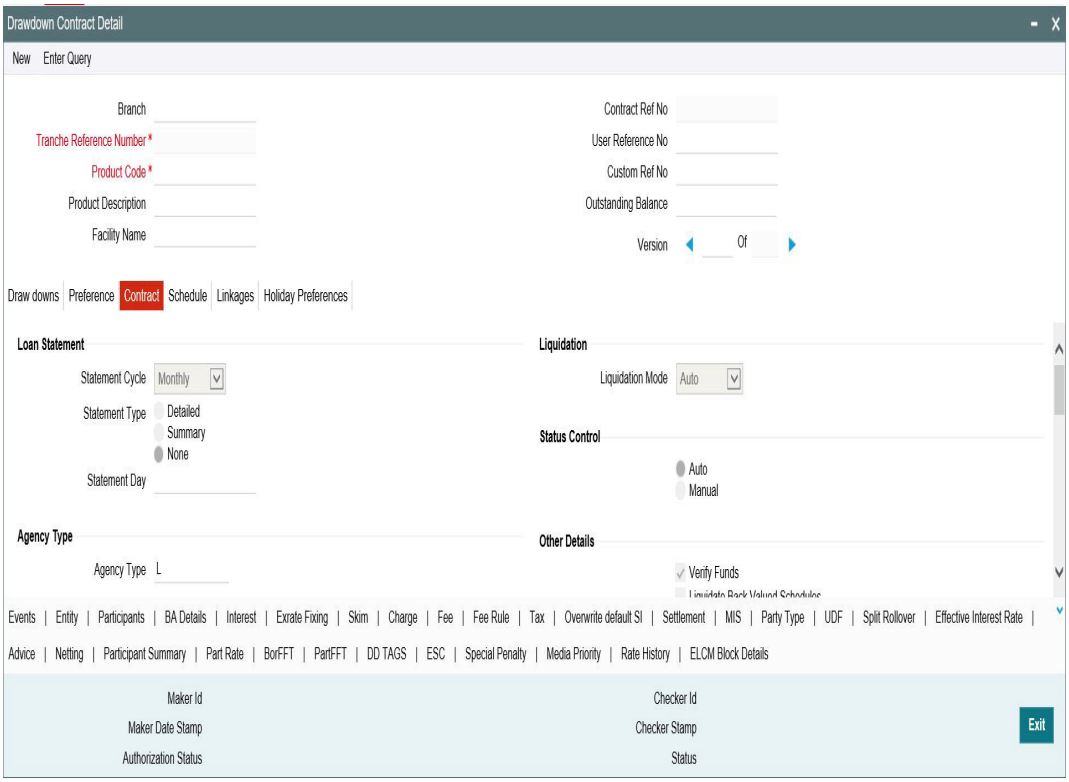
System also displays the name of the named agent adjacent to the Named Agent field.

Agreement/Administrator/Internal Remarks

These details gets default from the tranche contract and may be changed at the drawdown level.

6.2.3 Capturing Details in the 'Contract' Tab

You can capture the other contract details in the 'Contract' tab of the screen.



The following contract details applicable for drawdowns are explained below:

6.2.3.1 Liquidation

Mode of liquidation of interest and fee components associated with the drawdown defaults from the drawdown product.

At the drawdown level, you can change the mode to any one of the following methods:

- Auto: The system automatically liquidates 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 automatically liquidates 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 are available in the 'Outgoing Message Browser' with status 'Hold'. You 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.

6.2.3.2 Status Control

The statuses - for example, Active, Past Due Obligation, Non-Accrual Basis, and Write-Off , and so on. defined for the product in the 'Status Maintenance' screen is 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 automatically moves 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.

6.2.3.3 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) is displayed in the option list provided.

6.2.3.4 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 is 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 are 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:

Sl. 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

6.2.3.5 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 is '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 is determined as the worst status among the individual statuses of the schedules.

6.2.3.6 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 defaults 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.

6.2.3.7 Viewing the Agency Type

The agency type of the transaction (Lead or participation) is defaulted from LB 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.

6.2.3.8 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 is selected.

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.

Zero Cash Flow for Future Schedules

If you select this check box, the 'Actual Amount Due' is displayed instead of 'Expected Amount Due' in the 'Payment Details' screen,

For example, If 'Rate Type' is 'Fixed User Input' and 'Rate Fixing' is selected, then amount is calculated till 'Rate Effective End Date' entered in the 'Rate Fixing' screen and displayed in 'Payment Details' screen.

If 'Rate Type' is 'Floating and 'Code Usage' is Periodic' then system calculates the amount due till next revision schedule and displayed in 'Payment Details' screen.

If 'Rate Type' is 'Floating' and 'Code Usage' is 'Auto' then the system calculates the amount due till today and displayed in 'Payment Details' screen.

6.2.3.9 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 is generated every week on Thursdays.

When the frequency is set to monthly, then by default, the statement is generated on the last day of every month. You can also select a different day from the drop-down menu.

6.2.3.10 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 is rolled-over on their respective maturity dates. This feature is called auto rollover. If rollover is specified for the product, the same is 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.

Note

This option is set to ‘No’ and is disabled if the option ‘Partial Prepayment Allowed’ has been selected.

Count

If rollover is applicable for the drawdown, the system displays the rollover count in this field. For a drawdown that has been rolled-over, this count indicates the number of times it has been rolled-over.

6.2.3.11 Specifying Revaluation Preferences

If Reval Reqd is ‘Yes’ for the drawdown product, the same defaults to the drawdown processed with the product. You can, however, change the preferences for a specific drawdown. But, if ‘Reval Reqd’ 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 picks 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 commences the revaluation process.

6.2.3.12 Viewing Revaluation Schedules

If Reval Reqd is ‘Yes’, Oracle Banking Corporate Lending creates 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 also takes into account the holiday preferences in the ‘Holiday Treatment for Schedule’ section of the ‘SCHEDULE’ tab to arrive at the schedule dates.

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 in the Contract tab 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 Banking Corporate Lending 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, and so on.

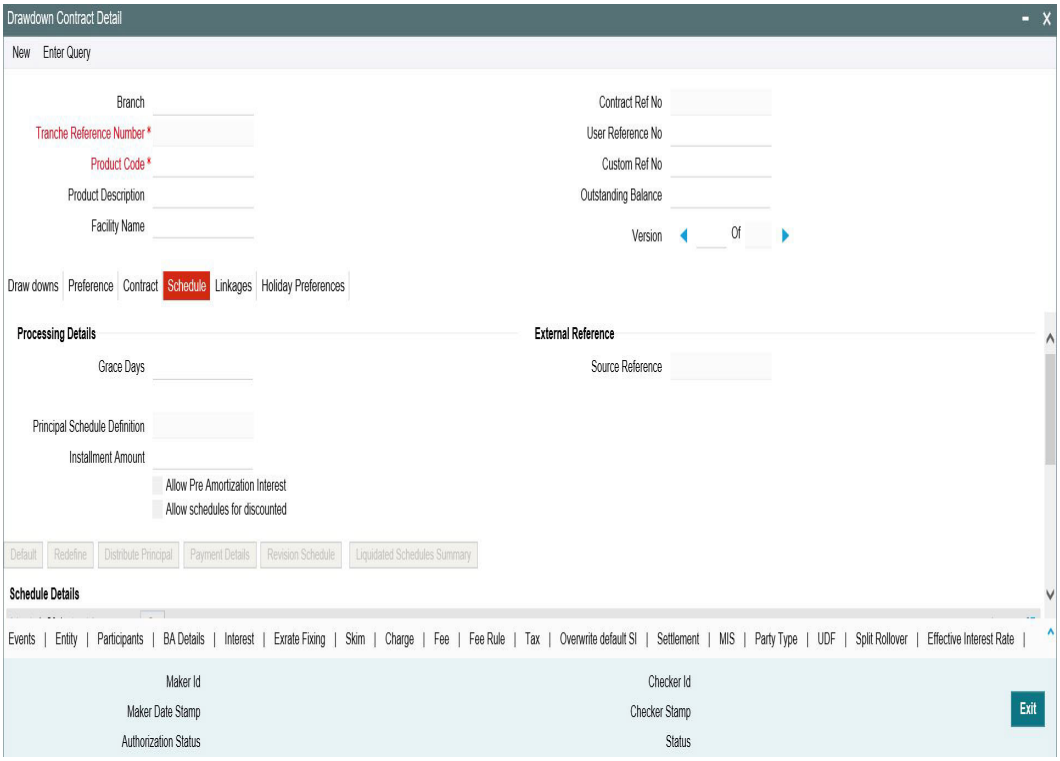
Note

- Auto revaluation is initiated on the schedule dates as part of automatic batch processes run during the EOD operations at your branch. The BOD batch process takes 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 repopulates 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.

6.2.4 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:

6.2.4.1 Specifying Holiday Treatment for Schedules

The holiday treatment you specified for the DD product defaults to the drawdown. However, you can change the details, if required.

Note

The system redefines 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.

6.2.4.2 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.

6.2.4.3 Allow schedules for discounted

The “Allow schedules for discounted” check box is selected if the 'Payment Type' is 'Discounted' or 'True Discounted'. By default, this check box is selected in the Drawdown Contract while creating contract for Discounted Drawdown Product.

If selected at the product level, this check box is available to be selected at the contract level. Once selected, this check box cannot be cleared later.

6.2.4.4 Specifying Repayment Schedule Details

The repayment schedule definition for the drawdown is 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 ‘LB Tranche Contract Online’ screen).

- If this option is checked, the rule specified at the tranche level is applied for defining the repayment schedules for the drawdowns processed under the tranche. In this case the ‘Principal Schedule Definition’ is marked as ‘AUTO’ (in the ‘Schedule Details’ section of the ‘Schedule’ tfab) 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 is applied for drawdowns under the tranche. For such drawdowns, the ‘Principal Schedule Definition’ is 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 does not happen for further drawdowns.

Note

The drawdown repayment schedules are 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

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 are calculated by the system, automatically, depending on the repayment date and amount of the principal.

Note

For amortized schedules, you cannot define schedules for the principal. The component is 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 is 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 need to specify the following details:

- Frequency: Monthly
- Unit: 1
- No: 12

Frequency

This indicates the frequency/interval at which the schedules fall due. The available frequencies are:

- Daily
- Weekly
- Monthly
- Quarterly
- Half-yearly
- Yearly
- Bullet: One bullet schedule is automatically defined for each component based on the drawdown available amount.

Note

You can specify only bullet schedule for PIK interest component. PIK margin maintained at the 'Margin Maintenance' screen is automatically picked up for the PIK margin component.

Unit

Unit of frequency identifies the number of occurrences within a frequency, for example, . Unit '2' and Frequency 'Monthly' means bimonthly frequency that is, the schedule occurs once in 2 months. Similarly, if you want a payment every 15 days you 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 is reduced as per the frequency.

The system calculates the interest and fee amounts automatically, depending on the repayment date and amount of the principal. However, for drawdowns with special interest, you also have to provide the interest amount. Similarly, if a fee or a charge has been defined as an amount, you also have to specify the amount.

Note

- If you specify amortized schedules, the system automatically does 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 are 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.

Month End Indicator

If 'Month End Indicator' is selected as 'Yes' then ensure to enter the 'Start Date' as month end. In this case you need to consider 'Holiday Treatment For Schedules'.

- If you select 'Consider Branch Holiday' (Move forward/Move backward) then you need to select any of the following options.
  - Move Across Month
  - Move Payment Schedules
  - Move Revision Schedules
  - Cascade Schedules
- If you select 'Ignore Holidays' you need not select any of the above options.

Holiday currency is based on the currency maintained in the 'Currency Maintenance' screen.

6.2.4.5 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 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 is 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 Principal = user input installment– Interest component.

Allow Pre-Amortization Interest

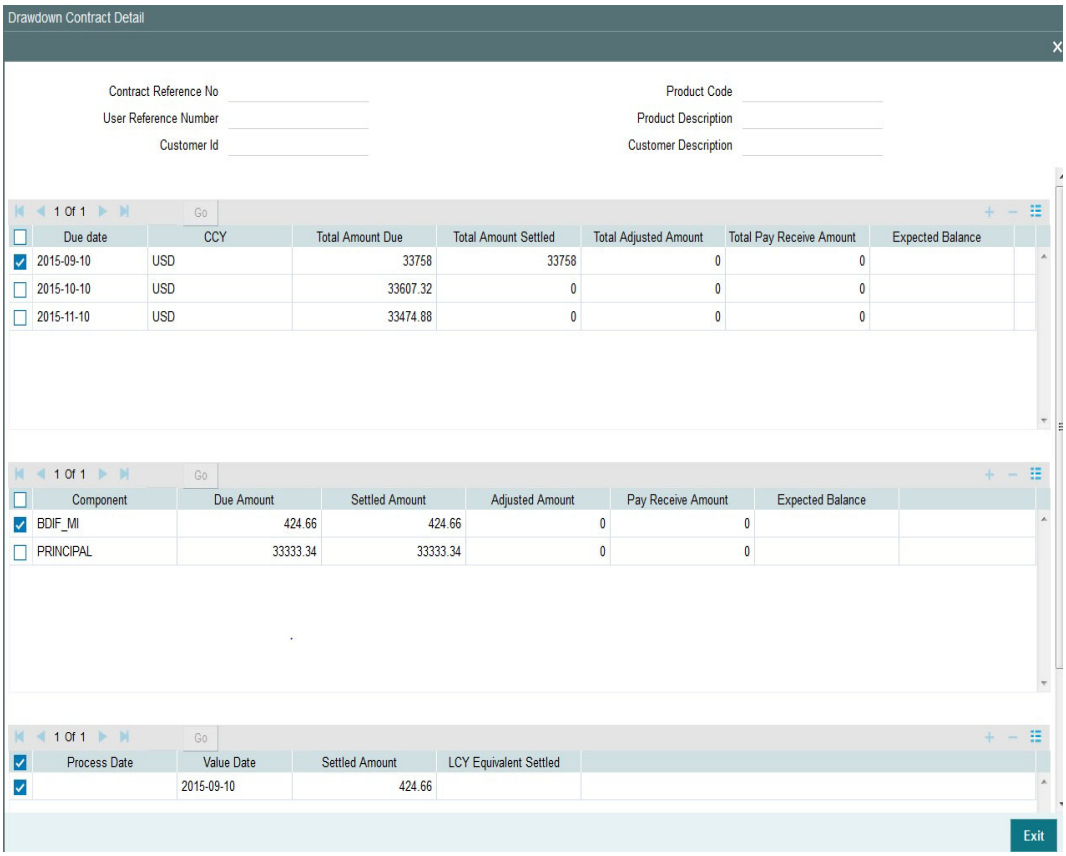
Select this check box to indicate that the system should calculate the pre-amortization interest.

- 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 is not 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 is not copied and it is defaulted as unchecked.

6.2.4.6 Viewing Drawdown Payment Schedule Details

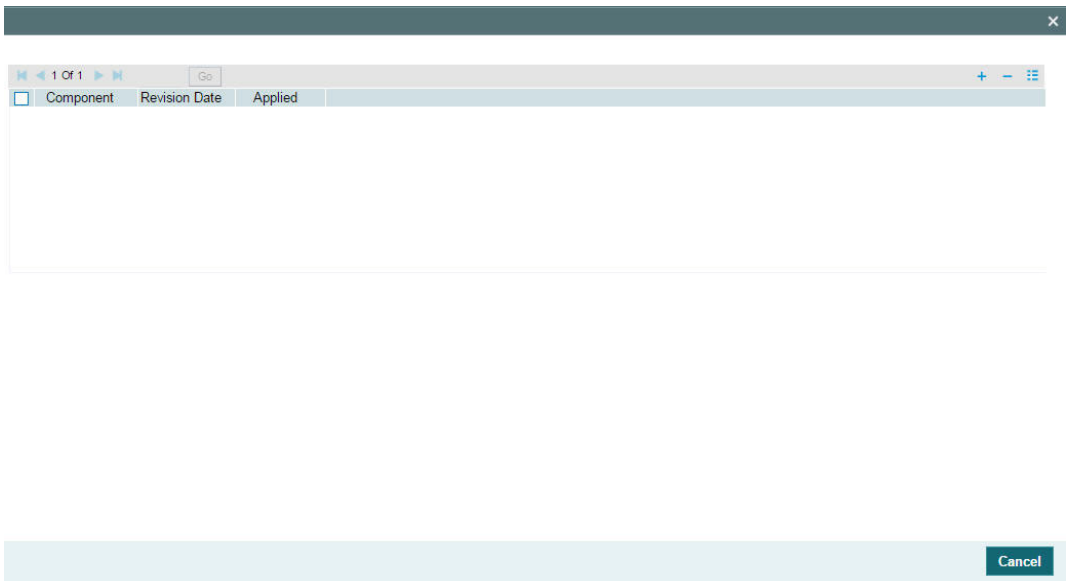
Based on the payment schedules captured for the components, Oracle Banking Corporate Lending computes the schedules and the amount payable for each schedule in the 'Payment Schedule Details' screen.

Click ‘Payment Details’ button from the ‘Schedule’ tab.



6.2.4.7 Viewing Drawdown Revision Schedule Details

To view the rate revision schedules, click the ‘Revision Schedule’ button. The ‘Revision Schedule Details’ screen appears.



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

6.2.4.8 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 increases or decreases 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 is 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 does not consider EMIs of previous schedules) will be kept constant.

The iteration of reducing Principal balance with above Principal component of EMI continues until the bullet schedule is reached. The last EMI 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 is logged for those contracts in batch.

6.2.4.9 Schedule Adjustments on Prepayment

The following schedule adjustments are performed for prepayment:

- Original installment amount is 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 become zero without changing the maturity date.

Note

'Liqd int on prepaid principal' flag is 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.

6.2.5 Specifying the Rounding Details in Rate Settings tab

You can specify the rounding details by clicking 'Interest' tab and then clicking 'Rate Settings' tab.

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).

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 is considered for interest calculation while the maturity date is excluded.

- Include To Dt: In this case, the period considered for interest calculation excludes the drawdown start date and include the end date.
- Include Frm & To Dt: The period considered for interest calculation includes both the value date and the maturity date.
- Exclude Frm & To Dt: The period considered for interest calculation excludes 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 uses 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

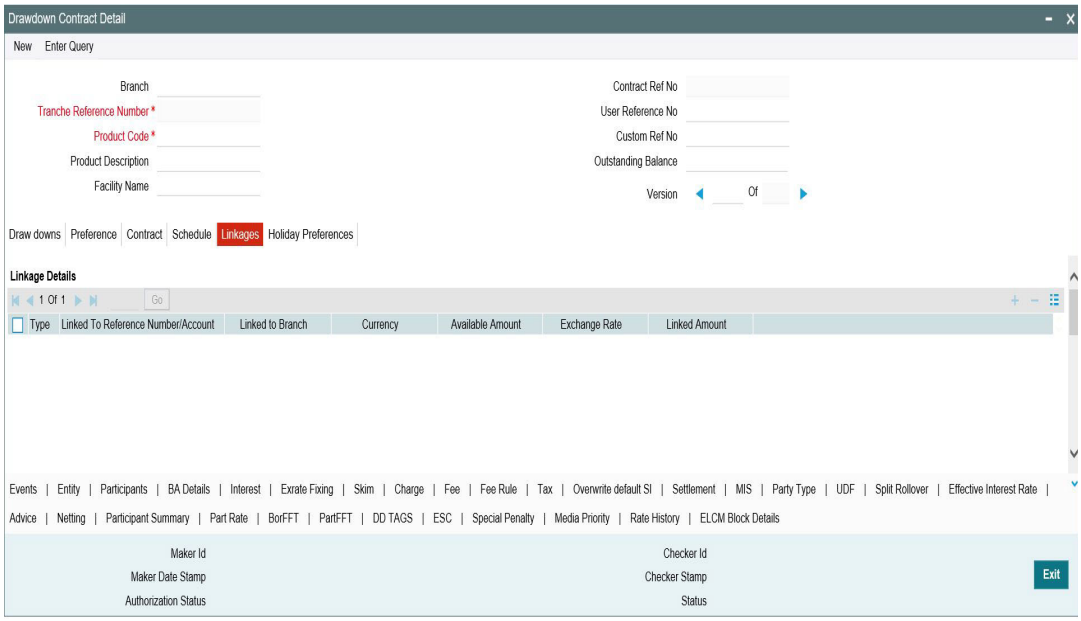
This field indicates the lowest possible measure in which interest amounts can be considered in the specified drawdown currency. This value cannot be less than the rounding unit for the specified currency (as maintained in the 'Currency Definition' screen). If not specified, the system picks up the rounding unit maintained for the drawdown currency.The following details 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*.

6.2.6 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 are displayed here:



- The linkage type is ‘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

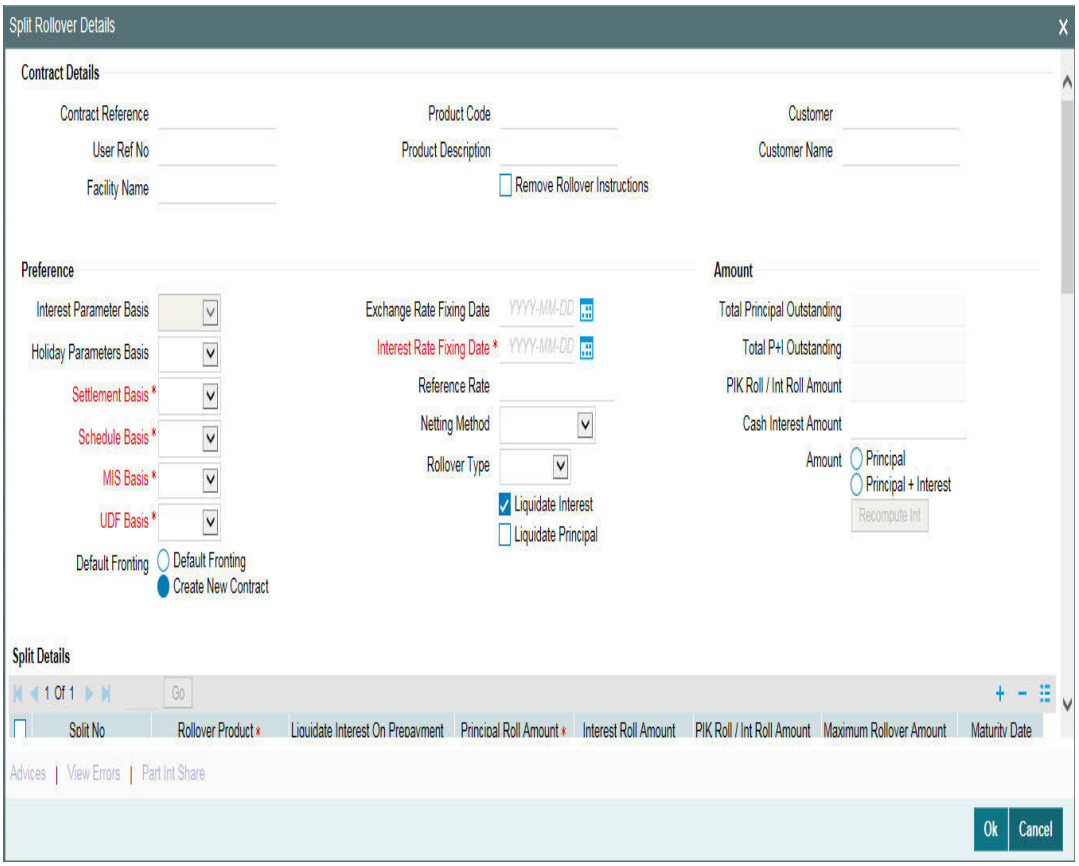
Note

For ELCM linkage, you can link the facility, collateral and collateral pool of counterparty and other additional borrowers as part of loan creation.

6.2.7 Capturing Details in the ‘Split 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 selected, the following message appears when you click ‘Rollover’ tab:

“Rollover not allowed”

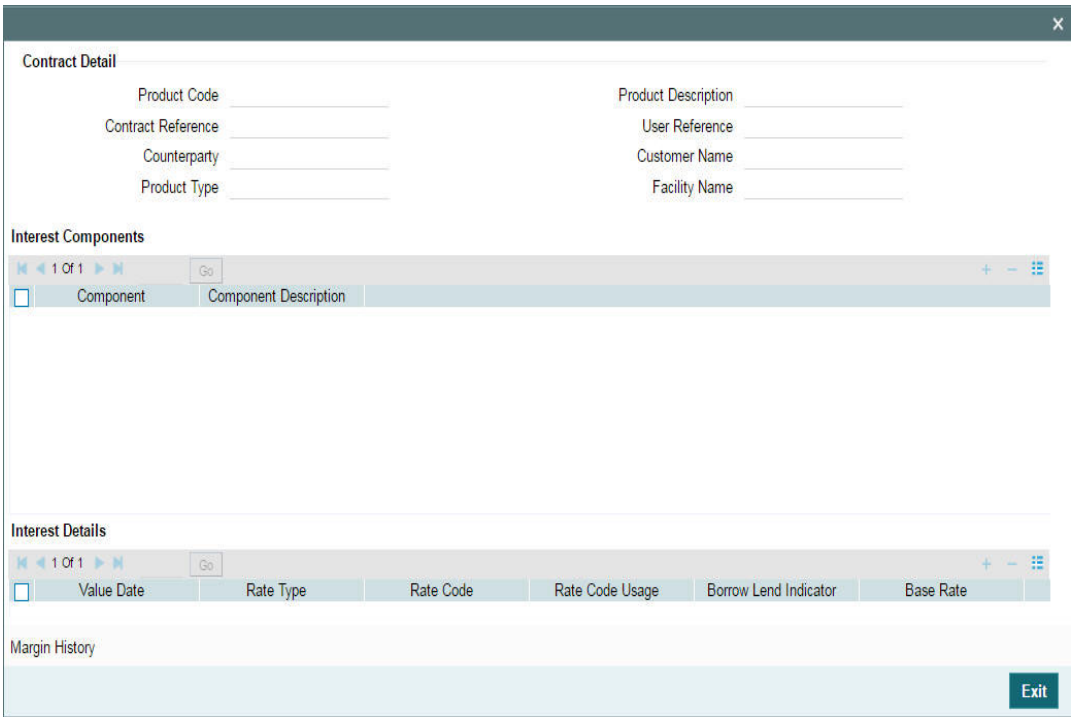


Click ‘Interest Details’ button to enter interest related details and also RFR (Risk Free Rate) details. For more information on RFR, refer to Interest User Guide.

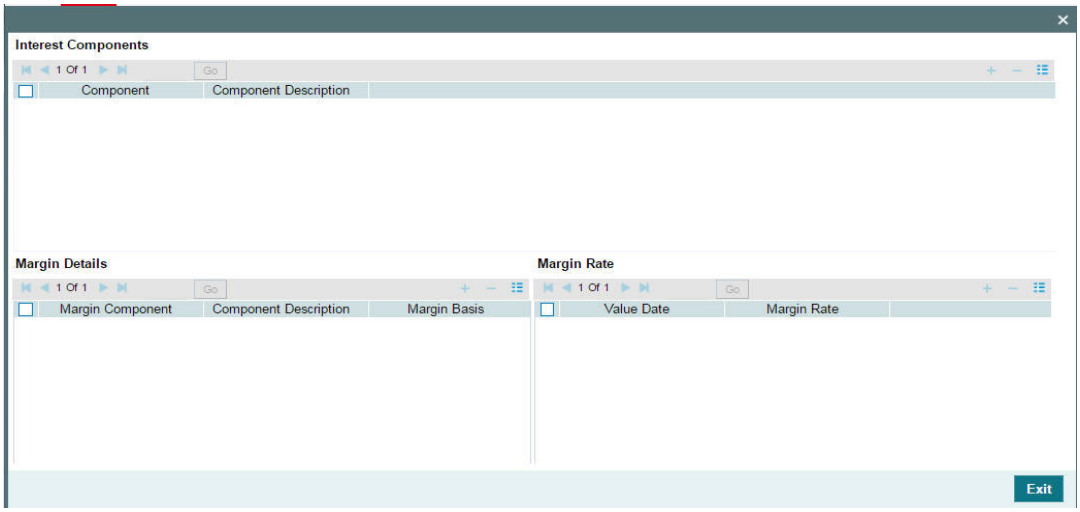
For details on rollover and information on the ‘Rollover’ tab, refer the ‘Rolling-over a drawdown’ chapter of this User Manual.

6.2.8 Viewing Rate History Details

You can view the Interest rate and margin rate history for each drawdown in the ‘Rates History’ screen. This screen holds the history of interest rate and margin changes that have happened for the drawdown. Click ‘Rate History’ tab to invoke this screen.

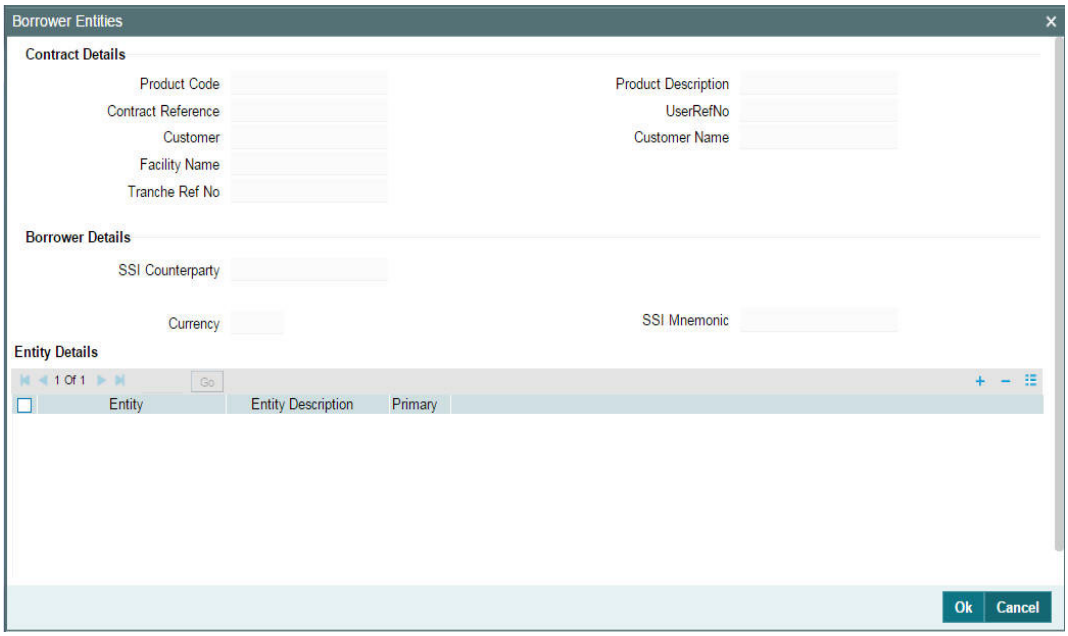


In this screen, you have to select the interest component to view the corresponding interest and margin details. To view the margin rates for the components, click the ‘Margin History.



6.2.9 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 ‘Entity’ tab to invoke this screen.



You can modify only the following parameters:

SSI Counterparty

By default, the drawdown borrower is displayed here. You can change the counterparty if the borrower requests to process the settlements through another account. The option list displays the names of all the customers maintained in Oracle Banking Corporate Lending.

SSI Mnemonic

SSI Mnemonics are maintained in the 'Settlement Instructions' screen for a Counterparty, Module, Currency, Product and Branch combination. The same is available for the counterparty/borrower of the drawdown. The Mnemonic selected here obtains the settlement details for the borrower of the contract and the same defaults to the 'Settlement Message Details' screen.

If you do not select the SSI Mnemonic, system defaults the SSI Mnemonic for the counterparty and contract currency when you exit the screen.

Note

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.

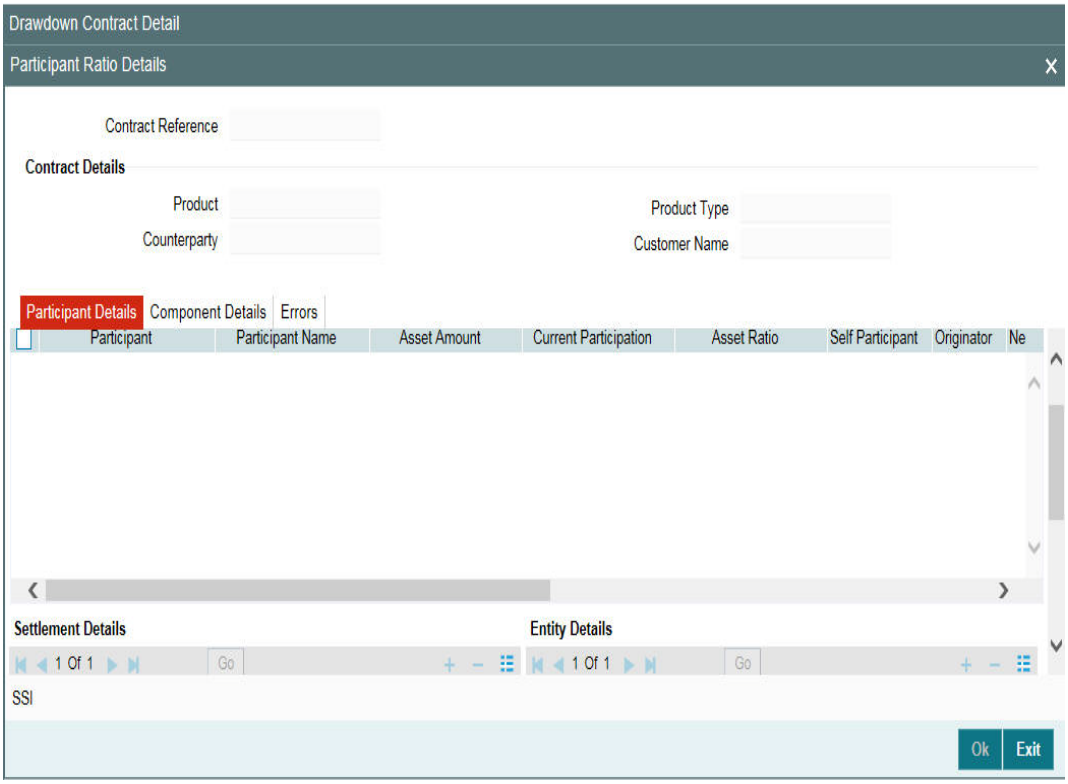
Select the appropriate ssi mnemonic applicable for the selected currency

– 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.

6.2.10 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’ tab.



Based on the drawdown amount, the system computes 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 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 ‘LB Tranche Contract Online’ screen) is deselected. 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.
- ‘Swingline participant’ in the 'Participant Ratio Details' screen allows you to track swingline participants. The check box is cleared by default and it is non –editable field. This check box is selected for the tranche as well as the drawdowns if the swingline ratio is maintained at the tranche level for the participants

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
BAR-CLAYS	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 is as follows:

Participant	Asset amount in USD	ASR in %
CITIBANK	1,200,000	30
BAR-CLAYS	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 displays the availability ratio instead of the tranche asset sharing ratio.

Note

The original asset sharing ratio is displayed only at the Tranche level.

The availability ratio after the first drawdown is as follows:

Participant	Asset amount in USD	ASR in %	Availability amount	Availability ratio in %
CITIBANK	2,000,000	20	800,000	13.33

BAR-CLAYS	2,000,000	20	1,600,000	26.67
NATWEST	3,000,000	30	1,400,000	23.33
HSBC	3,000,000	30	2,200,000	36.67

The availability amount is computed on the following basis:

Availability Amount = Available amount for each participant/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:

Available amount = Tranche current limit – Tranche outstanding amount

For non-revolving tranche contracts, you can compute the available amount in the following manner:

Available amount = Tranche current limit – 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 uses 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 LB' 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, are sent. A primary entity must be designated. The messages to all entities other than the primary entity contains the text 'COPY-AVOID DUPLICATION' on them. This text is present in the following notices
  - Drawdown notices to banks
  - Renewal notices to banks
  - Rate fix notices to banks

For details on fields available in this screen, refer the heading ‘Maintaining participant details for the tranche’ in this chapter.

In addition to the above, you can do the following through this screen:

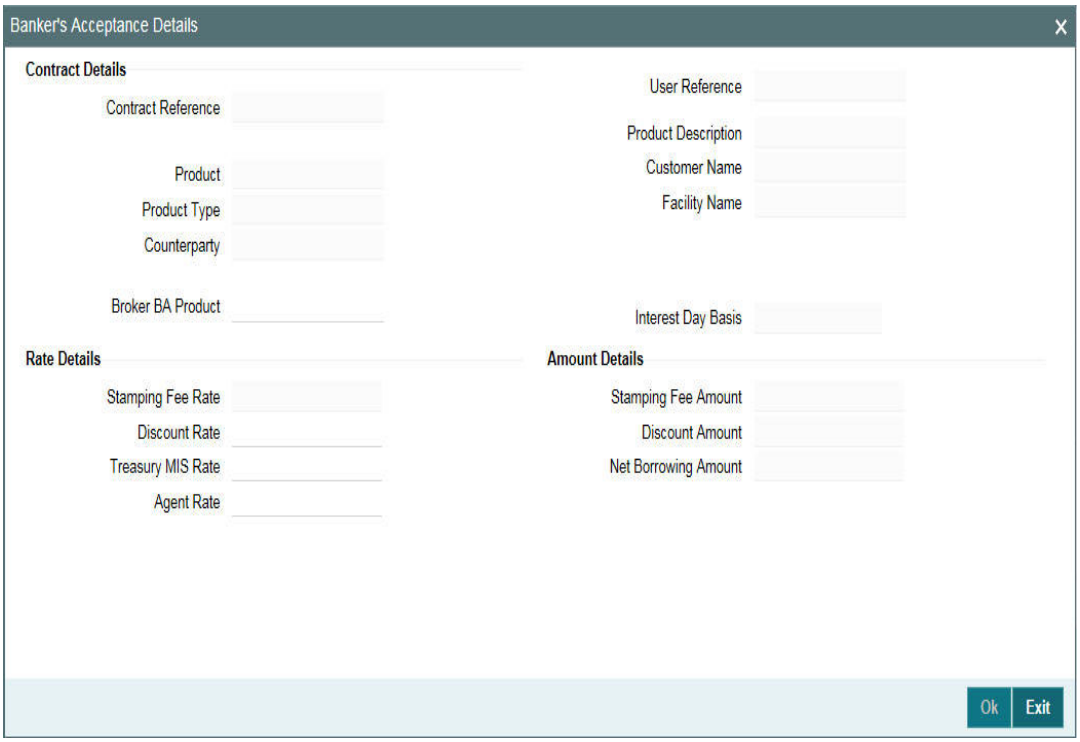
- Upload the participant details through the ‘Upload From File’ option
- Download the participant details through the ‘Download From File’ option
- Specify entity details for each participant

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

6.2.11 Banker’s Acceptance

You can view or capture banker’s acceptance details only if the Banker’s Acceptance check box is selected at the product level.



Contract Details

The contract details get defaulted from the ‘Contract’ tab.

Broker BA Product

You can select BA broker product from the list of values. These values are maintained the ‘Static Maintenance’ screen.

Interest Day Basis

The interest day basis gets defaulted from the ‘Interest Basis’ of the main interest component.

Rate Details

Stamping Fee Rate

This rate gets defaulted from the 'Final Rate' of the main interest component.

Discount Rate

Specify the discount rate.

Treasury MIS Rate

Specify the treasury MIS rate.

This rate gets defaulted to 'User Rate' of the MIS screen.

Agent Rate

Specify the agent rate.

Amount Details

Stamping Fee Amount

This amount gets defaulted from the 'Interest Amount' field of main interest component amount.

Stamping fee amount = loan amount * stamping fee rate * no. of days / day basis.

Example:

- Loan Amount = 2,200,000.00
- Interest / Stamping Fee Rate = 1.37%
- Stamping Fee / Interest amount = 2,200,000.00 * 1.37% * 30 days/365 = 2,477.26

Discount Amount

This amount is calculated automatically, that is, Loan Amount * (1 – Discount Rate)

Example:

- Loan amount = 2,200,000.00
- Discount Rate = 99.96%
- Discount amount = 2,200,000.00 * (1 - 99.96%) = 880.00

Net Borrowing Amount

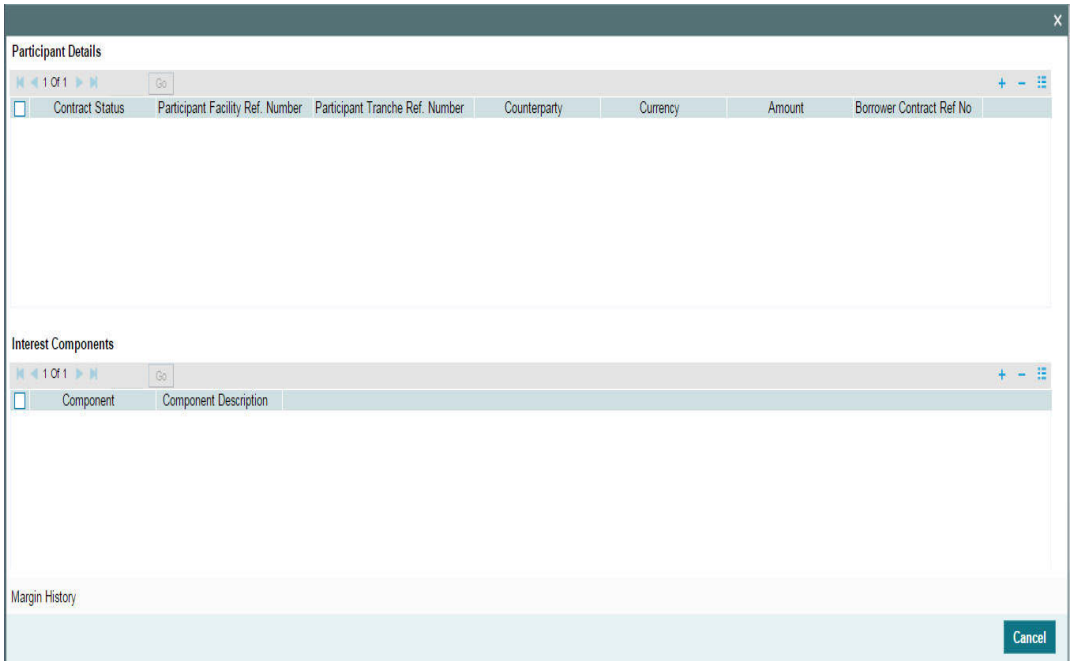
This amount is calculated automatically, that is, after deducting the discount and stamping fee from the drawdown amount.

Example:

- Original loan amount – stamping fee (main interest) – discount amount
- From the above example:
- Net Borrowing Amount = 2,200,000.00 – 2,477.26 – 880.00 = 2,196,642.74

6.2.12 Viewing Participant Margin Details

You can view margin details maintained for participants of the drawdown contract, using the 'Participant Rate Summary' screen. To view this screen, you have to click the 'Part Rate' tab.



Here you can view the following details.

Participant Details

The system displays the following participant details:

- Contract Status
- 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

6.2.12.1 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 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.

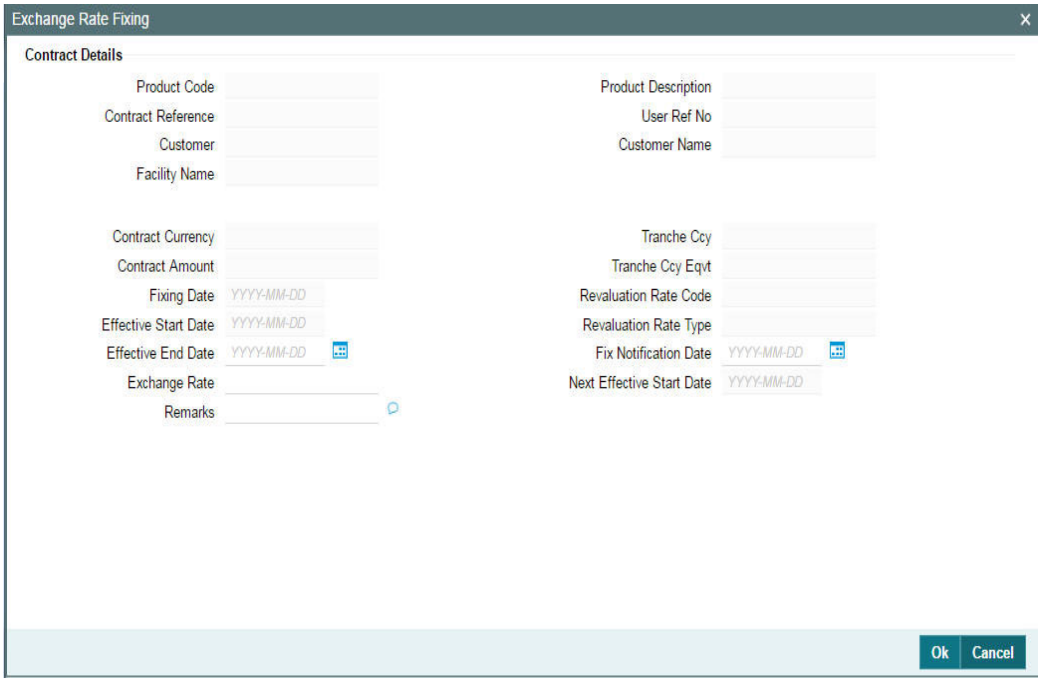
- Value Date
- Margin Rate
- Final Rate

The margin rate maintained for the individual participant is considered while calculating the interest due on the participant side, during contract booking. This is applicable for current dated/back dated/forward dated drawdown bookings.

6.2.13 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 'Exrrate Fixing' tab. The 'Exchange Rate Fixing' screen is displayed, as shown below:



The system arrives 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 is 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 is used only for information purposes.

Note

It is not mandatory for you to fix the exchange rate before you fix the interest rate.

6.2.13.1 Saving the New Exchange Rate

Click ‘Ok’ button to save and exit the screen. When you save the drawdown, the system triggers 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 Banking Corporate Lending applies the latest fixing rate for the rest of the period.

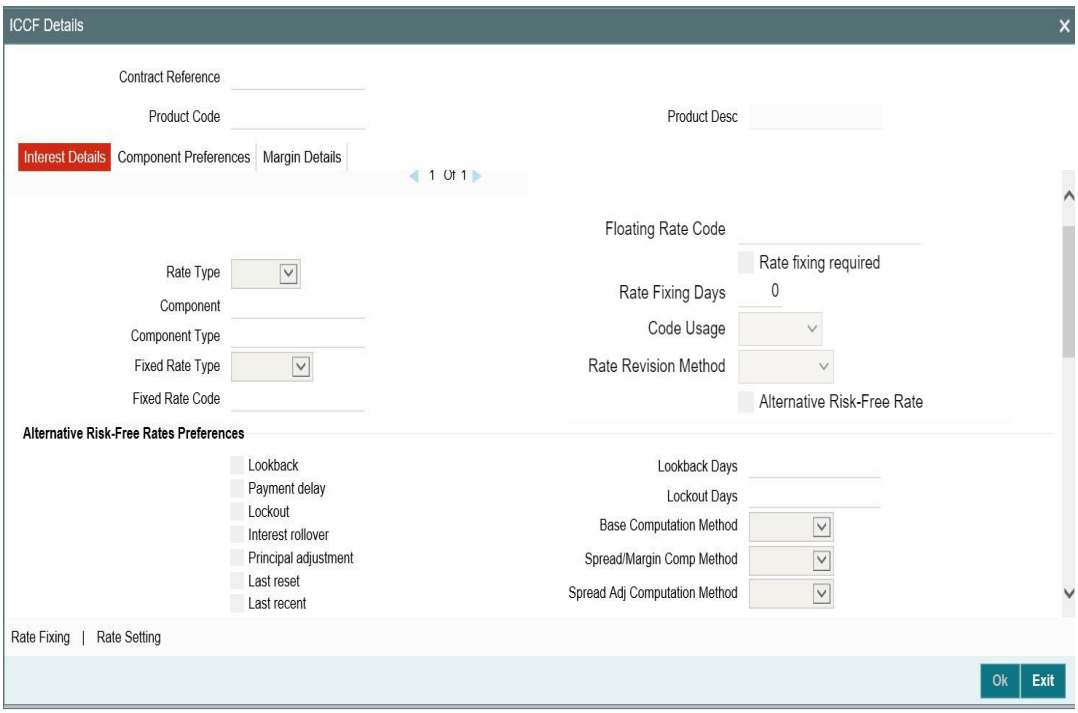
Note

- It is mandatory to fix the exchange rate before you initiate a cross currency drawdown in Oracle Banking Corporate Lending.
- If you do not fix the exchange rate when booking a new drawdown, system applies 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 Banking Corporate Lending revalidates 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.

6.2.14 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 ‘Interest’ tab to invoke this screen.



6.2.14.1 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.

The interest for each currency is calculated using the interest basis, which you select:

- 30 Euro / 360
- 30 US / 360
- Actual / 360
- 30 Euro / 365
- 30 US / 365
- Actual / 365
- 30 Euro / Actual
- 30 US / Actual
- Actual / Actual
- 30(Euro)/365.25
- 30(US)/365.25
- Actual/365.25
- Working Days/252
- Working Days/360
- 30/360

For more information on 'Interest Basis', refer to *Interest* User Manual.

Note the following:

- If the interest distribution type is defined as 'Lender of Actual' (in the 'LB 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.

Specifying Interest Rate Rounding Components

The 'Rate Rounding Rule, 'Rate Rounding Unit', and 'Rate Rounding Position' values get defaulted from 'Interest Limits Detail' screen. If required, you can change these values.

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 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 is 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 receives 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 does not get accrued from the interest amendment date.
- If the interest rate amendment is done effective back dated then the system recalculates the accrual by taking all in rate as zero from the amendment date along with the back dated interest amendment process.

6.2.14.2 Alternative Risk-Free Rates Preferences

The options of ‘Alternative Risk-Free Rates Preferences’ are defaulted from ‘Interest Class Maintenance’ screen (LFDINTCL).

While booking the contract you can modify the 'Alternative Risk-Free Rates Preferences' options.You cannot modify the preferences during contract amendment and value dated amendment.

In case loan is booked with 'Alternative Risk-Free Rates Preferences' and during contract amendment if you try to change the preferences to LIBOR Fixed/Floating, then the following error appears "Modification of parameters from RFR to Non-RFR and vice-versa is not allowed".

For more information, refer to Interest User Manual.

6.2.14.3 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

Select this check 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.

Note

You can not amend these values if the Billing Notice Required option is deselected 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.

6.2.14.4 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 is done on this day.

Note

- 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 is 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.

Note

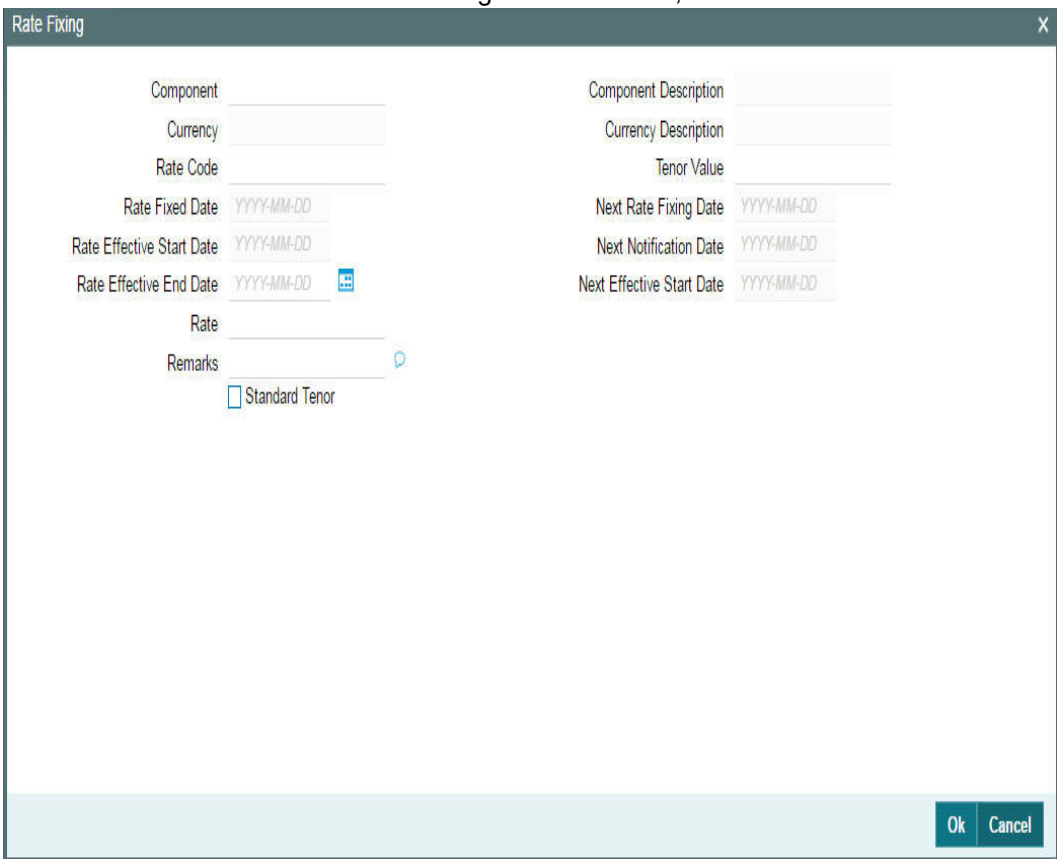
For main interest component if ‘Rate Type’ is 'Fixed', then you can enter rate fixing details in 'Rate Fixing' screen. In addition, you can enter the 'Spread' and 'Margin Details'.

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 arrives 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 'Rate Fixing' tab in the 'ICCF Details' screen and invoke the 'Rate Fixing Details' screen, as shown below:



Note

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 displays 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 displays the following after you specify the end date:

- Next Rate Fixing Date
- Next Notification Date
- Next Effective Start Date
- Rate

Rate

The system defaults 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 recalculates the interest. Note that it considers 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 'Ok' button to save and exit the screen.

Note

- 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 applies zero interest rate for the rest of the period until rate fixing happens.
- Interest Rate fixing occurs 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 'LB Interest Rate Fixing' screen.

Capturing the Value date

On click of unlock button you are allowed to capture the value date by altering the rate effective start date.

Note

The following actions should be performed automatically on click of 'OK' button in the 'value date' field.

- The IRAM event is 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.

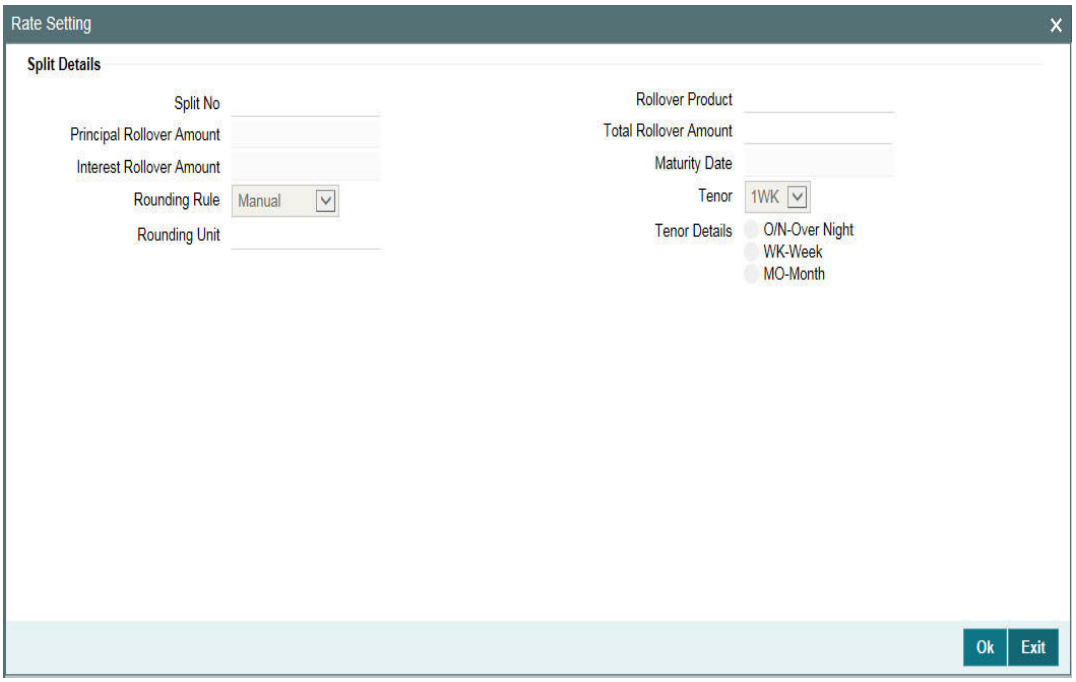
- If there is no value date (end date) captured or you can click the cancel button in the value date screen. The End date is disabled and you are allowed to amend only the interest rate
- If user fixes interest rate for the new period from 'Interest Rate Fixing' Screen, IRFX event is registered.

For more information on bidding refer 'Bidding Contract' section in 'Interest' manual in '*Modularity'* module.

For details on the 'LB Interest Rate Fixing' screen, refer the heading 'Fixing Interest Rate after drawdown booking' in this chapter.

Rate Setting

To set the rate setting rules for the borrowers drawdown, click the 'Rate Setting' in the 'ICCF Details' screen and invoke the 'Rate setting' screen, as shown below:



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 enables only if the you have selected the ‘rounding rule’ as ‘Down’ and ‘Upto’

Interest rate period

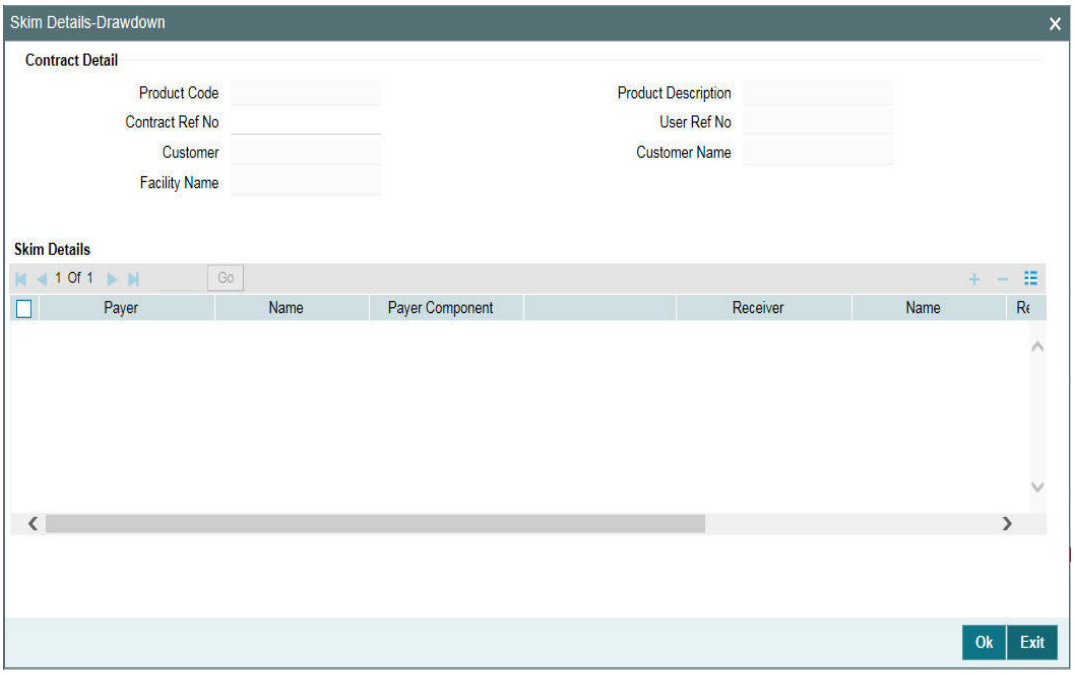
Select one of the interest rate periods from the options given.

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 are displayed

- If the Interest Rate Rounding Rule is ‘Manual’, then the message ‘Rounding Rule is manual. Auto Rate Fixing will not be done’ is displayed
- If Interest Rate Rounding Rule is not ‘Manual’, then the message ‘Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted’ is displayed. This message appears only for the future dated events / contracts
- You are allowed to change the Rounding Rule by clicking ‘Cancel’ button in the override message

6.2.15 Specifying Drawdown SKIM Details

The SKIM details captured for the tranche gets 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 'Skim' tab. The 'SKIM Details – Drawdown' screen is displayed.



The details of the payer and receiver of Skim and the Skim rate gets defaulted to the respective participant contracts for processing. The accounting entries are also passed in the corresponding participant contracts.

Note

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

- 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 is not settled when partial payment of an interest schedule happens. It is settled only after full interest payment is received.

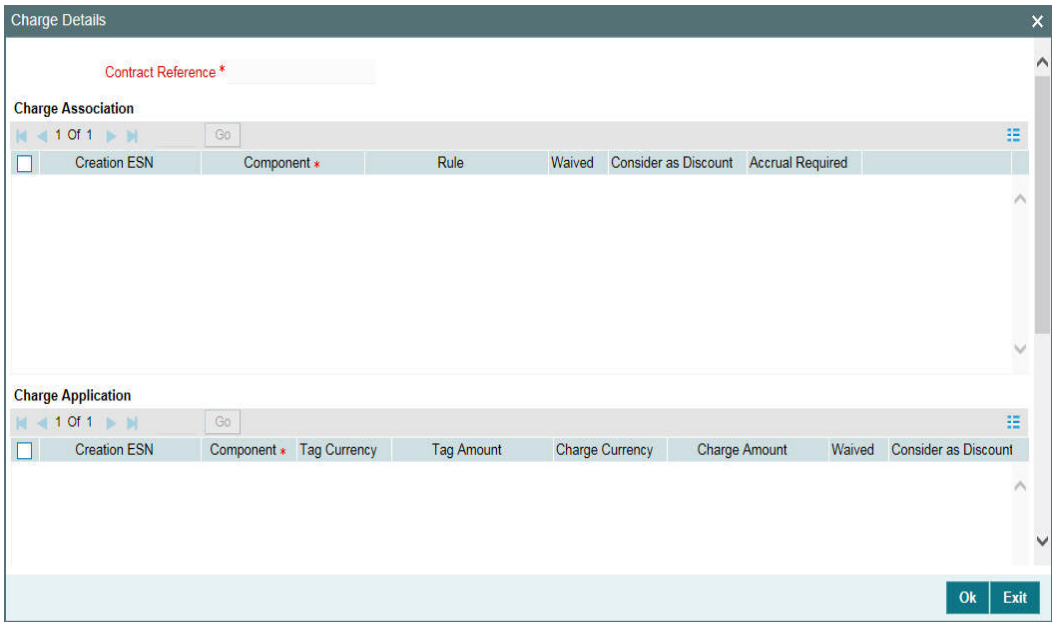
- The SKIM amount being paid or received is considered for the purpose of participant netting
- The advices to participants contain the SKIM amount separately
- The SKIM receiver can also be an external entity (one who is not a participant). For handling such a case, you need to capture the entity as 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.

6.2.16 Viewing Drawdown Charge Details

The charge components associated with the drawdown product is applied to the drawdown. You can view the charge details in the ‘Contract Charge Details’ screen. Click the ‘Charge’ tab to invoke this screen.



For more details on this screen, refer the heading ‘Modifying charge details for the tranche’ in this chapter.

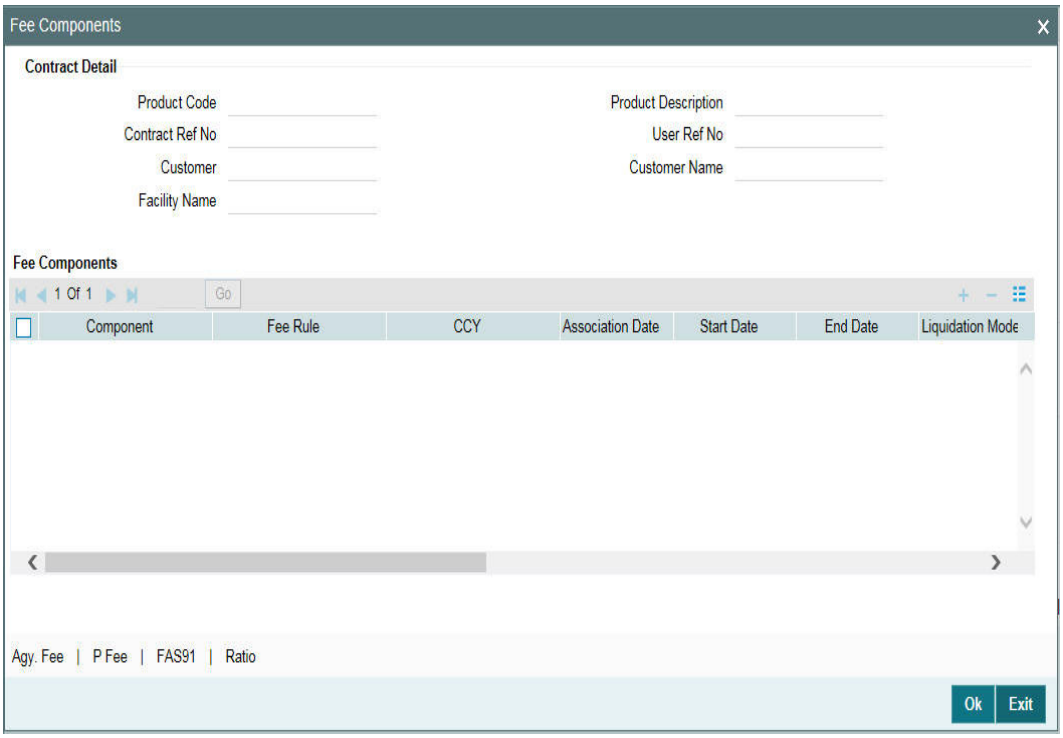
6.2.17 Defining Drawdown Fee Schedules

The fee components associated with the drawdown product is applied on all drawdowns processed under it. You can view the fee component schedule details in the ‘Fee Components’ screen. Click the ‘Fee’ tab in the ‘Drawdown Contract Online’ screen to access it.

Note

For the fee components having basis amount as UTILIZED or UNUTILIZED, if there is a change in UTILIZED or UNUTILIZED amount due to Value dated amendment (VAMI), cre-

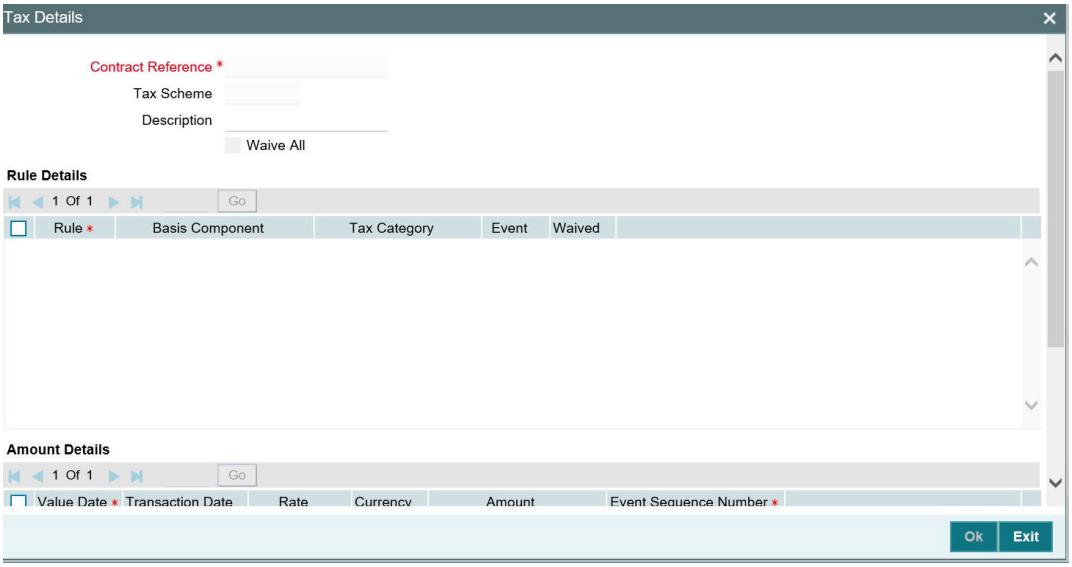
ation or liquidation of Drawdowns, then the unpaid schedules are recalculated and reflected in the future fee schedules. The recalculation for the unpaid fee schedules happens during the VAMI, If the change in basis amount happens during the fee calculation period of the Advance fee component's latest paid schedule, then the recalculation happens during the EOD on the date of amendment, and the calculated amount for that schedule is the sum of the calculated amount before amendment and after amendment.



For details on the fields in this screen, refer the heading ‘Defining tranche fee schedules’ in this chapter.

6.2.18 Tax Details

At the drawdown level, tax is applicable only on the interest and fee component.



The ‘ Tax’ sub-screen displays the tax rule details associated with the drawdown product.

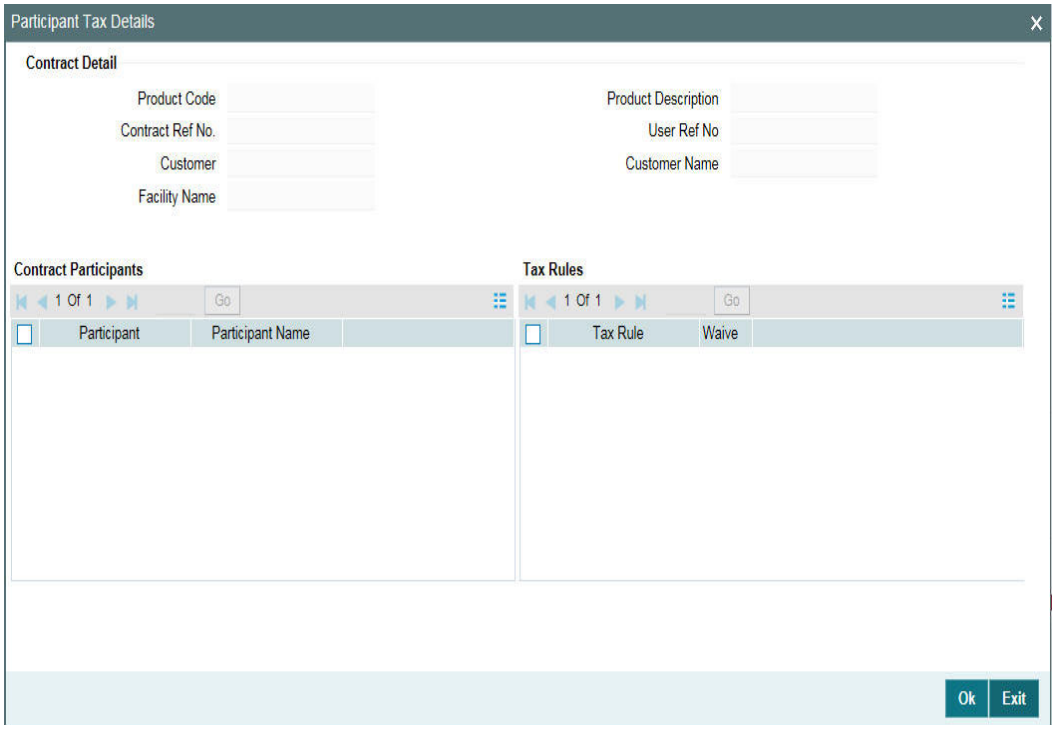
You can view both borrower and participant tax details associated with the drawdown.

You can waive the subsequent tax that is applied for a borrower/participant and tax rule combination.The system passes the entries for tax based on the event you specify in the ‘Product Tax Linkage’ screen.

Typically, tax on fee is calculated upon liquidation of the fee (event ‘FLIQ’ is associated with the rule) while tax on interest is computed on interest liquidation (event ‘LIQD).

6.2.19 Viewing Drawdown Tax Details

You can collect withholding tax on the fee/interest collected by the participants of a drawdown. However, tax is not 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) is applied on the drawdown. To view the details, click the ‘Tax’.



This screen displays the tax rules for each participant based on which withholding tax is computed on the fee or interest components. Tax rules associated with the drawdown product defaults to the drawdown. You can waive the subsequent tax to be applied for a participant and tax rule combination.

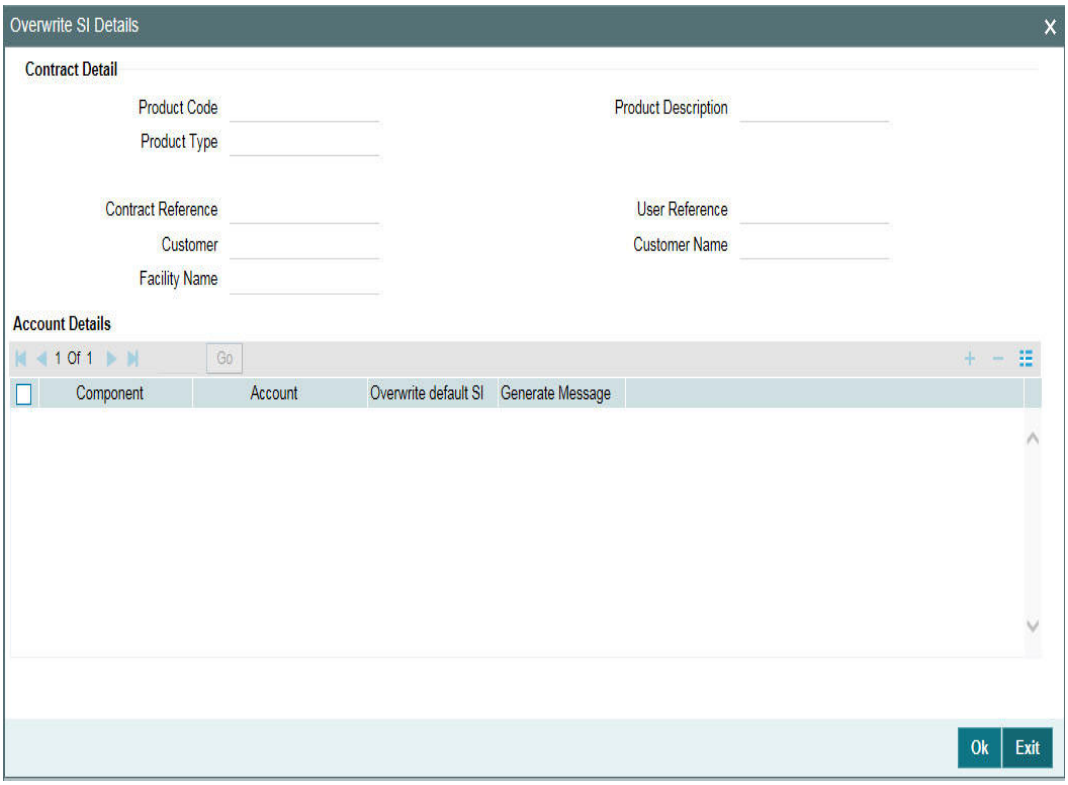
The system passes the entries for tax based on the event you specify in the 'Product Tax Linkage' screen. Typically, tax on fee is calculated upon liquidation of the fee (event 'FLIQ' will be associated with the rule) and tax on interest is computed on interest liquidation (event 'LIQD' is associated 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 Banking Corporate Lending, refer the Tax User Manual.

6.2.20 Defining Overwrite Settlement Instructions for the Drawdown

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest, and so on, 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 default SI' in the 'Drawdown Contract Online' screen to invoke the following:



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

Select the 'Overwrite default settlement instruction' check box to confirm that the liquidation entries should be posted into the Internal GL account. System posts the entries to the Internal GLs only if you check this box. Otherwise, system posts the entries as per the settlement instructions specified for the component of the contract.

Note

- If you check the 'Overwrite default settlement instruction' box for a component, system overwrites 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.

6.2.20.1 Authorizing Overrides for Drawdown

You need to perform dual authorization, if you have selected the Overwrite SI option for any of the following events:

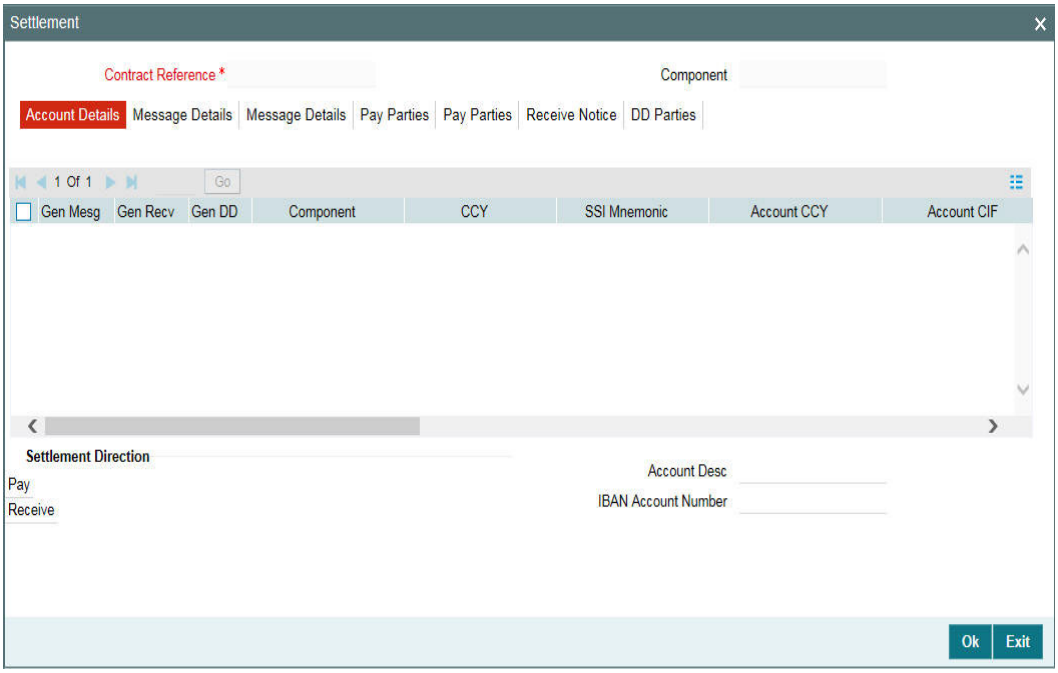
- Amending Tranche/Drawdown Contract

- 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.

6.2.21 Viewing Settlement Instructions for the Drawdown

You can view the settlement instructions for the drawdown in the 'Settlement' screen. Click the 'Settlement' tab to view the details.



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 are no 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 considers it as Chinese and allow up to 35 characters.

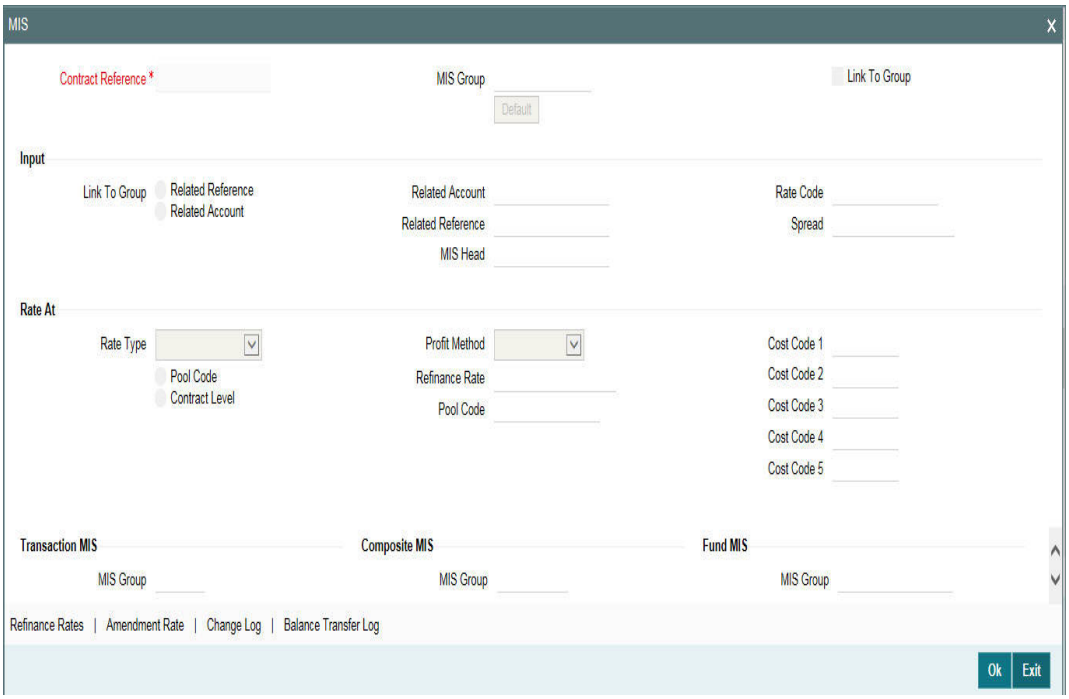
Note

This is applicable only for ASPAC region.

For more details about the 'Settlement Message Details' screen, refer the Settlements User Manual.

6.2.22 Viewing MIS Details for the Drawdown

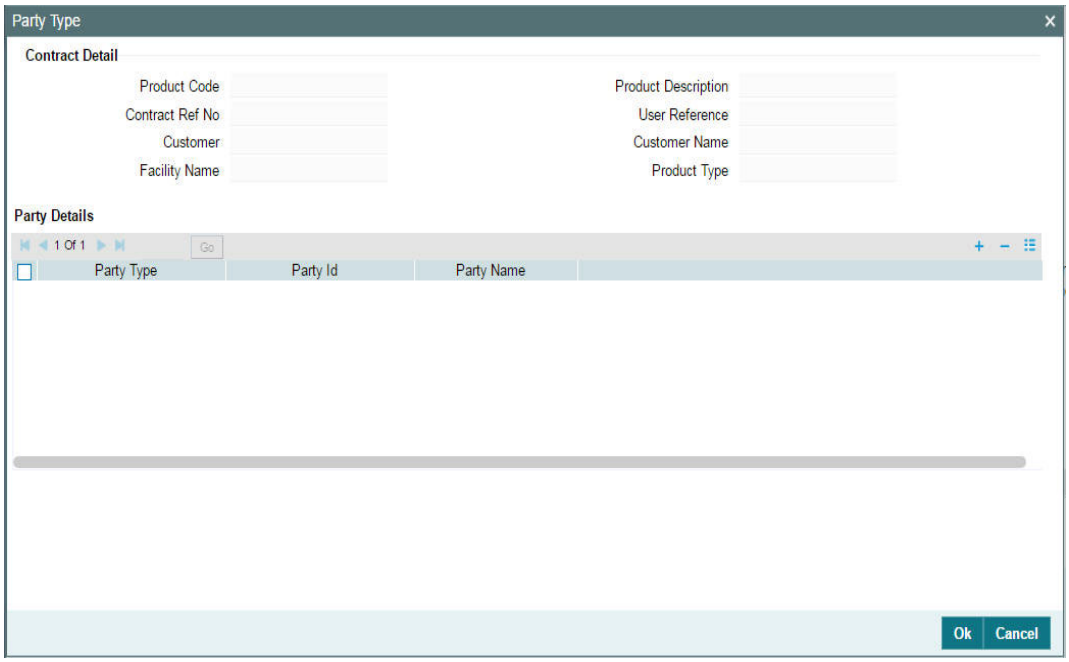
If you have maintained MIS details for the DD (drawdown) product, the same will default to the drawdown. To view the details, click the 'MIS' tab.



For details on the 'Transaction MIS Details' screen, refer the *MIS User Manual*.

6.2.23 Specifying Parties for the Drawdown

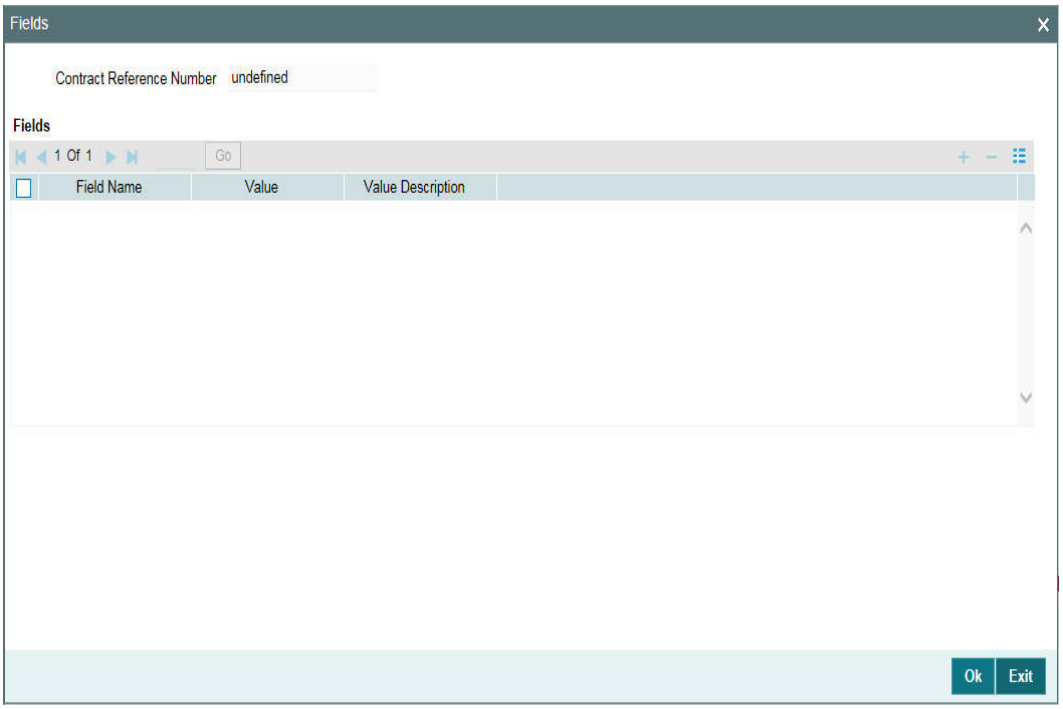
You can also specify different entity or party types that would be applicable for the borrower drawdown as well as the applicable parties belonging to the selected party type. This is done in the 'Party Details' screen. Click 'Party Type' in the 'DrawDown Contract Online' screen. The party types associated with the drawdown product defaults to the drawdown. You can change the defaulted values, if required.



For more details on the above screen, refer the heading ‘Specifying parties for the facility’ in this chapter.

6.2.24 Specifying UDF Values for the Drawdown

The UDFs defined for the drawdown product is applied for the drawdowns processed under it. You can view the UDFs, if applicable, in the ‘User Defined Fields’ screen. Click the ‘UDF’ tab to invoke this screen.



For more details on the above screen, refer the UDF (User Defined Fields) User Manual.

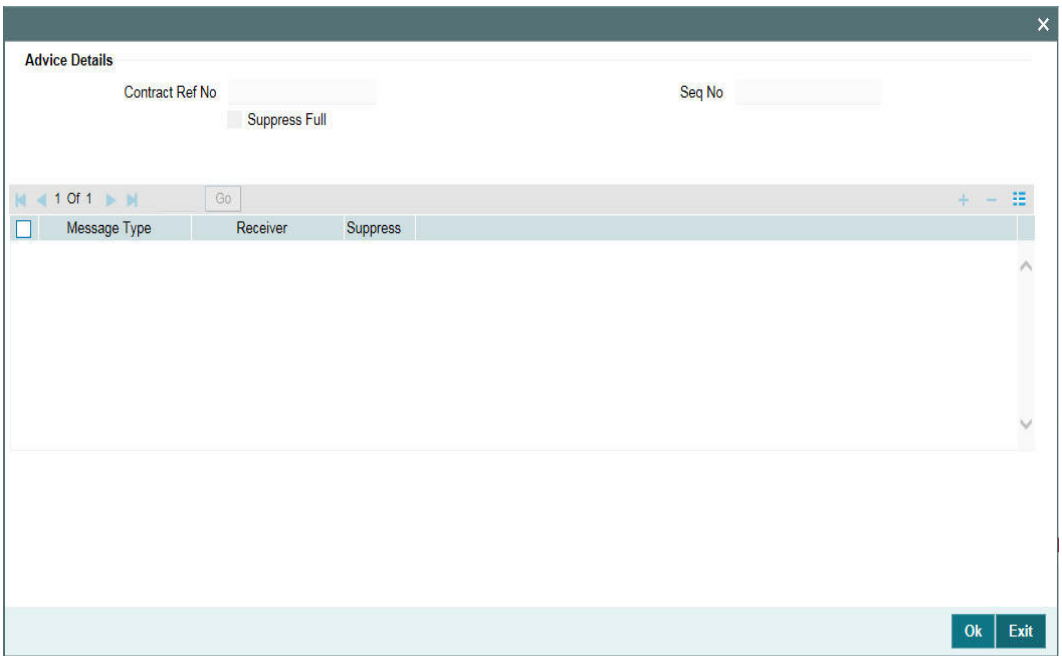
If the UDF ‘RATE-VARIANCE’ is maintained as a non-zero value for a tranche contract to which the drawdown is linked, dual authorization is required for some select operations.

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 are different. In this case, the subsequent UDF changes at the tranche contract level is not propagated to the drawdown.

6.2.25 Viewing Drawdown Advices

The advices associated with the drawdown product (in the ‘Product Event Accounting Entries & Advices’ screen) is applicable for the drawdown. Click the ‘Advice’ tab to invoke the ‘Advices’ screen.



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:

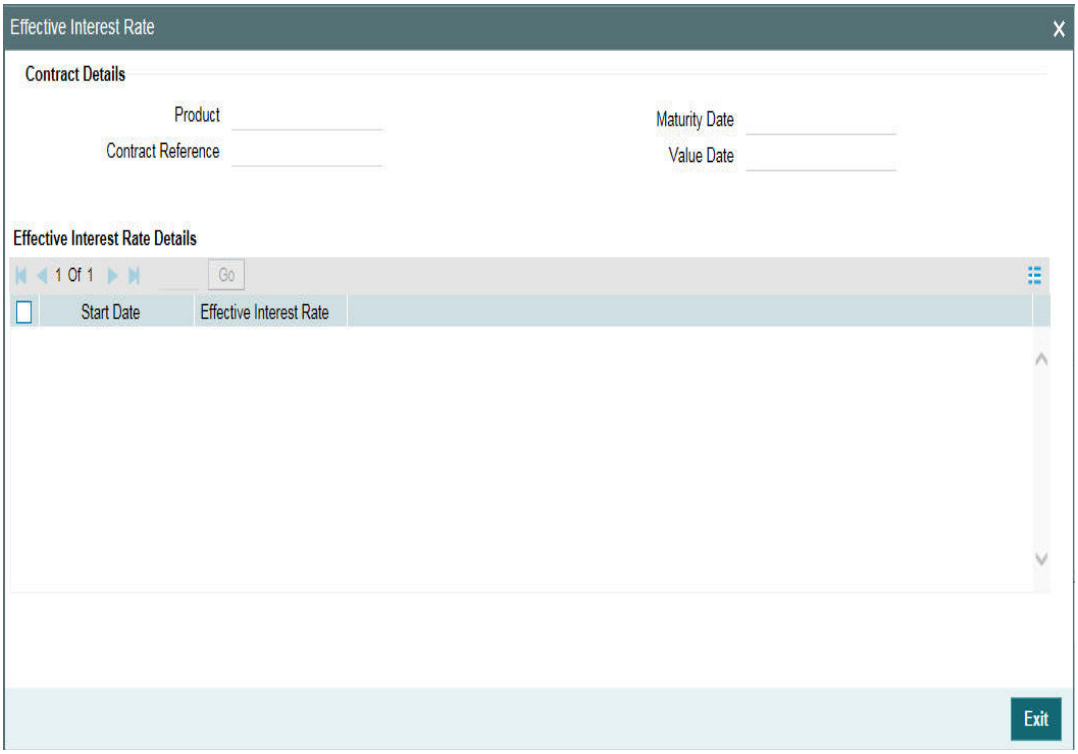
- Diary Events for the contract
- Netting Cash Flow Summary
- Messages generated for the tranche
- Participant Summary details
- Events
- AER
- EI

This section explains 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

6.2.26 Viewing EI for the Drawdown

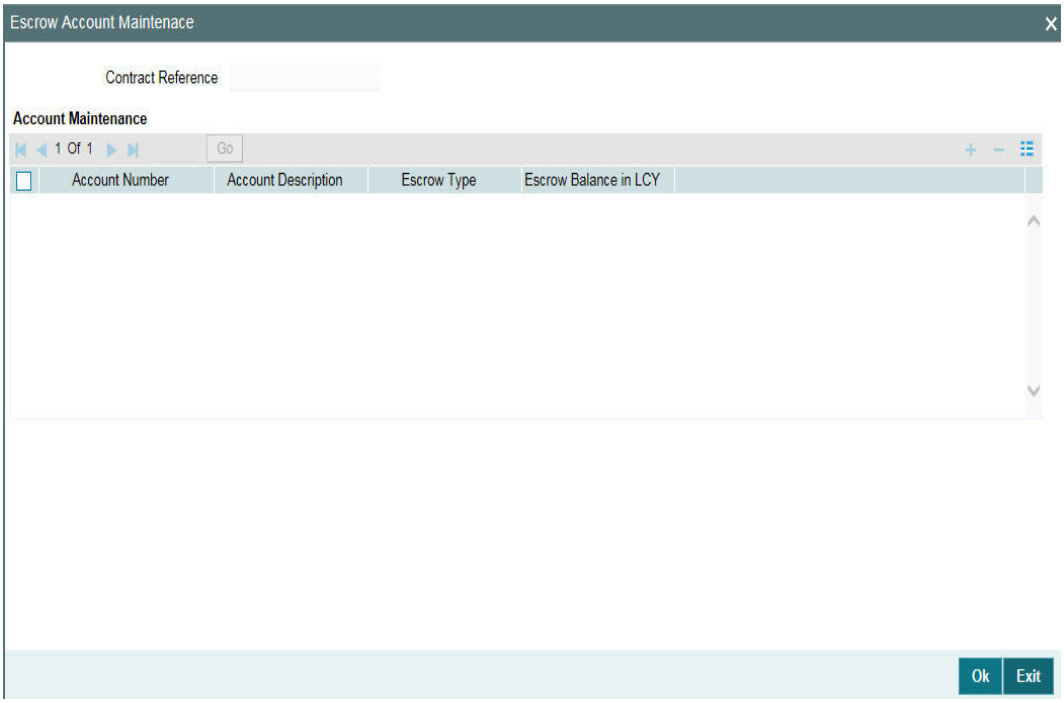
You can view the effective interest (EI) rates applied on the drawdown through the Effective Interest Rate details screen. Click the 'Effective Interest Rate' to invoke this screen.



In this screen you can view the 'Effective Interest Rate' and the 'Start Date' from which interest rate is effective in the system.

6.2.27 Maintaining Escrow Account Details

You can link escrow accounts to a contract using the 'Escrow Account Maintenance' screen. Click the 'ESC' tab in the 'Drawdown Contract Online' screen to access this screen.



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

- You can select the escrow account from the option list, which lists 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 (that is,. 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 is not 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 fails 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 fetches 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 is 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.

6.2.27.1 Amortization for Escrow Components

If the Escrow component is part of amortization constant amount, then while redefining the following validations are performed:

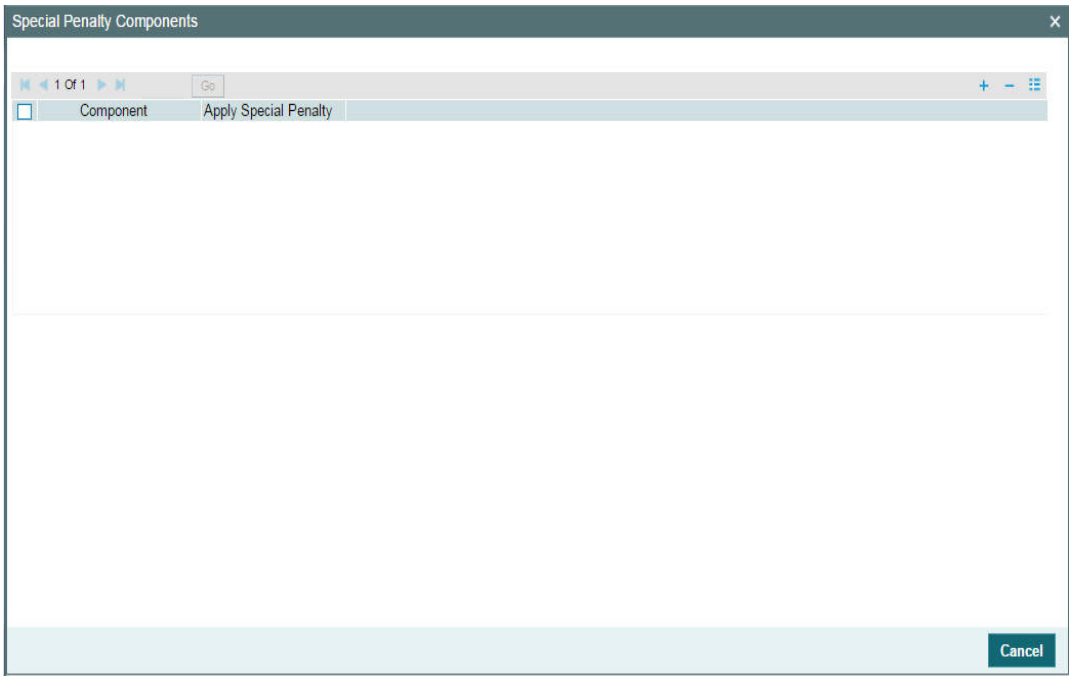
- Schedule total amount(sum amount of PRINCIPAL, Main Interest Component and other additional amount constant interest components on a schedule due date) cannot exceed the instalment amount after escrow interest amount change
- If EMI amount is exceeded for any of the schedules as part of the change in interest amount, VAMI fails. 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 are not done for escrow components, if they are not checked as Amortization constant component

Note

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.

6.2.28 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 ‘Special Penalty’ tab 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

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

6.2.28.1 Processing the Late Payment Charges

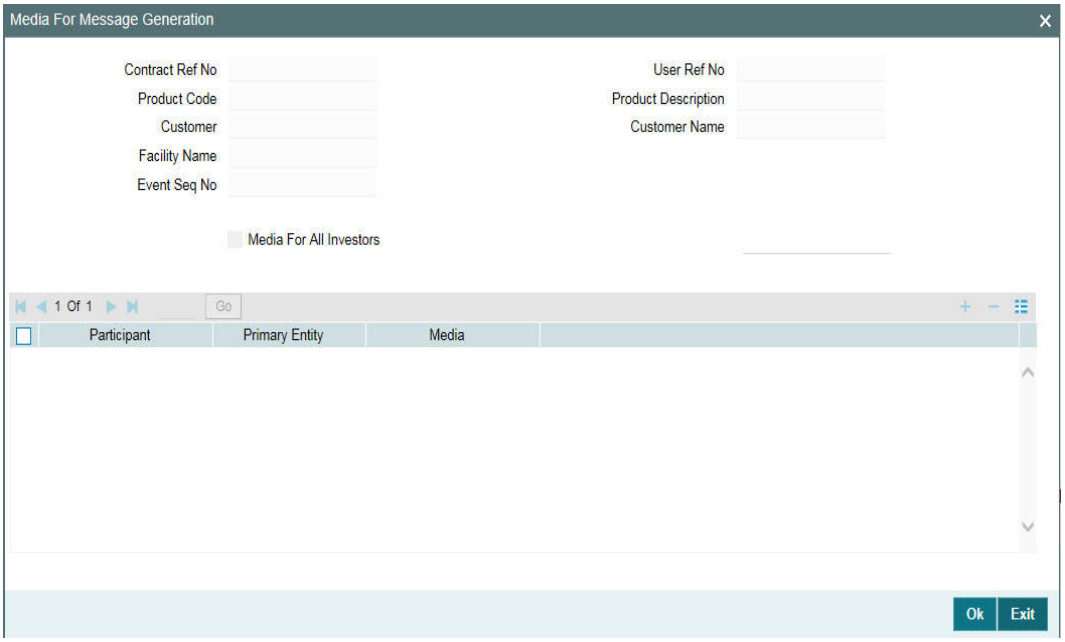
System identifies the loan contracts where grace period has expired and tracks due date, amount paid and amount settled for each component of the loan. If late payment charge component has been defined for a loan contract, that is,. if the ‘Special Penalty Component’ is selected for a component in a 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 forms 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.

6.2.29 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 ‘Media Priority; tab. This button is enabled only if the ‘FpML Type’ option is unchecked and the ‘Media Priority’ option is checked at the product level.



The system displays the following details:

- Product Code
- Contract Reference Number
- Customer
- Facility Name
- Event Seq No

You can specify the following details:

Media for All Investors

Select this check box to indicate that the media is applicable for all the investors.

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 validates 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 is 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 checks the priority of Entity1 of participant and message is sent through media 'FAX'. If there is no media order maintained for Entity1, then system will generate the message using customer entity maintenance.

6.2.30 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'.

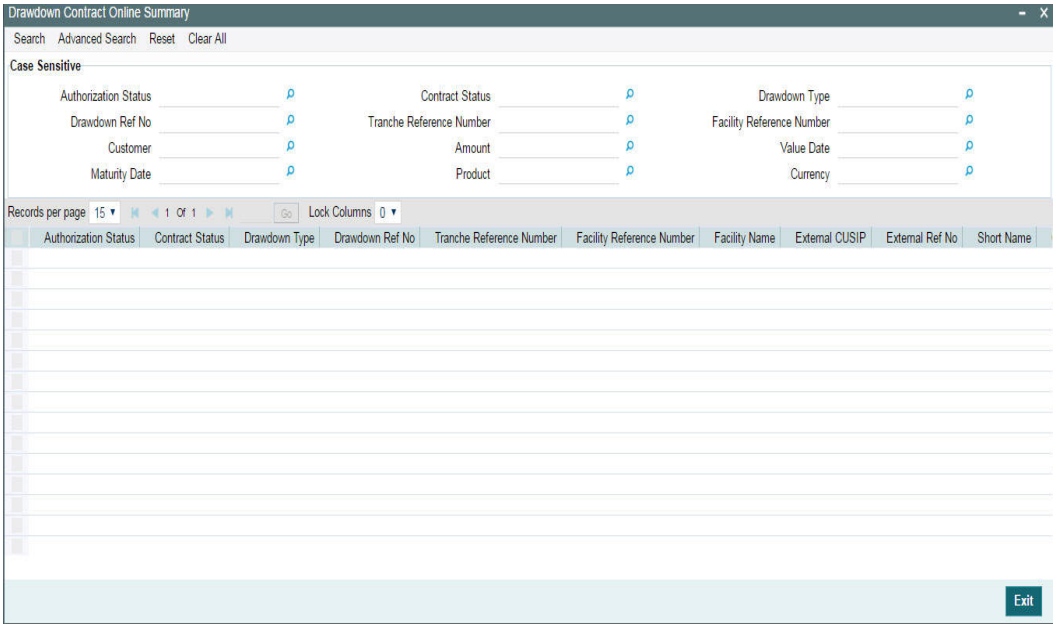
Contract schedules parameters like component, start date, number, frequency, units and other fields are defaulted. Amount is automatically derived by the system and is disabled. Based on these parameters, installment amount of each payment schedule is derived.

Contract schedule frequency redefinition to frequency values other than Monthly and Bullet are not allowed for all the components. System derives amortize amount based on the Principal and tenure of the contract using the EMI computation function.

Principal portion of the payment is derived using the formula Principal = Amortize amount– Interest component amount. System supports reducing balance amortization. And, amortization is not applicable for Sighting Funds applicable contracts.

6.2.31 Viewing Drawdown Summary

You can view the drawdown details using the 'Drawdown Summary' screen. You can invoke the ''Borrower Drawdown Summary' screen by typing 'LBSDDONL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can view the following fields:

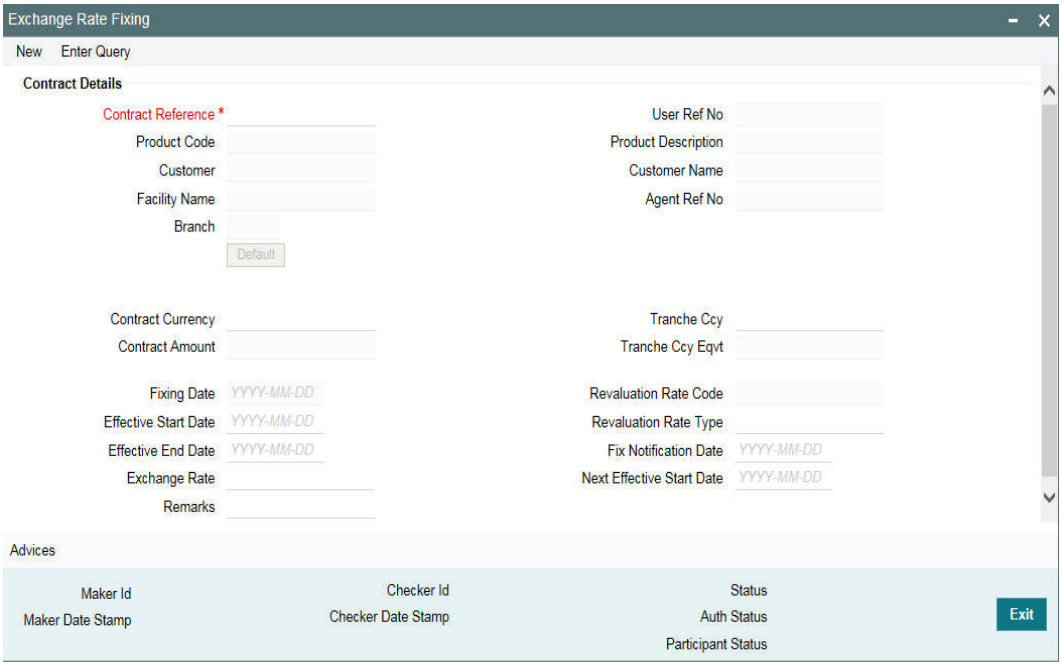
- Authorisation Status
- Contract Status
- DD Type
- Drawdown Reference Number
- Tranche Reference Number
- Facility Reference Number
- Facility Name
- External CUSIP
- CUSIP Number
- External Reference Number
- Short Name
- Customer
- Amount
- Value Date
- Maturity Date
- Product
- Currency
- Branch
- Drawdown User Reference Number

6.2.32 Fixing Exchange Rate After Drawdown Booking

You can perform a case independent search only if the parameter, 'CASE_SENSITIVITY' in cstb_param, is set to 'Y'.

If you do not fix the exchange rate during drawdown booking (the event 'EXFX' is not 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. You can invoke the

'Exchange Rate Fixing' screen by typing 'LBDEXRFX' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

6.2.32.1 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 is 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:

1. 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).
2. Unlock the selected drawdown. To do this, Select Unlock option from the menu.
3. 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).
4. 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.

5. Select Save from the menu to save the changes. The system will display a confirmation message if the save operation is successful.

Note

- 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 displays 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 displays the following override:

Advice for event CREX is suppressed for product, Do you want to continue?

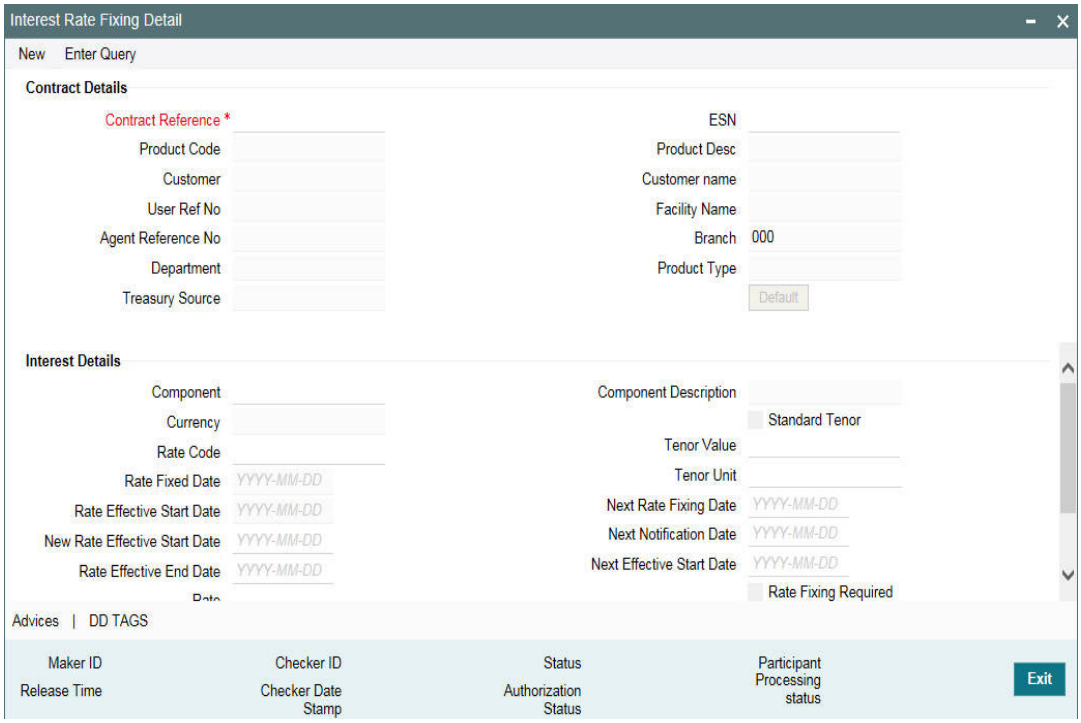
6.2.32.2 Using the 'New' option to fix the exchange rate after the effective start date

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:

1. Select New from the menu
2. 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 displays the 'Fixing Date' for the next period based on the exchange rate fixing days maintained for the drawdown currency at the tranche level.
3. 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.
4. 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.
5. 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.
6. Select Save from the 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 is displayed if the save operation is successful.

6.2.33 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 ‘LB Interest Rate Fixing’ screen. You can invoke the ‘Interest Rate Fixing’ screen by typing ‘LBDIRTFX’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can view the agent reference number in this screen.

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’ tab. This tab is enabled only if the ‘FpML Type’ option is deselected at the contract level and the ‘Media Priority’ option is checked at the product level.

If this tab is enabled, then the system displays an override message saying to view the ‘Media for Message Generation’ screen. If not, the system handoffs the message as per the details maintained in the ‘Customer Entity Maintenance’ screen.

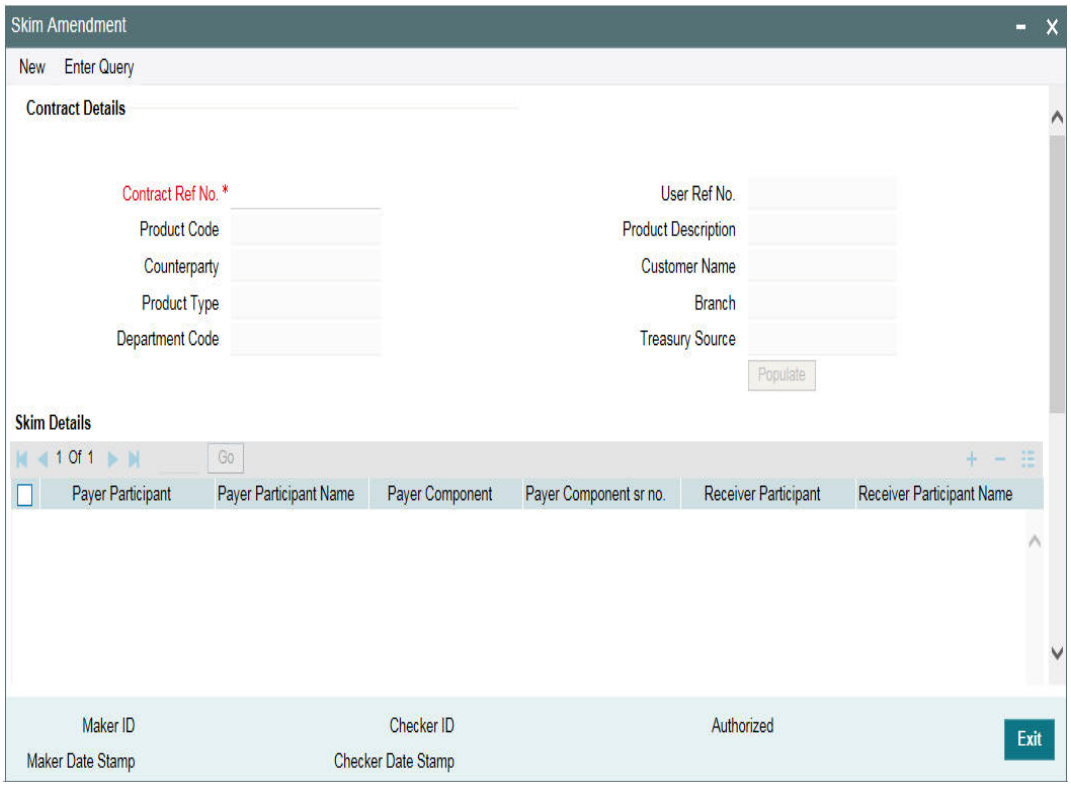
For more information on the ‘Media for Message Generation’ screen, refer the heading ‘Specifying Media for Message Generation’ in this chapter.

6.3 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.

You can invoke the ‘Amending Drawdown SKIM Details’ screen by typing ‘LBDSKMAM’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

Note

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:

1. Add a new combination of Payer and Receiver Participants. The option list displays the participants selected for the drawdown. When you select a ‘Payer Participant’ or ‘Receiver Participant’, the corresponding name and component are also displayed. The system displays the number of times you select the participant for a combination. However, you cannot repeat a combination of Payer and Receiver

2. Specify the value date when the amendment should be applied to the drawdown. This date should not be earlier that the drawdown value date or later than the drawdown maturity date.
3. Specify the Skim rate for the combinations maintained for the drawdown
4. The details 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 is 'Unauthorized' after an amendment. The same gets 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.

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 are displayed here:

- Payer Participant and Receiver Participant
- Value Date
- Skim Rate
- Event Sequence Number: Indicates 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).

In addition, 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.

Note

You can reverse a payment of a payable/receivable by clicking the 'Reverse' option . This option is enabled only if you access the above screen directly from the Application Browser (to do this, you need to choose **LB Operations** and double-click on the **Payment** option under **Receivable Payable**).

6.3.1 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 processes the payments meant for trading through the 'Payment Browser' screen. The payments that are 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

6.4 Processing Future Value Dated Payments

Oracle Banking Corporate Lending 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

– System does not allow you to reverse FDLIQD event if there is an underlying re-price which is 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.

6.5 Processing Revaluation of Drawdowns

When you initiate a new drawdown, Oracle Banking Corporate Lending checks whether revaluation is applicable for the drawdown. If selected, it arrives 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 again does 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, is used for revaluation. System uses this rate to convert the amount in the drawdown currency into its equivalent in the tranche currency.

Note

- 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 revaluates 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.

6.6 Allowing Back Valued Activities on a Drawdown Beyond the Trade Date

Oracle Banking Corporate Lending 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

- 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:

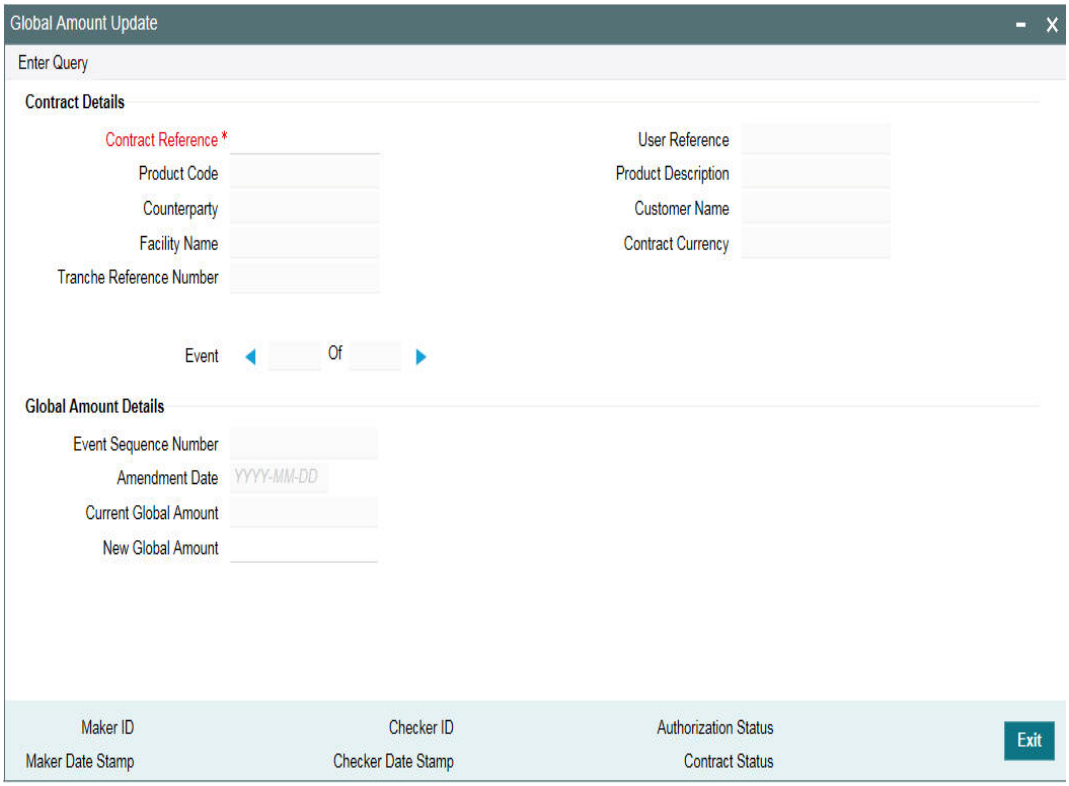
- When a drawdown is initiated beyond the last trade date, system triggers a Participant Ratio Amendment (PRAM) event for each of the PRAM event at the tranche level, so that the new drawdown have all the ratio changes that have happened in the tranches since the value date of the drawdown.
- In case 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.

6.7 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'.

You can invoke the ‘Global Amount Update’ screen by typing ‘LBDGLAMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 want 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 Drawdow***n***, 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***.***

6.7.1 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

6.7.2 Global Amount for Drawdown

Note

The following for the global amount for drawdown:

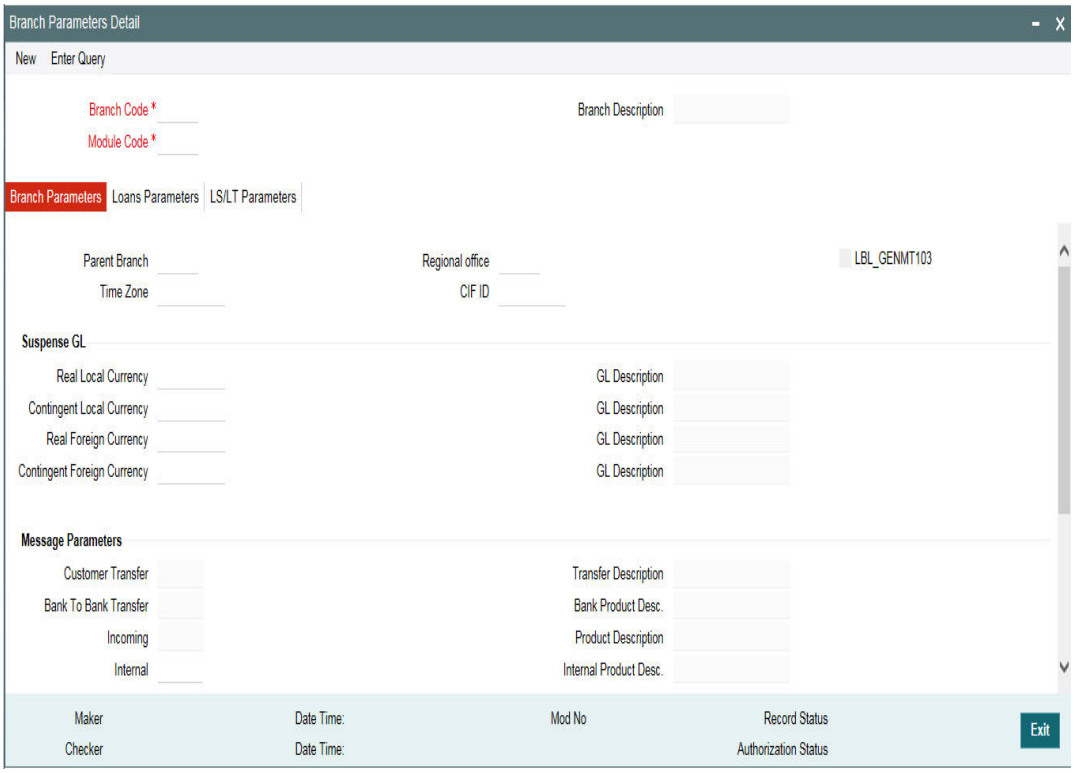
- Global Drawdown Amount is always specified in Drawdown currency
- Global Drawdown Amount is available for input only for non-lead drawdowns and if the corresponding Tranche has ‘Cascade Participation’ set to ‘No’
- Global Drawdown Amount is computed and populated during new drawdown booking based on the Tranche Amount, Global Tranche Amount and Drawdown Amounts.
- Global Drawdown Amount is computed as (Global Tranche Amount / Tranche Amount) * Drawdown Amount
- The Tranche Amount is computed as (Tranche Available + Drawdowns Outstanding)
- Global Drawdown Amount is not 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 is 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 is not available for update during drawdown amendments
- The GAMD event fires 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.

6.8 Processing Participant Contracts

When you ‘BOOK’ a borrower tranche, the system creates the related participant contracts. It picks 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 picks up the participant drawdown product to create the participant drawdowns. The contract uses 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'(OLDBRMNT) screen.



6.8.1 Processing in the 'Online' Mode

If the 'Participant Process' mode is set to 'Online' for your branch, the system automatically processes 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' is displayed as 'Processed'.

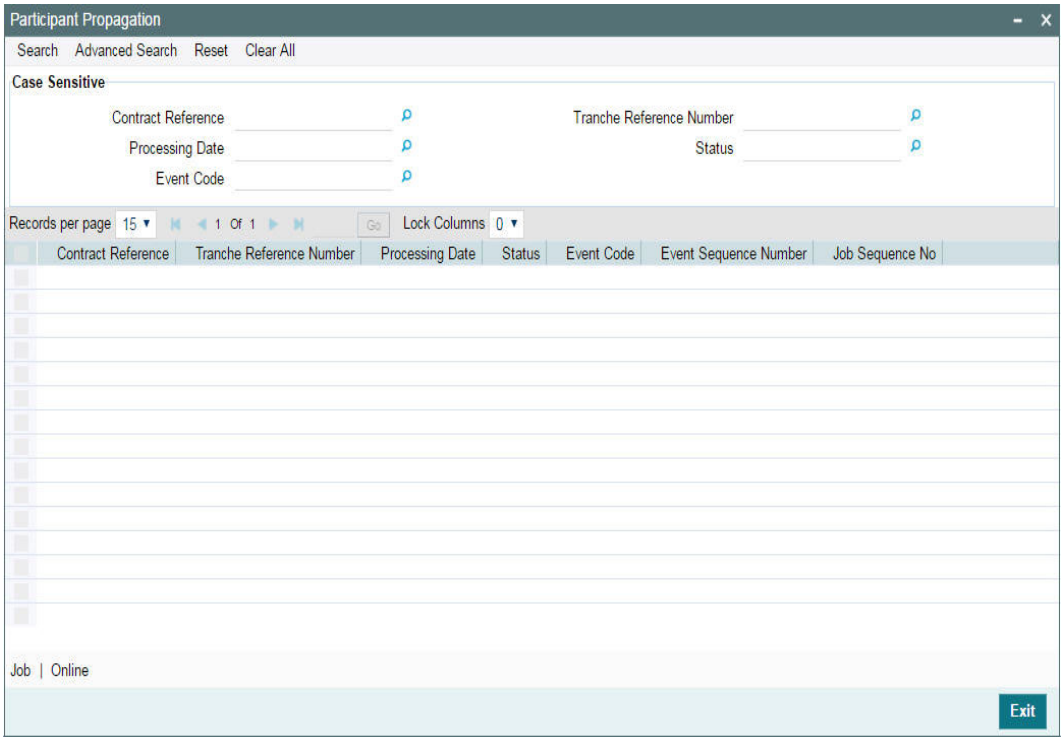
You can also view the details of borrower and participant contracts processed in Oracle Banking Corporate Lending in the 'JOB PROCESS STATUS' screen.

For more details on the above screen, refer the heading 'Viewing borrower/ participant contract processing status' in this chapter.

6.8.2 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 picks 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 Propagation’ (LBSPPROP)screen.



The ‘Job Status’ is ‘Job’. When you click the ‘Start Job’ button, the Background Job gets initiated in Oracle Banking Corporate Lending. 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) displays any one of the following statuses:

- Work in Progress
- Unprocessed

The status gets updated when the Background Job processes the participant contracts. After processing, the status reads ‘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 ‘Stop Job’ button in the ‘Participants Jobs’ screen.

You can also view the details of borrower and participant contracts processed in Oracle Banking Corporate Lending in the ‘JOB PROCESS STATUS’ screen.

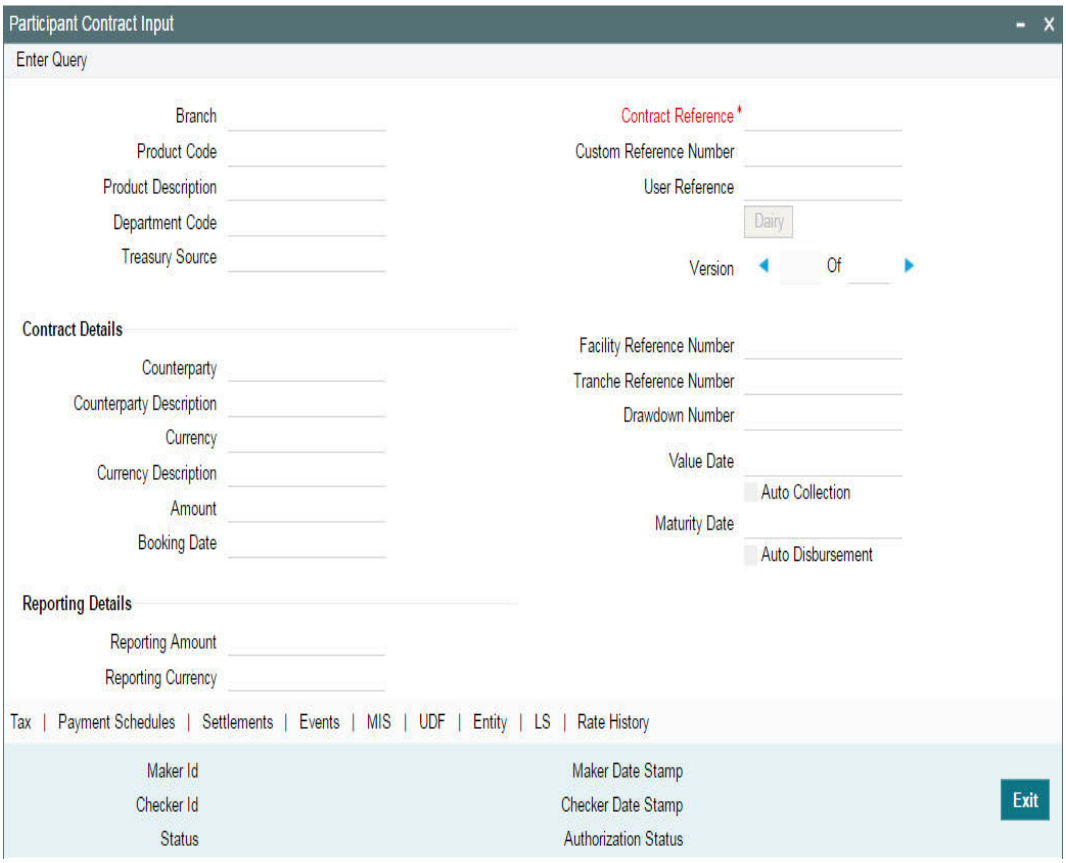
For more details on the above screen, refer the heading ‘Viewing borrower/ participant contract processing status’ in this chapter.

6.9 Loans Syndication – Participant Contract Online screen

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.

You can invoke the 'Participant Contract Input’ screen by typing ‘LPDCOMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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
Entity	Click this tab to view the entities defined for the participants, defaulted from the participant details in the parent borrower tranche or drawdown.
Settlements	Click this tab to view the settlement details for the participant, defaulted from the SSI Mnemonic selected for the participant in the borrower tranche.
MIS	Click this tab to view the MIS details for the contract, defaulted from the participant details in the parent borrower tranche or drawdown.
UDF	Click this tab to view the User Defined Fields (UDFs) for the contract, defaulted from the participant details in the parent borrower tranche or drawdown.
Tax	Click this tab to view the 'Participant Tax Details' screen.
Payment Schedule	Click this tab to view the payment schedule details.
Rate History	Click this tab to view the participant margin rate history.
Diary	Click this tab to view the diary events defined for the participant contract, defaulted from the parent borrower tranche or drawdown.
Events	Click this tab to invoke the 'Event Log Details' screen. Here, you can view the accounting entries for each event and the overrides encountered, if any.
LB	Click this tab to view the syndication details

6.9.1 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, select Unlock from the menu to unlock the contract for making the amendment.

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

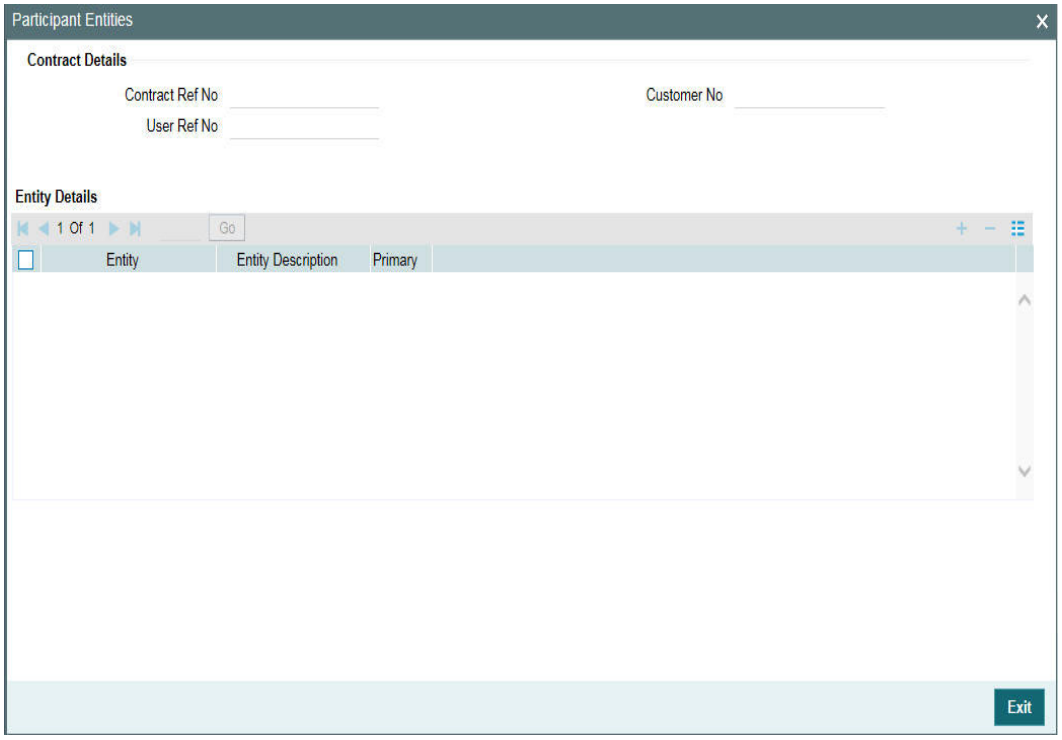
This option indicates whether the amount repaid by the borrower must be disbursed automatically. The specification made in the preferences for the participant facility, tranche or drawdown product used by the participant contract is displayed here. You can change it, if required.

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.

6.9.2 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 'Entity' tab to invoke this screen.

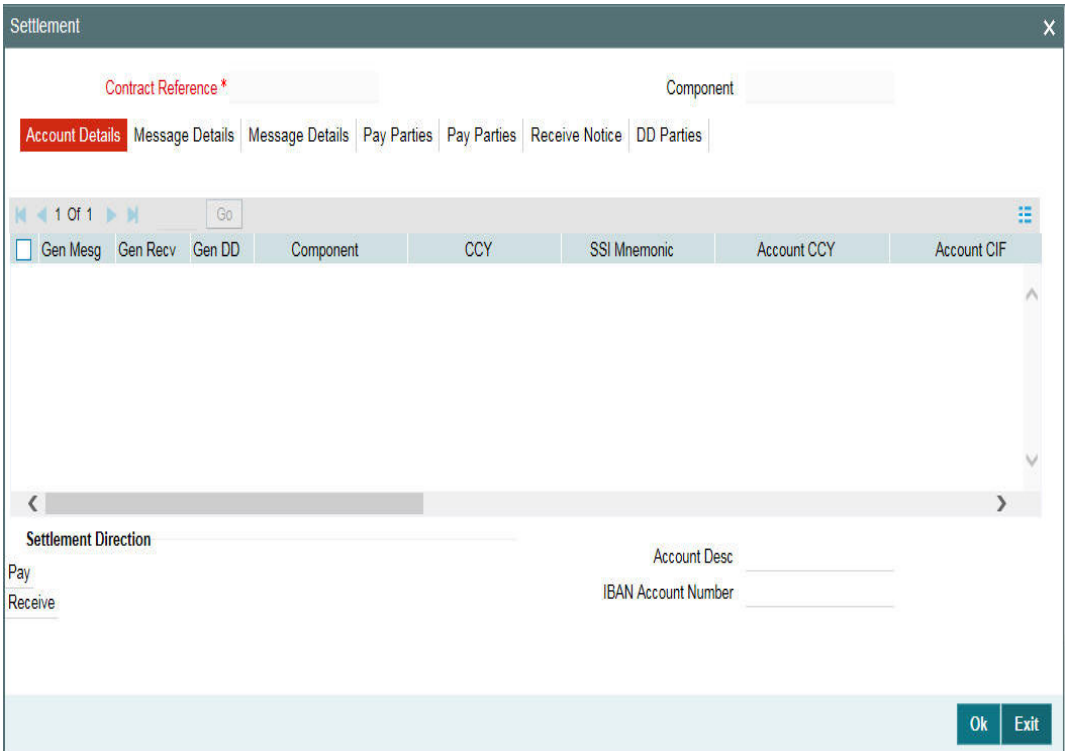


You can add or delete entities and also assign a different primary entity for the participant, if required. You can view the position identifier description in case the participant is self participant.

For more details on the options available in this screen, refer the heading ‘Specifying drawdown entity details’ in this chapter.

6.9.3 Viewing Settlement Instructions for the Participant

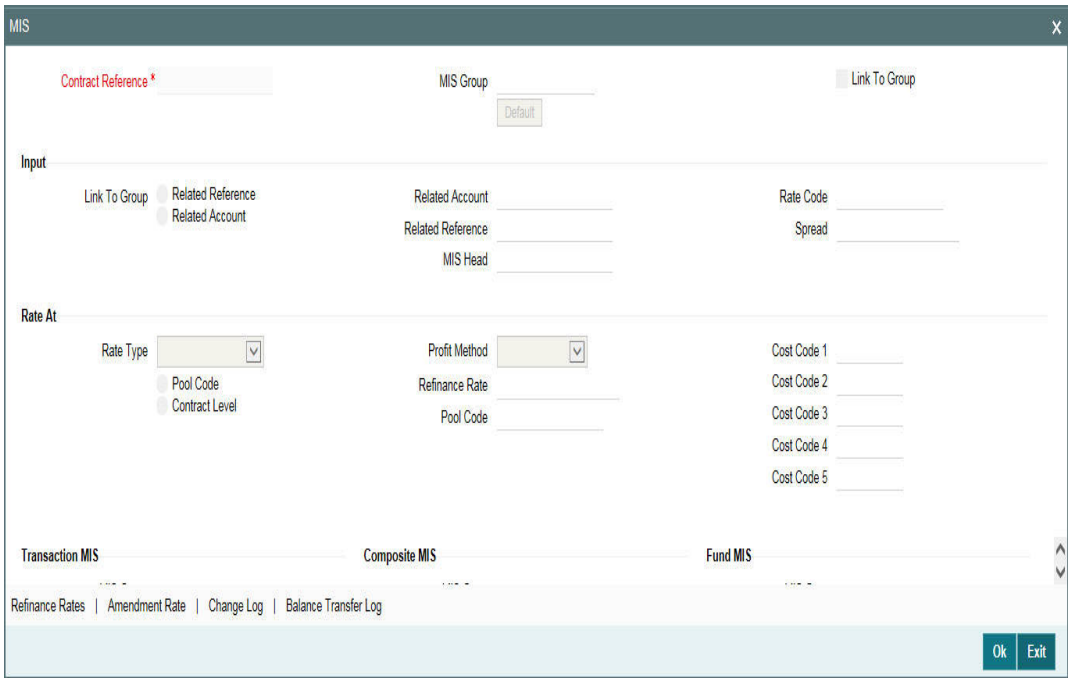
You can view the settlement instructions for the contract in the ‘Settlement Message Details’ screen. Click the ‘Settlements’ tab to view the details. The details are defaulted based on the SSI Mnemonic selected for the participant in the borrower tranche/drawdown.



For more details about the 'Settlement Message Details' screen, refer the Settlements User Manual.

6.9.4 Viewing Participant MIS Details

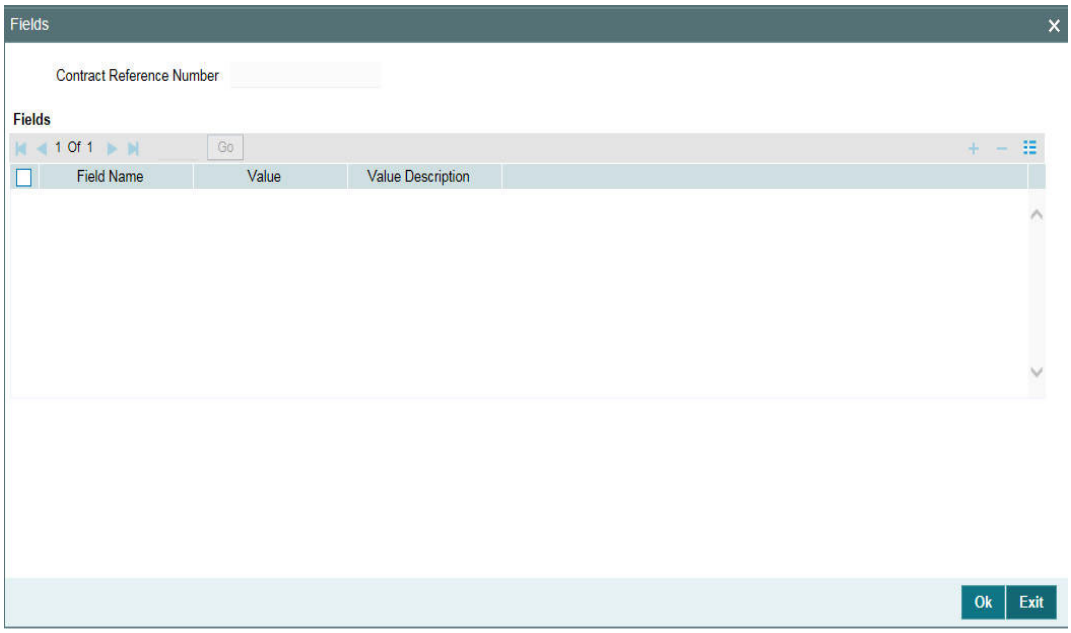
If you have maintained MIS details for the participant tranche/drawdown product, the same will default to the participant tranche/drawdown. To view the details, click the 'MIS' tab.



For details on the 'Transaction MIS Details' *screen, refer the MIS User Manual.*

6.9.5 Viewing UDF Values for the Participant Contract

The UDFs defined for the participant product is applied for contracts processed under it. You can view the UDFs and its values, if applicable, in the ‘User Defined Fields’ screen. Click the ’UDF’ to invoke this screen.

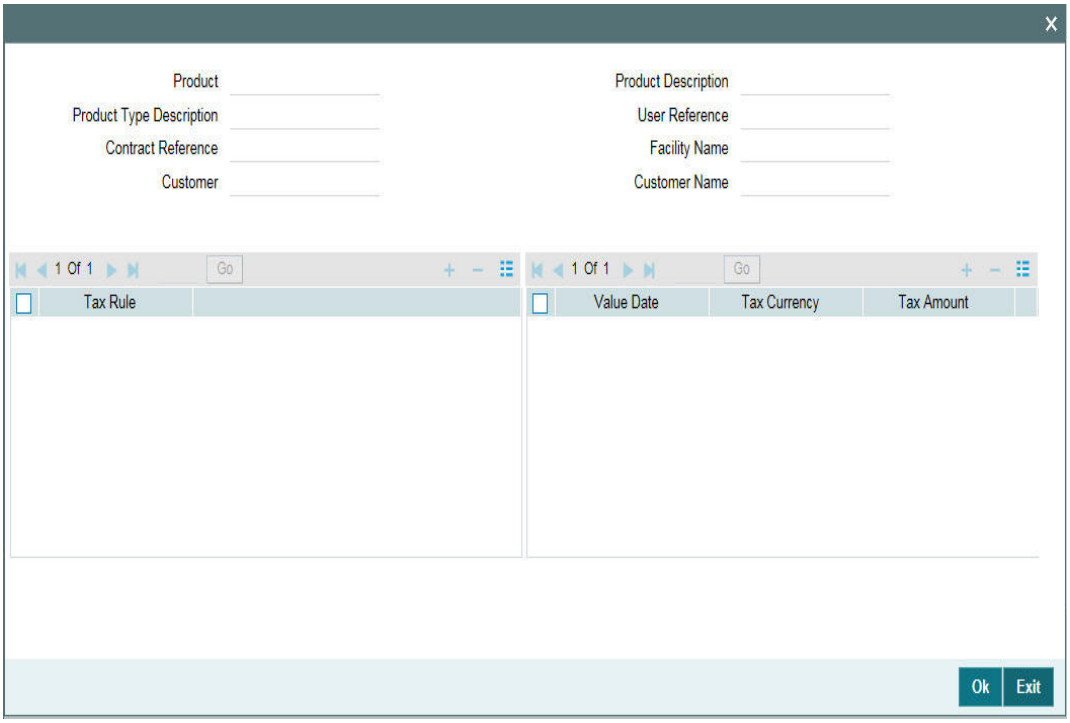


For more details on the above screen, refer the UDF (User Defined Fields) User Manual.

6.9.6 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 is become applicable to the contract. You can view the tax details for the contract in the ‘Tax Details’ screen.

Click the ‘Tax’ tab to invoke the screen.



The following details are displayed in this screen:

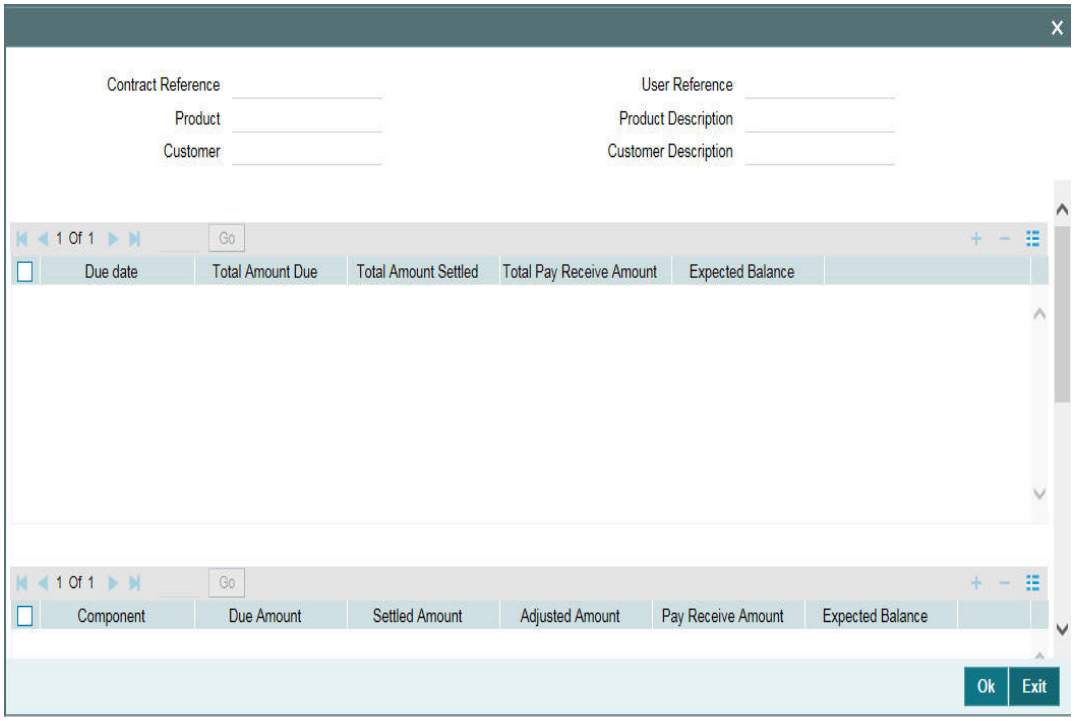
- Tax Rules associated with the product
- Value date for tax computation
- Tax Currency
- Tax Amount
- Position identifier description in case the participant is self participant

For details on maintaining tax rules and schemes, refer the Tax User Manual.

6.9.7 Viewing participant payment schedules

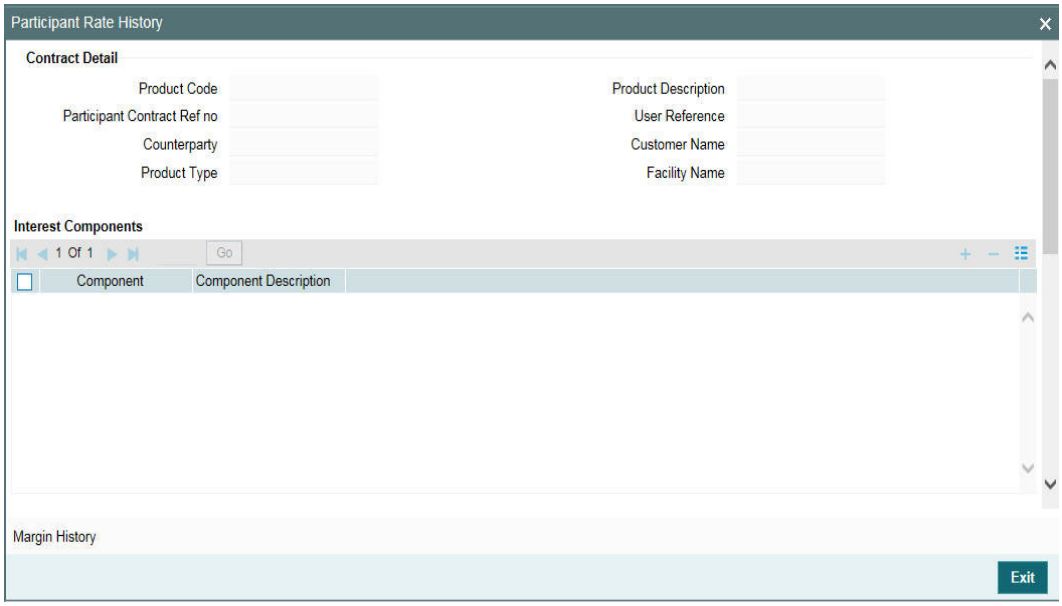
Based on the payment schedules captured for the components due to the participants (Interest, Fee, Skim, and so on), Oracle Banking Corporate Lending computes the schedules and the amount payable for each schedule in the ‘Payment Schedule Details’ screen. You can view the position identifier description in case the participant is self participant.

To view the details, click the ’Payment Schedule’.



6.9.8 Viewing Rates History

To view the margin rate history, click the ‘Rate History’ tab. The ‘Rates History’ screen is displayed, as shown below:



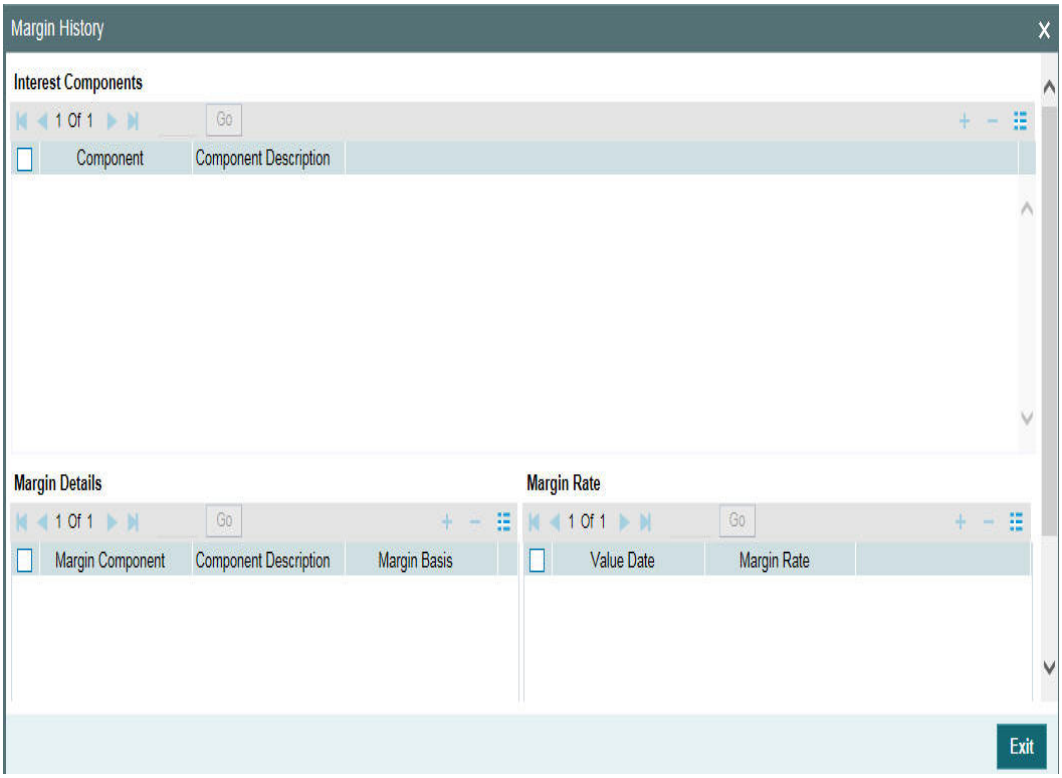
The following details are displayed on this screen.

- 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

6.9.8.1 Viewing Margin History

You can view the participant's margin details that are applicable for the contract, by clicking the 'Margin History'. The 'Rates History' screen is displayed, as shown below:



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

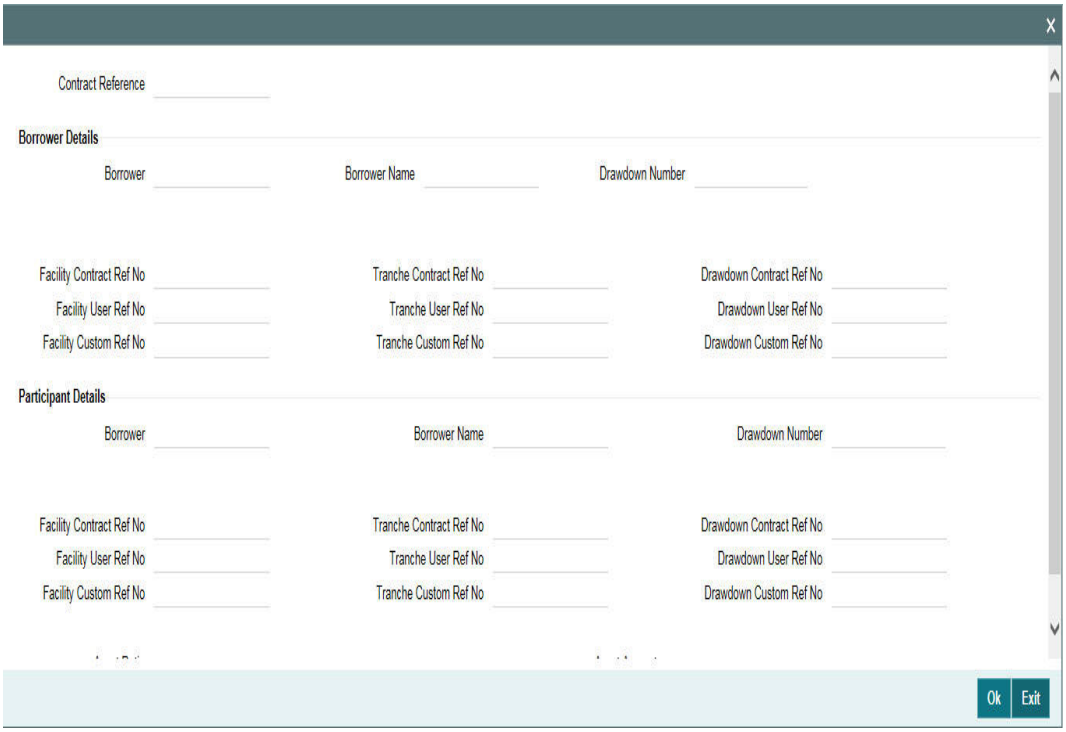
Margin Rates

The system displays the following margin rate details.

- Value Date
- Margin Rate
- Final Rate

6.9.9 Viewing the Syndication Details

To view the details of the syndication, click the 'LB' tab. The 'Syndication Details' screen is displayed, as shown below:



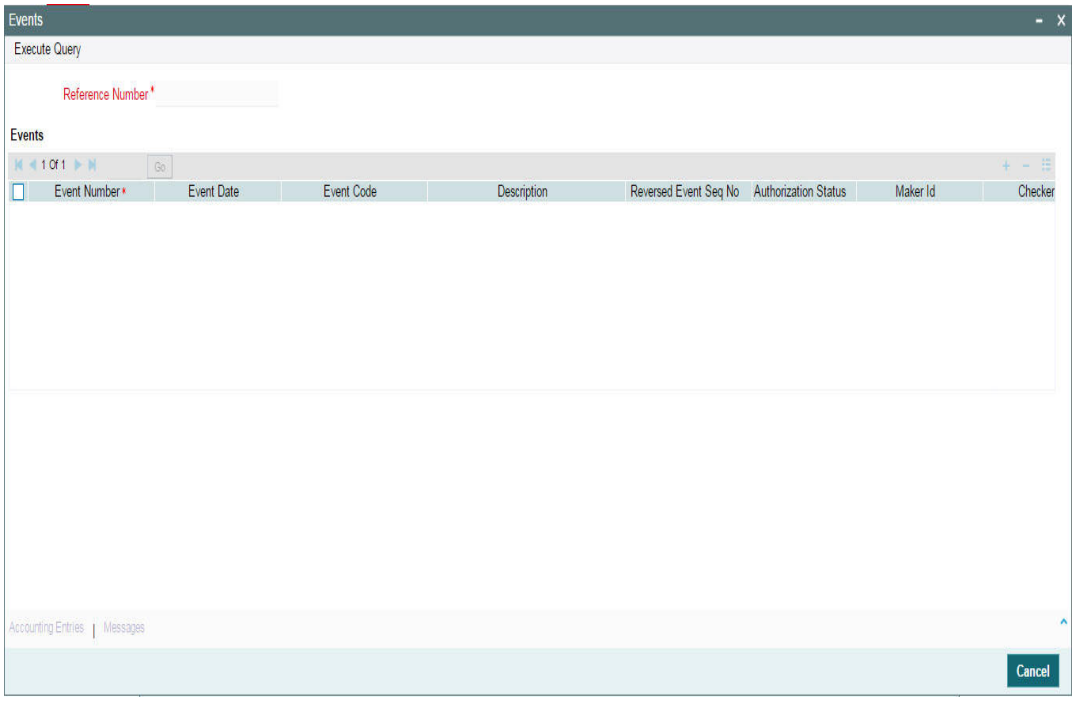
In this screen, you can view the reference numbers of contracts created both for the borrower and the participant involved in the syndication.

After you save the contract, you can view the following details of the contract:

- Events

6.9.10 Viewing Events for the Participant Contract

You can view the events triggered during the contract life cycle in the 'Event Log Details' screen. To invoke this screen, click the 'Events' tab. The events defined for the participant tranche/drawdown/facility product will be triggered for the contract.



For details on the above screen, refer the heading 'Viewing events for the facility' in this chapter.

6.9.11 ELCM Block Details

You can use the 'Contract Block Details' screen for viewing blocked funds of facility, liability, collateral, and collateral pool. For more information, refer to *ELCM Block Details* sub-section available in *Loan Syndication Contracts - Part 1* section.

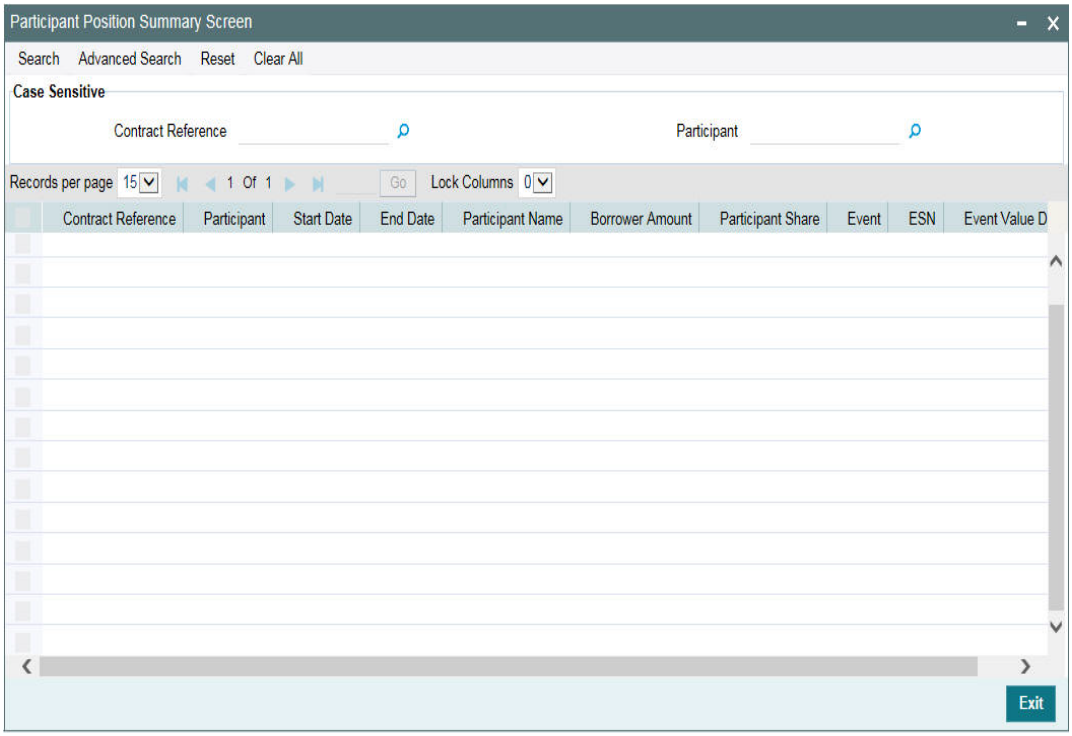
6.9.12 Viewing Messages using Message Preview

For more information on message preview, refer to 'Viewing Messages using Message Preview' section, 'Loan Syndication Contracts - Part 1' chapter.

6.10 Participant Position Summary

You can view the participant position summary in the Participant Position Summary screen.

You can invoke the 'Participant Position Summary' screen by typing 'LBSPTPSN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

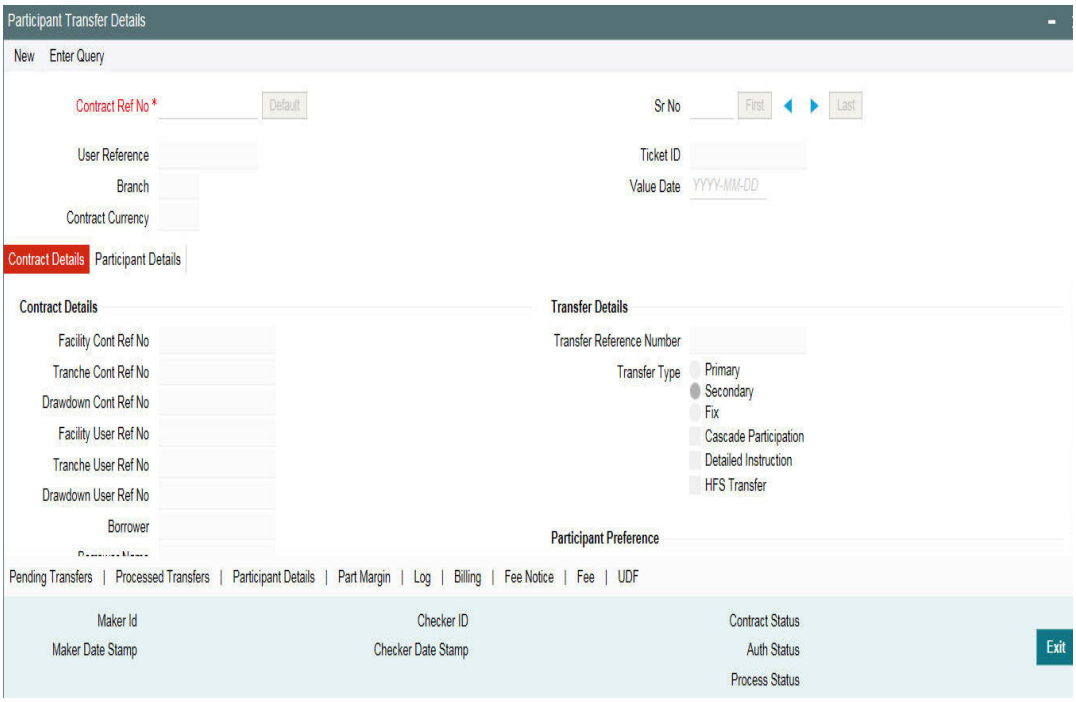
The following fields are displayed in this screen

- Contract Reference Number
- Participant Id
- Start Date
- End Date
- Partcipant 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.

6.11 Transferring Participant Assets

If you want to make changes in the asset ratio of participants for a borrower tranche or drawdown, use the ‘Participant Transfer Details’ screen. You can invoke the ‘Participant Transfer Details’ screen by typing ‘LBDPTFR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The specification for ‘Cascade Participation’ (whether checked or not) defaults from the contract . When you execute a participant transfer at the tranche level and the ‘Cascade Participation’ option is selected for the tranche, the impact of the transfer automatically affects all the drawdowns under the tranche. However, if the option is not selected, you are required to update the underlying drawdowns manually. In this case, only new drawdowns, processed subsequent to the transfer will reflect the changes.

When you specify the transfer percentage for a transfer instruction, the system arrives at the transfer amount based on the existing actual balance as on the value date of the instruction. In this case, it does not consider the impact of the unauthorized PRAM instructions. You cannot authorize a transfer instruction if there are other unauthorized events like CAMD, LIQD, and so on 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 is equal to the value date of the forward dated drawdown. 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 cannot 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. In addition, 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’ check box is selected 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 details on participant transfer for sighting funds enabled tranches, refer section 'Participation Transfer for Sighting Funds' in this User Manual.

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.

Oracle Banking Corporate Lending 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 results 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.

Note

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 Tranche/Drawdown contract

Addition of new participant is allowed from a facility and is 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 Banking Corporate Lending 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 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 are 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 FDPRAM exists along with other

unauthorized current/back dated PRAM instructions, authorizationis allowed for the earliest instruction based on the value date.

Note

- 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 FDPRAM.
- If a P+I rollover instruction is present, you cannot capture future dated Participant Transfer instructions.
- Interest capitalization is not 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.

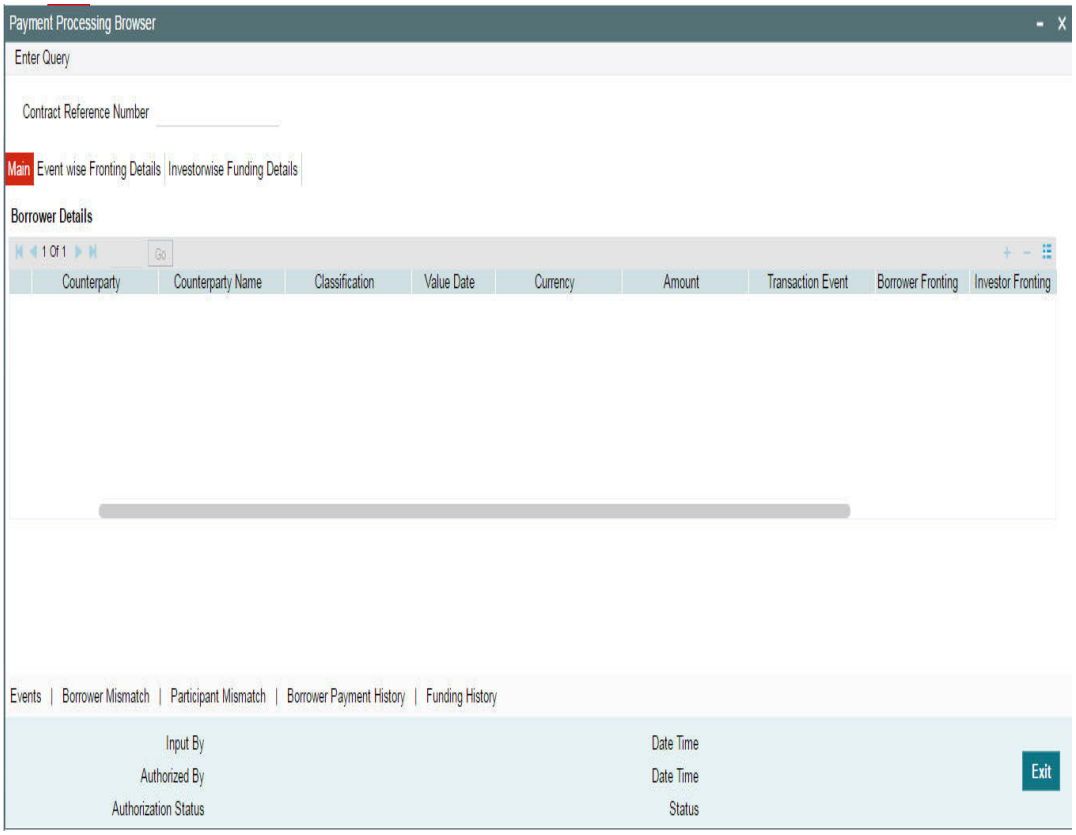
6.12 Processing Sighting Fund Rollover/Reprice

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

6.12.1 Participant Transfer for Sighting Funds

In the ‘Payment Processing Browser’ (LBDMTPRC) 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.

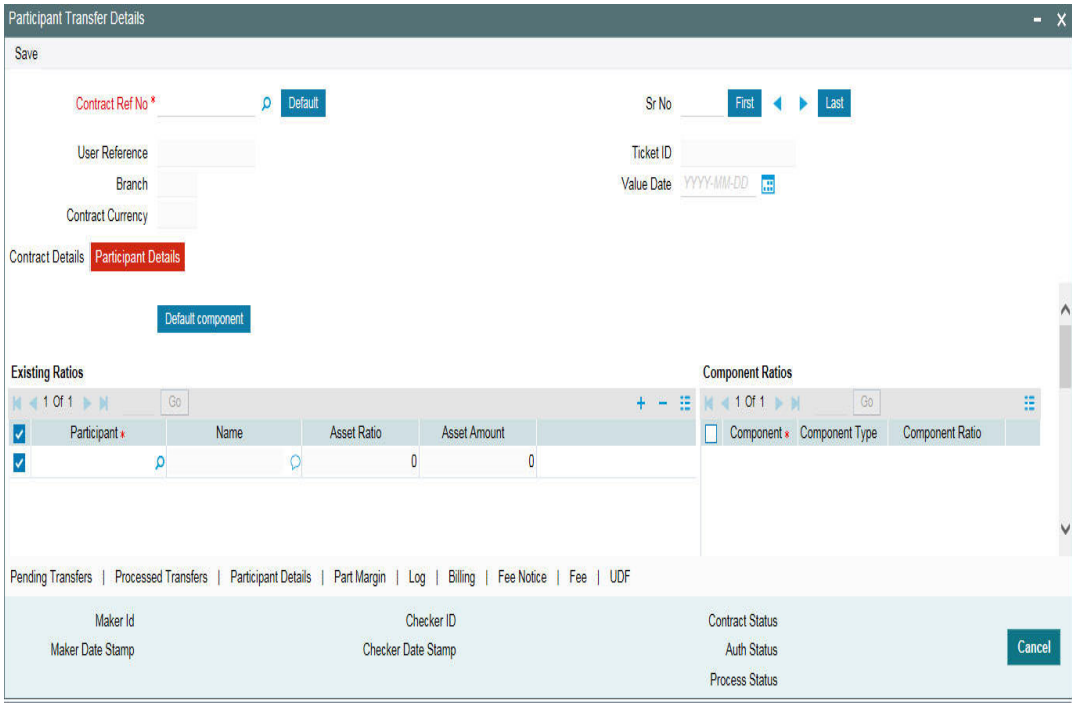
6.12.2 Transferring assets between existing participants

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.

1. Enter the Contract Reference Number. You can either enter or select from the option list.

2. Click ‘Default’ button.The system defaults the contract details.
3. Click ‘Transfer Details’ tab

You can either click ‘Add Row or ‘Delete Row’ to add or delete participants. The ‘Participant Selection’ screen is displayed.



In this screen, you can view the existing participants of the contract.

The ‘Participant Transfer Details’ screen displays 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 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:

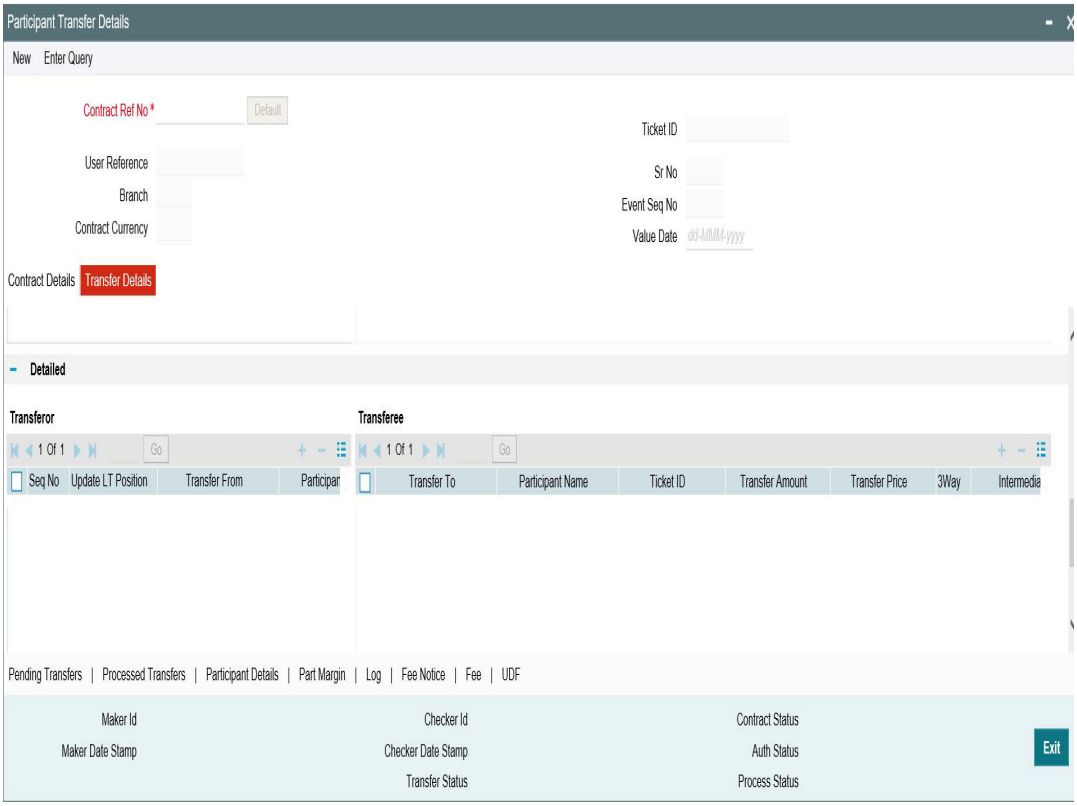
- You select a participant as a transferor only once
- You can select a participant as a transferee multiple times but under different transferors
- You can select a participant as a transferor as well as a transferee for a different transferor
- The transfer ratio is applied on the eligibility amount 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.

6.12.2.1 Capturing Detailed Transfer Instructions

To capture individual participant transfer details, check the 'Detailed ' section.

Click Participant Details tab and check the Detailed section



To transfer assets between participants, you have to select the participants from the 'Participant Selection' screen and then specify the following for each:

Transferor/Transfer From

You have to select the participant from whom the asset should be transferred. 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.

Update LT Position

The default value of the 'Update LT Position' is cleared.

You are allowed to select the check box during participant transfer booking.

The 'Update LT Position' is enabled only for the following desks.

- ORIG
- ORIGINATIONS_HFS

- ORIGINATIONS_PRM (New desk)

When a participant transfer is booked with the 'Update LT Position' selected, the system updates the position in the SLT module.

When a participant transfer is booked with the 'Update LT Position' not selected, the system does not update the position in the SLT module.

You are allowed to select the check box, only if the portfolio of either of the transferor or transferee belongs to any of the three desks mentioned above. An internal trade is booked to create/update the LT position.

If both the portfolio of the transferor and transferee belongs to any of the three desks mentioned above, the system updates the position for both the portfolios.

If only one (either the transferor or transferee) belong to any of the three desks mentioned above, the system updates the position for the respective portfolio only. The system does not update the position for the latter one.

Transferee/Transfer To

You have to select the participant who is receiving the transfer amount. Click 'Add Row' button to enable the selection of a transferee. 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 'Delete Row' button. However, atleast one transferee is mandatory for a transferor.

Transfer Amount

If you specify the transfer amount, the system computes 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 transfere 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 goes with the Participant Tranche contract Reference number. Accounting Entries and messages for the ledger Entries goes 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

- At the tranche level, the system considers 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 considers the available amount + outstanding amount for validating the transfer amount.
- At the drawdown level, the system considers the outstanding amount for validating the transfer amount.
-

Click ‘Add Row’ button to select the next transferor from the option list provided.

After specifying the changes, click ‘Save’ button to confirm the transfer details. The system arrives at the net of the transferor/transferee amount for each participant and you can view it in the ‘Consolidated’ tab of the screen.

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?’

The following details the updated:

- Asset ratio for the participants
- Outstanding amount for the participants
- New asset amount for the transferor

6.12.2.2 Capturing Consolidated Transfer Instructions

Select the name of the participants between whom you want to asset transfer 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).

Note

The sum of the transfer amount across all participants should be zero.

While maintaining the consolidated transfer instruction, you cannot visit the ‘Detailed’ section of the screen. The system displays the following error message:

Transfer Instruction Type is consolidated. Cannot enter detailed transfer instructions.

Click ‘Save’ to save the transfer details.

6.12.2.3 Capturing LOR (Lendor Of Record) Adjustments

In ‘LOR Adjustment’ section displays the till date accrual amount between the last liquidation date and settlement date component-wise for the funded amount portion for all to the drawdowns. 'Settle Accrued Interest' is optional during participant transfer.

For information on accounting entries, refer to 'Accounting Entries for LOR' section.

6.12.2.4 Capturing Transfer Fee Details

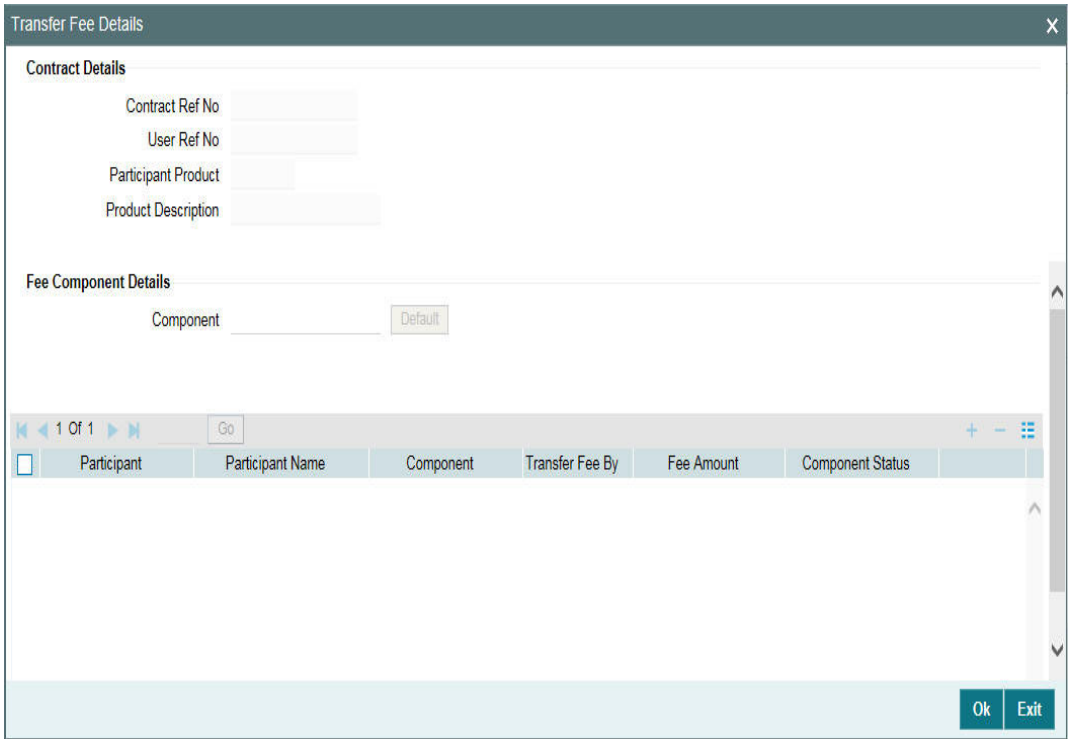
You, as the lead agency, have the option to collect transfer fee for the asset transfer between participants. The fee can be charged to both the transferor and the transferee.

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 ‘Fee’ tab to invoke this screen.



You can capture the following transfer fee details in this screen:

Component

The applicable fee components defined for the participant product is 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 is ‘Active’. May change to ‘Reversed’ or ‘Liquidated’, as the case may be.

Fee Amount

Specify the amount to be collected as fee. The fee is expressed in the contract currency. This is collected as one time fee and hence requires no schedule definition.

Click ‘Ok’ button to save and exit the screen.

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

Note

Ledger entries at the Drawdown level get posted only for the Primary Syndication transfers and not for the Secondary Transfers.

6.12.2.5 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 PRAMs

The system maintains a sequence in which the transactions (PRAMs) are booked.

Authorizing multiple PRAMs under a tranche/drawdown

Oracle Banking Corporate Lending authorizes a transaction only if the earlier PRAMs are authorized.

During authorization of the Participant Ratio Amendment, Oracle Banking Corporate Lending revalidates the tranche availability and if the same is not sufficient to process the transfer, the authorization fails. The system displays an error message to indicate the same.

The PRAM event is triggered only upon successful authorization of the transaction.

Note

– After you authorize the amendment/transfer, the system amends the corresponding facility, tranche or drawdown and it also applies the ratio changes to the relevant participant. The ‘PRAM’ event is 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 is 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'

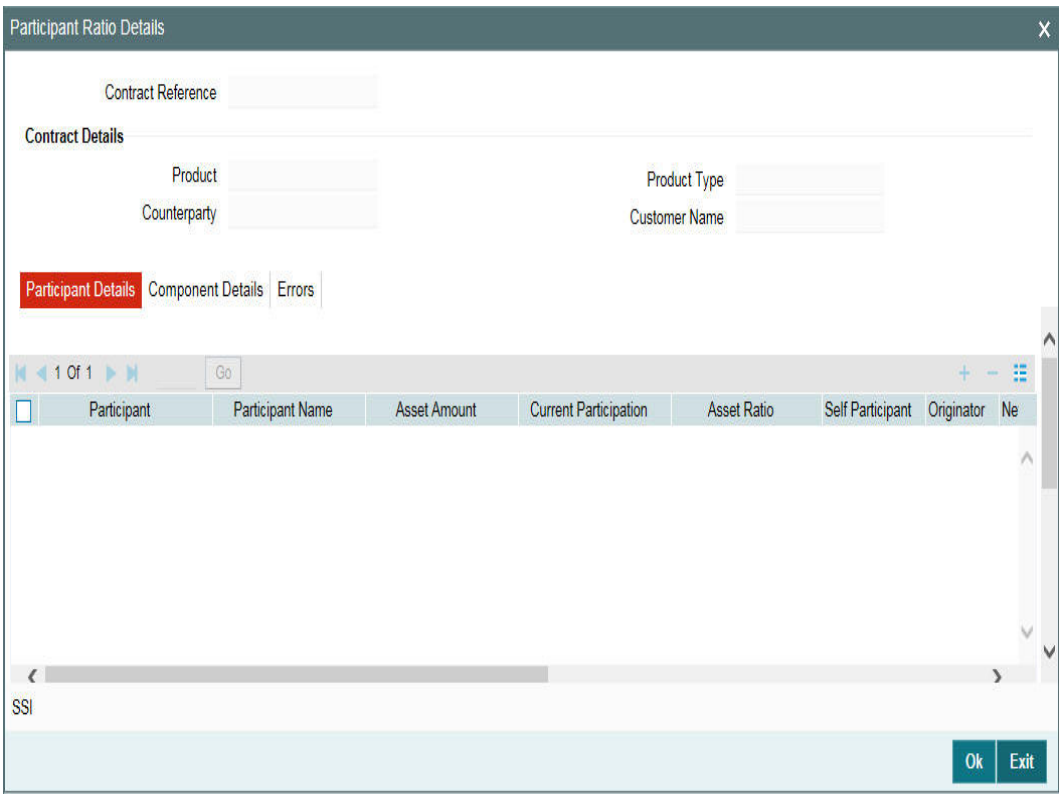
While authorizing the Participant Transfer an override message is thrown if the flag indicating the Transfer is Participant Transfer.

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 is sent to Forward processing browser, if the liquidation mode is Semi Auto.

6.12.2.6 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 'Participation Details' tab from Participant Transfer Details screen (LBDPTFR).



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 referernce number in the 'Participant Transfer Details' screen which is preceded with the Branch code, Product code, and PTFR sequence number.

Note

- 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.

6.12.2.7 Adding a New Participant

To add a new participant

1. Enter the Contract Reference Number. You can either enter or select from the option list.
2. Click 'Default' button.The system defaults the contract details.
3. Click 'Transfer Details' tab
4. Click the 'Add Row' from the 'Existing Ratios' section and click 'Default Components'.

You can define the following:

- Netting Preference
- SSI Mnemonic which the system uses 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.

LMA/LSTA Participation

The following are the list of values in the 'LMA / LSTA Participation' drop-down list.

- LMA Participation
- LSTA Participation
- Non-Standard

You are allowed to select the value during new tranche contract creation. In the drawdown creation screen, the value is defaulted from the tranche contract and you are not allowed to edit the same.

Note

LMA / LSTA participation is applicable only for 'Cascade Participation'.

The default value of 'LMA / LSTA Participation' is 'Non-Standard' during new tranche contract creation. However, you are allowed to manually update the same to 'LMA Participation' / 'LSTA Participation'.

The system validates at the time of clicking 'Ok' button in the participant sub screen if position identifier and portfolio maintenance is present with the 'LMA / LSTA Participation' value selected when you create a tranche contract with the new field value for 'LMA/LSTA Participation'. Appropriate error messages are displayed if the validation is failed.

When the 'LMA / LSTA Participation' value is selected 'Non-Standard' for a participant for whom the 'LMA / LSTA Participation' is selected in the portfolio / position maintenance, the system displays an error message advising 'LMA Participation' is selected at position identifier or portfolio maintenance for $1.LMA/LSTA Participation flag cannot be Non-Standard when self-participation flag is checked for this participant' at the time of save.

You have to either change the value of the field to ‘LMA Participation’ / ‘LSTA Participation’ or clear the ‘Self-Participation’ check box and proceed to save the contract.

The ‘Self Participant’ check box is selected and disabled if the value ‘LMA /LSTA Participation’ is selected.

Note

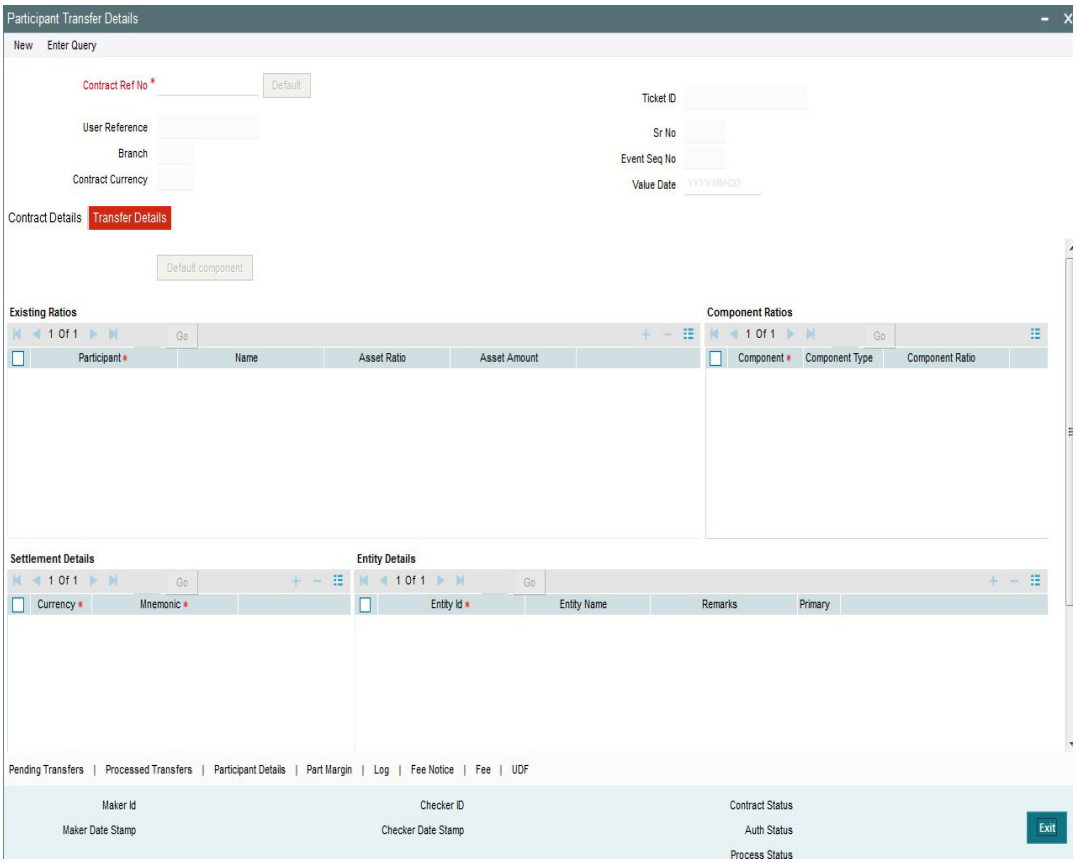
If the value ‘Non-Standard’ is selected , the ‘Self Participant’ check box is cleared and disabled.

The value of the ‘LMA / LSTA Participation’ is not editable during contract amendment.

When you select the value for ‘LMA / LSTA Participation’, there will not be any validations to check if the linked trade contract has the similar value in the field ‘Trade Standard’.

When a participant transfer or value dated amendment is processed for tranche / drawdown contracts with value selected in the ‘LMA / LSTA Participation’, the same value is defaulted to the participant sub-screen in the corresponding tranche and drawdown contracts.

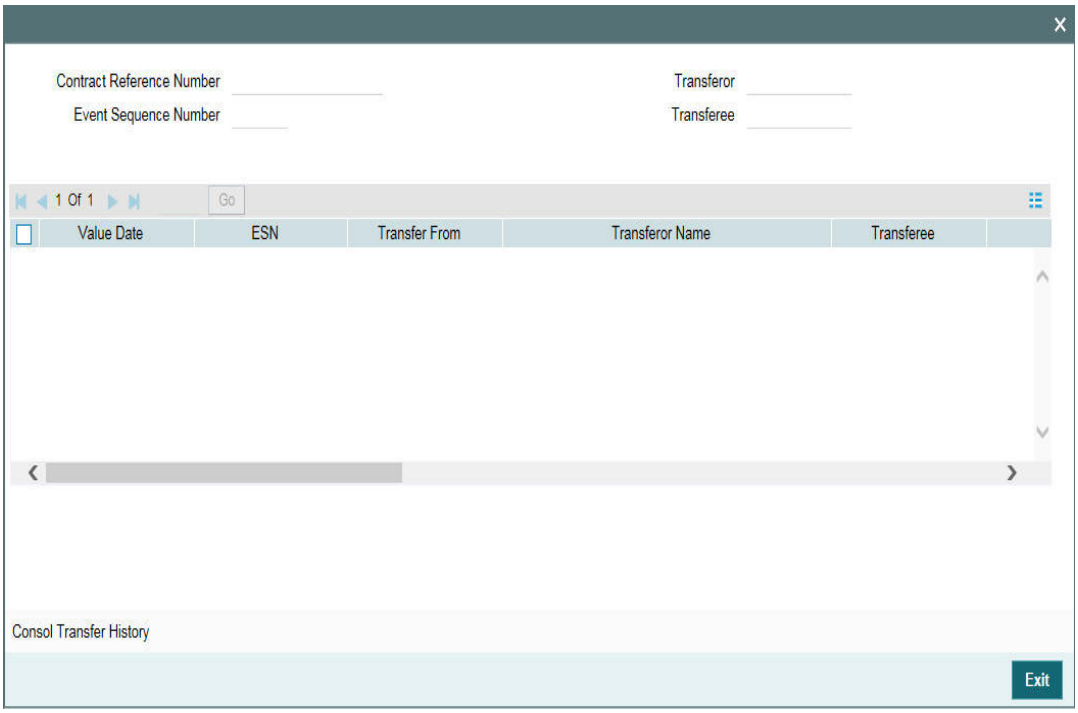
The ‘Participant Transfer Details’ screen looks as shown below:



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.

6.12.2.8 Viewing Details of Processed Transfers

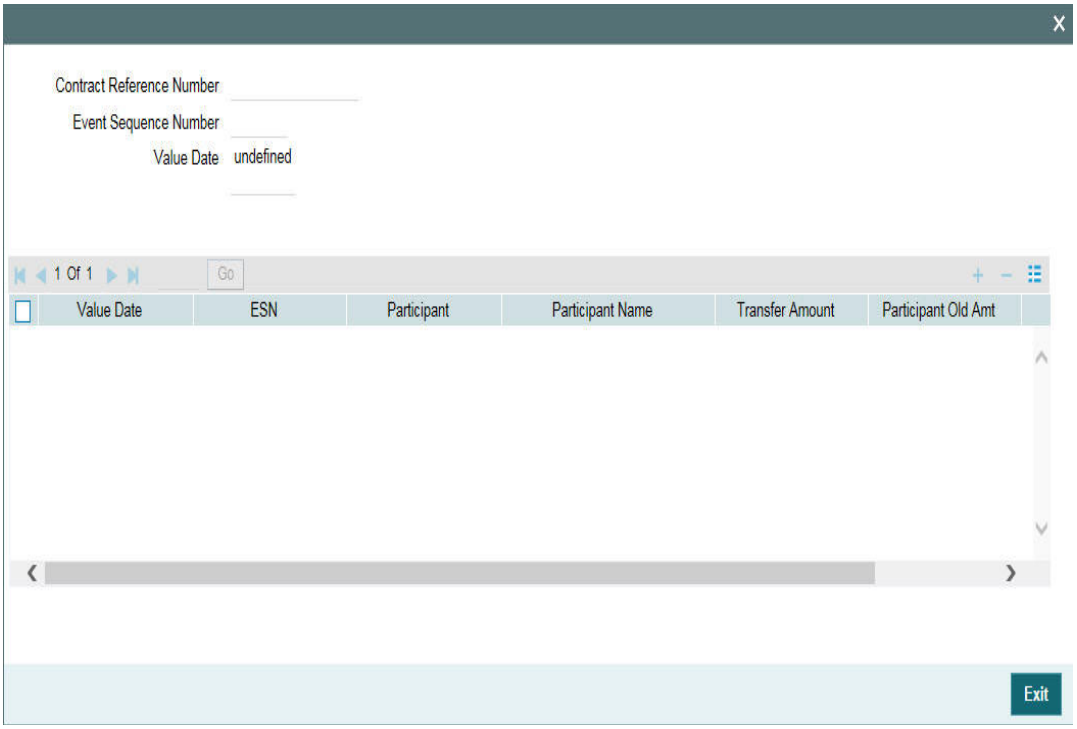
You can view all ‘Detailed’ authorized transfer instructions in the ‘Processed Transfer Details’ screen. To invoke this screen, click ‘Processed Transfer’ tab.



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

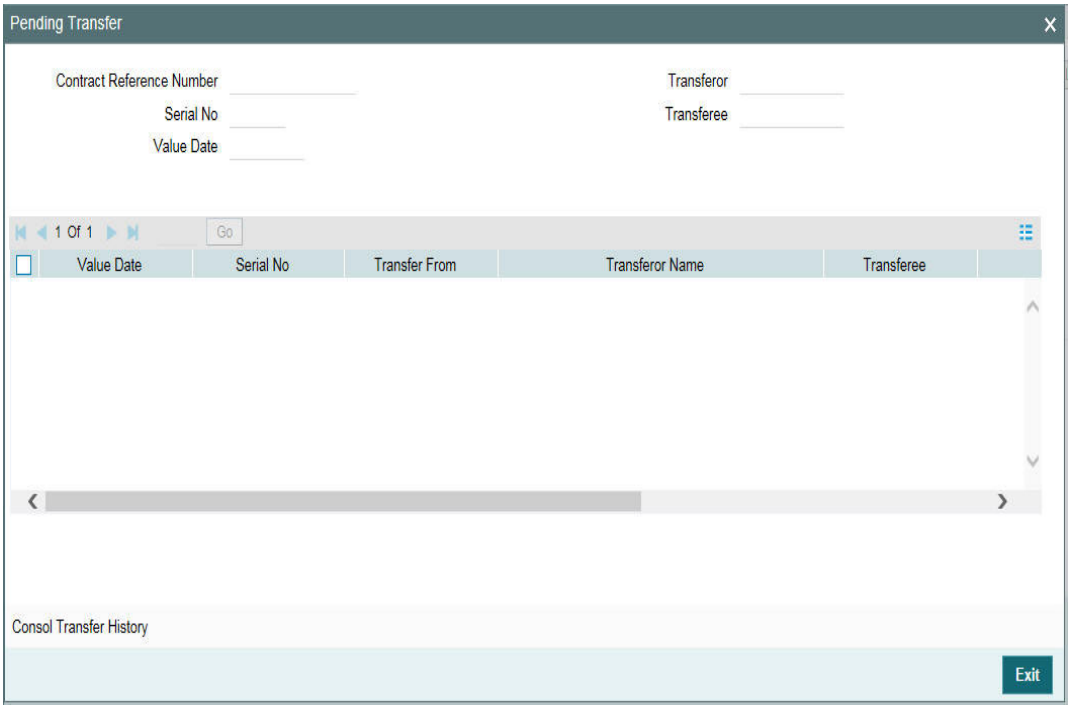
You can also view the net amount transferred from/to each participant (for ‘Consolidated’ transfer instructions) in the ‘Processed Transfers - Consolidated’ screen. To invoke this screen, click ‘Console Transfer History’ button.



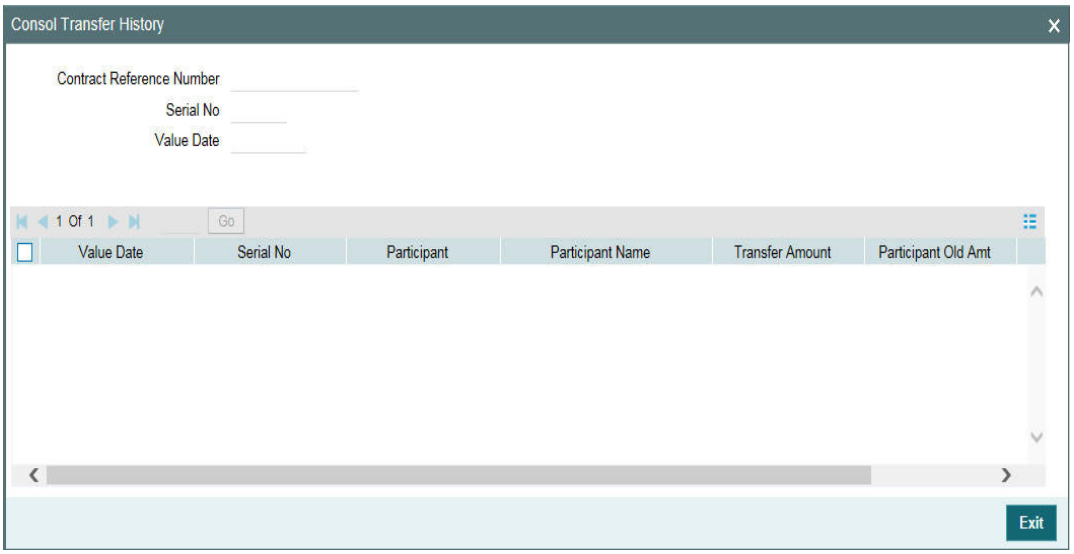
The 'Transfer Amount' with a negative sign indicates that the transfer is 'From' the participant. If the transfer is 'To' the participant, the amount will be shown with a positive sign.

6.12.2.9 Viewing Details of Pending Transfers

You also have the facility to view details of all pending transfer instructions in the 'Pending Transfer' screen. To invoke this screen, you have to click 'Pending Transfer' tab in the 'Participant Transfer Details' screen.



For each pending transfer, you can also view the net amount transferred from/to each participant in the ‘Pending Transfers - Consolidated’ screen. To invoke this screen, click ‘Console Transfer History’ button.



6.12.3 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 ’Part Margin’ tab.

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 ‘Add Row’ and click ‘Default Components’.

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 ‘Delete Row’ button to delete that participant.

Click ‘Ok’ 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.

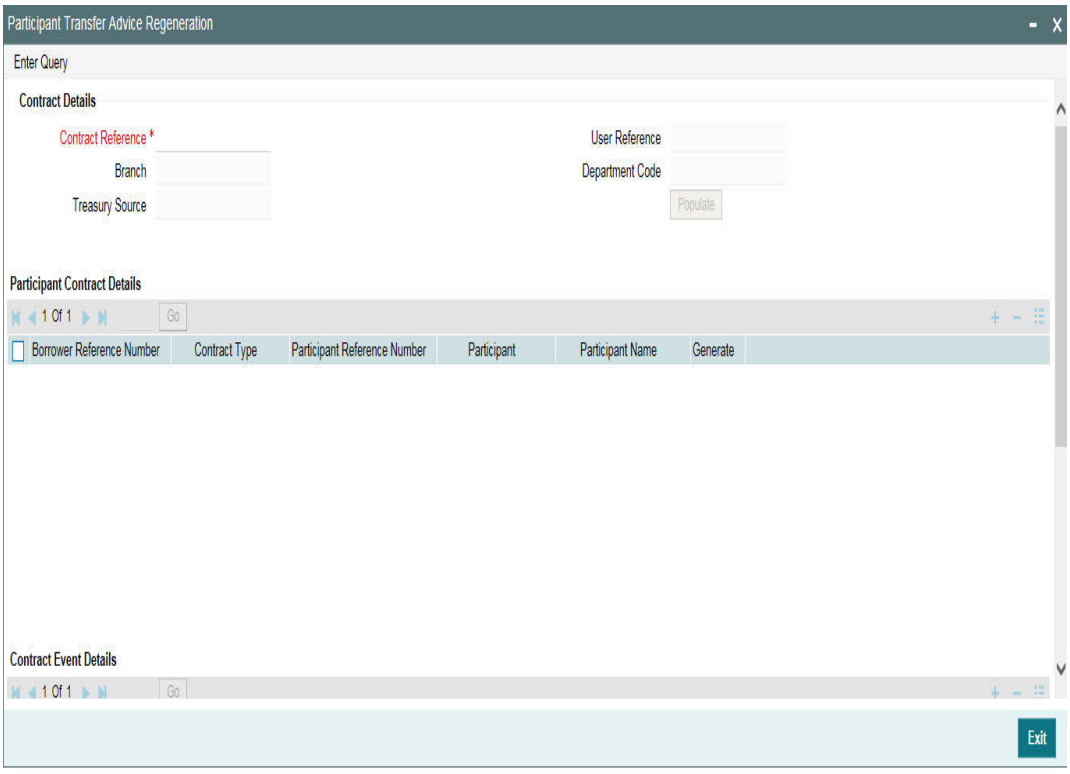
6.12.4 Generating Third Party Faxes

Oracle Banking Corporate Lending 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 'Participant Transfer Advice Regeneration' screen.

You can invoke the 'Participant Transfer Advice Regeneration' screen by typing 'LBDPTADV' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can view the following details here:

- Investor details
- Advices details

Generate

The generate check box is selected for all the investors and the events for regeneration. However, you can also clear the check box.

After the generation of selective advices, the status gets updated to ‘Regenerated’ from pending.

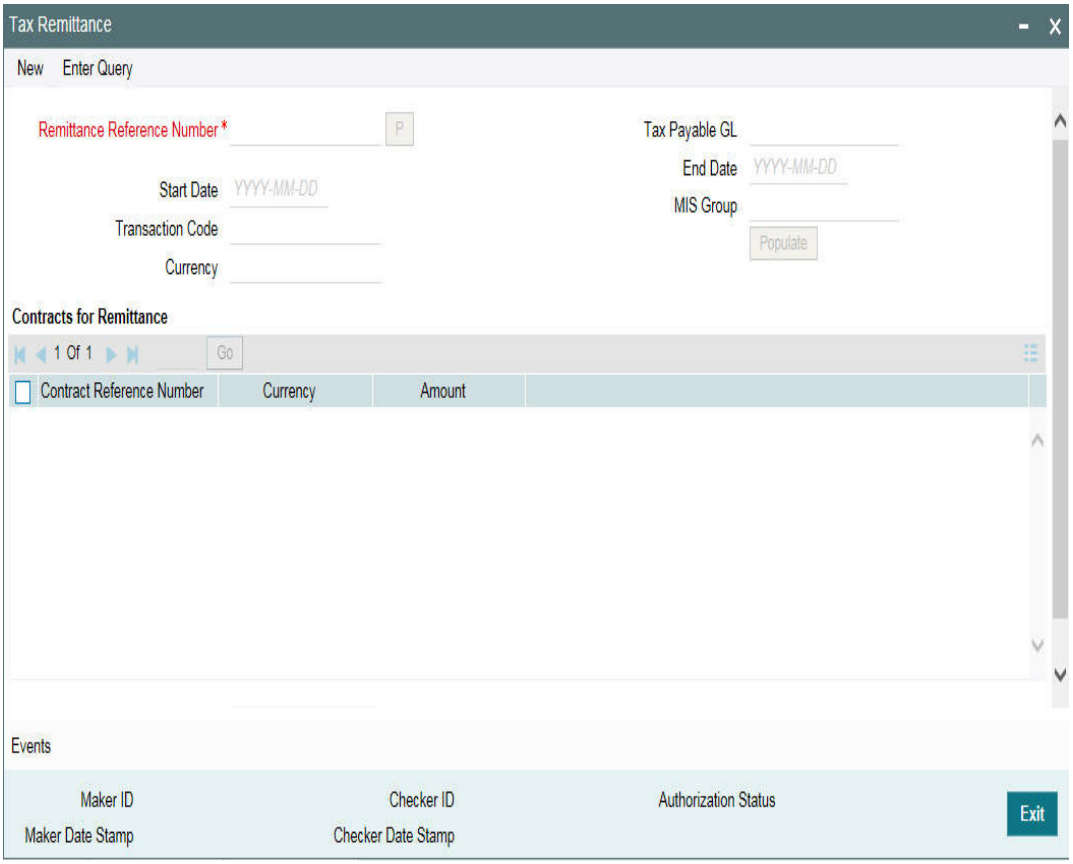
Note

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 re-generated 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.

6.13 Remitting Withheld Tax

Oracle Banking Corporate Lending 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. You can invoke the ‘Tax Remittance’ screen by typing ‘LBDTARMT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Enter the following details:

Remittance Ref No

For any remittance, you need to click 'New' from menu. System generates 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 displays 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 displays 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 are 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.

Note

System does not post accounting entries or fire events after remitting tax for any LB 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 displays 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

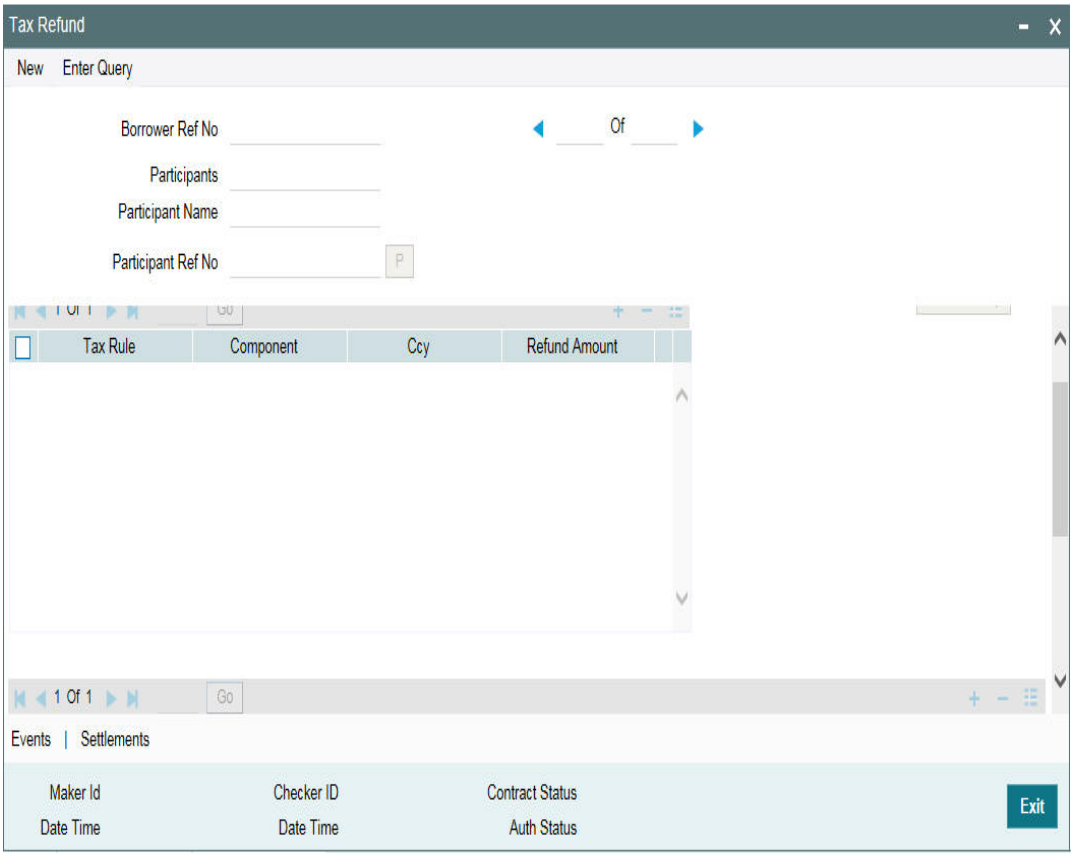
- You cannot reverse a remittance
- If the total amount for the specified period and currency is negative, system will not allow tax remittance for that transaction.

6.14 Refunding Withheld Tax

Oracle Banking Corporate Lending 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 review the previous tax withholdings of all participants and select those withholdings that need to be

refunded. System calculates and refunds the total amount to the participants through wire transfer.

Tax is refunded to the participants using the ‘Tax Refund’ screen. You can invoke the ‘Tax Refund’ screen by typing ‘LBDTXREF’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In the above screen, system displays 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 LB 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 ‘Settlements’ tab in the ‘Tax Refund’ screen to invoke the ‘Settlement ’ screen. This screen displays the customer’s account where the refund amount is credited.

Click ‘Events’ tab to invoke the ‘Event ’ screen. This screen displays the accounting entries posted with TXRF (Tax Refund) and TXRV (Reversal of refund) events.

Click ‘Media Priority’ button to invoke the ‘Media for Message Generation’ screen. You can specify the media for the message generation in this screen. This buttonis enabled only if the ‘FpML Type’ option is unchecked at the contract level and the ‘Media Priority’ option is selected at the product level.

If this button is enabled, then the system displays an override message saying to view the ‘Media for Message Generation’ screen. If not, the system handoffs 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

- 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

6.14.1 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.

Note

Sanction check functionality is applicable only for the new payment messages.

6.14.2 Viewing separate fee liquidation entries in Forward Processing Browser

The system supports fee payment messages in modules LB, OL 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 LB module. For Adhoc Fee component in LB and OL 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.

6.15 Processing Back Valued Interest and Fee for Payables and Receivables

Oracle Banking Corporate Lending 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.

Note

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

- 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 Banking Corporate Lending 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 that is,. 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

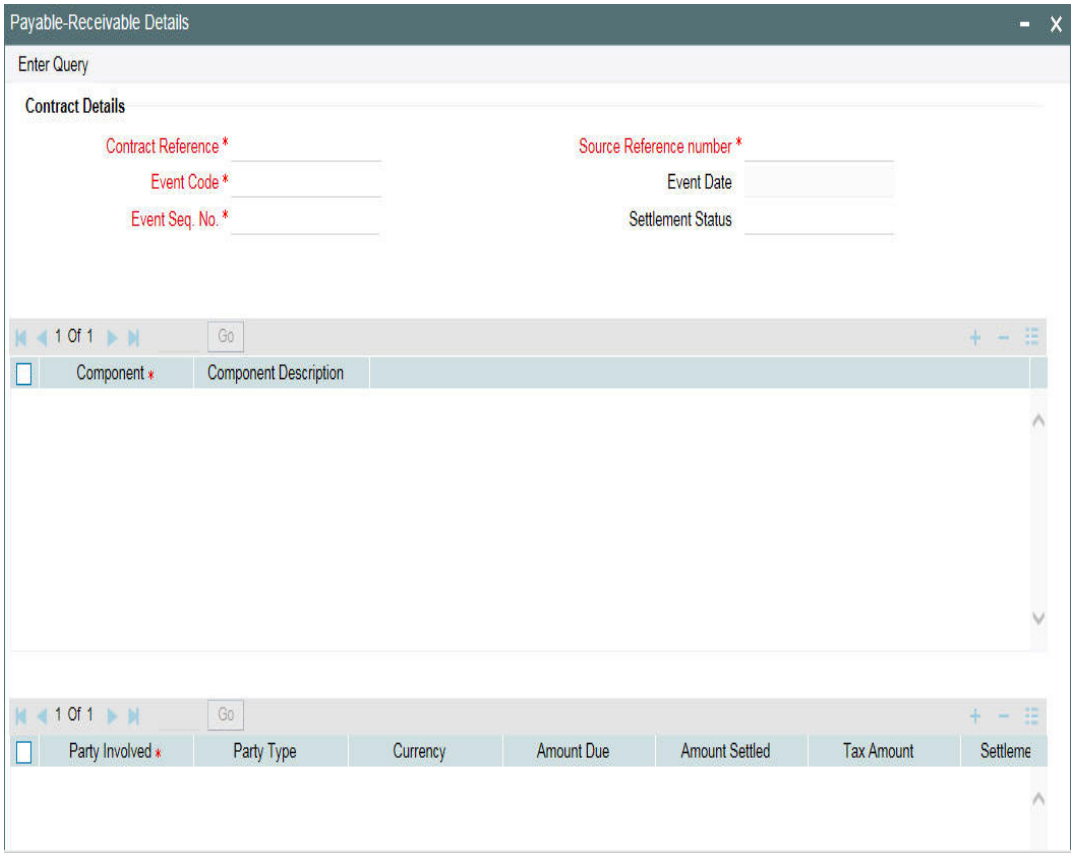
- The payable/receivable tracking is not applicable for competitive bidding contracts.
- The parent contract life cycle remains unaffected by the receivable and payable tracking. This means that the parent contract can move to the liquidated status on its maturity date, subject to all schedule payments, even though receivables/ payables might be outstanding for the same.
- 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, the system auto reverses all receivables/payables also.
- If you have defined the interest distribution type for the Tranche as 'Lender of Record'', the back valued changes like Interest Rate Revision (REVN), Margin Rate Revision (MRFX) and Participant Ratio Amendment (PRAM), that result in payables and receivables, will not be allowed beyond the last liquidated schedule. The system propagates the income (Interest/Fee) amongst the participants based on the latest ratio available on the value date of liquidation.

To recall, it is through the 'Floating Rate Code Definition' screen that you maintain the interest rates, which are updated daily as and when they change.

Refer to the chapter titled 'Maintaining Floating Rates' in the Core Services (CS) User Manual for relevant information.

6.15.1 Viewing the Receivables/Payables for a Contract

In Oracle Banking Corporate Lending, you have the 'Payment–Receivable Details' screen through which you can view the receivable/payable amounts for a drawdown. You can invoke the 'Payable-Receivable Details' screen by typing 'LBDPRDET' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 is 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-Receivable Payment’ screen).

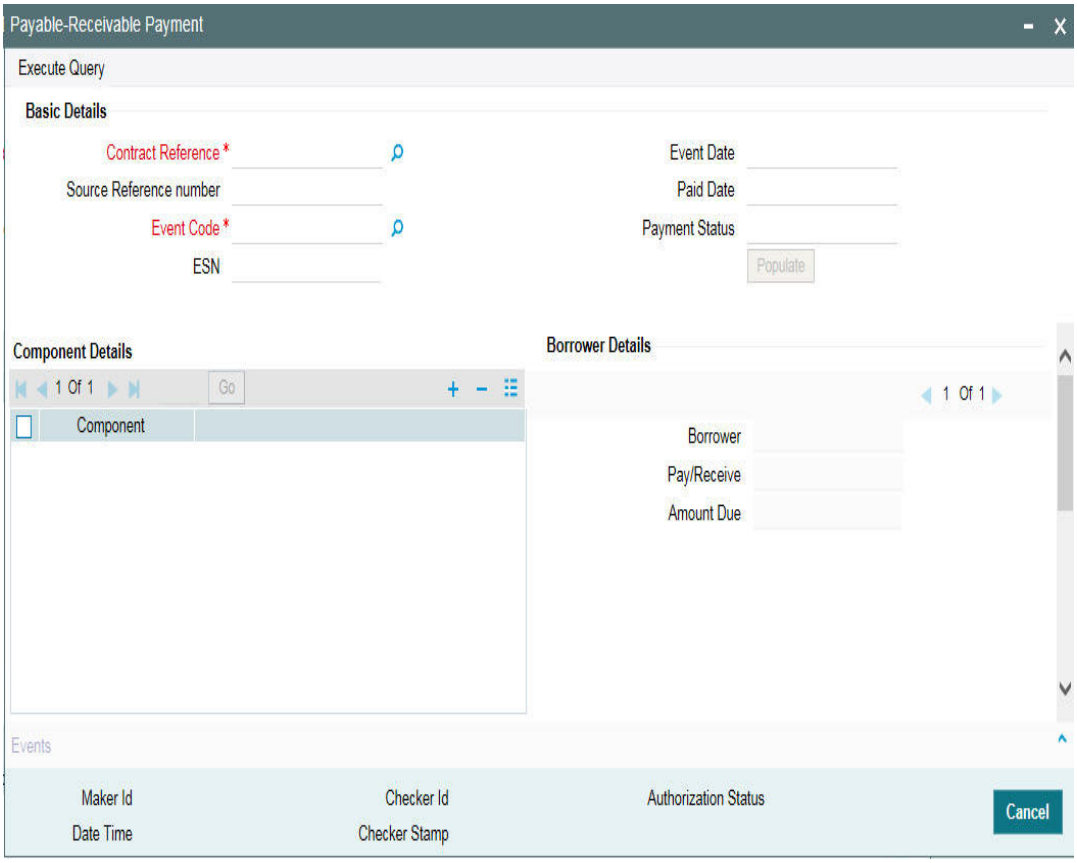
Note

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.

6.15.2 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 'Payment' button to access this screen. This screen shows the amounts payable and receivable for the contract chosen in the 'Payable – Receivable Details' screen.



The following details are displayed in this screen:

- The Reference Number of the contract
- The event code and the date of occurrence of the event
- The event sequence number
- The date the payment was done and the payment status

Note

You also have the provision to invoke the 'Payable-Receivable Payment' screen directly from the Application Browser. To do so, choose **LB Operations** and double-click on the **Payment** option under the **Payable Receivable** sub-menu**.** In this case**,** you need to se-

lect the tranche/drawdown from the option list provided. In addition, you need to select the relevant event from the 'Event Code' option list provided. The corresponding event sequence number gets defaulted in the 'Event Seq No' field here.

To view the components due for the selected contract, click "Populate' button. The following details are displayed:

- The Payment Status for the due component (s)
- The components due
- The borrower due details
- The participant due details

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.

Note

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 is 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 is updated in the 'Payable-Receivable Details' screen.

Click button to move between the 'Component Details' and 'Participant Due Details' sections of the screen.

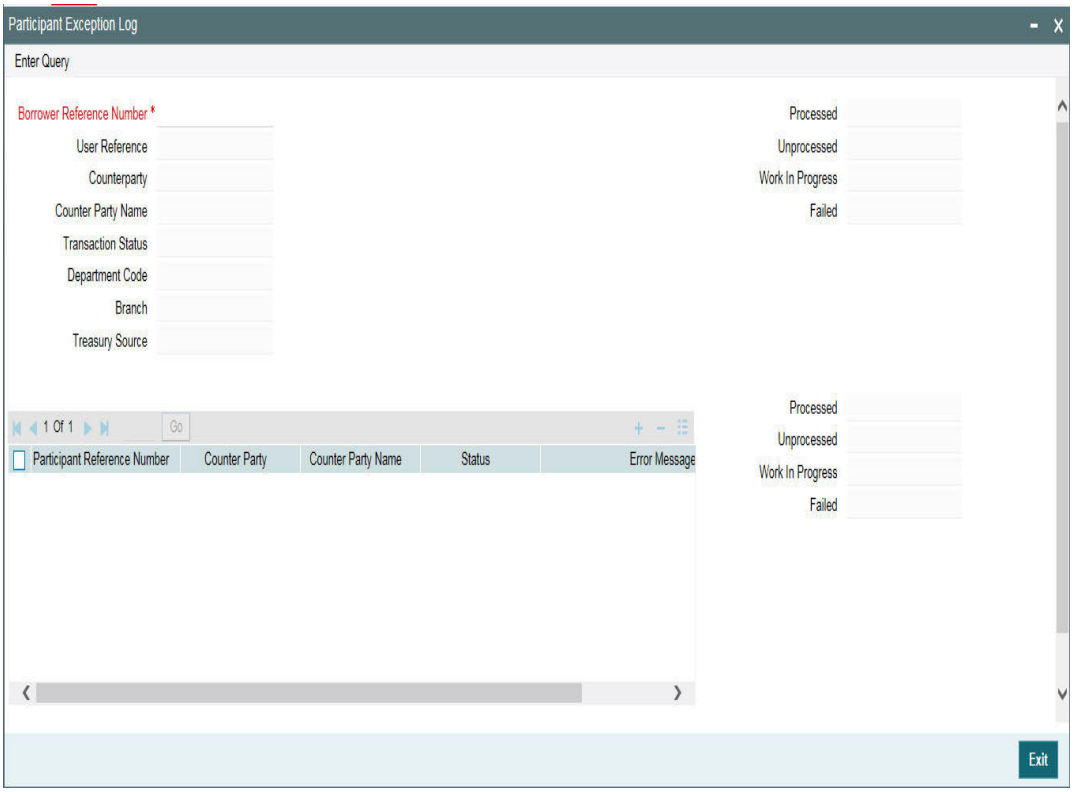
After capturing the amounts to be settled against the components, click 'Save' to save the payment. Click 'Exit' button to exit the screen and return to the 'Payable-Receivable Details' screen. The 'Amount Settled' field in this screen is updated accordingly.

Note

You can reverse a payment of a payable/receivable by clicking the 'Reverse' from the menu. This option is enabled only if you access the above screen directly from the Application Browser (to do this, you need to choose **LB Operations** and double click on the **Payment** option under **Receivable Payable**.

6.16 Viewing Borrower/Participant Contract Processing Status

You can view the processing status of both borrower and the resultant participant contracts in the 'JOB PROCESS STATUS' screen. You can invoke the 'Participant Exception Log' screen by typing 'LBDBPCNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



This screen displays all the borrower side contracts (facility, tranche and drawdowns) and the corresponding participant contracts for each borrower side contract.

The following details are displayed for a borrower contracts:

- Borrower Reference Number
- User Reference Number
- Counterparty Code and Counterparty Name
- Transaction Process Status (Processed or Failed)
- Department Code
- Branch
- Treasury Source

The following details are displayed for a participant contract:

- Participant Reference Number
- Counterparty Code and Counterparty Name
- Transaction Process Status (Processed or Failed)
- Error Message, if any

In addition, the ‘Borrower Contract Process Summary’ section of the screen displays the following details:

- Total borrower contracts processed in Oracle Banking Corporate Lending
- 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.

Note

The system displays the processed contracts in ‘Green’ while the contracts that fail are displayed in ‘Red’.

6.16.1 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.

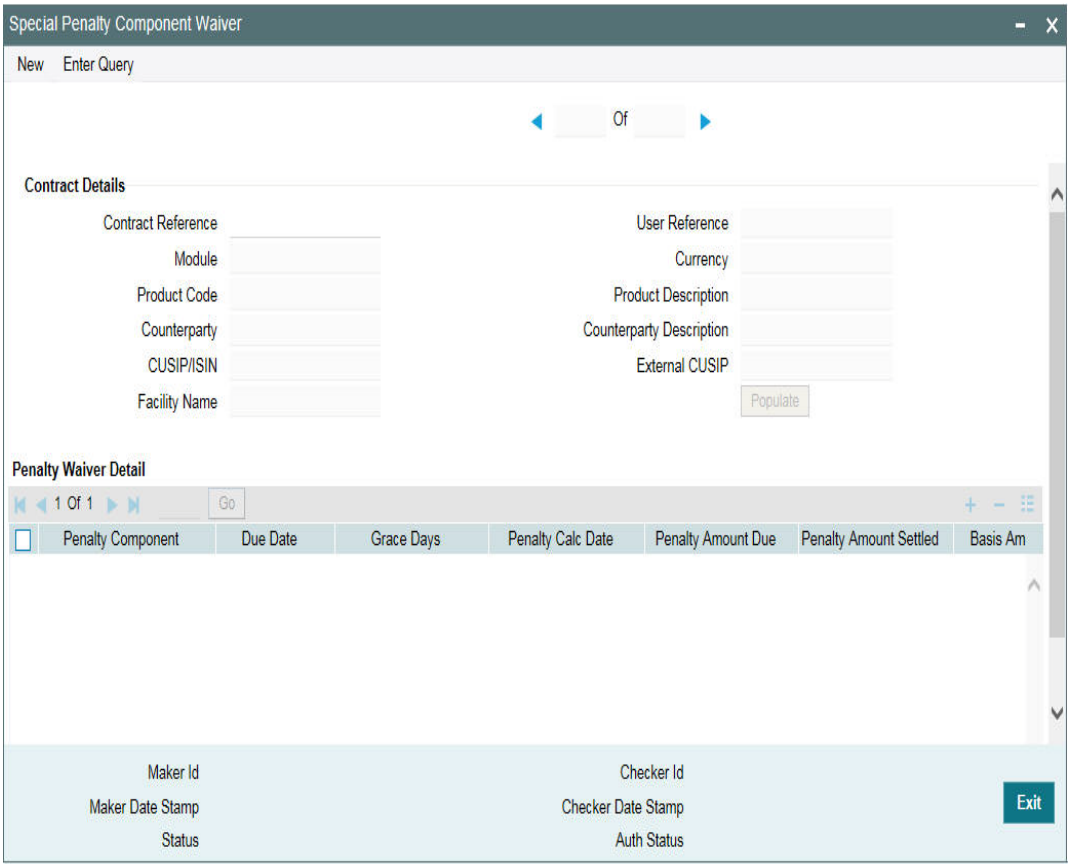
You can also use the reinitiate Background Job to process the failed contracts after making the necessary corrections. To re-execute the job, you have to click on the ‘Re-Run’ button in the ‘JOB PROCESS STATUS’ screen. The contracts may be processed successfully.

You cannot use the reinitiate option if the ‘Participant Process’ mode is set to ‘Online’ for the branch.

6.17 Maintaining Special Penalty Component Waiver Details

You can waive late payment charge schedule(s) for a component using ‘LB Special Penalty Component Waiver’ screen.

You can invoke the ‘Special Penalty Waiver’ screen by typing ‘OLDPNWVR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

Select this check 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 are 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.

6.17.1 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 'LB 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 deselect 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 is 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.

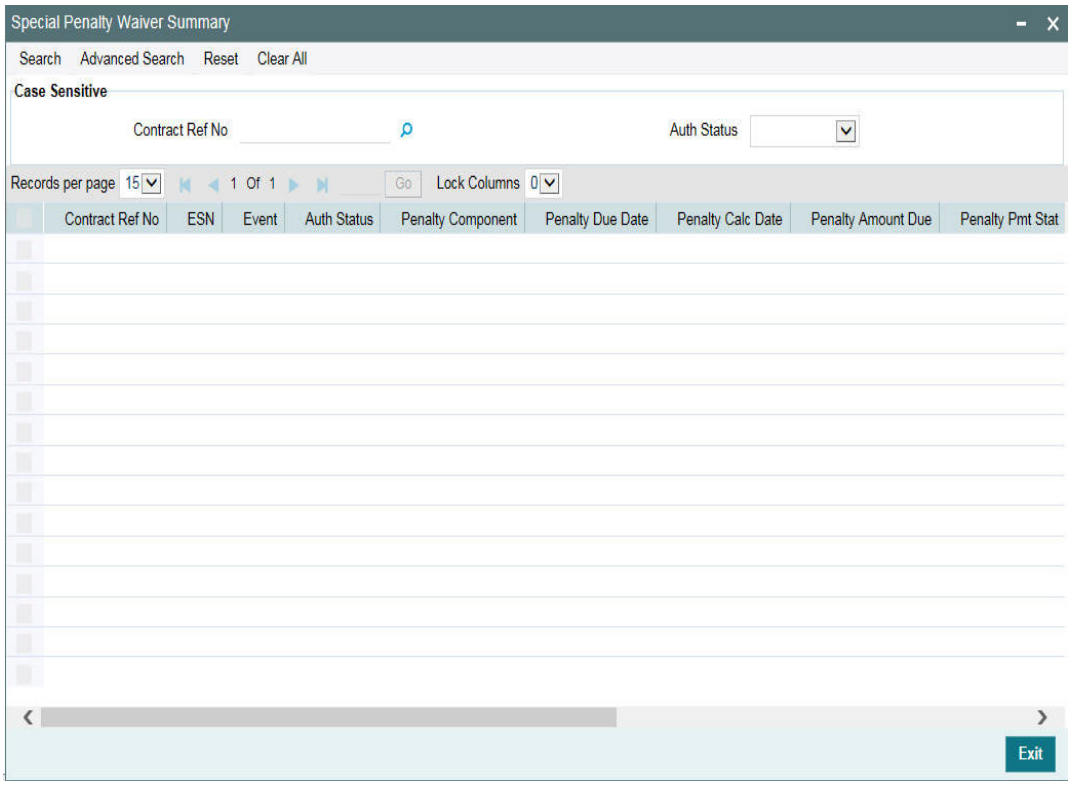
Note

At the loan product level, system validates to check that event ‘SPWV’ is mandatory 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.

6.18 Viewing the Waiver Details of Special Penalty Components

You can view current status of all unpaid late payment charge components for a contract using ‘Special Penalty Component Waiver Summary’ screen.

You can invoke the ‘Special Penalty Component Waiver Summary’ screen by typing ‘OLSPNWVR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

6.19 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 'LB 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 'LB 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 'LB 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 takes place only if the following parameters for a cash flow are same:

- Tranche contract
- Customer (Borrower/Participant)
- Value Date
- Currency

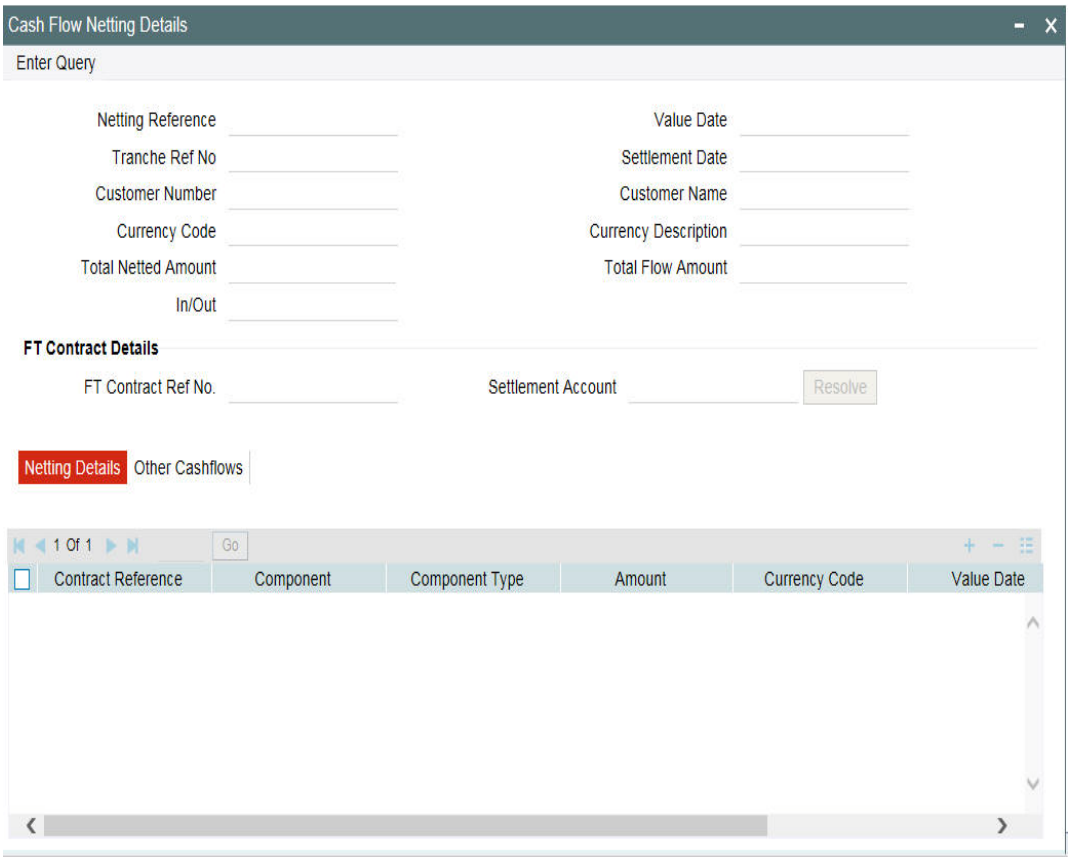
6.19.1 Viewing the Contracts for Netting

In this screen, you can specify the following to view:

- The Borrower Tranche Reference Number for which you wan to view the borrower and participant side contracts. The option list displays the borrower tranches for which netting preferences have been set (the option 'Net Across DD' is checked).

6.19.2 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 Details' (LBDNETCF) screen is displayed, as shown below:



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 ‘LB Tranche Contract Online’ screen), all the components appears in the netting queue. However, you have to confirm the netting manually. If you set the ‘Netting Preference’ to ‘Principal Only’, then only the principal component is automatically confirmed for netting. You can check or uncheck the required contracts.

The ‘Other Cashflows’ tab of the screen displays all contracts till date which need to be netted.

You can check the ‘Netted’ option for these contracts if you want 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.

6.19.2.1 Viewing the Events and Messages

You can also view the events and messages triggered for the contracts after netting the contracts. Click the ‘Events’ from LB Tranche Contract Online screen to view the events Click ‘Messages’ from ‘Events’ screen to view the messages.

6.20 Free Format Messages for Loan Syndication Contracts

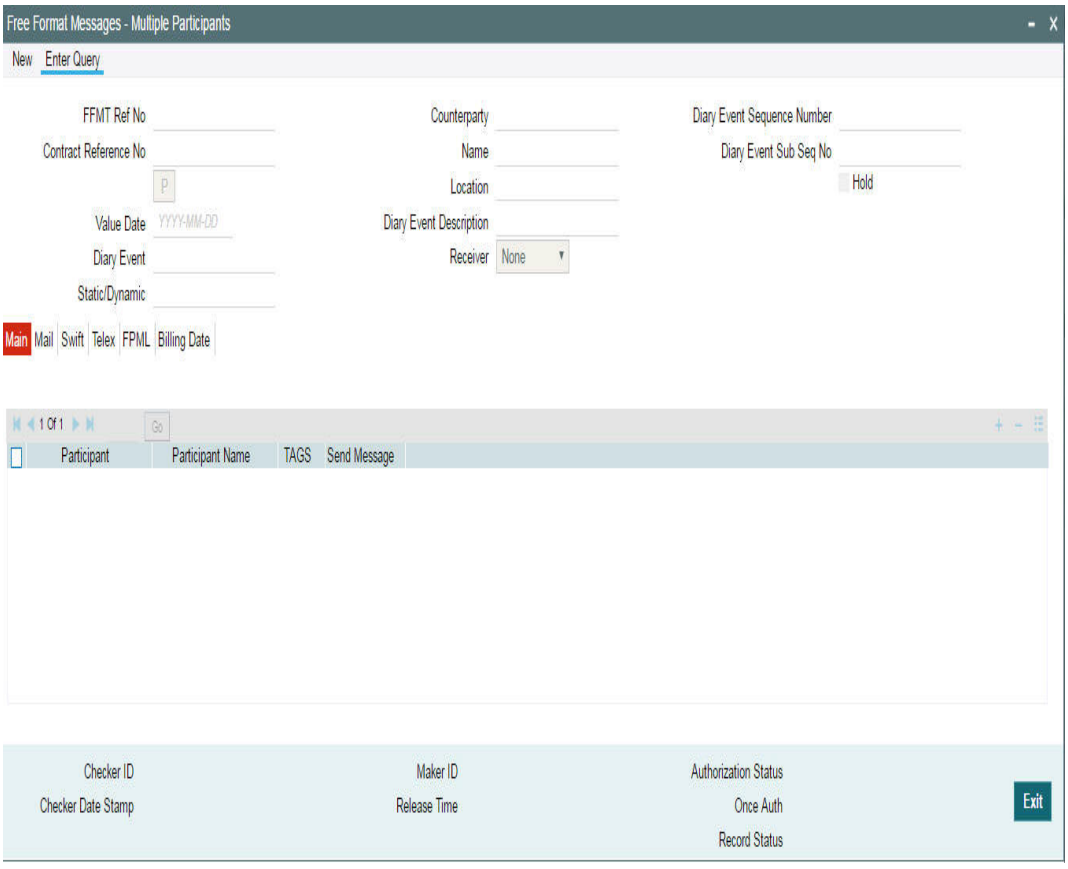
You can enable the system to generate free format messages with respect to loan syndication contracts, by using either of the following options:

- 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.

6.20.1 Generating Free Format Messages for Multiple Participants

You can invoke the ‘Free format message’ screen by typing ‘OLDFFMSG’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Thereafter, select ‘New’ from the menu. The Free Format Message screen is displayed without any details. Alternatively, you can also select invoke this screen by clicking the ‘PartFFT in the ‘Contract Diary Event’ screen.

When you click on the ‘New’ button, system automatically generates a unique ‘FFMT Reference No’ for the free format message.

6.20.1.1 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 want to generate free format messages. Upon selection of the contract, system displays the counterparty code and name of the customer involved in the contract. The system also displays 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 is 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 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 displays the entities defined for each participant in the ‘Entity Details for Participant’ section of the screen.
- ENTITY TYPE: If you select this option, you can 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 are displayed in the option list. You can select the required type from this list.

The message is sent to only those entities of the selected entity type linked to participant at the facility level.

6.20.1.2 Selecting the Participant(S) for Sending the Message

When you select a syndication contract, the associated participants gets 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 are 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.

6.20.1.3 Specifying Entity Details

If you specify the ‘Receiver’ as ‘ENTITY’, the entities linked to each participant are 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 is 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 are 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 displays the following message:

Since participant is not marked for sending the message, cannot mark entity/entity type for sending the message.

6.20.1.4 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

6.20.1.5 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 appear:

Select the option ‘Template Code’.

You can select the template you would like to use. Upon selection of the template, the message is displayed in the box. You can amend the message that gets defaulted from the template. The code of the selected template is displayed in the ‘Template Code’ field.

Note

Although you are allowed to make changes to the message defaulted form the template, these changes does not affect the template itself. You can make changes to a template through the 'Message Format Template Maintenance' screen alone.

6.20.1.6 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 inititally. 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.

Note

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.

6.20.1.7 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 are displayed in the option list provided. Select an event from this list. When you select the event code, the description is displayed alongside.

6.20.1.8 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.

When you select the 'TAGS' button, a list of pre-defined loan syndication module tags will be displayed as shown below:

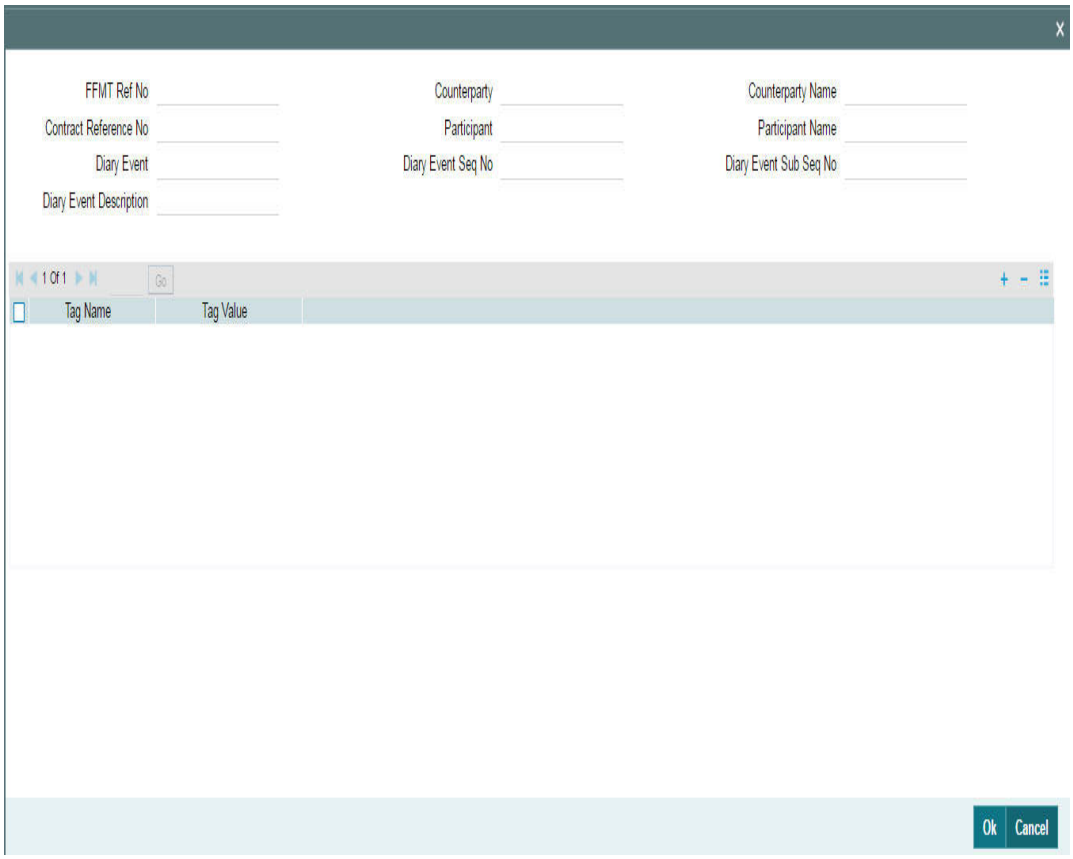
From this list, you can select the required tags one by one, to be included in the message.

6.20.1.9 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.



You can enter the values for the tags that you have already selected from the TAG List screen.

Note

Only those Tag IDs that you have defined for the Message Type 'Custom' in the 'Free Format Message Tags' screen is available for use.

If the 'Message Type' is 'Custom, the screen appear, as shown below:

For a 'Custom' Message Type, you also have the following option:

6.20.1.10 Viewing the Message Details

After capturing the required message details, you can preview the message. To do this, click the 'Message Preview' button.

This screen displays the following details:

- The contract reference numbers of the participant contracts
- Auth status of the message - 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 'View Message' button.

Note

In the free format messages for the primary entity, first line of the message will display the borrower/participant name and the second line displays the entity name. In the case of free format messages for non-primary entity, the first line of the message displays 'Copy - Avoid Duplication'. The second line displays the borrower/participant name and the third line will display the entity name. These positions are fixed and you are allowed to change them.

6.20.1.11 Generating the Message

To generate the 'Custom' message, click the 'Generate' button in the 'Free Format Messages – Multiple Participants' screen.

You can modify the advice details, if required. Click the 'Ok' 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 'Undo Generate' button in the 'Free Format Messages – Multiple Participants' screen.

Note

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 incase 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 does not check the media priority setup.

6.20.1.12 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 displays 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.

6.20.1.13 Selecting Pro-Rata Tags for the Message

When you right-click on the ‘Message’ section of the screen. When you select the ‘TAGS’ option, a list of pre-defined loan syndication module tags will be displayed as shown below:

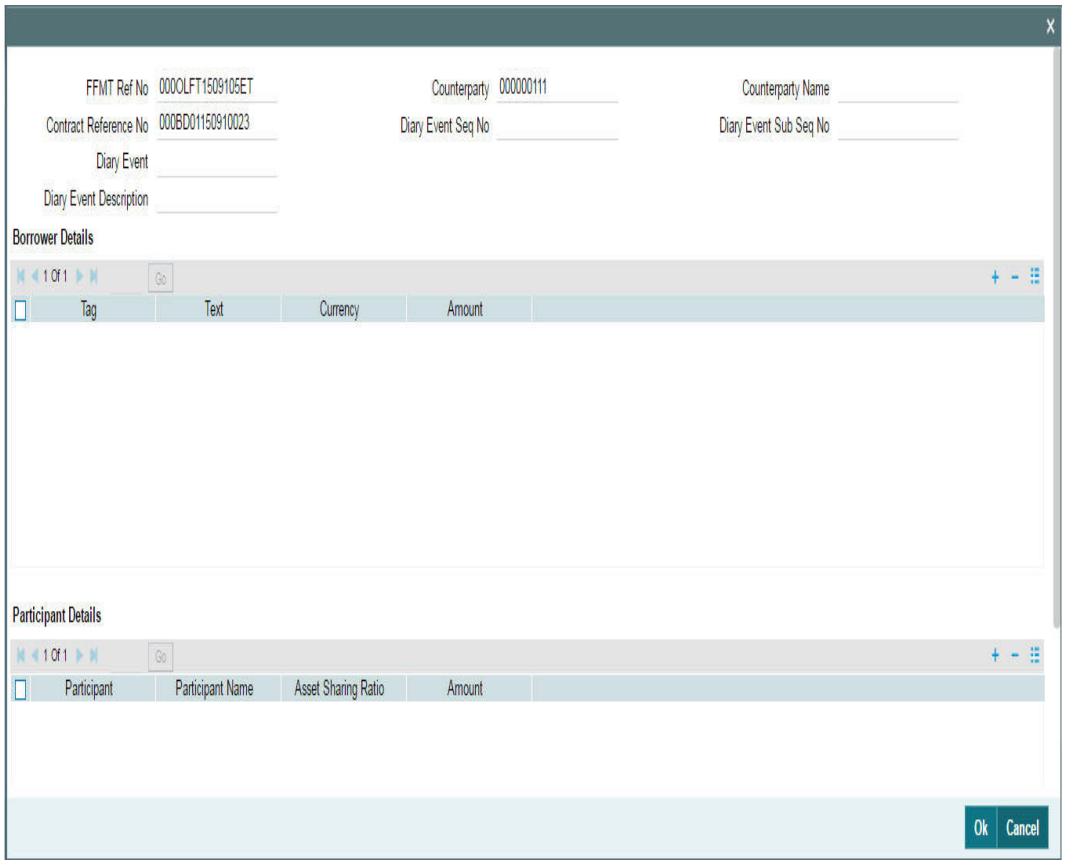
You can select the required tags one by one, to be included in the message. After selecting the tags, you have to specify the values for the same.

Note

Only those Tag IDs that you have defined for the Message Type ‘ProRata’ in the Free Format Message Tags screen is available for use.

6.20.1.14 Specifying Pro-rata Tag Values

You can specify the tag values in the ‘ProRata TAG Values’ screen. To invoke this screen, click the ‘Prorata Tag Values’ button.



Specify the following details in the screen:

- A description for the tags selected
- The currency and the amount

The system automatically computes the breakup details of the components for the participants based on the amount you enter and the asset sharing ratio. The following details are displayed in the ‘Participant Details’ section of the screen:

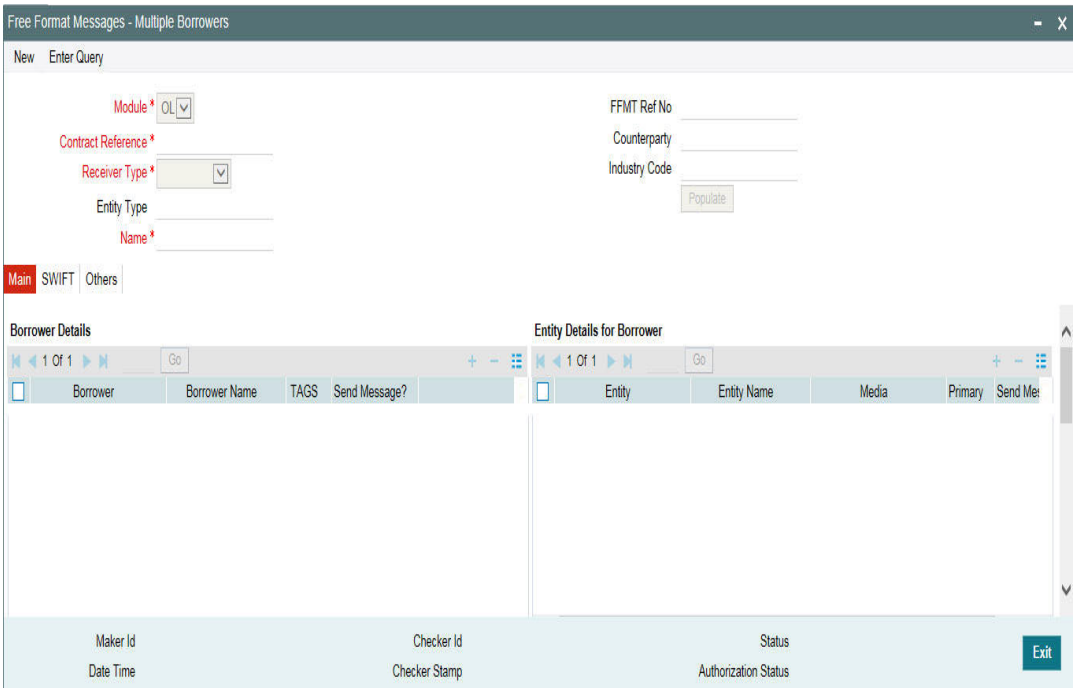
- Participant Code and Participant Name

- Asset Sharing Ratio and Amount

6.20.2 Generating Free Format Messages for Multiple Borrowers

Click the button to move from one section of the screen to the other.

You can enable the system to generate a normal advice, as well as custom messages to borrowers through the ‘Free Format – Multiple Borrowers’ screen. You can invoke the ‘Free Format Messages - Multiple Borrowers’ screen by typing ‘OLDFFMBR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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:

- OL
- LB
- FC

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:

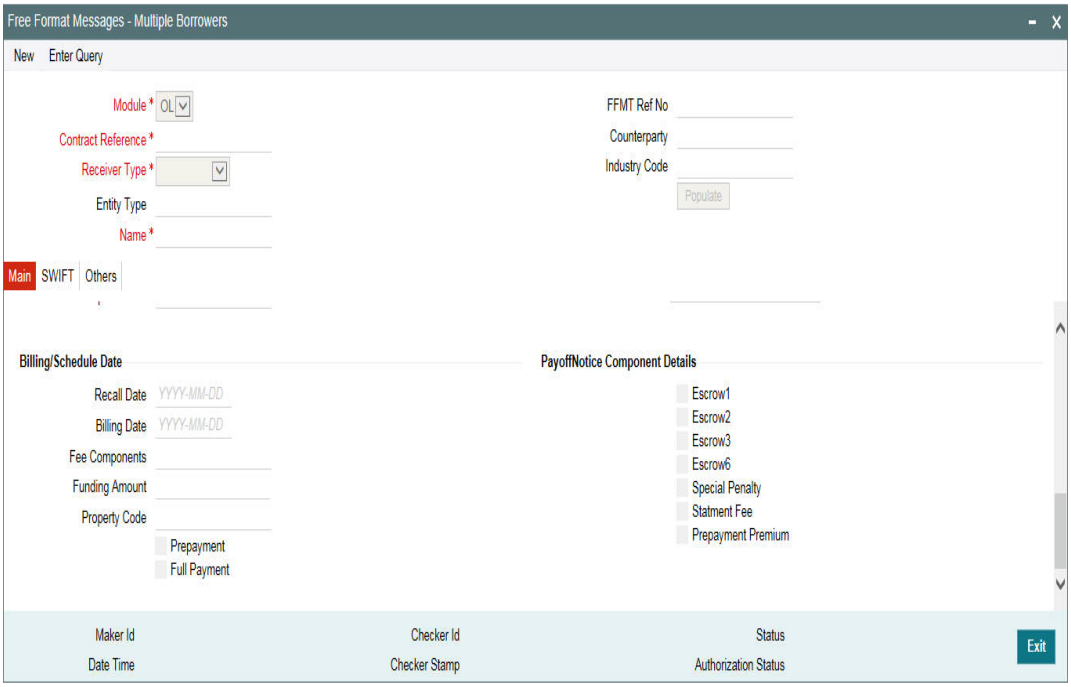
- ‘_SYNREFNO_’: This tag denotes the facility reference number
- ‘_TRREFNO_’: This tag denotes the tranche reference number, and is available only for drawdown contracts.
- ‘_CREFNO_’: This tag denotes the contract reference number
- ‘_CAMT_’: This tag denotes the contract amount

- '_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

6.20.2.1 Specifying Billing Date

You can specify the billing date in the 'Billing/Schedule Date' section. YSpecify the following



details:

Billing Date

Specify the date on which the free format message needs to be generated.

Cash Interest Amount

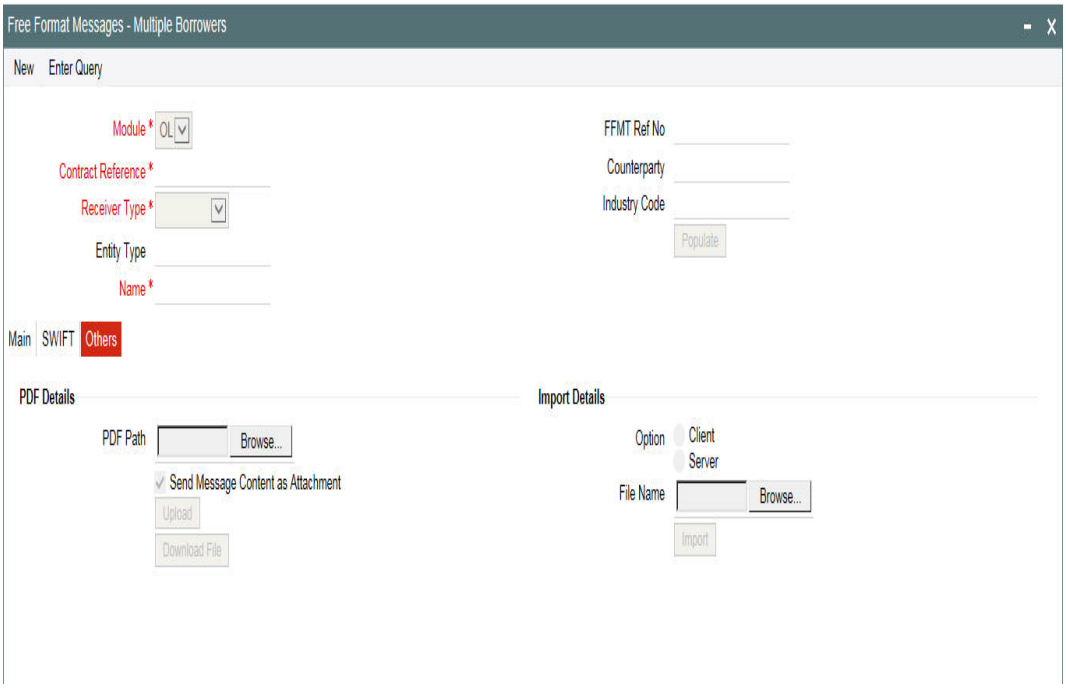
Specify the cash interest amount. If cash interest amount is not zero, then it is mandatory to input cash interest amount at participant level.

6.20.3 Uploading and Downloading PDF Files

You can upload and download the PDF file using 'Free Format Messages -Multiple Borrowers' and 'Free Format Messages -Multiple Participants' screen.

You can upload the PDF file from your local system or shared area.

The uploaded PDF file is sent as e-mail attached to the borrowers/participants. You can draft content to be sent be sent to the borrowers/participants in the body of the email message.



Send Message Content as Attachment

By default, this check box is selected. If you want to send the free format message content in the body of the e-mail message, then you can clear this check box by selecting the 'Message Type' as 'Normal'. If 'Message Type' is 'Normal' then there is no pre-defined content in the 'Message' field.

If this check box is selected, then you can send the free format message content through e-mail message as a PDF attachment.

PDF Path

Using this option, you can browse and select the PDF files from the local system/shared area. Once a PDF file is uploaded, the path of the PDF file in the local system is displayed in this field.

Upload

Using this option you can upload the PDF file.

Download File

You can download/view the PDF file which is attached in the free format message during creation.

This option is enabled only when the PDF file is already uploaded in the free format message and the message is saved.

6.20.3.1 Other Processing Changes

- For participants, you can send email messages to specific participant or a list of participants.
- You can draft the content of the email message for the borrower drawdown contracts, borrower tranche contracts, participant drawdown contracts and participant tranche contracts.
- You are allowed to draft the content of the free format message in both English and Chinese (traditional and simplified) characters. The content drafted in the Chinese

character is either sent in the body of the e-mail message or as PDF attachment as per the 'Send Message Content as Attachment' check box. In addition, you are allowed to upload PDF from the local system/shared area which has Chinese characters and the same PDF is sent as an attachment in the e-mail message.

- To send an e-mail message with the drafted content as a PDF attachment, you should select the ‘Send the message content as attachment’ check box and draft the free format message content and then save the free format message. Once the message is authorized, the drafted content is generated as a PDF attachment in the e-mail message and the body of the e-mail message is appended with pre-defined text and sent to the borrower/participant
- To append the drafted content in the body of the mail, you should clear the ‘Send the message content as attachment’ check box, draft the free format message content and then save the free format message. Once the message is authorized, the drafted content is appended in the body of the e-mail message and sent to the borrower/ participant.
- It is not mandatory that you should upload a PDF file in all free format messages. You can send e-mail message with or without the PDF attachment.
- You can upload only one PDF file for a message. If you try to upload another PDF file, the system overwrites the uploaded one.
- The system will also validate if the file name of the PDF file is unique. If a PDF file is already in existence with the same file name, the system will display a configurable override message stating that the file name is duplicated. This can be configured as below at the time of implementation.
  - If the configurable message is defined as an error message, the user should change the file name or choose a different file to proceed with the message.
  - If the configurable message is defined as an override, the user can still choose to upload with the same file name and the system will allow the user to save the record.
- Both the checker and maker are allowed to download the file and view the same by clicking ‘Download’ button.

Note

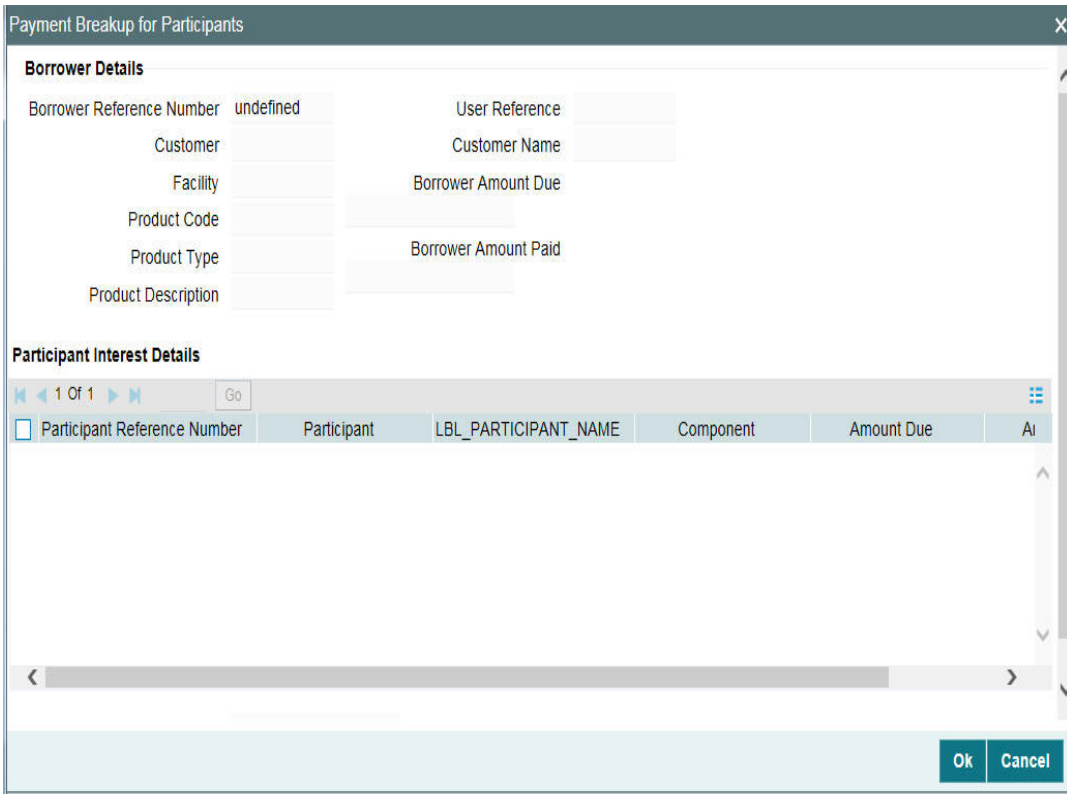
There is no dependency between the downloaded file and authorize action. You are allowed to view the PDF file in Adobe Acrobat Reader and simultaneously authorize the free format message even before closing the PDF file.

- No passwords are maintained to open the PDF file uploaded by the maker
- When you save, and authorize a free format message when ‘Send the message content as attachment’ check box is cleared and a PDF file is uploaded, an e-mail message is sent to the selected borrowers/participants as below.
  - The drafted content of the free format message is sent in the body of the email message.
  - The uploaded PDF file is sent as an attachment in the e-mail message.
  - An event ‘ZFMG’ is registered in the corresponding drawdown or tranche contract and the same can be viewed in the events screen of the contract.
  - The audit log is updated with the maker and checker details.
- When you save, and authorize a free format message where the ‘Send the message content as attachment’ check box is selected and a PDF file is uploaded, an e-mail message is sent to the selected borrowers/participants as below.
- The body of the e-mail message is appended with a pre-defined text.
- The uploaded PDF file is attached in the e-mail message.

- The drafted content of the free format message is also be attached as a PDF file in the e-mail message.
- An event ‘ZFMG’ is registered in the corresponding drawdown or tranche contract and the same can be viewed in the events screen of the contract.
- The audit log is updated with the maker and checker details.

6.20.4 Specifying Payment Breakup for Participants

Click ‘Part Int share’ button to invoke the screen, ‘Payment Breakup for Participants’(LBDPYMNT) with details of all the participants under the drawdown and outstanding interest (Cash Interest) for each participant under the field ‘Amount Due’.



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 is 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.

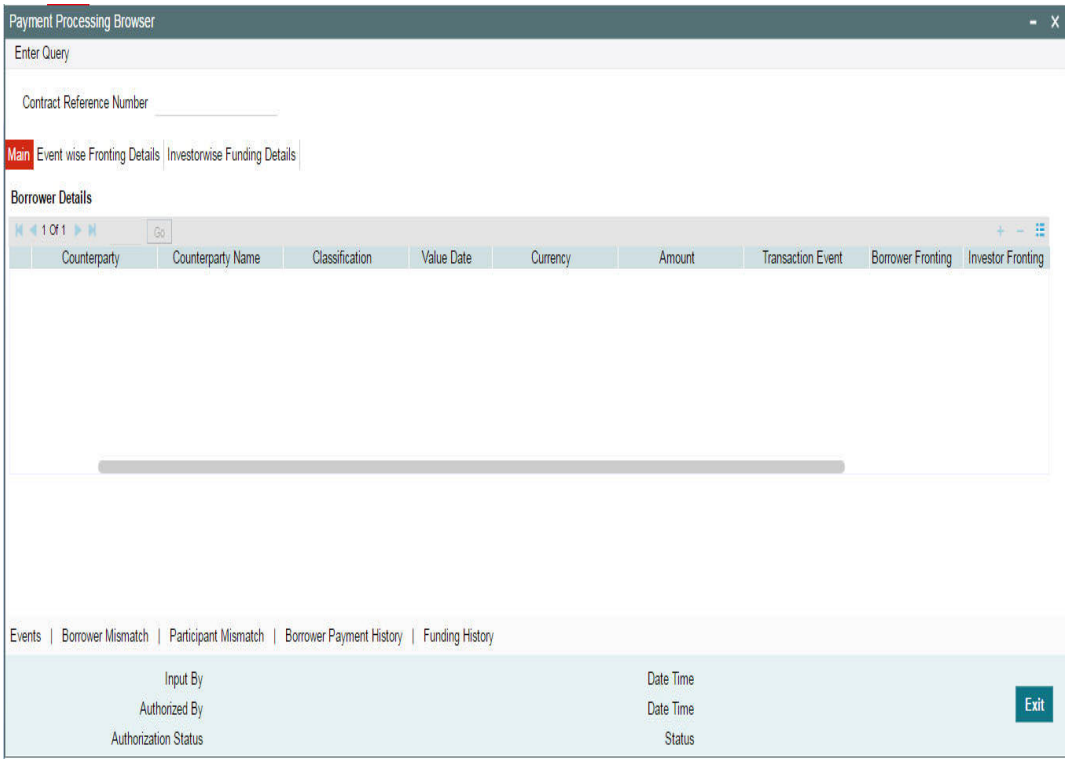
While generating free format messages for borrower or participant drawdown contracts, if the UDF value for ‘COMPONENT-TYPE’ at interest class level is ‘SERVICER-FEE’ for payment or rollover notices, then system does the following:

- System displays the servicer fee (interest component) details along with main interest component 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

6.21 Processing the Release of Payment Messages

On the booking date of the contract, Oracle Banking Corporate Lending 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.

You can invoke the ‘Payment Processing Browser’ screen by typing ‘LBDMTPRC’ in the field at the top right corner of the Application tool bar and clicking 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

– 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 is not allowed to change. This date is 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

- 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

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

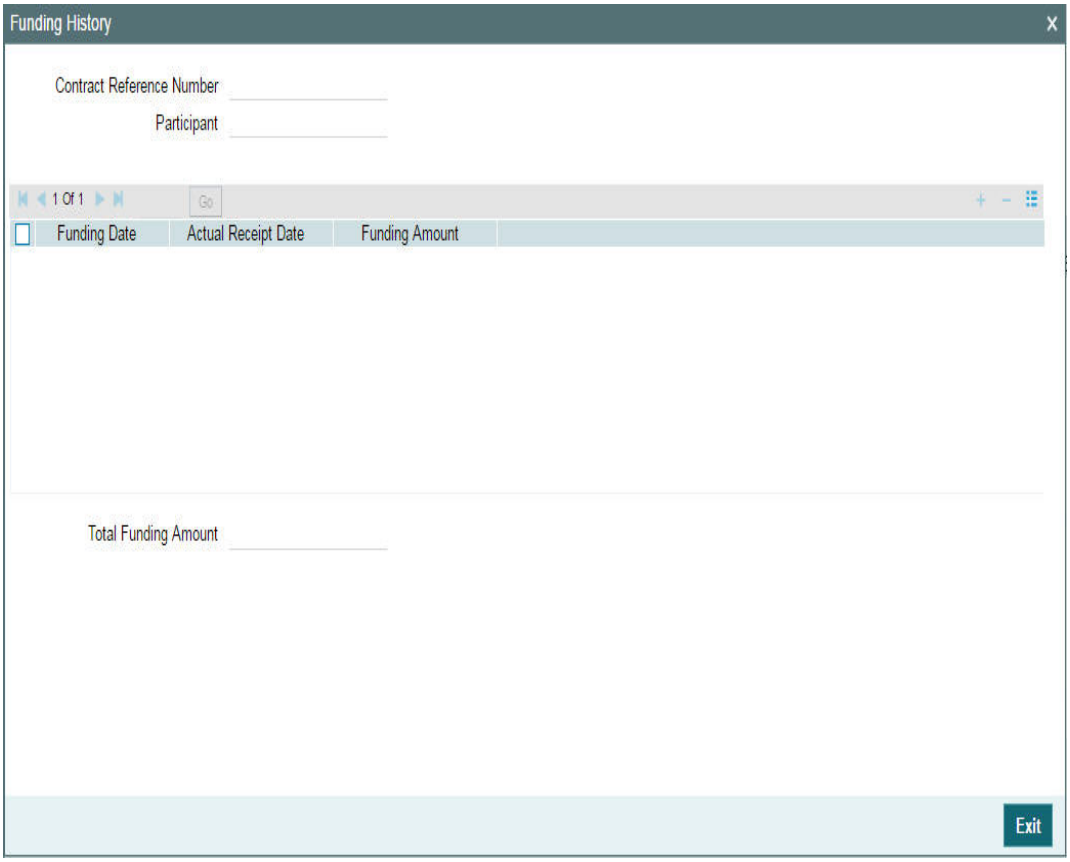
Specify the date on which the investor is funding the amount.

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 following fields are displayed in this screen:

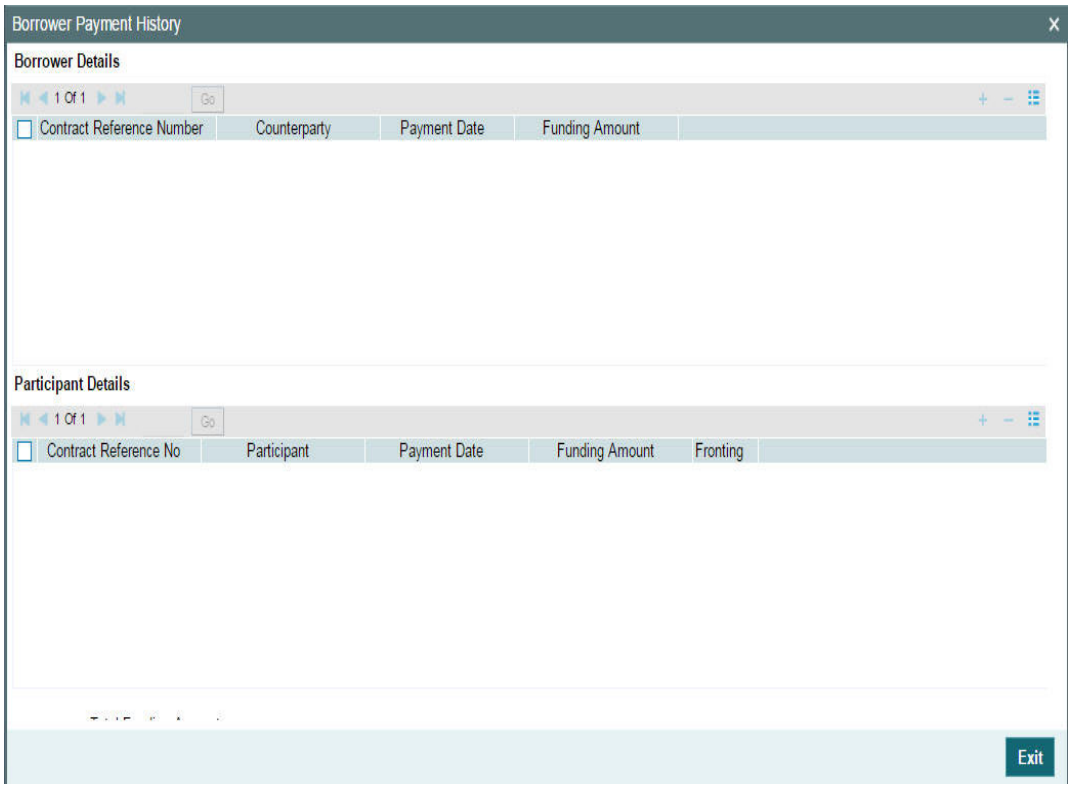
- Contract Reference Number
- Participant
- Funding date
- Actual Receipt Date
- Funding Amount
- Total Funding Amount

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 are 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) are added to the existing list of participants in the screen. All the other relevant details for the new participant is populated. Fronting value for such participants will be defaulted as
  - 'Fronting' - If Investor Fronting captured at Borrower details is 'Fronting All' and funding_status is populated as 'Fronted'
  - 'No Fronting' – If Investor Fronting captured at Borrower details is not 'Fronting All' and funding_status is 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 are populated as 'Funded' with the latest amount and new investors are 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 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

6.21.1 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.

6.21.1.1 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

6.21.1.2 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 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 is 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.

6.21.1.3 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 update 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.

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 'Borrower Payment History' button in the Investor Funding Details Tab in the Payment Processing Browser.

You can view the funding details for each investor by clicking 'Funding History' in the Investor Funding Details Tab in the Payment Processing Browser.

6.21.1.4 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.

6.21.2 Processing Repayment (LIQD, MRLQ, SPTI, ROLL, FLIQ)

On authorization of repayment events, Payment Processing Browser is 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.

6.21.2.1 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.

6.21.2.2 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

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.

6.21.3 Forward Processing Browser

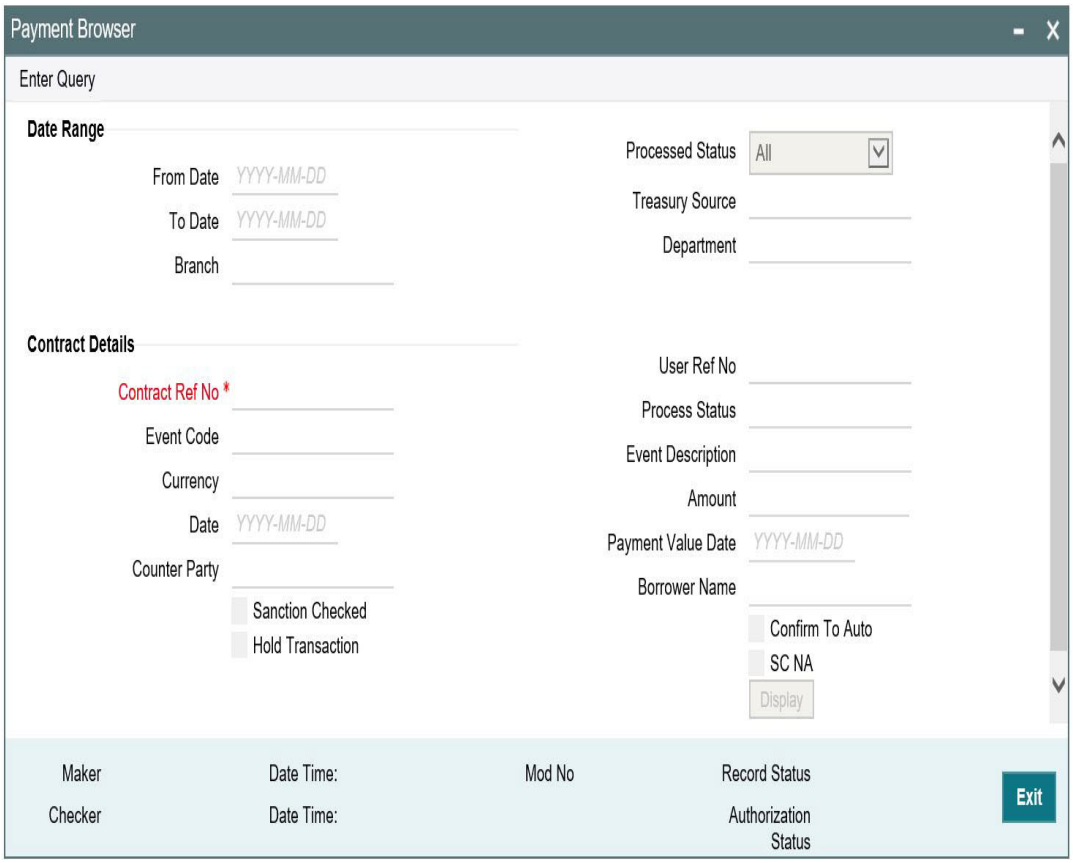
This section contains following topics.

- Section 6.21.3.1, "Hold Transaction Processing"
- Section 6.21.3.2, "UnHold Transaction Processing"

6.21.3.1 Hold Transaction Processing

The check box ‘Hold Transaction’ is used for holding the interest and principal payment transactions in the ‘Forward Processing Browser’ screen.

You can invoke the ‘Payment Browser’ screen by typing ‘LBDFWDPR' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



By default, this check box is not selected and you can select this check box for interest and principal payments You need to query for the contract in the FP browser. You can click 'Unlock' and select the ‘Hold Transaction’ check box and save the record.

Once the ‘Hold Transaction’ check box is selected, systematically the ‘Confirmed to Auto’ check box is cleared and disabled. Even though if the ‘Confirmed to Auto’ check box is selected for a transaction before it is held, once you select ‘Hold Transaction’ check box, the ‘Confirmed to Auto’ check box is cleared and disabled systematically.

The system performs the below validations when you select ‘Hold Transaction’ check box and save the record.

- The liquidation mode of the underlying drawdown contract should be ‘Semi Auto’.
- The payment message should have been generated for any of the below events
  - Future dated rollover with increase (VAMI) where system has generated the payment message as part of PMSG event.
  - Liquidation (LIQD) which can be either manual or auto liquidation. The payments can either be future dated or current dated and scheduled payments or prepayments.
  - If the above validations are failed, appropriate error messages appears.

Once the record is saved and authorized, the payment message is put on hold and it is not released from the system.No changes is done as part of rollover processing/VAMI and rollovers are processed on the respective dates irrespective of whether the payments are held/un-held. All accounting entries are passed on the relevant value date and not when the payments are un-held/released.

Liquidation (LIQD) is not processed for the contracts during EOD batch on the schedule date if the payment message for the associated event is held. All accounting entries are passed on the relevant value date online if the current application date is lesser than the schedule date. If the current application date is greater than the schedule date, then the accounting entries are posted during the EOD batch on the schedule date

You are not allowed to hold messages generated for any other events than liquidation (LIQD), and future dated rollover with increase (VAMI).The 'Hold Transaction' check box is enabled for current dated payments where the message generation has happened before the current date. If both the message and payment generation happened on the current date, the system does not allow you to hold such messages. Appropriate error messages are displayed.

If the payment messages generated for future dated VAMI/LIQD/rollover with increase is placed on hold,

- System does not stop the processing of rollovers. Only the payment message generation (either manual or batch) for rollovers is put on hold systematically in the FP browser.

Note

Note: In case of future dated rollover with increase, VAMB/VAMI events are triggered on the value date and there are no blocks on these events. However, the payment message is generated as part of PMSG are blocked systematically.

- System stops the processing of VAMI or any further manual or auto payments and the corresponding payment messages generation in the FP browser systematically.

Currently if any fee payment is being held in FP browser, the system does not stop the processing of any drawdown events and the same continues to exist.

Changes are done to stop the archival of the payment messages which are held in the FP browser. Archival is done on the EOD once the payment messages are un-held in the FP browser.

You are allowed to hold / un-hold the reverse MT103 payment messages generated as part of payment liquidation as well.

6.21.3.2 UnHold Transaction Processing

1. You are allowed to un-hold the payment messages for principal and interest payments and the messages are regenerated.
2. You are allowed to un-hold the reverse MT103 payment messages generated as part of payment liquidation as well.
3. You follow the below steps to un-hold and release the payment messages.
   - You should query for the contract in the 'Forward Processing Browser'.
   - You should unlock the contract, de-select the 'Hold Transaction' check box and then save and authorize the record.
   - The system perform below changes
     - You are not allowed to change any details in the un-held message; the un-held payment message is generated with value date as application date.
     - The system does not recalculate the amount in the payment messages when un-held, though back dated transactions exist on the contract. For example,
     - Rate change for the value date prior to the payment date after holding the payment.

– Participant ratio amendment (PRAM) done for the value date prior to the payment date after holding the payment.

In the above scenarios, the accounting entries are posted in the respective contracts as per the amendment done. However, the amount in the payment messages are not changed and the payment messages are generated for the original amount.

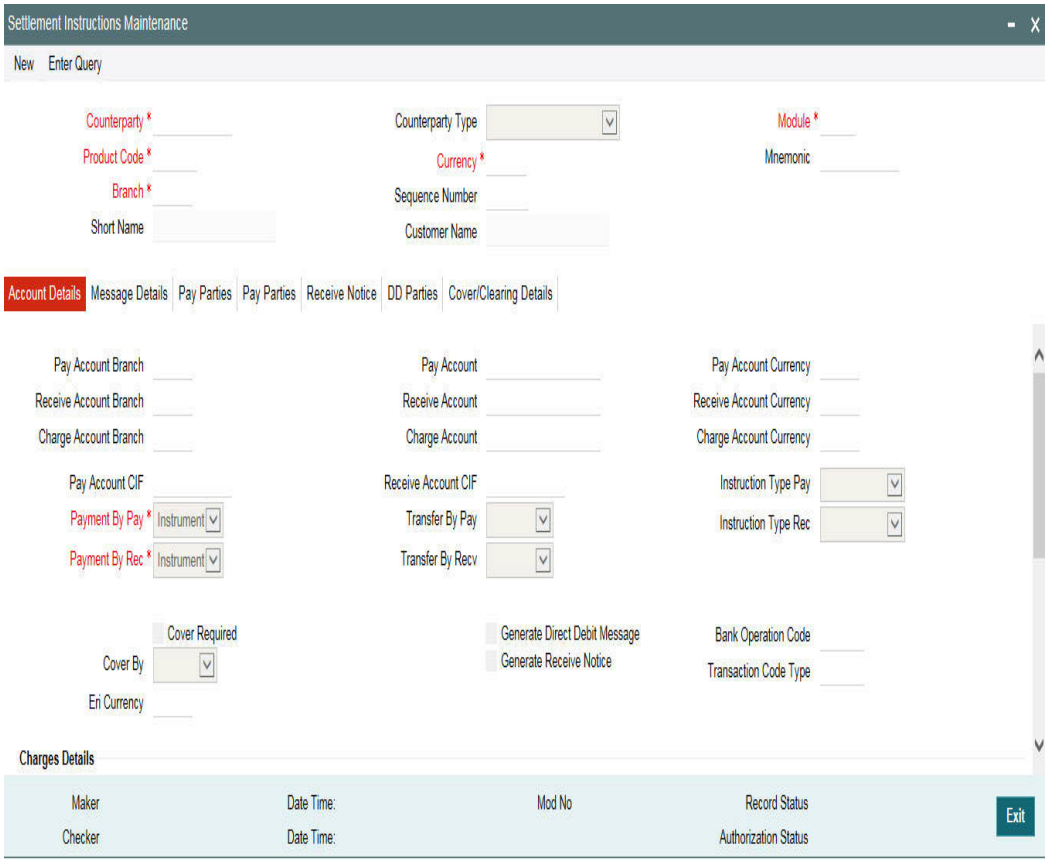
- If ‘Hold Transaction’ check box is not selected and saved from the forward processing browser (current application date is greater than schedule due date), then the existing messages are cancelled and new payment message is generated with new payment value date that is current application date. Liquidation (LIQD) event is triggered online on the application date itself.
- If ‘Hold Transaction’ flag is not selected and saved from the forward processing browser (current application date is same or lesser than that of schedule due date), only message is regenerated on the application date.
- Liquidation (LIQD) event is triggered only in the EOD batch on the schedule date.
- Upon authorization, the payment is sent to sanction check .

4. Once the sanction check is successfully completed, the payment message is displayed in the FP browser.
5. You should query for the contract in the FP browser and unlock the same. You should select ‘Confirmed to Auto’ check box and proceed to save and authorize the record.Upon authorization, the payment message is released from the system
6. You are allowed to release only one payment per contract reference number at a time from the forward processing browser. There is no option to release multiple payments even though the payments belong to the same contract reference number.
7. When a payment is un-held, confirmed and authorized, the same cannot be put on hold once again.
8. In case of future dated VAMI/rollover with increase (VAMI), when the payment message is un-held and authorized, only the payment message is released. The event and the related accounting entries are posted on the value date itself and the same is not posted again.

6.22 Settlement Instruction Maintenance Information

You can maintain settlement instructions in the Settlement Instruction Maintenance screen.

You can invoke the ‘Settlement Instructions Maintenance’ screen by typing ‘LBDINSTR’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Note

In case of data masking, if 'PII Allowed' check box is not selected in 'User Maintenance screen', then the following field values are masked.

- Pay Parties tab
  - Ordering Customer 1
  - Ordering Customer 2
  - Ordering Customer 3
  - Ordering Customer 5
  - Ultimate Beneficiary 1
  - Ultimate Beneficiary 2
  - Ultimate Beneficiary 3
  - Ultimate Beneficiary 4
  - Ordering Customer 4
  - Ultimate Beneficiary 5
- Receive Notice
  - Ordering Customer 3
  - Ordering Customer 5
  - Ordering Customer 4
  - Ordering Customer 1
  - Ordering Customer 2
  - Ordering Customer 3

- Cover/ Clearing Details
  - External Counterparty Pay Details > Name
  - External Counterparty Receive Details > Name
  - Cover Details > Name

In case of granular access, customer details for allowed list of customers are allowed for view, query, modify, authorize, re-open, copy, delete, and so on by the user based on the user/users preferences selected in 'Access Group Restriction' tab available in the 'User Maintenance' screen.

In case of right to be forgotten, all the PII fields maintained for the customer are anonymized once the customer is forgotten in the 'Forget Customer Process' screen (STDCSFRT).

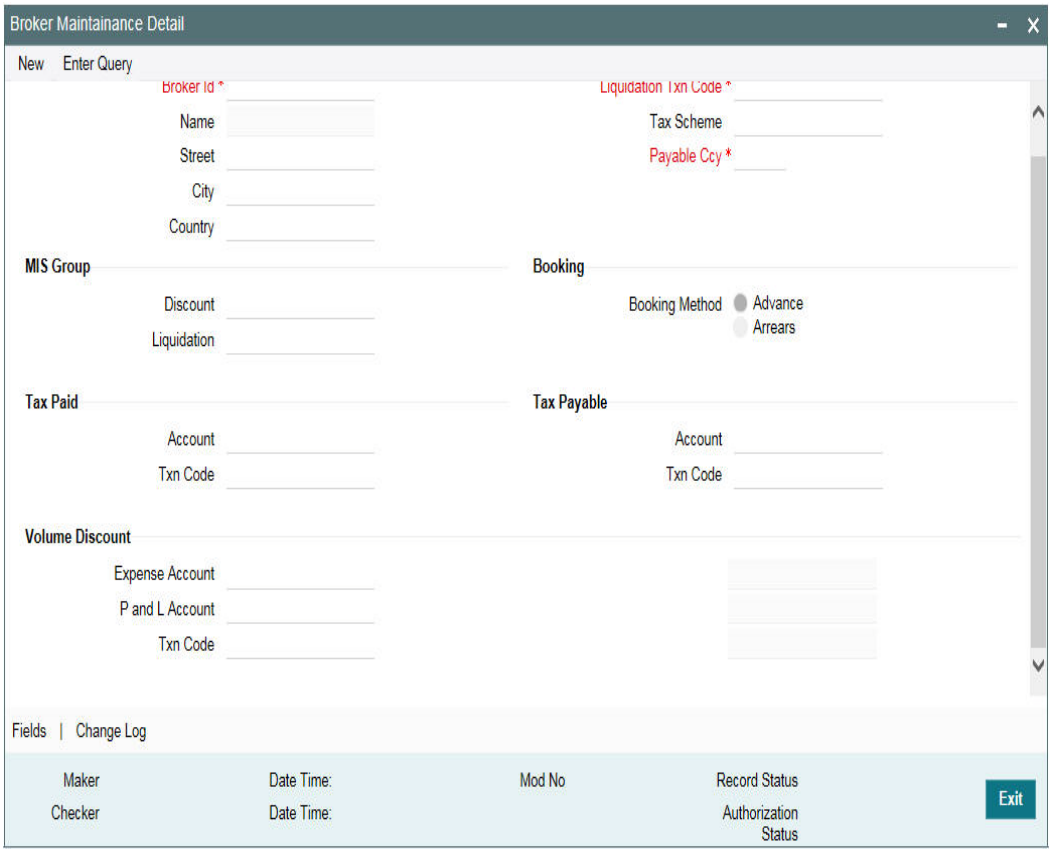
For more information, refer to *Common Core - Security Management System User Guide*.

6.22.1 Capturing Broker details

You can capture the basic details of brokers with whom your bank deals with in the 'Broker Maintenance Detail' screen. In this screen, you can specify the following:

- Broker's code
- Broker name and address of the broker
- Booking currency details relating to the brokerage
- Brokerage to be paid in advance or as arrears. In case of 'Advance', brokerage will be booked when the deal is initiated. In case of 'Arrears', brokerage will be booked when the deal is liquidated.
- Brokerage be liquidated automatically or manually
- Tax scheme applicable
- Tax paid and the tax payable accounts

You can invoke the 'Broker Maintenance Detail' screen by typing 'BKDMASTE' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Note

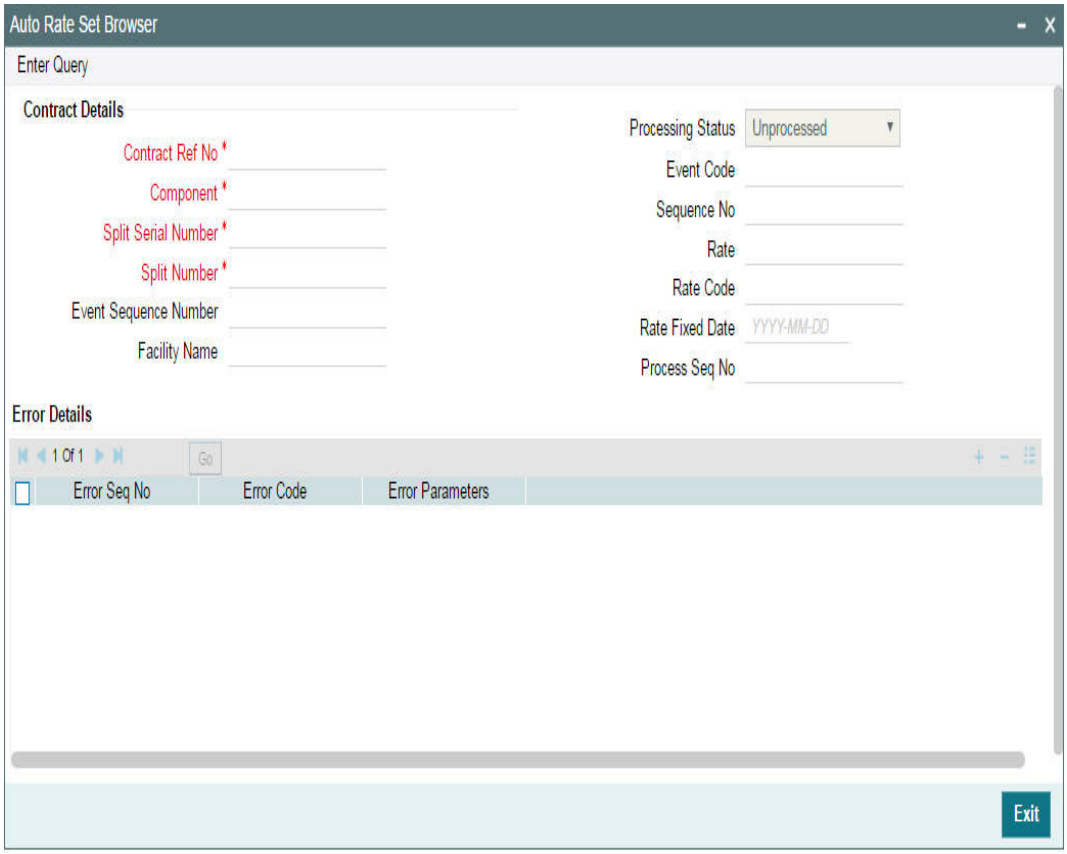
In case of data masking, if 'PII Allowed' check box is not selected in 'User Maintenance screen', then 'Name', 'Street', 'City' and 'Country' field value is masked. For more information, refer to *Common Core - Security Management System User Guide*.

6.23 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.

6.24 Viewing the Automatic Rate Set Browser

You can invoke the 'Auto Rate Set Browser' screen by typing 'LBDRSBRW' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 is updated as ‘Processed’/ ’Failed’ based on the event processing.

If the Rate Set Event is successfully processed, then

- The Rate is fixed successfully for the drawdown interest components and following details are updated
- The Processing status is updated as ‘Processed’
- the event sequence number of the processed rate set event is populated
- The Interest Rate is automatically fixed when the rate set event is processed

The IRAM/ROIX/CRIX/SPIX event is auto authorized if the flag Auto auth Rate fixing events is checked.

The IRAM/ROIX/CRIX/SPIX event is not authorized if the flag Auto auth Rate fixing events is not checked. User have to manually authorize the event

If the Rate Set Event processing is failed, then

- The Rate Set Browser is updated with Process status as Failed
- You have to manually reprocess the failed event
- The Rate Set Browser have an option to reprocess the failed events in bulk or one event at a time

The Re-processed event have maker/checker id as below

If Auto Auth Rate Fixing event is Yes, then the User id of who is reprocessing the event is displayed as Maker/Checker ids

If Auto Auth Rate Fixing event is No, then the User id of who is reprocessing the event is 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 is 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 are 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 is blank in this case.

In the above example, the USER1 is 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 are selected and user is 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 are removed from the browser to history data store. This is a daily activity which is done as part of End of Day process

6.24.1 Automatic Rate Set Process

Auto rate setting process fixes 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.

DrawDown Contract Online (LBDDDONL)

If the rates are not available for rate fixing date, then the insertion of Contract Reference Number, Processing Status, Rate Fixing Date Actual, Date, Rate Code, and Rate Fixing Date Used (OLSRATLG) happens in the rate log table. You can either save the contract with 0 rate or with previous rate based on the loan parameters maintained in the 'Interest Limits Detail' screen (OLDINTLM).

After saving the contract, if the rates are maintained for the actual rate fixing date in the Floating Rate Maintenance screen (CFDFLTRI), you can run the rate fixing job from 'Job Processing' screen (LBSJOBRN). Thereafter, the rate is picked for the actual rate fixing date. and REVN event is fired at the contract level.

Consolidated Rollover (LBDCOROL)

In 'Consol Rollover Input' screen, the 'Rate Fixing Required' check box and 'Rate Fixing Days' are available in 'Normal' and 'Split' tabs.

'Rate Fixing Required' check box is defaulted from the 'Loan Syndication - Product Definition' screen (LBDPRMNT) and 'Rate Fixing Days' is defaulted from 'Interest Limits Detail' screen.

Split Rollover (LBCSPROL)

In Split Rollover screen, the 'Rate Fixing Days' is defaulted from the 'Interest Limits Detail' screen.

Split Reprice (LBDREPRS)

In 'Re-price Transaction - Spilt Details' screen, 'Rate Fixing Required' check box is defaulted from Product screen (LBDPRMNT) and 'Rate Fixing Days' is defaulted from 'Interest Limits Detail' screen.

6.24.1.1 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 automatically initiates online process on the Rate Fixing Date as soon as the LIBOR Daily rate maintenance is available for the day. The Jobs are automatically started based on the 'Auto rate set Job start time' for all the branches. While processing Rate Set Events automatically, the Job 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 is always be same which is Interest Rate Fixing Date.

For future dated transactions, Auto Rate Set event is not 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. In addition, User 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 deselected 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

6.24.1.2 Automatic rate set for Future Dated Transactions

In system a job processes automatic rate fixing on the Rate Fixing Date and IRAM event is registered for this process. The Base rate is 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 is registered but IRFX advice is not 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 RAM is auto-authorized with maker/checker as SYSTEM

If the flag 'Auto Auth Rate Fixing Events' is 'No', then the IRAM is not authorized. The Maker Id for IRAM event is 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 fails the IRAM event if rate maintenance is not available for the day and the appropriate exception is logged saying rate maintenance is not available.

- If Rate Fixing Date falls on holiday for any future dated events, then the event is processed on the next working day. Value date is 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 does not process the Automatic rate setting

6.24.1.3 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 is not authorized. Maker Id for ROIX event is 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 fails 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.

6.24.1.4 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 is picked up from Daily LIBOR Rate for the Rate fixing date for Drawdown currency and Interest Rate Period and for Rate Code. The CRIX 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 CRIX is auto-authorized with maker/checker as SYSTEM. If the flag 'Auto Auth Rate Fixing Events' is 'No', then CRIX is not authorized. Maker Id for CRIX event is SYSTEM. User is 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 fails the CRIX event if rate maintenance is not available for the day and an appropriate exception is logged saying rate maintenance is not available.

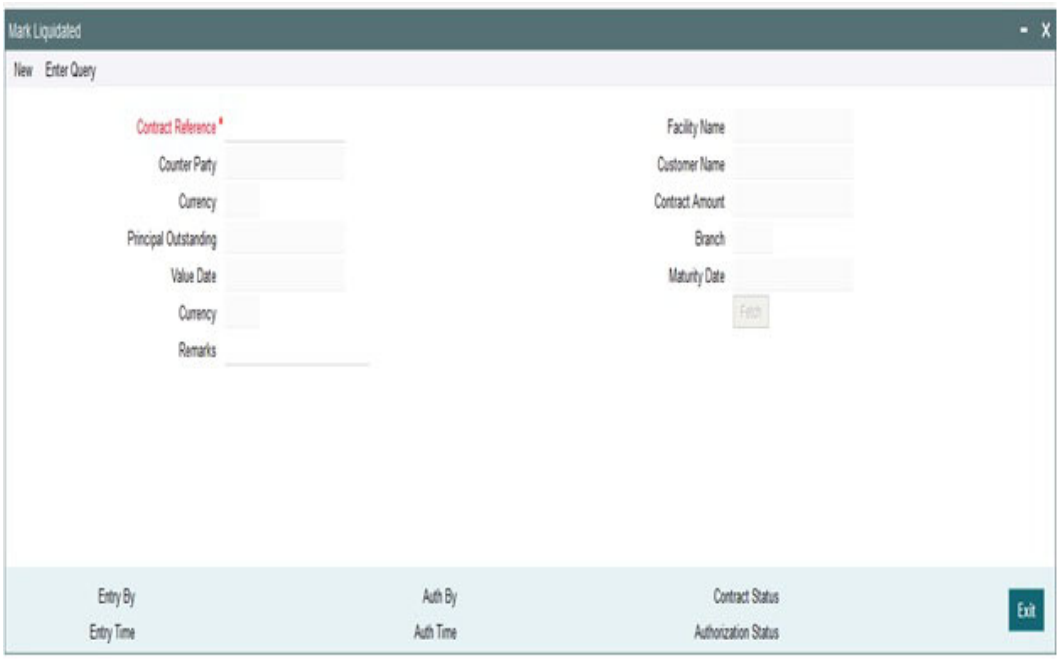
6.25 Contract Status Change

This chapter contains the following sections:

- Section 6.25.1, "Viewing LB Mark Liquidated screen"
- Section 6.25.2, "Viewing LB Mark Active screen"

6.25.1 Viewing LB Mark Liquidated screen

You can invoke the 'Mark Liquidated' screen by typing 'LBDMKLIQ' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You are allowed to query the facility contracts in the field ‘Contract Ref No’. Upon querying the contract successfully, the other fields in the screen are populated with the relevant information.

1. Upon saving the record, the system perform the below validations. The record is saved and submitted for authorization upon successful validation.
   - There should not be any active tranche contract under the facility reference number.
   - There should not be any active drawdown contract under the facility reference number.
   - There should not be any uncollected fee outstanding in the facility contract.
   - There should not be any advance fee accruals pending in the facility contract.
   - The existing validations for marking the tranche and drawdown contracts to liquidated are also performed.
2. The system displays an appropriate error messages if any of the above validations are failed.

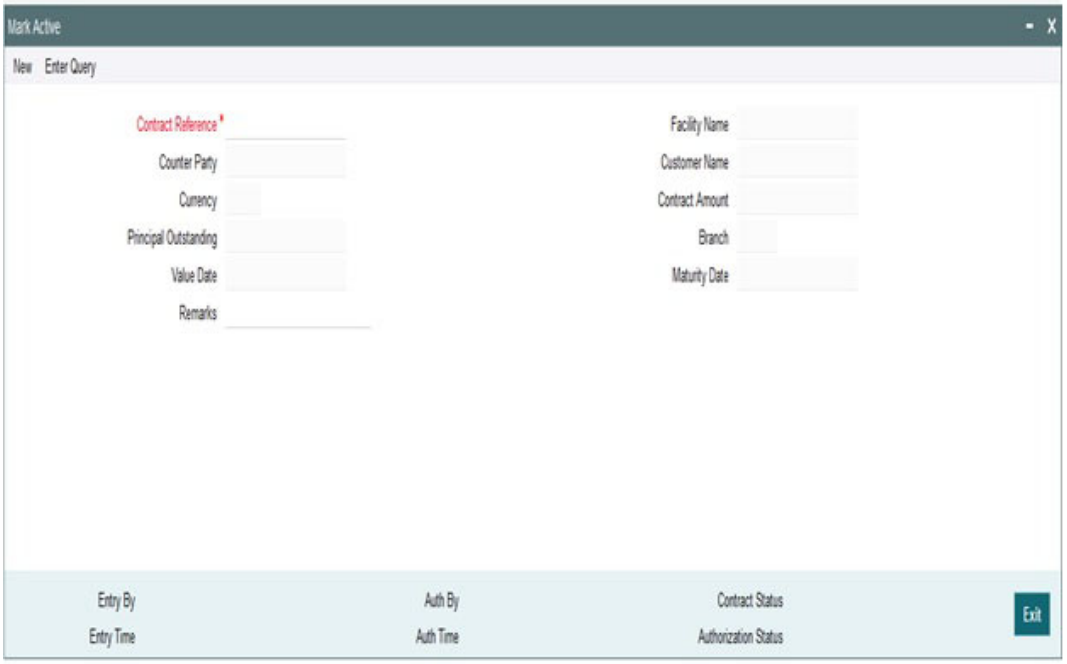
Note

If there is any fee outstanding for the facility contract, an override message is displayed to the user regarding the same.

3. Once the record is authorized successfully, the facility contract status is changed to ‘Liquidated’
   - LIQD event is registered in the facility contract with no accounting entries
   - Fee accruals are stopped; the existing accruals remains unchanged
   - The maker and checker details are updated in the facility contract for the event ‘LIQD’.
   - Further operations are not allowed on the liquidated facility contract. Reversal of liquidation is not allowed in the ‘Facility Contract Online’ screen.

6.25.2 Viewing LB Mark Active screen

You can invoke the ‘Mark Active’ screen by typing ‘LBDMKATV’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



1. You are allowed to perform the below actions.
   - New
   - Save
   - Authorize
   - Delete
   - Query
2. When you click ‘New’ and select the contract which has to be marked active. LOV displays all the liquidated and authorized contract reference numbers and you are allowed to select one.
   - LB Facility contract
   - LB Tranche contract
   - LB Drawdown contract
   - OL Commitment contract
   - OL Loan contract
3. On selection of contract reference number, the other fields in the details block are auto populated, except for the field ‘Remarks’.
4. You should enter the remarks if required and proceed to save the contract.
5. Below validations are performed before the contract is saved.
   - A contract status is allowed to mark as active from liquidated, only when the liquidation event was performed lesser than or equal to 30 calendar days. The transaction date of the last ‘LIQD’ event is used to calculate the same.
   - While marking the LB tranche contract status as active from liquidated, the system checks that the CUSIP of tranche is not currently being used by any other tranche contract. In addition, the system checks that the status of the LB facility contract should not be ‘Liquidated’.

Note

Same CUSIP can be linked with one Lead and one non-lead tranche, in case of silent participation. In such cases, validation is not failed.

- While marking the LB drawdown contract status as active from liquidated, the system checks that the status of the LB facility / LB tranche contract should not be 'Liquidated'.
- While marking the OL loan contract status as active from liquidated, the system checks that the status of the OL commitment contract should not be 'Liquidated'.
- While marking the OL commitment contract status as active from liquidated, the system checks that the status of the linked LB tranche contract should not be 'Liquidated' in case of LB linked contracts.
- While marking the OL loan contract status as active from liquidated, the system checks that the status of the linked LB drawdown contract should not be 'Liquidated' in case of LB linked contracts.

6. The system displays appropriate error messages if any of the above validations are failed. The record is saved and submitted for authorization upon successful validation.
7. You are provided with an option to delete the record in the 'Mark Active' screen before it is authorized.
8. Once the record is authorized, the contract status is changed to 'Active' and the system performs the accrual as below till the application date in the EOD.
   - For LB Facility contracts, the fees associated with the facility contract is accrued.
   - For LB Tranche contracts, the fees associated with the tranche contract is accrued.

Note

The flag 'Accrual Required' should be checked for the fee in the 'Fee Class Maintenance' screen order for the fee to be accrued in the LB Tranche contracts.

   - For OL commitment contracts, the fees associated with the commitment contract is accrued.
   - For OL loan contracts, the interest component will be accrued.

Note

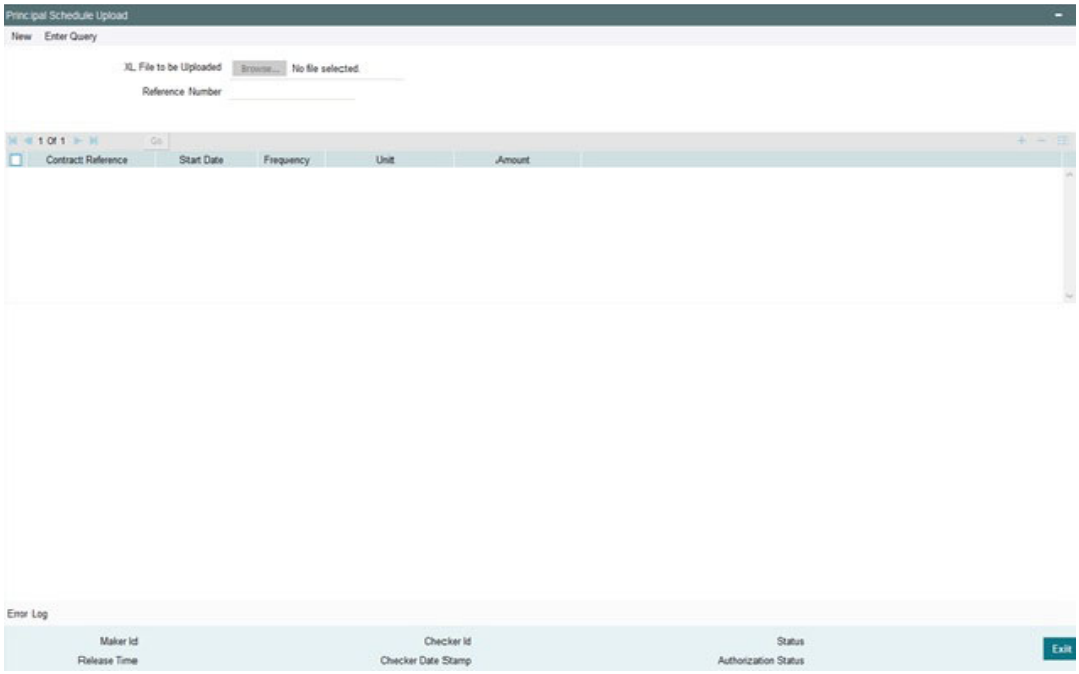
It is possible that the status can be non-performing for the activated OL contracts. In such cases, the system perform memo accruals.

9. When a LB contract is marked as 'Active' from 'Liquidated', the same is not straight through processed to OL module to change the status of the linked contract from 'Liquidated' to 'Active'. You should manually change the contract status for the OL contracts.
10. An event 'MRKA' is registered in the LB and OL contracts for the status change.

For more information on LB mark liquidated contract status , refer Marking Contracts as Liquidated section in this User Manual.

6.26 Principal Schedule Upload

You can invoke the 'Principal Schedule Upload' screen by typing 'LBDPSUPL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

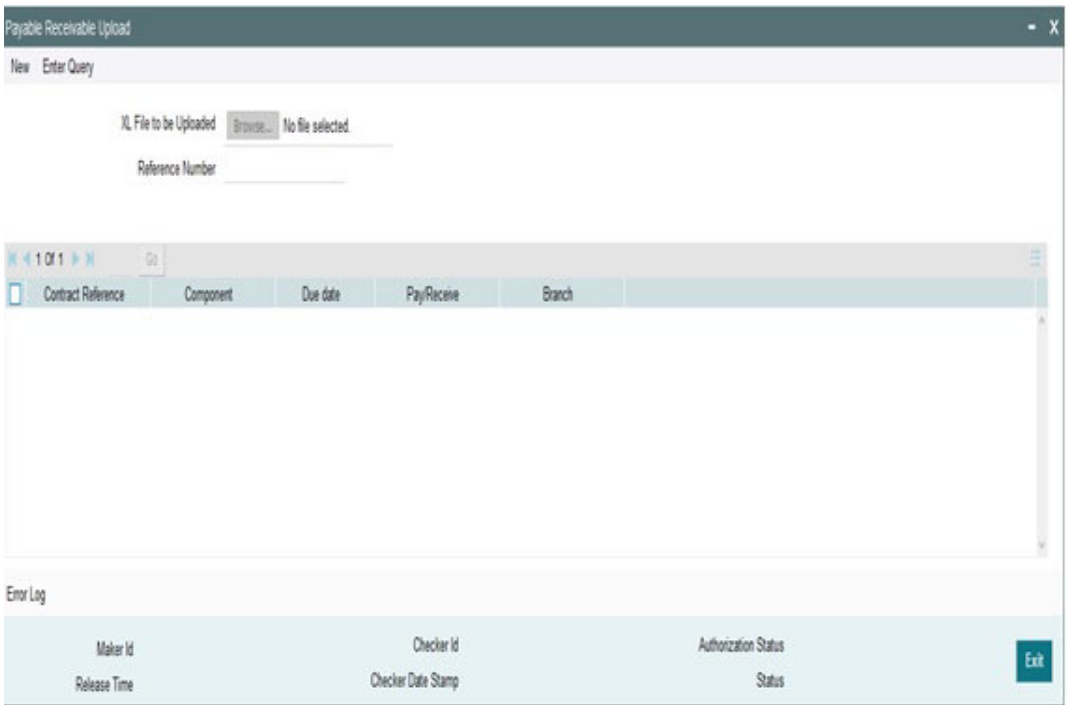


1. You are allowed to perform the below actions.
   - New
   - Save
   - Authorize
   - Delete
   - Query
2. For principal schedule upload, you should enter the below fields in the .csv file to be uploaded
   - Contract Reference Number
   - Schedule Start Date
   - Frequency
   - Unit
   - Amount
3. You should click ‘New’ and the .csv file name using the LOV in the search block field ‘XL File to be uploaded’ and upload the file.
4. After uploading the file, you should click 'Save' button in the screen.
5. The system performs below validations during the save of principal schedule upload and appropriate error messages are displayed if any validation is failed
   - Header format of the uploaded .csv file should be in accordance with the upload template.
   - Format of the individual line items must be in accordance with the upload template.
6. Records are saved on successful validation and the system displays a message saying the upload is successful; the uploaded records will be updated in the detailed block and enabled for authorization.
7. Once the records are populated in the detailed block, you are not allowed to delete any record individually. In such case you need to delete some of the records, then delete the upload and perform a new upload.

8. Authorization of the Principal Schedule upload fails if any of the following validations are failed
   - The contract reference number should be valid.
   - Start date should not be lesser than or equal to the last liquidation date.
   - Start date should not be lesser than value date and greater than the maturity date of the contract.
   - Sum of all schedule amounts for a contract should not exceed contract amount.
   - If rollover is already captured for the contract for which principal schedule is uploaded, the system validates that if the schedule due date is less than the maturity date of the contract. In such case, the rollover captured is failed. However, the payment message generated as part of PMSG event is not cancelled. This should be operationally controlled.
9. In case of any error during authorization, exception is logged and the authorization of the Principal Schedule upload is failed. You can view the exception in sub screen for error log.
10. When there are multiple contracts in the upload, out of which, some are validated successfully and some are failed, the system processes the validated contracts and reject the failed contracts with appropriate error messages.
11. You should re-upload the rejected contracts, you should manually remove the contracts which are processed in the csv file (since system does not know if the contracts are new or existing).
12. Update on the contract is processed for the records once the authorization is successful in the principal schedule screen as part of the event CAMD. The maker and checker details are updated and version number is incremented. The CAMD event is STP'd to the OL module.

6.27 Payable Receivable Upload

You can invoke the 'Payable Receivable Upload' screen by typing 'LBDPRUPL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



1. You are allowed to perform the below actions in this screen
   - New
   - Save
   - Authorize
   - Delete
   - Query
2. For payable receivable upload, you should enter the below fields in the .csv file to be uploaded
   - Contract Reference Number
   - Component
   - Payable/Receivable Amount
   - Due Date
3. You should click ‘New’ and select the .csv file name using the LOV in the search block field ‘XL File to be uploaded’ and upload the file.
4. You should enter negative amount for payable and positive amount for receivable amount in the Excel spreadsheet.
5. After uploading the file, you should click 'Save'.
6. The system performs below validations during the save of payable receivable upload and appropriate error messages are displayed if any validation is failed
   - Header format of the uploaded .csv file should be in accordance with the upload template.
   - Format of the individual line items must be in accordance with the upload template.
7. Records are saved upon successful validation and the system displays a message saying the upload is successful; the uploaded records will be updated in the detailed block and enabled for authorization.
8. Once the records are populated in the detailed block, you are not allowed to delete any record individually. In such case you need delete some of the records, then delete the upload and perform a new upload.
9. Authorization of the payable/receivable upload fails if any of the following validations are failed.
   - The contract reference number should be valid.
   - Sum of amount due - (amount settled +payable/receivable) should be zero.
10. Payable / receivable upload may contain multiple components for each contract and so the validations are done component-wise in the order of the uploaded csv file
11. In case of any error during authorization, the exception is logged and the authorization of the payable receivable upload is failed. You can view the exception in sub screen for error log.
12. When there are multiple components in the upload, out of which, some are validated successfully and some are failed, system processes the validated components and reject the failed components with appropriate error messages.
13. If you re-upload the rejected components, then you should manually remove the components which are processed in the csv file (since system will not know if the component is new or existing).
14. Update on the contract is processed for the records once the authorization is successful in the payable receivable upload screen as part of the event CAMD. The maker and checker details are updated accordingly and version number is incremented.

6.28 Maintaining multi-level authorization of a contract

High value transactions requires multi-level of authorization. When a contract is booked with huge amount, the contract must go for multi-level authorization.

This functionality is available on the following screens of LB module.

- Loan Syndication – Facility Contract Online (FCDTRONL)
- LB Tranche Contract Online (LBDTRONL)
- DrawDown Online (LBDDDONL)
- LB - Value Dated Amendment (LBDVAMND)
- Loan Syndication - Contract Payment (LBDPYMNT)

For more information about multi-level of authorization, refer to *Bilateral Loans* and *Product Definition* User Manual.

7. Processing Repayments

This chapter contains the following sections:

- Section 7.1, "Repayments"
- Section 7.2, "Defining Schedules for a Product"
- Section 7.3, "Defining Drawdown for a Contract"
- Section 7.4, "Defining Schedules for a Contract"
- Section 7.5, "Processing Repayments Manually"
- Section 7.6, "Processing Prepayments"
- Section 7.7, "Payable Receivable Upload"

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 Banking Corporate Lending, you can define the repayment schedules when you define a product. These default to all contracts processed under the product. However, Oracle Banking Corporate Lending 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 Banking Corporate Lending 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 does 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:

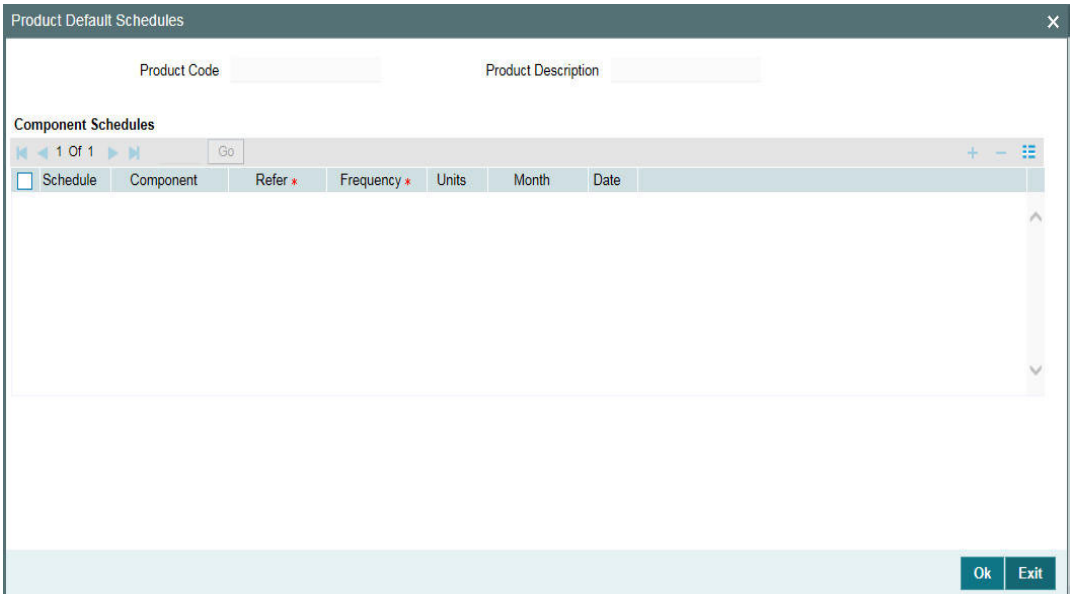
- The mode of liquidation (automatic or manual)
- Liquidation of schedules due before the date on which a drawdown is initiated
- The type of schedule – Capitalized or Normal

You define these attributes in the 'Product Preferences' screen that you invoke by clicking 'Preferences' tab in the **Loan Syndication - Product Definition (LBDPRMNT)** main screen.

If the mode of liquidation specified for a schedule is automatic, it is 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 'Schedules' tab in the 'Product Preferences' screen.



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.

Note

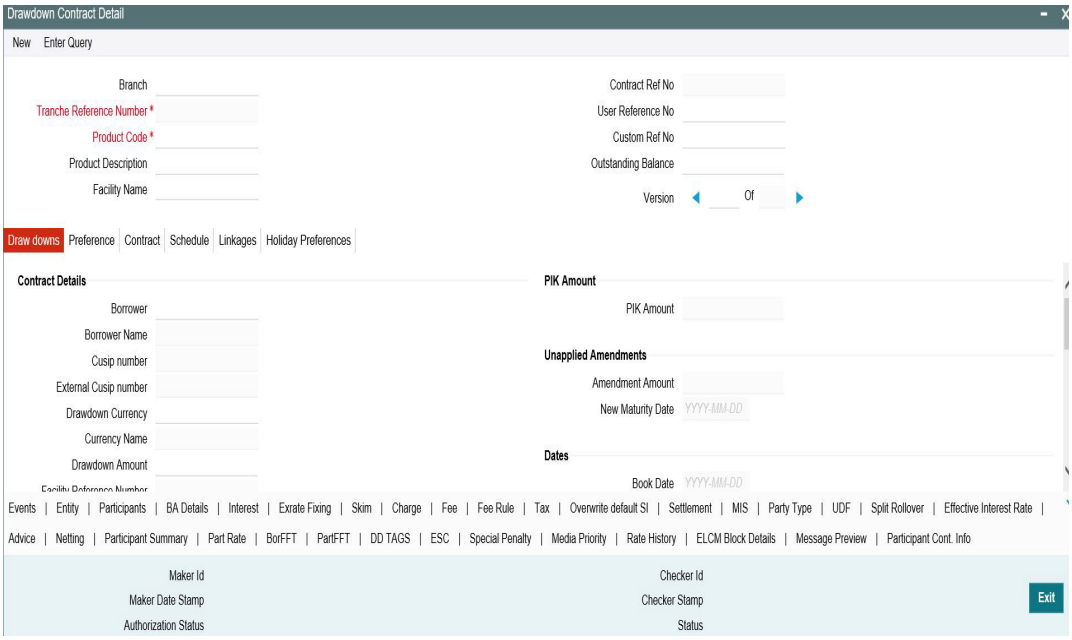
To indicate Forward Processing is applicable to the borrower tranche or drawdown product during the event LIQD, select the option 'Semi-Auto' against the field 'Liquidation Mode'. The system processes the two events, but hold the messages. The messages are held in the 'Forward Processing Queue'.

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.

You can invoke the ‘Drawdown Contract Online’ screen by typing ‘LBDDDONL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Special Amount

Specify the special amount for swing line draw down, in case you want to do a special swing line disbursement.

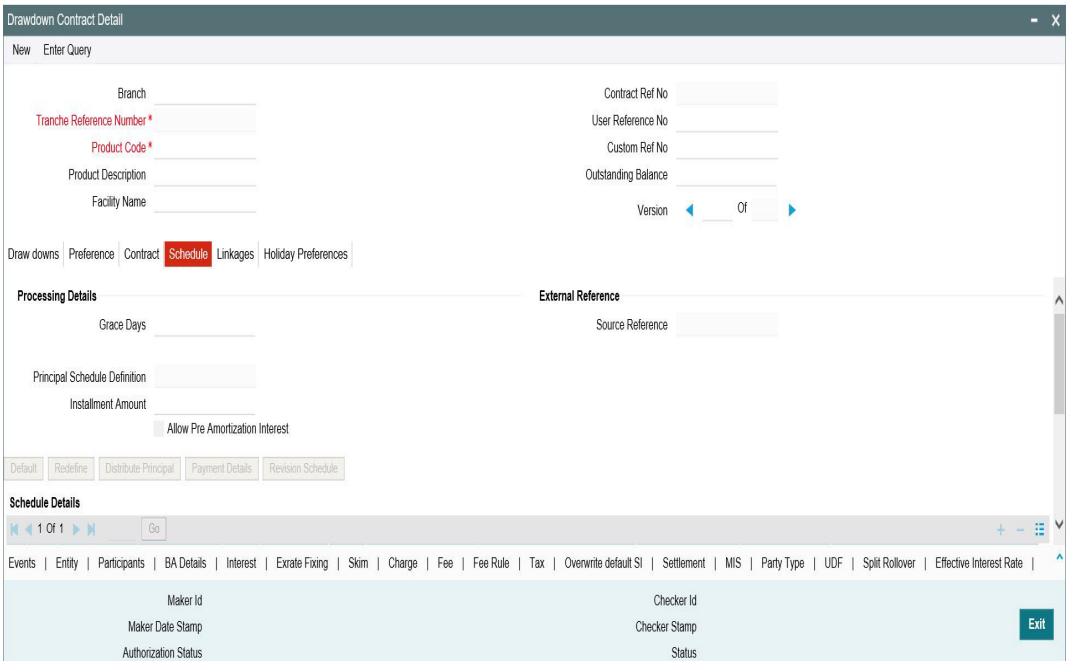
Note

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 applies 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 are 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.



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.

Distribute Principal

You can distribute the outstanding principal evenly across all the schedules. This can be used for a new contract and contract amendment.

Redefinition

As part contract amendment, 'Schedules Details' section gets enabled for modification.

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 ‘’Holiday Preferences’ 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 Preferences’ 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 are 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 checks 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 is 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 is 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.

Apply Financial Centre Holiday Treatment

This check box allows you to enable financial centre holiday treatment and add the financial centres for the holiday treatment.

For more information about maintaining financial centre for holiday treatment refer to *Products* User Manual.

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 also defaults 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 defaults 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.

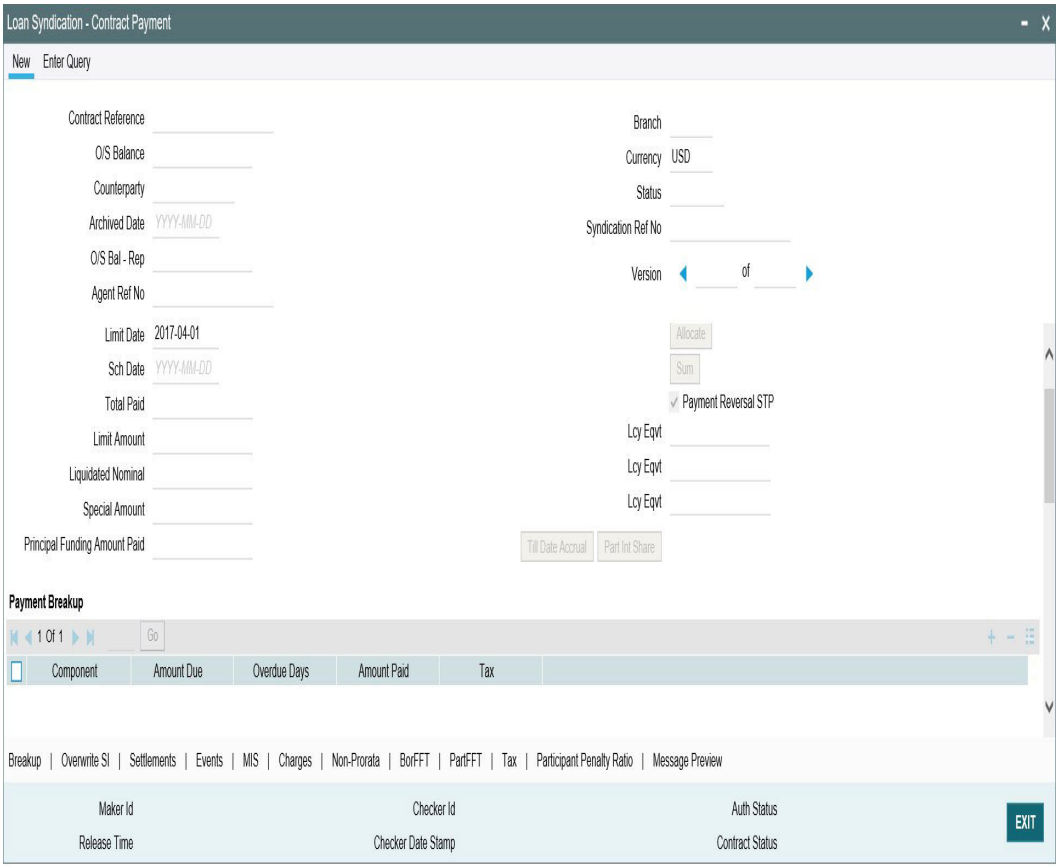
If you have defined auto liquidation for the drawdown, you can manually liquidate the components before the liquidation schedule falls due. In addition, if, for reasons of non-repayment, the liquidation does not take place, you can manually liquidate the components when the repayment is made.

If you have defined manual liquidation for the drawdown, then you must manually liquidate the components a day before the schedule date.

If you select liquidation mode as manual, then on schedule date you can liquidate amount using LBDPYMNT screen. If you liquidate the amount before schedule date then that payment is treated as pre-payment.

You process payments through the ‘Contract Payment’ screen.

You can invoke the ‘Loan Syndication - Contract Payment’ screen by typing ‘LBDPYMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 want to do a special payment or to facilitate the special amount disbursal. 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

- 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 are not 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 is used for all the subsequent payment processing.

Note

- 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.

Participant Ratio Change

1. Participant Ratio change works only for payments where payment is done for a single schedule and not across the schedules.
2. Participant Ratio change for interest component works only when the 'Partial Interest Payment Allowed' check box is selected at Drawdown.
3. Sum of amount for a component either it is provided directly through amount field or the amount which is calculated based on the ratio provided, the total sum for each component should be equal to the amount paid for each component which is provided under the section "Payment Breakup"
4. For each participant, the calculated amount should not exceed the original due amount which was calculated based on original asset ratio for that schedule.
5. Subsequent payment on the same value date should be done only through 'Participant Ratio Change' when any of the previous prepayment is done through Participant Ratio Change.

Participant and Component ratio

The values are defaulted from the ‘Participant Ratio Details’ sub-screen of ‘Drawdown Contract’ screen.

Component

The values are defaulted from the 'Payment Breakup' section

New Ratio and Amount

You can either enter ratio or amount. If you enter both, then the system considers ratio. The value of the ratio must be in percentage, that is, from the range 0 to 100.

The 'Amount' is outstanding balance for that schedule. The amount must be equal to the sum of the amount of that component, that is, it must be equal to the 'Amount Paid' for that component in 'Payment Breakup' section.**Interest Refund Required**

This check box is selected if the bank intends to pass the interest benefit of certain events to the borrower.

Following are instances of such events.

- VAMI - Interest decrease, Maturity date is advanced
- Prepayments including full prepayments leading to contract closure

If the check box is selected, the interest is recomputed based on the event that has occurred and the borrower's CASA/GL is credited for BADJ event (Backdated adjustments) defined at the product.This check box is not relevant if rates are decreased as a result of index changes.

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 want 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 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 need to be modified. This 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 are 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 is displayed in the ‘Payment Breakup’ screen.

Note

Principal and non main interest components cannot be paid along with main interest component when this button is pressed. You can specify the borrower ‘Amount Paid’ which can be lesser than or equal to the ‘Amount Due’.

Payment Reversal STP

The check box is enabled and default checked for payment liquidations only. Reversals for fee liquidation are not supported.

The system handoffs REVP event in the 'Straight Through Processing Interface Browser' screen. This happens after STP processing is complete.

After STP processing, the 'Contract Status' in the footer is changed from 'L' to 'A', that is from liquidated to active.

In addition, LB and OL contracts liquidation mode is changed from semi-auto/auto to manual. You can verify the same in 'Liquidation Mode' field available in 'Drawdown Contract Details' screen under 'Contract' tab and also in 'Principal Liquidation' field available in 'Loan and Commitment - Contract Input' screen under 'Schedules' tab.

7.5.1 Specifying Payment Breakup for Participants

From Loan Syndication Contract -Payment screen (LBDPYMNT), 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’.

Amount Paid

Specify the individual participant share amount for the interest being paid.

While saving the record and on click of ‘ok’ button in the Payment Breakup for Participants’ screen, the system validates if the total sum of the entire participant interest share amount entered in ‘Amount Paid’ matches with the borrower ‘Amount Paid’.

Amount Paid entered by user for each participant level is used for :

- Propagating interest to the respective participant contract
- Tax calculation for the participants
- Participant advice generation

Note

Cash interest paid cannot be greater than amount due for borrower; the same validation is applicable for participants as well.

7.5.2 Specifying Future Value Date for Payments

You can specify a future date as the value date of the payment, if required. The future value dated payment can be a normal payment or prepayment. For non-Prime contracts you can liquidate interest for the prepaying principal by checking ‘Liqd of Int on Prepaid Principal’ option. The interest is computed till the value date of the captured future dated payment.

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

- For Prime contracts, ‘Liqd of Int on Prepaid Principal’ check box value is defaulted from contract preferences and it is 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 are fired, but there are 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 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 is automatically be changed to the date of the drawdown paid.

You can reverse a future dated payment instruction, if required. Events are generated and the balances at the Tranche are 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 is 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

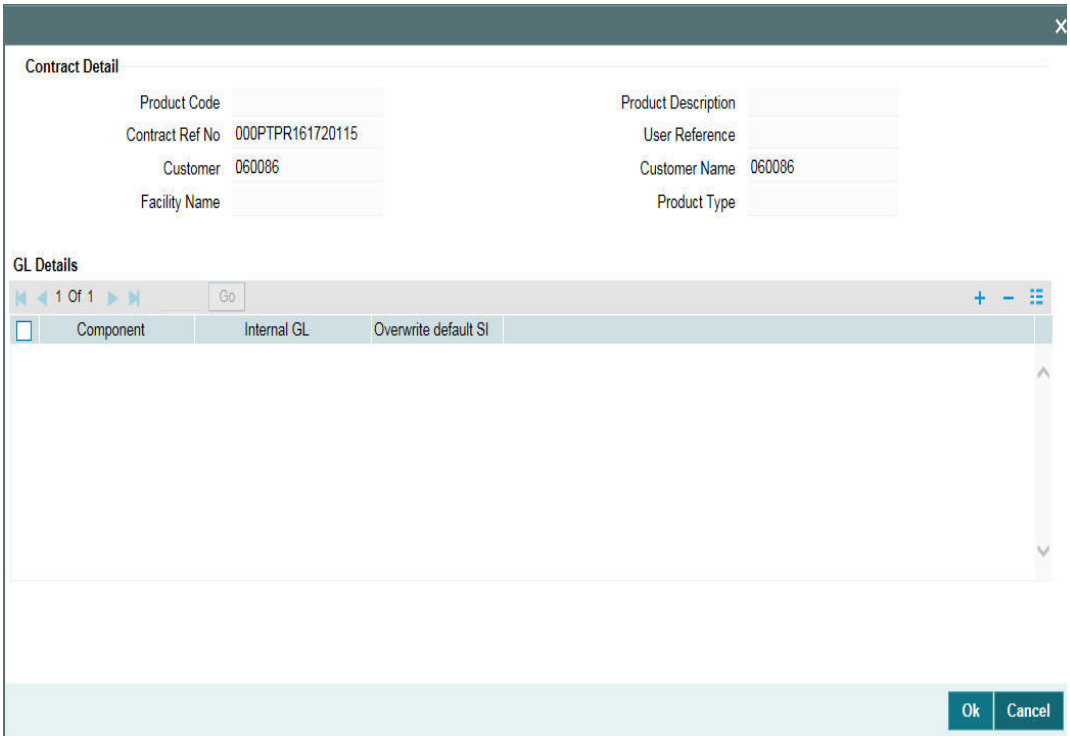
When you initiate the batch for processing the future dated payment instructions, accounting entries are passed based on the settlement accounts prevailing at the value date of liquidation.

Note

- 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 cannot 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, and so on, 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 ‘Loan Syndication - Contract Payment’ screen to invoke the following:



Component

This screen displays the all the components displayed in the Settlement Message Details screen that is, fees, charges, principal, interest, and so on.

Internal GL

Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite Default Settlement Instruction

Select the 'Overwrite default settlement instruction' box to confirm that the liquidation entries should be posted into the Internal GL account. System posts the entries to the Internal GLs only if you check this box. Otherwise, the system posts the entries as per the settlement instructions specified for the component of the contract.

Note

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.

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 displays the settlement details for all currencies maintained at the tranche level. Note that you cannot modify these details.

Note

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. In addition, 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 'Participant Selection' 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 want to include for payment processing. Click 'Ok' 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 'Ok' 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 selected in the 'LB 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 ratio 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.

Note

Oracle Banking Corporate Lending does 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 are not allowed
- Participants are not allowed beyond the latest actual receipt date for any of the underlying drawdowns for the investors involved in the transfer.

Note

- 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.

You can invoke the 'Mark Liquidated' screen by typing 'LBDMKLIQ' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.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

- When a facility or 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.

Note

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 is displayed:

Contract will be liquidated. Proceed?

  - If the override is selected as ’Yes’, the contract status is changed from ‘Active’ to ‘Liquidated’ and LIQD event is registered. If the override is selected as ‘No’, save operation fails.
- Authorization - During this operation, LIQD event is authorized.
- Delete - During this operation, saved and unauthorized status change of the contract is deleted.

Note

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:

6. Mark the loan as ‘Liquidated’. For self participant, drawdown cannot be liquidated if any underlying loans are active.
7. Mark the commitment as ‘Liquidated’. For self participant, tranche cannot be liquidated if any linked/STP commitments are active.
8. Mark the underlying drawdowns as ‘Liquidated’.
9. 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.

7.5.6 Tax

This sub-system is used for manual payments of interest and fees respectively.

This enables you to waive or un-waive Tax components applied on interest and fees at the time of their manual payment.

7.5.7 Participant Penalty Ratio

The system defaults the asset ratio of each participants. You can amend the ‘Ratio’ in which you want to distribute the pre-payment penalty amount. Thereby, pre-payment penalty amount gets distributed across the participants.

7.5.8 Viewing Messages using Message Preview

For more information on message preview, refer to 'Viewing Messages using Message Preview' section, 'Loan Syndication Contracts - Part 1' chapter.

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 considers the margin rates maintained for individual participants while recalculating interest.

You specify the prepayment penalty as a percentage, in the ‘LB 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.

Note

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

- 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 displays the interest applicable for the specified principal.

Note

The ‘Pop PL Interest’ button is 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 200020000 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 is 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.

7.7 Payable Receivable Upload

1. You are allowed to perform the below actions in this screen
   - New
   - Save
   - Authorize
   - Delete
   - Query
2. For payable receivable upload, you should enter the below fields in the .csv file to be uploaded
   - Contract Reference Number
   - Component
   - Payable/Receivable Amount
   - Due Date
3. You should click ‘New’ and select the .csv file name using the LOV in the search block field ‘XL File to be uploaded’ and upload the file.
4. You should enter negative amount for payable and positive amount for receivable amount in the Excel spreadsheet.
5. After uploading the file, you should click 'Save'.
6. The system performs below validations during the save of payable receivable upload and appropriate error messages are displayed if any validation is failed
   - Header format of the uploaded .csv file should be in accordance with the upload template.
   - Format of the individual line items must be in accordance with the upload template.
7. Records are saved upon successful validation and the system displays a message saying the upload is successful; the uploaded records will be updated in the detailed block and enabled for authorization.

8. Once the records are populated in the detailed block, you are not allowed to delete any record individually. In such case you need delete some of the records, then delete the upload and perform a new upload.
9. Authorization of the payable/receivable upload fails if any of the following validations are failed.
   - The contract reference number should be valid.
   - Sum of amount due - (amount settled +payable/receivable) should be zero.
10. Payable / receivable upload may contain multiple components for each contract and so the validations are done component-wise in the order of the uploaded csv file
11. In case of any error during authorization, the exception is logged and the authorization of the payable receivable upload is failed. You can view the exception in sub screen for error log.
12. When there are multiple components in the upload, out of which, some are validated successfully and some are failed, system processes the validated components and reject the failed components with appropriate error messages.
13. If you re-upload the rejected components, then you should manually remove the components which are processed in the csv file (since system does not know if the component is new or existing).
14. Update on the contract is processed for the records once the authorization is successful in the payable receivable upload screen as part of the event CAMD. The maker and checker details are updated accordingly and version number is incremented.

8. Processing Charges and Fees

This chapter contains the following sections:

- Section 8.1, "Introduction"

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:

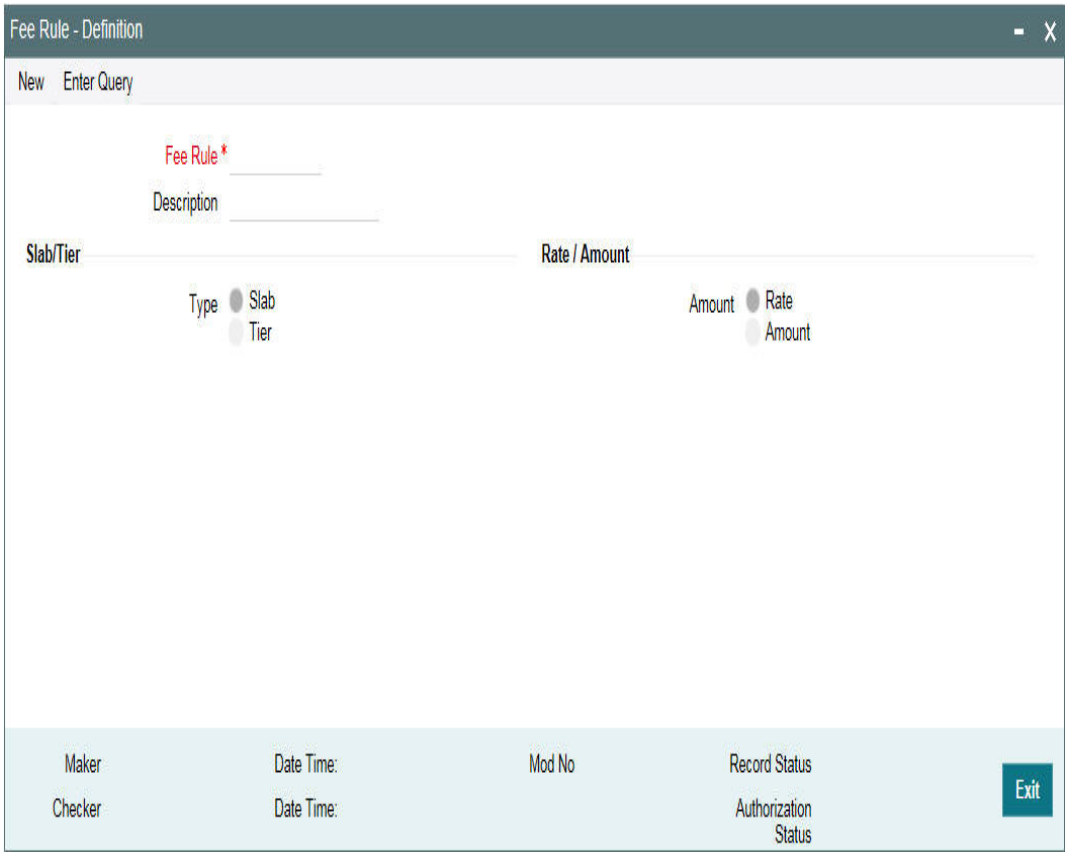
- Maintain a Fee Rule through the 'Fee Rule – Definition' screen
- Define the attributes of a Fee Rule through the 'Fee Rule Maintenance' screen
- Once you have defined the attributes of a Fee Rule, you have two options:
  - Define a Fee Class through the 'Fee Class' screen. If you define a Fee Class, you can associate it with a Product directly (through the 'Borrower Product – FEE Details' screen) and the product inherits 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 'LB 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.

For more information on charges and fees, refer to *Charges and Fees User Manual*.

8.2 Defining a Fee Rule

You can define a fee rule though the 'Fee Rule – Definition' screen. You can attach the fee rule to a Fee Class or directly to a syndication product.

You can invoke the 'Fee Rule - Definition' screen by typing 'LFDFEMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following details in this screen:

Fee Rule

Every fee rule you define in Oracle Banking Corporate Lending 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

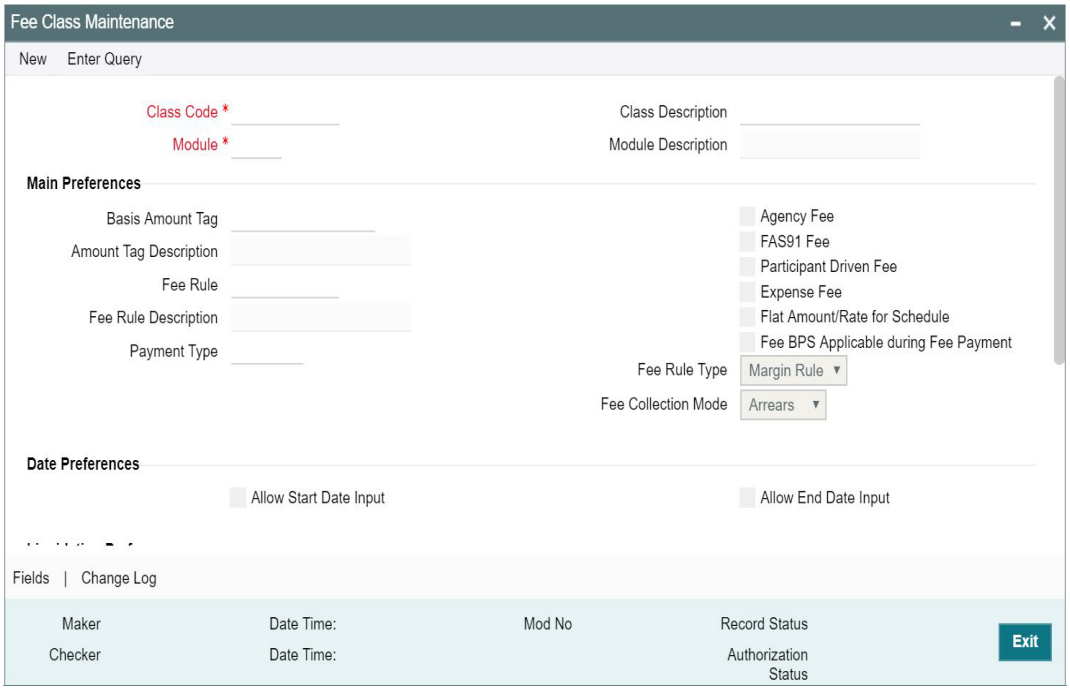
You can indicate the basis on which the rule being defined to calculate the applicable fee for the fee component – as a percentage or amount. Accordingly, you can capture the fee rate or fee amount applicable for the various Slabs/Tiers defined for the rule in the 'Fee Rule Maintenance' screen.

For more details on this screen, refer the heading 'Maintaining Fee Rule details' in this chapter.

8.3 Maintaining Fee Rule Details

Once you have created a fee rule, you have to define attributes for the rule through the 'Fee Rule Maintenance' screen. You can invoke the 'Fee Class Maintenance' screen by typing

'LFDFEECL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Alternatively, you can also access this screen from the 'LB 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.

The details to be maintained for a fee rule are explained below:

8.3.1 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 (LB) module.

When you select the module, the description associated with it is 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 LB Module.

In this case, the following details are 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 displays the names of the borrowers maintained for the selected contract and also the 'ALL CUSTOMERS' option. If you select a specific customer, the components are applicable for only the selected customer. If you select 'ALL', the components are 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 indicates that the fee details may be applied to all LB 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 also defaults 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.

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 are applicable. If you are maintaining fee details for a specific contract, the contract currency is displayed here. You can select additional currencies, if required. The option list displays all the currencies allowed for your branch.

When you select a currency code, the name of the currency is also be displayed.

Click the 'Add Row' button to select the next currency, if required.

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 is 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.

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 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 is 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 becomes 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 is applicable on the tranche amount which vary based on the percentage utilization.

Example

The following example illustrates the way in which Oracle Banking Corporate Lending 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 is 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 is taken.

8.3.2 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 'Media' tab. This button is enabled only if the

'FpML Type' option is deselected at the contract level and the 'Media Priority' option is selected at the product level.

If this button is enabled, then the system displays an override message saying to view the 'Media for Message Generation' screen. If not, the system handoffs the message as per the details maintained in the 'Customer Entity Maintenance' screen.

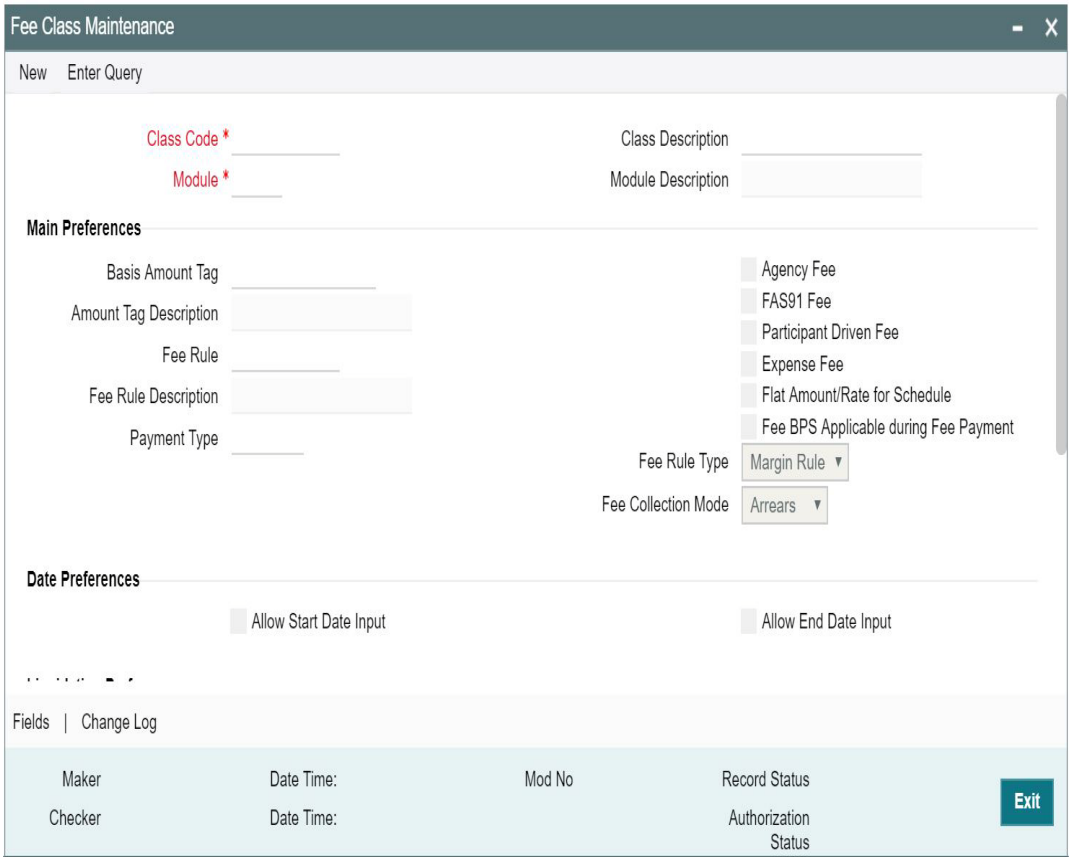
For more information on the 'Media for Message Generation' screen, refer the section 'Specifying Media for Message Generation' in the Loan Syndication Contracts - Part 2' chapter of this User Manual.

8.3.3 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 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 have to specify the fee preferences for the product at the time you associate the product with the rule.

You can invoke the 'Fee Class Maintenance' screen by typing 'LFDFEECL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The details to be captured in this screen are explained below

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 helps 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 LB to indicate that the details are specific to the Loans Syndication (LB) module.

When you select the module, the description associated with it is displayed alongside.

Specifying Class Preferences

In the 'Main Preferences' section of the screen, you have to specify the following:

Agency Fee

You may select this option to indicate that the fee income received on a contract is meant for the leading agent alone. It does not get propagated to the other participants of the syndication contract.

If you select this option, you are not allowed to select the 'Participant Propagation Required' option.

FAS91

Select this check box to perform FAS91 computations. System validates 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 selected

Participant Driven Fee

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

Note

- If you select this option, you are not allowed to select the 'Agency Fee' option
- System performs 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

Expense Fee

Select this check box to enable the expense fees. The fees can be accrued or amortized.

The expenses may be flat amounts (such as Legal Fee) or rate based on a specific basis amount (such as fee paid to credit guarantor)

These are expenses incurred against a contract which the bank does not directly recover from the borrower. These expenses can be one-time expenses or periodic expenses or paid in advance or in arrears. They may be incurred at the Facility/Tranche/ Drawdown levels.

In expense the fee calculation happens only within the schedule period of the contract whereas in normal arrears the fee calculation happens from the start of the contract till the schedule end date and for advance from the start of the schedule till the end of the maturity date.

For more information refer, to ‘Expense Fee’ section in this User Manual.

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 are displayed in the option list provided. The description of the tag is displayed when you select the amount tag.

System computes a fee for issuing a letter of credit. This amount is 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
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_L-COS	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 includes the rules that you have maintained through the 'Fee Rule – Definition' screen. When you select the rule, the description of the rule is also displayed.

Fee Collection Mode

Select the mode of collecting the fee. The available options are:

- Advance: Typically, an advance fee component is 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 (that is,. 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.

Note

Fee rate maintenance is done for ‘Advance’ and ‘Arrear’ fee components.

8.3.4 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) becomes effective on the ‘Start Date’ of the contract (facility/tranche/drawdown). However, if you select the ‘Allow Start Date Input’ for the fee class (which would subsequently be associated with a syndication product), you are 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) ceases to be associated with a contract on the contract ‘End Date’. However, if you select the ‘Allow End Date Input’ for the fee class (which would subsequently be associated with a syndication product), you are allowed to modify the end date of the fee component in the ‘Fee Components’ screen.

Note

If you do not select the above options, you are not 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.

8.3.5 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 liquidates 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 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 is applicable to the fee. The fee liquidation event is processed as on due date, but the message is 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.

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.

8.3.6 Accrual of FAS91 Fee

You can amortize the portion of the FAS91 fee components and accrual starts 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 is 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 is used as the last day to calculate the amortization amount.

Specifying Other Preferences for the Class

In the 'Other Preferences' section, you can opt for the following:

Allow Rule Amendment

You can select this option to allow amendment of the fee rule associated with the contract. If you check this option, you are allowed to change the default fee rule in the 'Fee Components' screen.

Allow Amount Amendment

You can select 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.

Note

This field is applicable only if you select the 'Fee Collection Mode' as 'Advance'.

Billing Notice Required

You can select this option to instruct the system to send a billing notice to the concerned borrower/participant as a reminder of the payment. The notice is 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 Reqd

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 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 are not 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 is eligible to receive the fee amount.

8.3.7 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.

You can go to ‘Loan Syndication - Borrower Product Definition’ (LBDPRMNT) screen and click ‘Fee’ tab.

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.

8.3.8 Specifying Fee Components with a Contract

You can specify various fee components with a contract through the ‘Fee Components’ screen.

The fee components attached at product is defaulted in this screen. You can go to ‘LB Tranche Contract Online’ (LBDTRONL) screen and click ‘Fee’ tab.

You can modify the fields like ‘Bill Notice Required’ and ‘Billing Notice Days’.

If ‘Fee Type’ is of participant driven fee, then you need to click the ‘P Fee’ tab and enter the amount for participants manually.

If ‘Fee Type’ is of rule based or user input, then you need click the ’Ratio’ tab and click ‘Calculate’ button so that the final ratio is 100.

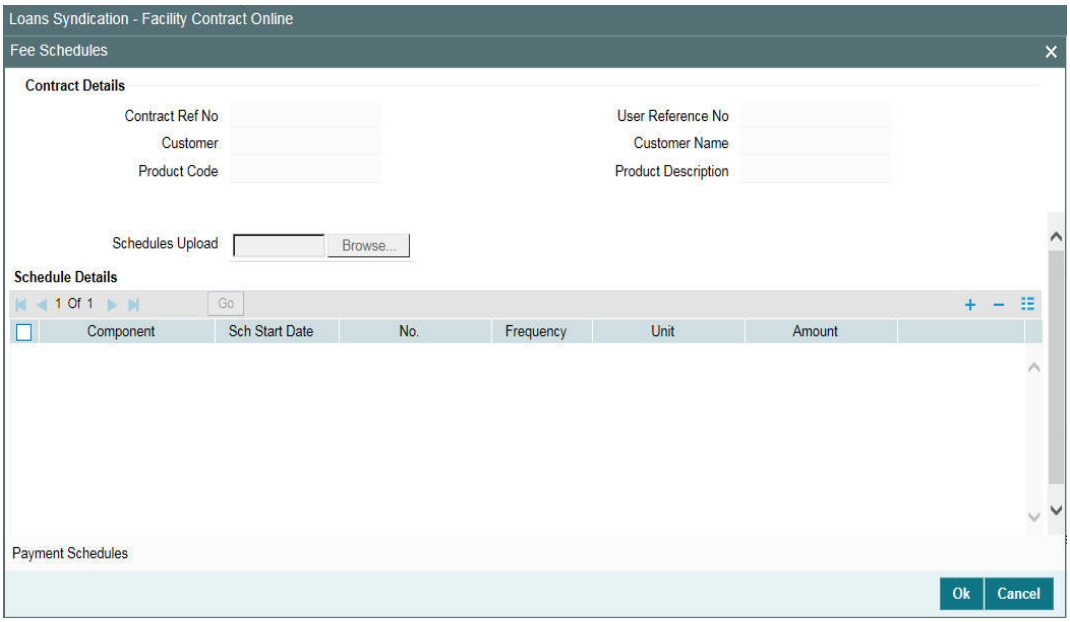
For more details on this screen, refer the heading ‘Specifying facility fee details’ in the ‘Loan Syndication Contracts’ chapter of this User Manual.

8.3.9 Entering Schedules for Fee Components

You can capture the fee schedules for a contract in the respective contract screen

For a facility

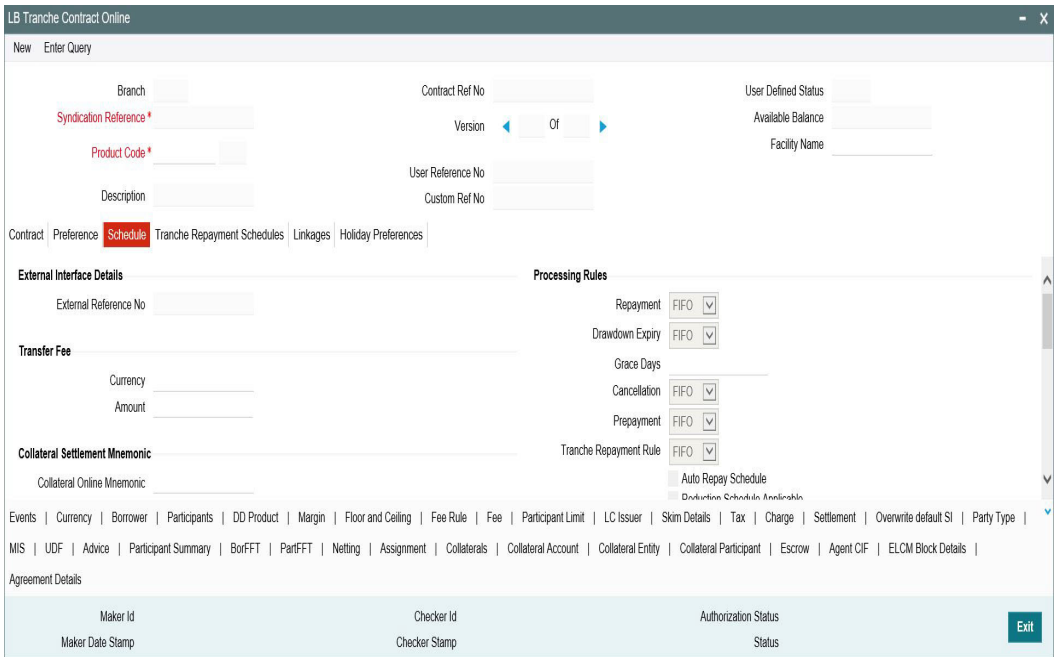
For a borrower facility, you can specify schedules for fee components through the ‘Fee Schedules’ screen. To invoke this screen from the ‘Facility Contract Online’ screen, click the ‘Schedules’ button.



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 ‘LB Tranche Contract Online’ screen.



Schedules are defined for fee components like ‘Advance’ and ‘Arrears’ for tranche using this screen’.

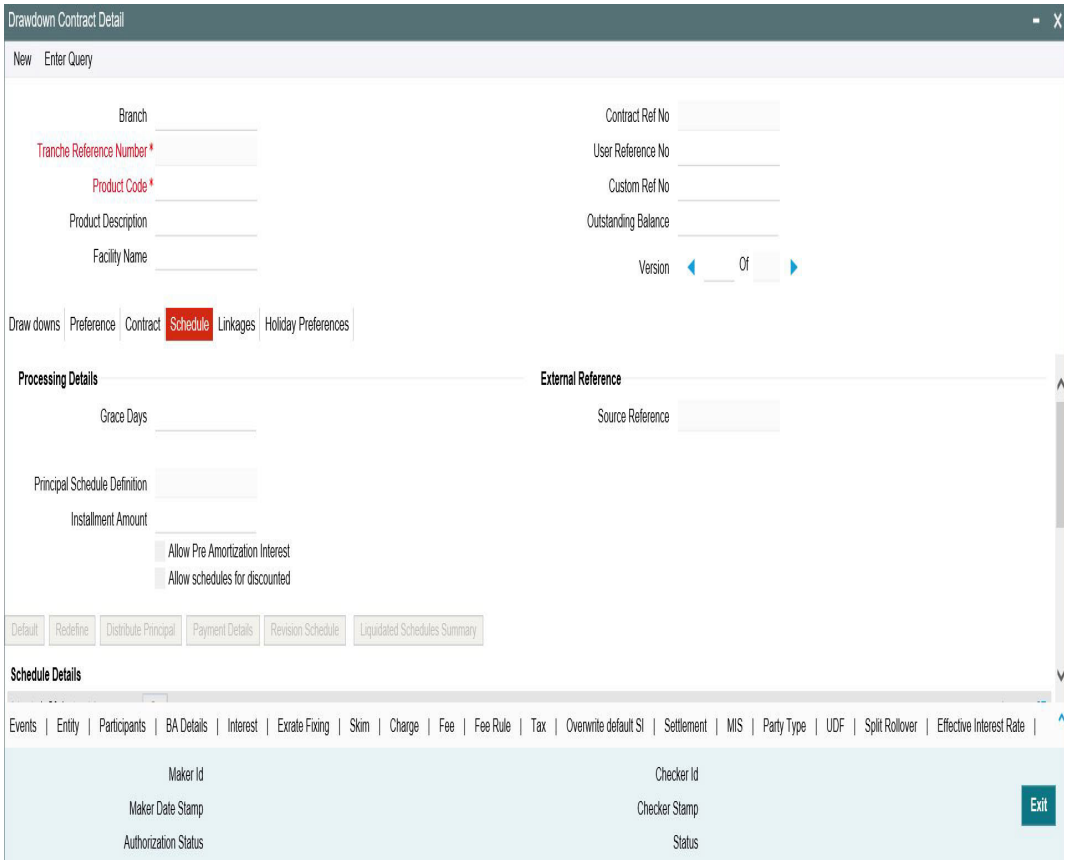
Note

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.



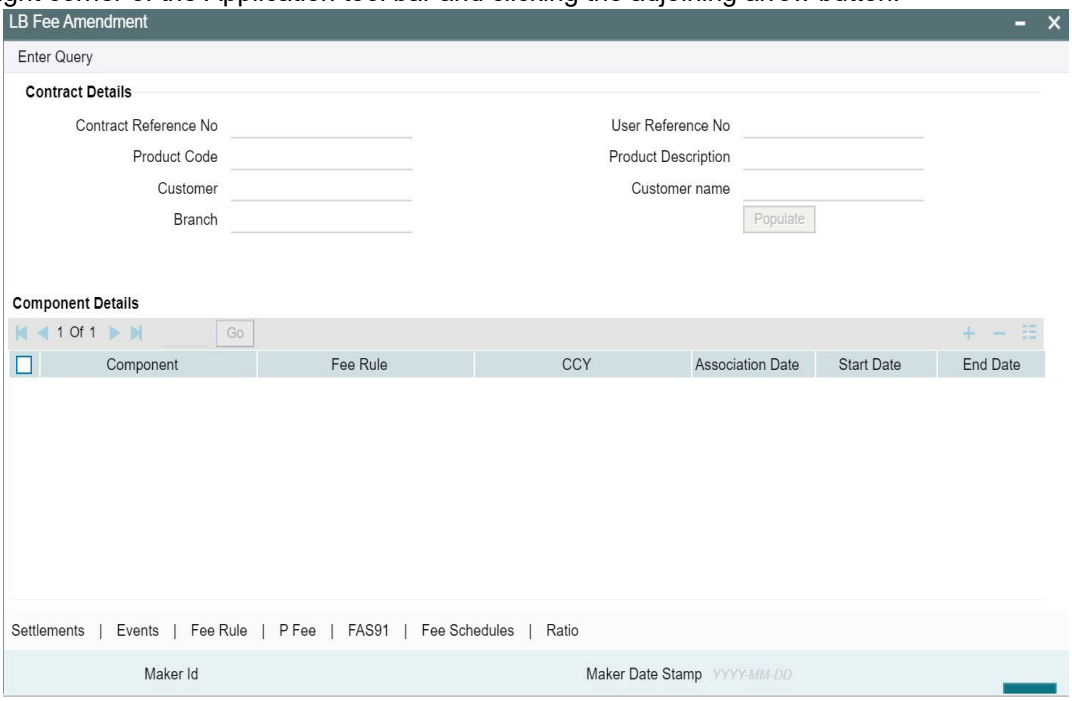
For details on this, refer the heading titled ‘Specifying repayment schedule details’ in the ‘Loan Syndication Contracts’ chapter of this User Manual.

8.3.10 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

You can invoke the ‘Fee Amendment’ screen by typing ‘LBDFEAMD’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



This screen displays 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

Note

For the fee components having basis amount as UTILIZED or UNUTILIZED,if there is a change in UTILIZED or UNUTILIZED amount due to Value dated amendment (VAMI), creation or liquidation of Drawdowns, then the unpaid schedules are recalculated and reflected in the future fee schedules. The recalculation for the unpaid fee schedules happens during the VAMI, If the change in basis amount happens during the fee calculation period of the Advance fee component's latest paid schedule, then the recalculation happens during the EOD on the date of amendment, and the calculated amount for that schedule is the sum of the calculated amount before amendment and after amendment.To make an amendment, you have to unlock the contract. To do this, click the ‘Unlock’ option from the menu.

Note

– You cannot amend the details of a component with status as ‘Liquidated’

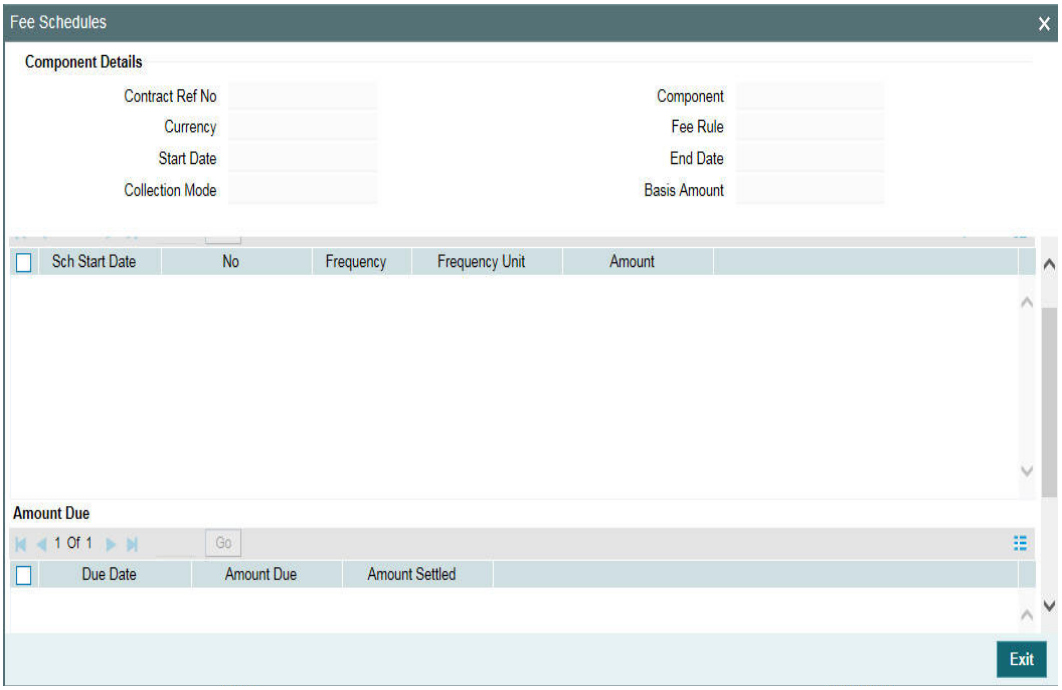
– For existing fee components you cannot change the fee basis as part of amendment. However, you can specify the fee basis for new components.

You can amend the fee for FAS91 fee components by clicking ‘FAS91’ 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 ‘Settlements’ tab.

To amend the fee schedules defined for a component, select the component and then click the ‘Fees Schedules’ button in the ‘Fee Amendment’ screen. The schedules maintained for the selected component is displayed in the ‘Fee Schedules’ screen.



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’.

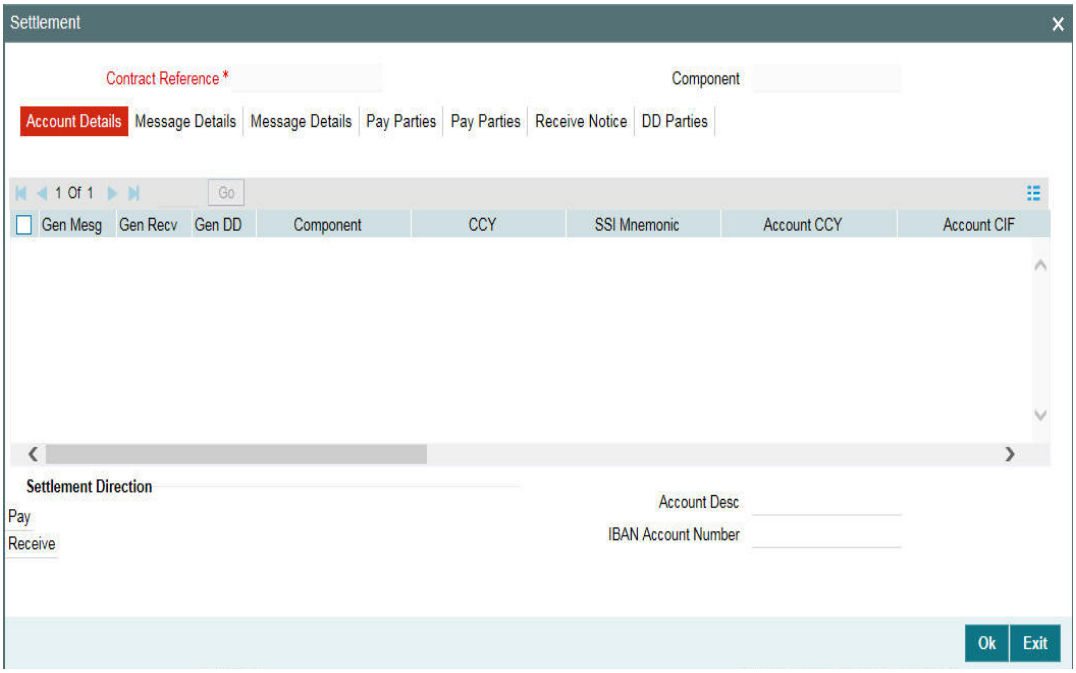
In the ‘Amount Due’ section of the screen, the system displays the ‘Due Date’ and the ‘Amount Due’ for each schedule.

After making the required amendments, click the ‘ok’ button to save and exit the screen.

Similarly, select the next component and change the schedule details, if required.

8.3.11 Amending the Settlement Account

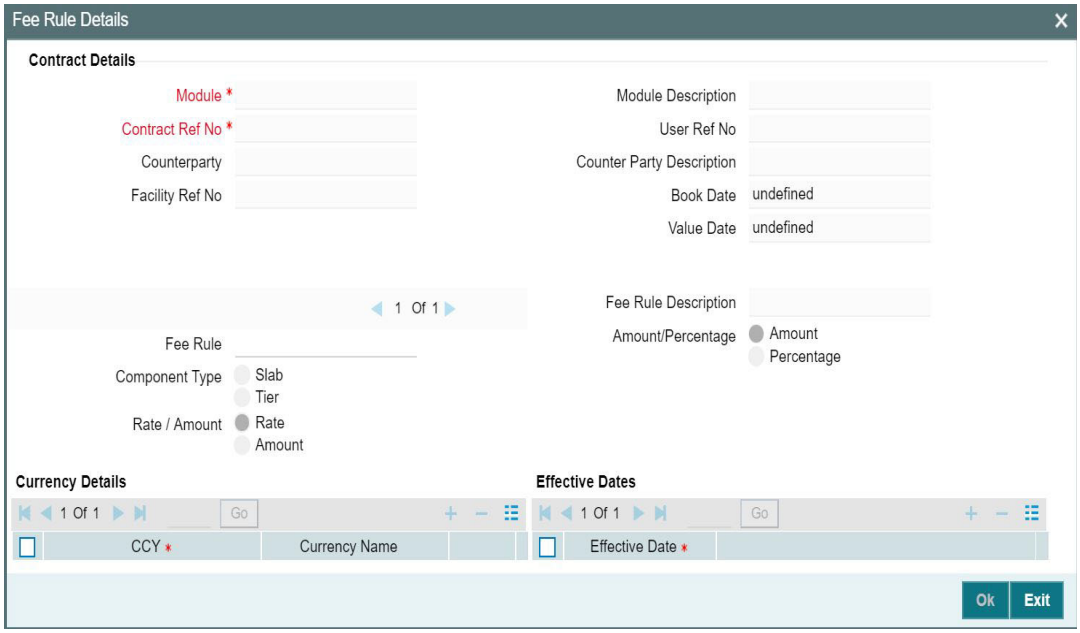
To view the settlement details for the fee components, click the ‘Settlement’ tab in the ‘Fee Amendment’ screen.



In this screen, you can change the settlement account for a fee component, if required.

8.3.12 Amending Fee Rule Details

To view/amend the fee rule details for the fee components, click the ‘Fee Rule’ tab in the ‘LB Fee Amendment’ screen.



You can define the fee structure and the applicable rate at the facility level.

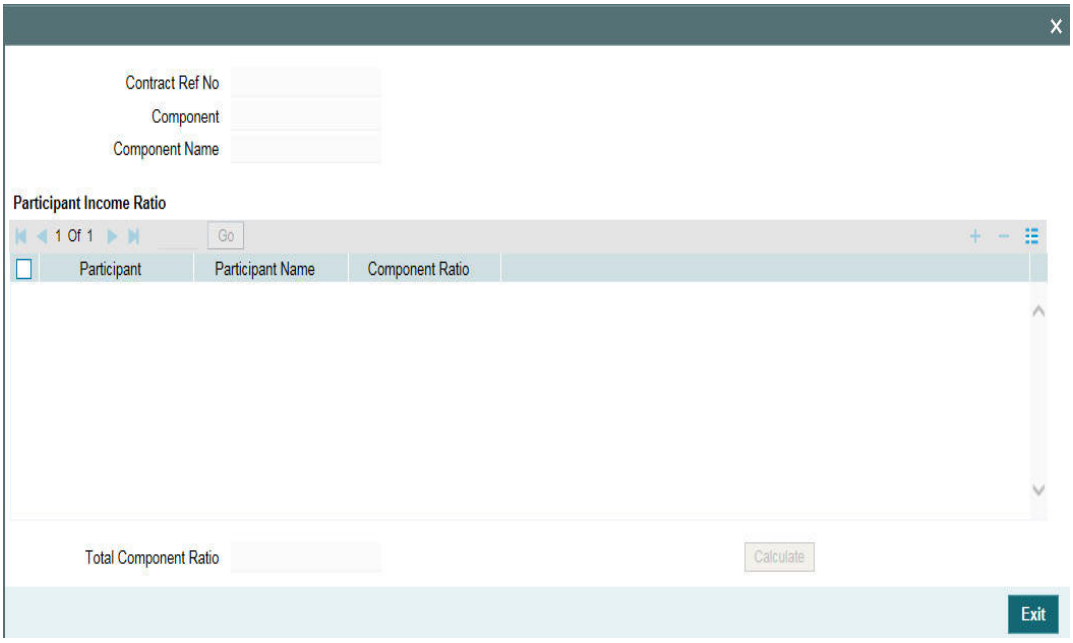
Using this screen you can modify the existing fee schedule and also set a new fee rule for any new schedule.

For more information on fee rule, refer to ‘Processing Charges and Fees’ chapter of this User Manual.

8.3.13 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 ‘Ratio’ tab.

The ‘Fee Component Sharing Ratio’ screen is displayed, as shown below:



In this screen, you can view the following:

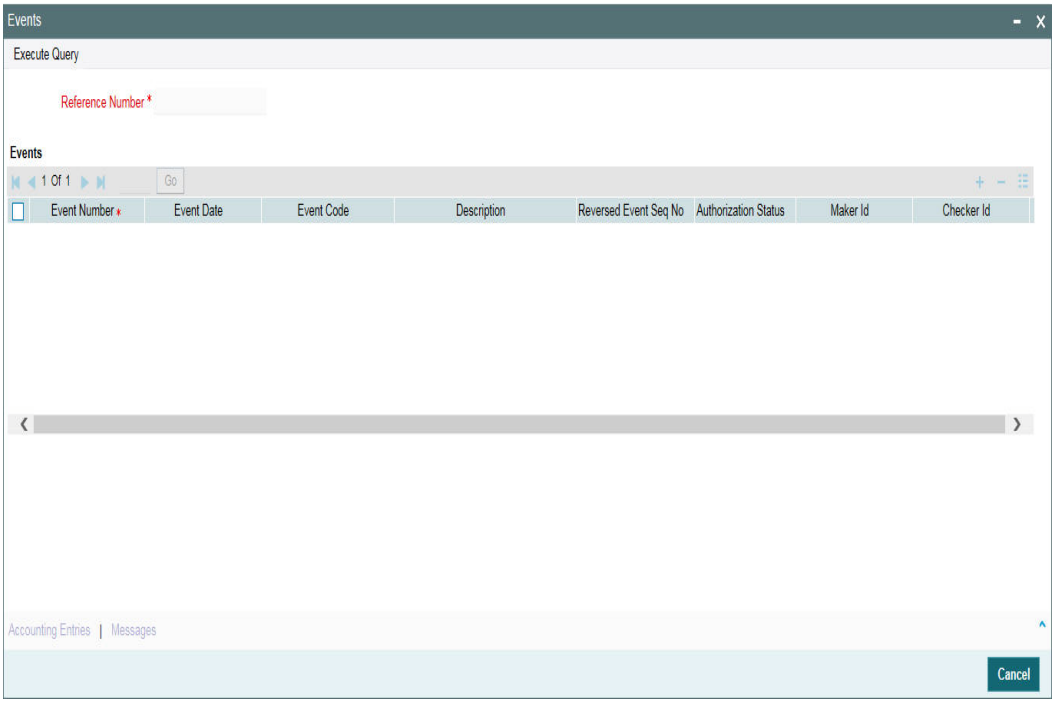
- The names of all participant associated with the contract
- The component-wise income sharing ratio for each participant

8.3.13.1 Viewing Events for the Contract

You can view the events triggered for the contract only after you save the amendment.

The CAMD event will be triggered for the contract. To view the event details, click the 'Events' tab in the 'Fee Amendment' screen.

The 'Events' screen is displayed, as shown below:



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.

8.3.13.2 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 Banking Corporate Lending allows you to include the new component for the existing contracts as well. You can do this through the 'Fee Amendment' screen.

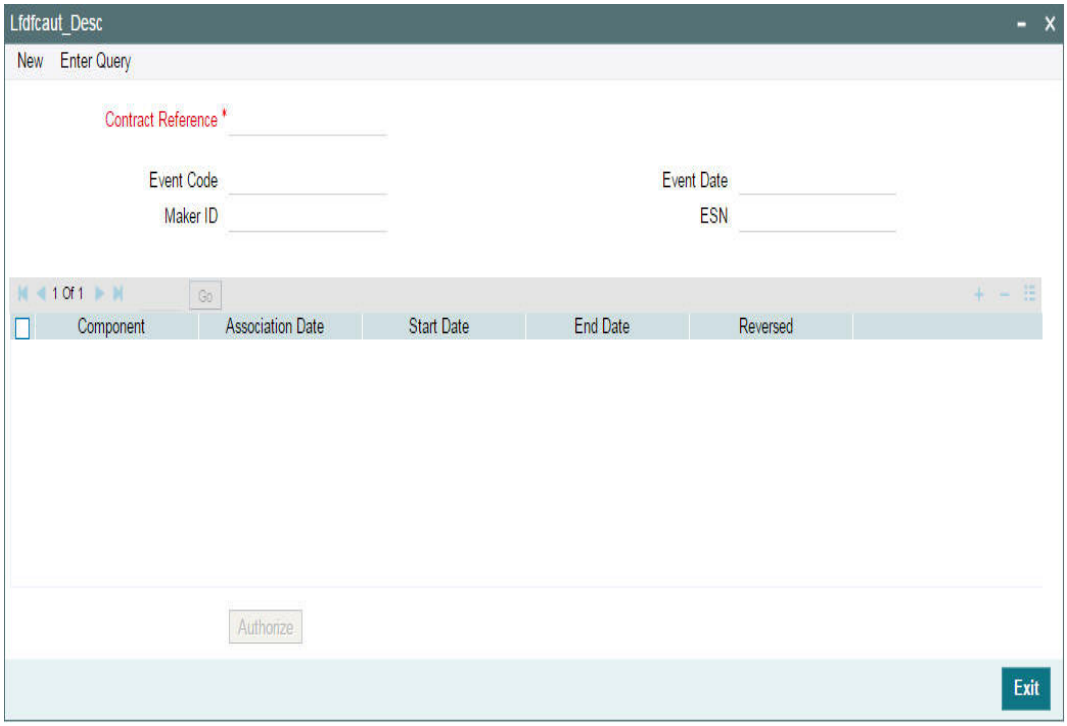
Follow the steps given below to include a new component:

1. Unlock the ‘Fee Amendment’ screen
2. Click on the add button - ‘Add Row’ to add the new component
3. Select the component from the option list provided. This list will display all the components that are not yet associated with the contract.
4. 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.
5. 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.
6. 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.
7. In the ‘Settlement Message Details’ screen, change the default settlement account, if required.
8. In the ‘Fee Component Sharing Ratio’ screen, specify the ratio in which the component will be shared amongst the participants of the contract.
9. After capturing the necessary information, click the ‘Save’ from the menu.
10. The component will become effective after the details are authorized by your supervisor/ manager.

8.3.13.3 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 Reversal’ (LFDFCAUT)screen. Then, click the ‘Reverse’ from the menu.

The ‘Fee Amendment Reverse’ screen is displayed.



The following details are displayed in the ‘Component Details’ section of the screen:

- Names o f all the components associated with the contract
- Association Date
- Start Date and End Date of the component

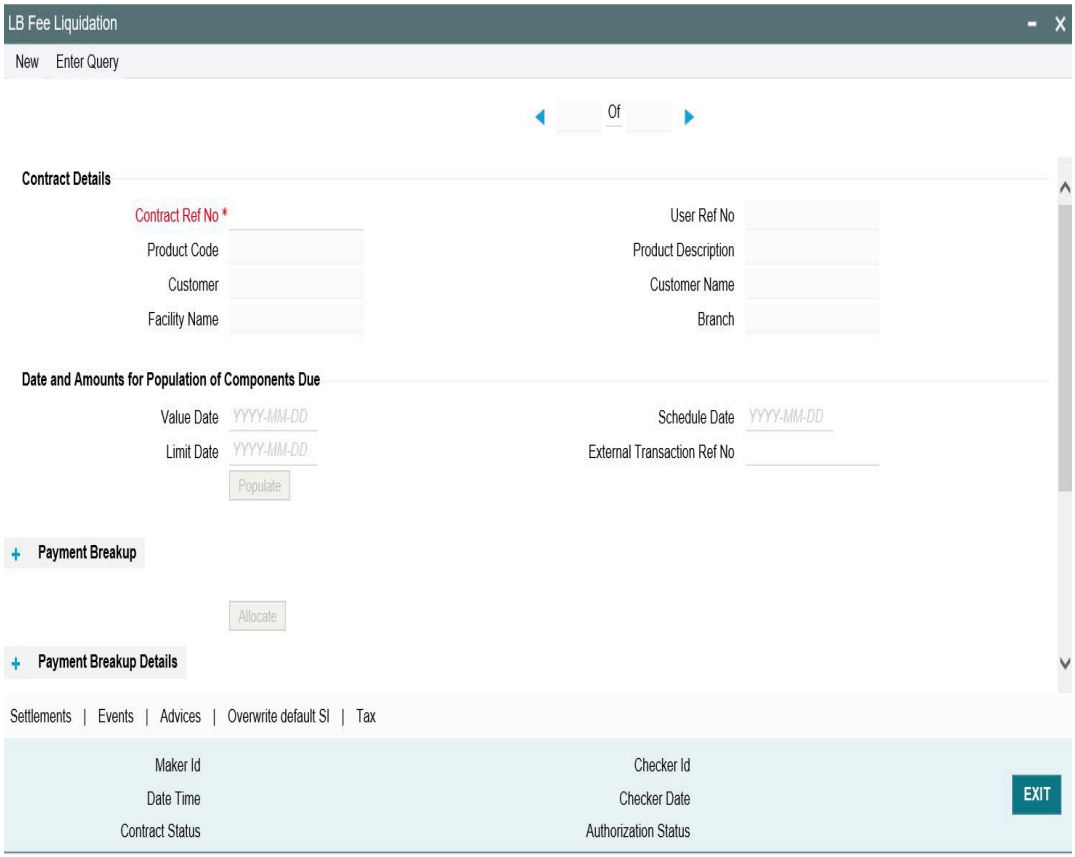
Select the component you want to reverse and check the ‘Reverse’ option. Then, click the ‘Ok’ button. Oracle Banking Corporate Lending reverses all the liquidation entries posted for the component.

Note

You cannot reverse an ‘Active’ component. A component moves to the ‘Liquidated’ status only after all the schedules of the component are liquidated.

8.3.14 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. You can invoke the ‘Fee Liquidation’ screen by typing ‘LBDFEELQ’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



To liquidate a fee component schedule, do the following:

1. Select the contract for manual liquidation
2. Click on the new button - Click ‘New’ from the menu. The ‘Value Date’ and ‘Limit Date’ displays the current system date. The accounting entries for liquidation will be passed as of the value date.

3. 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 is the date on which liquidation occurs.
4. 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.
5. After capturing the value date and the limit date, click the 'Populate' 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
6. The 'Payment Breakup For –'section of the screen will display the component-wise schedule breakup. The following details are displayed here:
7. Due Date of each schedule defined for the component (upto the limit date)
8. Amount Due for each due date
9. Pending Amount Due (= Amount Due)
10. 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
11. 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 is not allowed to be selected.
12. 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'.
13. After capturing the 'Amount Paid', click the 'Allocate' button. The system allocates the amount against each schedule and update the 'Amount Paid' against each schedule in the 'Payment Breakup For – (Component Name)' section of the screen.
14. You can upload the following details for tranche contracts during adhoc fee liquidation using 'Ratio Upload' option. You can upload file only with *.csv extension.
    - Participant Number associated with the tranche contract.
    - Fee Component Ratio or Fee Amount for each participant and for each component
15. The adhoc fee liquidation file must meet the following criteria.
    - If multiple components are getting liquidated then you have to perform upload for each component.
    - Upload fails if it contains incorrect participant or fee details.
    - If both component ratio and fee amount is input then fee amount takes precedence and component ratio is ignored.
    - LOV is available only during liquidation of adhoc fee components; that is 'User Input' type of fee components where user inputs fee amount during schedule definition.
    - When fee liquidation is performed with upload capability, then system performs all the existing validations such as

- Multiple adhoc fee schedules for a component cannot be liquidated together
- Sum of borrower fee amount should match with participant fee amount
- Adhoc fee cannot be liquidated along with rule based fee

- The details can be uploaded only for the components that are currently being liquidated.
- If upload is successful then the uploaded details are displayed under participant ratio section

16. 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 'Fee Ratio' button to do this. The system will display the names of the participants in the 'Participant Ratio' details screen.
17. Specify the 'Component Ratio' for each participant. The sum of the sharing ratio for each component should be equal to 100%. The system computes the amount for each participant based on the ratio mentioned and also display the total amount shared amongst the participants.
18. 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.
19. Specify the 'Fee BPS Rate'.
20. Specify 'Remarks' about the Fee BPS Rate, if any.
21. Click 'Populate' to default Fee BPS Rate for participants.
22. Check the 'Fee BPS Rate Applicable' check box for the respective participant.

Note

Click the 'Save' from the menu.

- 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 does 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 need to manually liquidate the fee components in the 'Fee Liquidation' screen.
- 'Component Amount' and 'Component Ratio' fields are 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.

8.3.14.1 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 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 is not affected with this change and is applicable only for the future unpaid schedules.

Note

- 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 happens 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

8.3.14.2 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 are fired, but there is 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 are 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

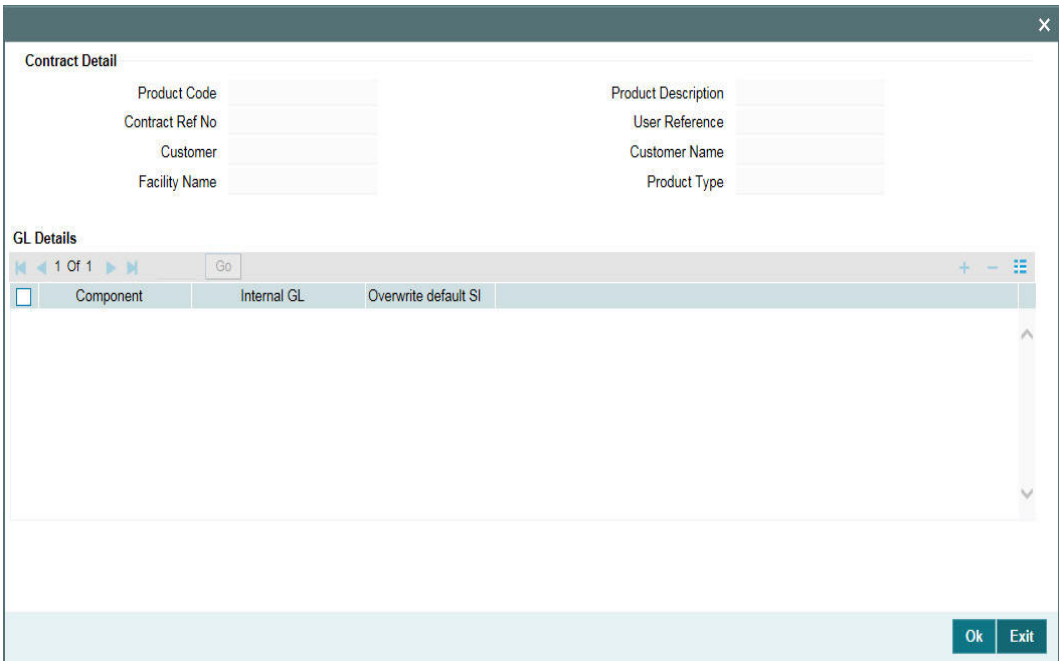
Batch process created for processing forward dated Principal and Interest payment instructions will be enhanced to process the future dated Fee payment instructions on the value date of the instruction. When you initiate the batch, accounting entries are passed based on the settlement accounts prevailing at the value date of liquidation.

Note

- 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 is 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, is allowed only for those schedules for which future dated payment instructions are not captured.
- A schedule captured for a future dated liquidation, does not get populated to the next Future dated Fee liquidation.
- You can not perform partial Future dated Fee liquidations

8.3.15 Viewing Overwrite Settlement Instruction Details

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest, and so on, 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 Fee Liquidation screen to invoke the following:



Enter the details specified below:

Component

This screen displays all the components displayed in the Settlement Message Details screen.

Internal GL

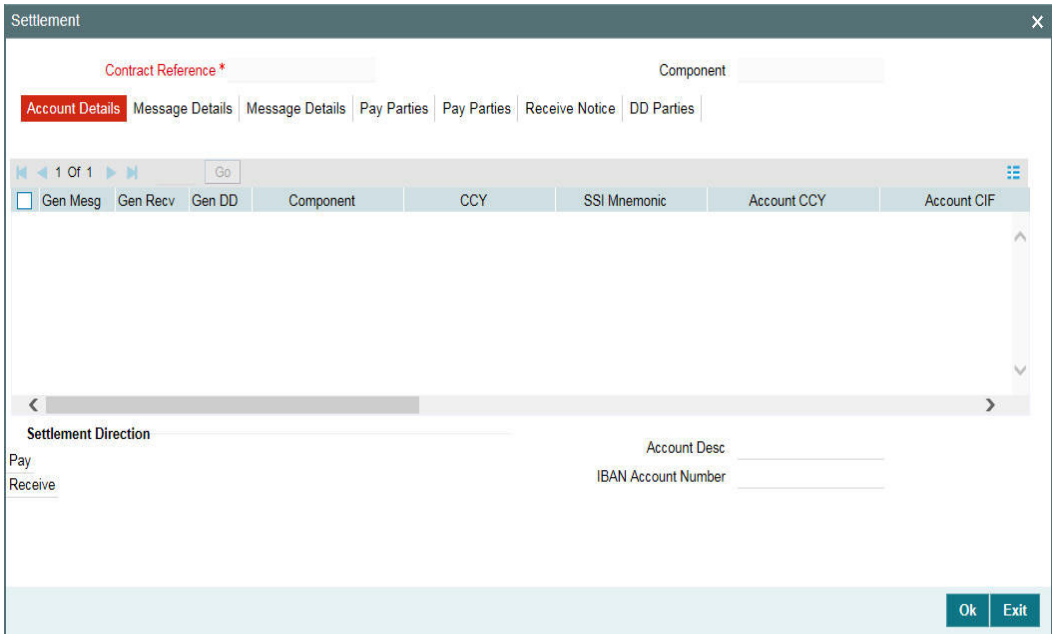
Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

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.

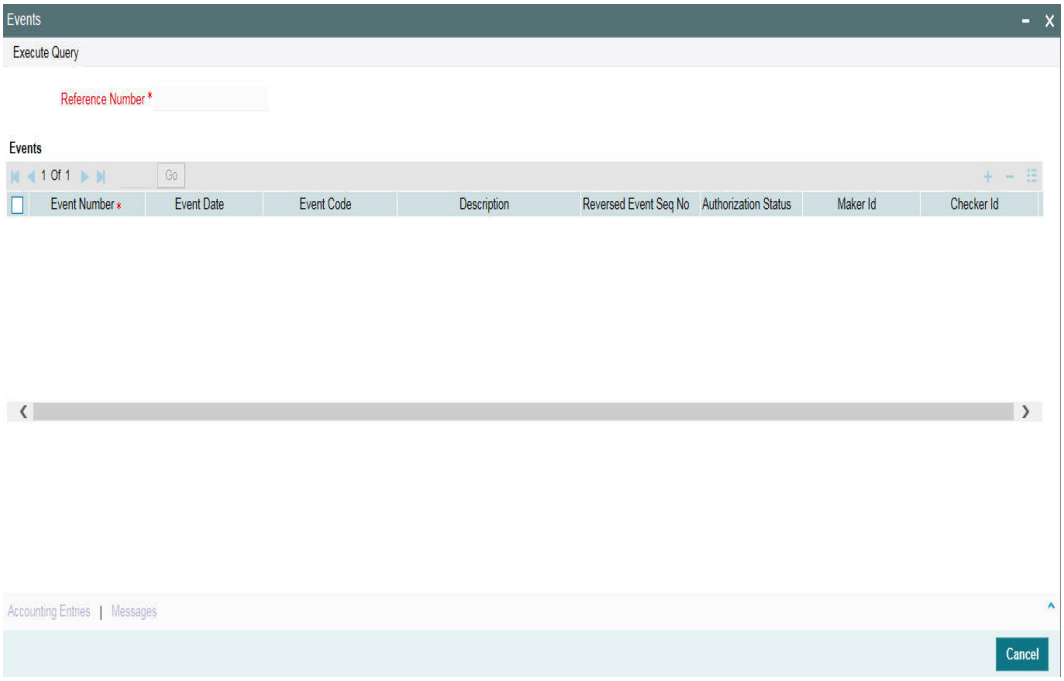
8.3.15.1 Viewing the Settlement Details

You can also view the settlement account details for the fee component in the ‘Settlement Message Details’ screen. Click the ‘Settlements’ tab to view the details.



8.3.15.2 Viewing Event Details

You can view the events triggered for the contract only after you save the details. Click the ‘Events’ tab to view the details in the ‘Event Log Details’ screen, as shown below.



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.

8.3.15.3 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.

- From the Fee Liquidation screen, click 'Events' tab. Select an event and click 'Messages'. The Advice Message screen appears. It displays all the messages which are generated against that event.
- Select a message and click 'Message Details'

8.3.16 Tax

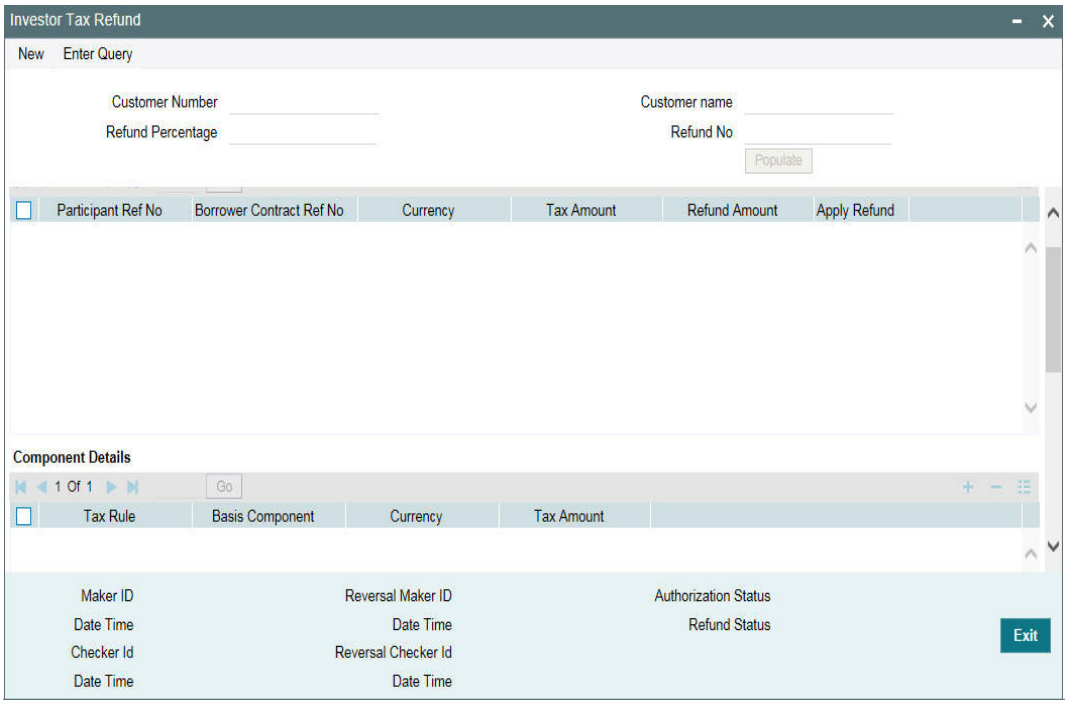
This sub-system is used for manual payments of interest and fees respectively.

This enables you to waive or un-waive Tax components applied on interest and fees at the time of their manual payment.

8.3.17 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 Banking Corporate Lending enables you to refund tax for a specific investor for all contracts or specific contract using 'Investor Tax Refund' screen. You can invoke the 'Investor Tax Refund' screen by typing 'LBDTXRFC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can specify the following details here:

Customer No

Select the customer for whom you want 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.

Note

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.

Note

You cannot amend the refund amount, component and the tax schedules.

8.3.17.1 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 LB contracts for which Apply refund is refined:

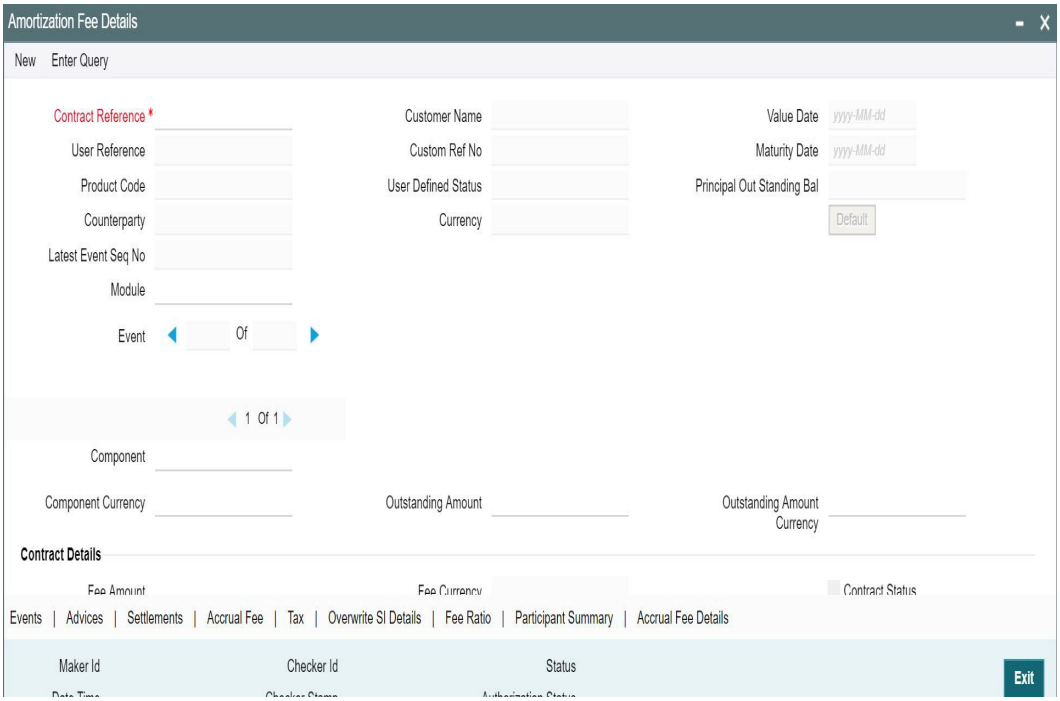
- TXRF – Tax Refund
- TXRV- Tax Refund Reversal

8.3.18 Viewing the Accrual Fee Details

While processing contracts in LB and FC modules, you can choose to accrue fee components at the time of booking the contract. The upfront fee involved in a contract is accrued by the system over the tenor of the contract.

During contract processing, you need to enter the details of the fee if you are collecting a fee from the customer. You can specify the fee details in the 'Accrual Fee Input' screen

You can invoke the 'Amortization Fee Details' screen by typing 'LFDACFIN' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In the 'Amortization Fee Details' screen, click on the 'Accrual Fee' to view the upfront fee details associated with a loan.The following details are available in this screen:

- Component: The fee components associated with the product under which the contract is being processed
- Effective Date: The date on which the accounting entries for the fee amount specified at the product level is to be posted to the customer account
- Accrual Method: The method used to accrue the fee amount is 'Straight-line' method.
- Amount: The amount that is to be collected as fee from your customer
- Currency: This is the currency of the fee amount or refund amount

Note

For more information on Upfront Fee Accrual, refer to the Processing Upfront Fee Accruals in *Bilateral Loans User Manual*.

8.4 Types of Fees

This chapter contains the following sections:

- Section 8.4.1, "Processing Servicer Fees"
- Section 8.4.2, "Ad-hoc Fees"
- Section 8.4.3, "Adhoc Expense Fees"
- Section 8.4.4, "Expense Fee"

8.4.1 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.

8.4.2 Ad-hoc Fees

- This fees is collected from the borrower on an ad-hoc manner and need not be associated with a schedule or defined upfront.
- This fees is applicable at the Facility, Tranche or Drawdown levels.
- This fees is usually for flat amounts. Even in cases where they are rate based, the basis amount for calculation may not be based on a fixed value. Hence, you need to manually calculate and input a flat fee amount. These fees can be amortized.
- The following are the types of Ad-hoc fees
  - Administration Fee,
  - Amendment Fee,
  - Others (that is, Waiver Fee)
- You should be able to collect such fee with current date, back value date, and future value date as well.
- In case of future dated fees there needs to be a provision to amend/cancel the fee before the value date.
- In case of Bilateral Committed or Syndication contract where Bank A is a Participant, the fee amount is captured only for own share.
- In case of Syndication contract where Bank A is an Agent, the fee amount can be captured as Agency Fee applicable to Bank A only or a global amount that can be shared among all participants or select few. In case where it is a global amount, the system should calculate the own share and other participants share of the fee and propagate it accordingly.
- During input of fees where Bank A is the agent, you should be able to provide the income sharing ratio for the ad hoc fee component to be shared with the Participants (including self-participants).
- You should be allowed to select if amortization of the fees is to be applied or not. If the fee is to be amortized, then you should be able to input the start and end dates during which such fee component should be amortized.
- In case the contract is one where Bank A is an agent and the fee is applied on Tranche or Drawdown, amortization should only apply to the own share of the contract only.
- On authorization of the ad hoc fee, the system is expected to trigger the necessary events and post accounting entries based on the product set up.
- In case of current and back value dated fees, the accounting entries should get posted immediately.
- In case of future value dated fees, it is expected that the accounting entries are posted on the future value date. In case of future value dated entries, the standard holiday handling process for future dated events should be applied.
- In case of a future dated Ad hoc fee, if the borrower does an early payment of a drawdown, the system should display an error message to cancel the uninitiated future dated fee.
- Since this is an ad hoc fee, billing notice generation in advance are not applicable.
- Based on the SSI set up, the following SWIFT messages should be supported for sharing the fees with the various participants.
  - Customer Transfer (MT103)
  - Customer Transfer with Cover (MT103 with MT202COV)
  - Bank Transfer (MT 202)
- While SSIs that are maintained at the contract level are expected to be defaulted at the time of collecting the ad hoc fee, you should be allowed to modify the SSI information defaulted.

- The system should allow the same ad hoc fee component to be collected on different dates. For example, The ad hoc fee, Credit Agreement Amendment fee may be collected on 10-Aug-19 and 25-Sep-20.
- The system should allow input of the same fee component to be collected on these two different dates.
- All other fee related functionality with respect to accrual, reversal of accrual and stop accrual with respect to life cycle of the contracts should be applicable to Ad hoc fees as well.

Limitations

- For self participant, reversal of ad-hoc fees does not propagate from LB to OL. You need to manually perform reversal on OL.
- For recurring ad-hoc fees, overlapping of the schedules are not allowed.
- In a single transaction different fee collection modes (Arrears and Advance) are not allowed .
- For facility, ad-hoc fees status change is not applicable.

8.4.3 Adhoc Expense Fees

1. Adhoc expense allows to define the expenses incurred against a contract in an adhoc manner, these expenses are recovered from an agent and /or a participant & NOT recovered from the borrower.
2. Adhoc expenses are charged against participant on adhoc basis.
3. These expenses are one-time expenses and may be paid in advance or in arrears.
4. They may be incurred at the Tranche/ Drawdown level.
5. Adhoc expenses may be subject to amortization over a user defined period. The nature of these fees is such that in case of Syndication contracts, these fees do not require accounting on borrower side but it is propagated to the other participants.

8.4.3.1 Processing Adhoc Expense Fees

1. You can capture and collect adhoc expenses on Tranche and Drawdown contracts.
2. You can collect income and expense fees at the same time on 'Accrual Fee Details' screen
3. The amount is expected to be calculated manually and input as a flat amount in fee amount field component wise.
4. You can collect such fee with current date, back value date and future value date as well. For future dated fees there is a provision to amend/cancel the fee before the value date.
5. You are allowed to select if amortization/accrual of the fees is to be applied or not. If the fee is to be amortized/accrued, then you should be able to input the start and end dates during which such fee component should be amortized/ accrued.
6. In case the fee is applied on tranche or drawdown, amortization/accrual is allowed only to the own share of the contract only.
7. On authorization of the adhoc expense, the system triggers the necessary events and post accounting entries based on the product set up.
8. In case of current and back value dated fees, the accounting entries gets posted immediately. In case of future value dated fees the accounting entries gets posted on the future value date. In case of future value dated entries, the standard holiday handling process for future dated events is applied.
9. Since this is an adhoc expense, billing notice generation in advance is not be applicable.

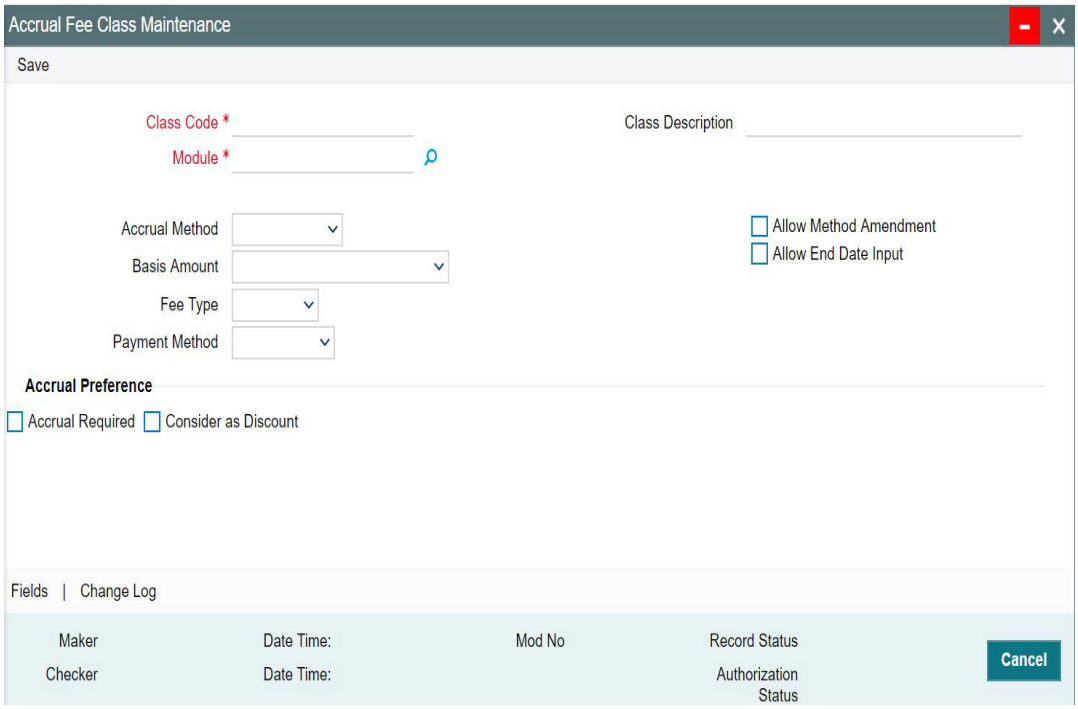
10. The system allows the same adhoc expense component to be collected on different dates. For example, the adhoc expense - Credit Agreement Amendment fee may be collected on 10-Aug-19 and 25-Sep-20. The system allows to input of the same fee component to be collected on these two different dates.

Limitations

- Reversal for Ad-hoc Expense fee does not propagate to OL from LB for self-participant. You have to manually reverse on OL side.
- For recurring Adhoc Expense overlapping of the schedules are not allowed.
- In single transaction different fee collection modes (Arrear and Advance) are not allowed.

Accrual Fee Class Maintenance

You can invoke the 'Accrual Fee Class Maintenance' screen by typing 'LFDACFCL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Class Code and Module

An adhoc expense fee class is created by providing a unique combination of 'Class Code' and 'Module'. You can enter the class code and select the module from the adjoining drop- down list.

Class Description

A brief description of the class code.

Fee Type

Select the fee type as 'Expense' for defining adhoc expense fee class.

Linking Adhoc Expense Fee Class to Syndication Loan Products

The fee that is linked on a contract processed under the product. You can link syndication loan product using the 'Loans Syndication - Facility Product Definition' (FCDPRMNT) and 'Loans

Syndication - Borrower Product Definition' (LBDPRMNT) screens. You need to click 'Accrual Fee Details' tab in these screens. To define adhoc expense fee, select the 'Fee Type' as 'Expense'.

Mapping LB and OL Products and Components

The components of LB product are mapped to corresponding components of OL product.The accrual fee component of LB products are mapped to corresponding accrual fee component of OL products. That is, 'Agency Component' of LB product is mapped with 'OL Component' of OL product. This mapping is done in 'LB OL Product and Component Mapping' screen.

You can invoke the 'LB OL Product and Component Mapping' screen by typing 'LBDPCMAP' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

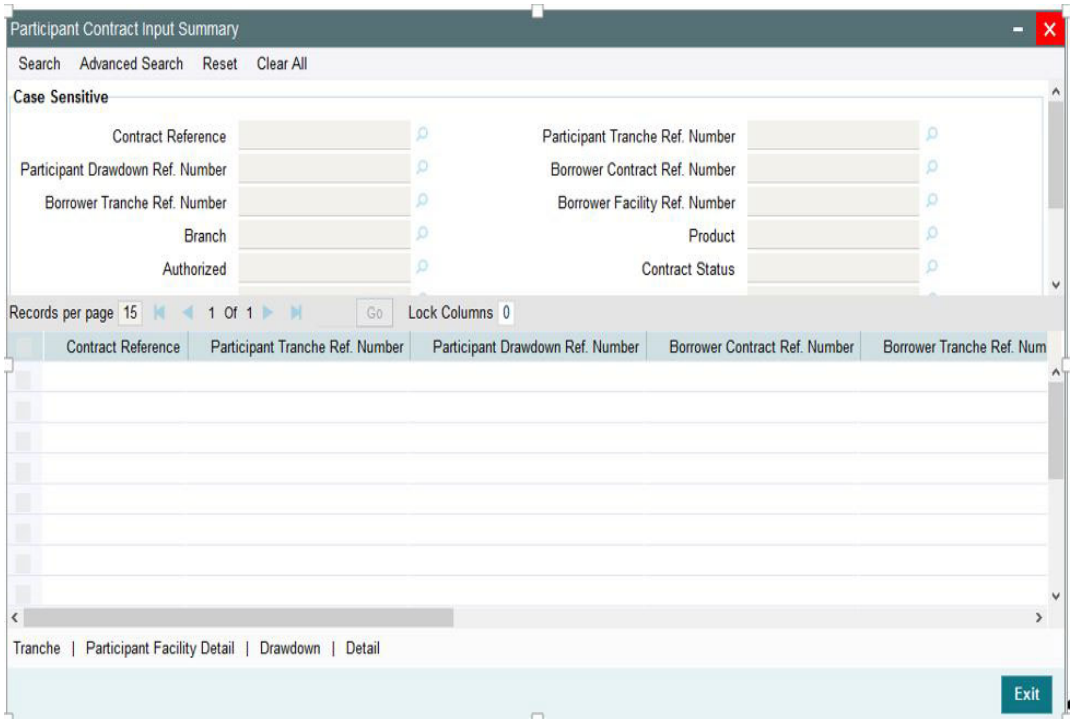
Amortization Fee Details

You can maintain adhoc expense fee details for a product. These values get defaulted to 'Amortization Fee Details' (LFDACFIN) screen.

Participant Summary Screen.

Participant accounting details can be viewed in Participant Summary Screen.

- You can click 'Participant Summary' tab from 'Amortization Fee Details' screen. You can check the expense liquidation/ accrual details.



- After capturing the all the details, FELR event is fired for the contract on value date.
- If given value date is future date then FELB event is fired and FELR is fired on value date.
- On unlock/modification of the captured details FELA event is fired for the contract on application date.
- On reversal of the adhoc (FELR, FELA) fee FREV event is fired for the contract. In addition, FERB event is fired for reverse FELB event.

- FELA event contains accounting details on participant side but not on the borrower side.

For more information on adhoc fee expense accounting entries, refer to 'Accounting Entries for Adhoc Fee Expense' section.

8.4.4 Expense Fee

Expense type of fees refer to the fees which are incurred by the bank during of the credit agreement and are not directly charged to the borrower. These expenses may be of the following types:

Expenses incurred by agent on a facility or tranche which are to be shared with other participants. Such expense may be event driven or ad hoc.

Expense incurred on a facility or tranche by the Bank, irrespective of whether it is an agent or a participant. For example, Fees paid to Credit Guarantor, Legal fees, and so on. These types of expenses are periodic, paid in advance, or in arrears.

1. The expenses may be paid in advance or arrears.
2. The expenses could be one-time payment or periodic payment.
3. A new basis amount "Principal" is introduced for the following: Facility amount, Tranche amount & Drawdown amount.
4. This type of expense is applicable to Tranche, and Drawdown contracts.
5. Expenses fee are allowed to be received from participants in a ratio same as the asset ratio or a user defined ratio.
6. A new amount tag is introduced for parking GL – PGL for configuring accounting entries.
7. The expense fees can be configured to be straight-through-processed to the loans side for tranche and drawdown.

9.Rolling over a Drawdown

This chapter contains the following sections:

- Section 9.1, "Introduction"
- Section 9.2, "Defining Product Rollover Preferences "
- Section 9.3, "Specifying Contract Rollover Details"
- Section 9.4, "Rollover Netting Payment Messaging Process"
- Section 9.5, "Reversing Rollover Instructions"
- Section 9.6, "Defining Advices for Rolled Over Drawdowns"
- Section 9.7, "Processing Non-Prorata Rollovers"

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.

Note

- For discounted loans, in case of reprice and rollover, adjustment of the amount through BADJ event is done only when there is a collection from borrower. Adjustment through BADJ is restricted in case of refund to the customer.
- For discounted rollover if 'Allow discounted Schedules' check box is selected, then rollover on maturity date with principal increase (VAMI) beyond the outstanding amount is restricted. The following error occurs "Error Code "LB-ROL-212-Rollover amount should not exceed Total Outstanding Amount for discounted schedules" There is no (BADJ) refund to customer in case of split/consolidated rollover.

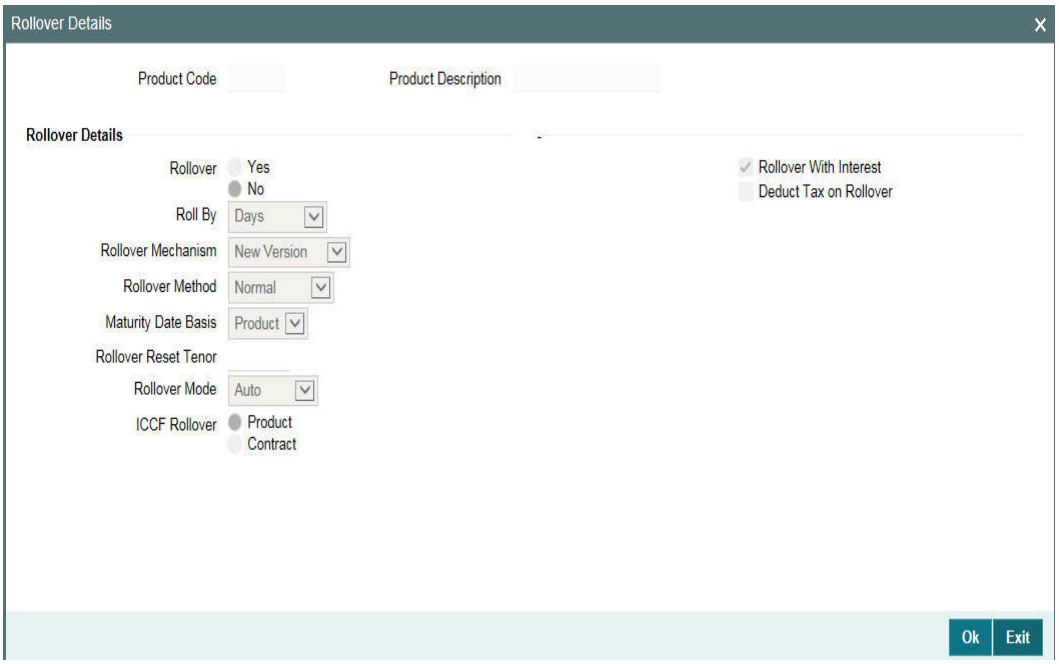
9.2 Defining Product Rollover Preferences

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.

Note

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, go to 'Loan Syndication - Borrower Product Definition' (LBDPRMNT) screen, click 'Preferences' and then click 'Rollover Details' button.



You define the rollover preferences for a borrower drawdown product in the same manner as you would for a normal loan product.

Note

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 creates 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 is 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.

Note

Normal rollover method is NOT support for Loans Syndication (LB) module.

- 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.

Note

RFR (Risk Free Rate) is supported for Split Rollover, and Consolidated Rollover. The system allows you to modify the default RFR parameters maintained at product-level during Split Rollover and Consol Rollover operations. For more information on RFR, refer to *Interest User Guide*.

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 automatically rollovers 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 processes the event 'ROLL' before the schedule date but I hold messages till the value date, for manual release. The messages are 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 select this option if you wan to rollover the drawdown for an additional amount only.

Apply Charge on Rollover Amt

You can select 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 select this option to liquidate the overdue schedules, if any, before rolling over a drawdown.

Repickup Interest Rate on Rollover

You may select this option to instruct the system to reapply the interest rate for the rolled over drawdown. If not selected, the interest rate applied for the original drawdown is 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 allows you to specify the rollover instructions. On saving the same, the rollover option is 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 is 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 is 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, is 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 are 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 Oracle Banking Corporate Lending, 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)

Note

The following are applicable for rollover, irrespective of the rollover method you opt:

- The system does not allow partial interest rollover
- Rollover is 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 are not 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 increases to the extent of rolled over drawdowns.
- You are not 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 are generated for these events:
  - BORR_ROLL_ADV (for the borrower side)
  - PART_ROLL_ADV (for the participant side)
  - Amendment Advice is 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 does not happen if you have not fixed the interest rate/ exchange rate for the child drawdown.
- Utilized/Unutilized portion of tranche gets 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) is fired along with ROLL event.
- An event RMNT is fired which have the message generated based on currency settlement days, if future dated rollover instruction is captured.
- As part of RNET event the actual entries are passed against customer account which will be offset with the Netting suspense GL.

Note

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 Fixing Exchange Rate for Rollover

If the drawdown currency is different from the tranche currency, you 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.

9.3.2 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 arrives 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 displays 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

9.3.3 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 is fixed and it is based on the 'Fixed Rate Type' you specify (explained below)
- Floating: If this option is chosen, the rate is floating in nature and it is 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 picks up the rate based on the option you select here. The options available are:

- Standard: If you select this option, system picks up the rate based on the 'Fixed Rate Code' you select for the component.
- Treasury: If you select this option, system picks 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 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 displays the rates codes maintained through the ‘Standard Rates Maintenance’ screen. You can select a code from this list. System picks 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 is available in the option list provided. The system picks 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 selected the ‘Rate Fixing Required’ for the interest component at the drawdown product level (in the ‘Interest Definition’ screen), you 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 is applied for the rolled over drawdown.

If rollover is performed after Margin Rate amendment, on the same day, then the system applies 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 is applied as part of end of day margin batch. The system considers 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 want to rollover the drawdown, you have the option to remove the instructions maintained. You have to select this option to remove the rollover instructions.

For information about ‘Interest Basis’ on Split/Consolidation Rollover, refer to ‘Interest’ User Manual.

9.3.4 Identifying the Rolled Over Drawdown

After the system rolls over the drawdown on the maturity date of the original drawdown, a new drawdown is created in the system. After the successful creation of the new drawdown, the system displays the reference number of the rolled over drawdown in the 'Rollover Contract Reference No' field (in the 'ROLLOVER' tab) of the original drawdown.

9.3.5 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 logs an exception and stop the rollover processing. In this case, you 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' button to invoke this screen.

The following details are displayed in this screen:

- Date and time when the error was encountered
- Error Code
- Description of the error
- Log Printed

9.3.6 Viewing Events

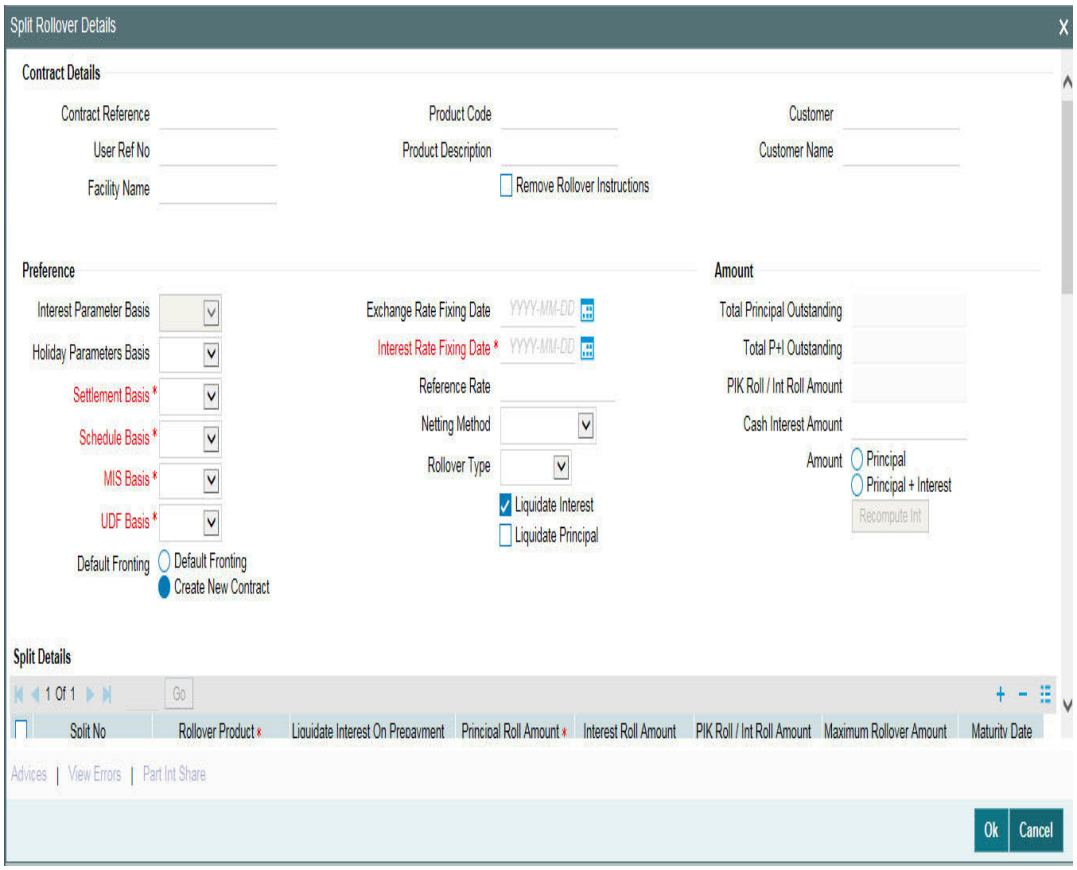
You can view the event details associated to a normal rollover. These events occur on the rollover date.

Click 'Events' tab to invoke the 'Event Log Details' screen.

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.

9.3.7 Specifying Details for 'Split' Rollover

You can capture instructions for a split rollover in the 'Split Rollover Details' screen (LBCSPROL). Click 'Spilt Roll' in the 'Drawdown Contract Online' screen to invoke this screen.



Note

This section explains 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 'Add Row' 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 is 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 is 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 are created for the increase in amount without any default fronting/funding options. In the split child contract, for the increased amount, the funding details are captured and borrower payment is also 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 depends 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.

Note

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.

Liquidate Principal

By default, the system selects 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 deselect this check 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 check box is deselected. If you select this box, the system liquidates the outstanding interest on rollover. If you have chosen the automatic mode of liquidation, the system automatically selects 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 select/deselect the above options.

Rollover Netting

You have to specify the rollover netting indicating parameter here.

The options are:

- No Netting
- Principal Increase + Interest

The value defaulted is No Netting.

If any of the netting option is selected, then the Liquidate Principal and Liquidate Interest boxes are selected and disabled.

Rollover Product

Oracle Banking Corporate Lending 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 l becomes applicable to the rolled over drawdown.
- Contract: The repayment schedule specified for the original drawdown is applicable to the rolled over drawdown.
- Auto: The system defines 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 becomes 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

- 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.

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 is reckoned. The options are:

- Days
- Months
- Quarters
- Semi-annuals
- Years

This value you specify here is 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 adds 90 days to the rolled over drawdown value date to arrive at the maturity date of the rolled over drawdown.

Note

– Rate fixing and exchange rate fixing are 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

Select this check 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

On selecting the 'Default Fronting' option, the 'Consider for Split' is 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 is internally split into 2M (increase in amount) and 10M (12M-2M). Child contracts C2 and C3 are created for 2M and 10M, respectively. For C3, all the participants are treated as fronting (defaulted from parent contract C1). For C2, there is no default fronting. User 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 is as follows:

Split No	Rollover Amount	Consider for Split	Child Contract

1	10M	N	C2
2	2M	Y	C3

Child contracts C2 and C3 are created for 10M and 2M respectively. For C2, all the participants are treated as fronting (defaulted from parent contract C1). For C3, there is no default fronting. User 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
1	7M	N
2	5M	Y

On completing the rollover processing, it is 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 is internally split into 2M (increase in amount) and 3M (5M-2M). Child contracts C2, C3 and C4 are created for 7M, 2M and 3M respectively. For C2 and C4, all the participants are treated as fronting (defaulted from parent contract C1). For C3, there is no 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.

9.3.7.1 Identifying Split Drawdowns

As part of split rollover one drawdown results into multiple drawdowns. After successful creation of new drawdowns, the system displays 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

– Participants and Participant ratios in the split drawdowns 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

9.3.7.2 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.

9.3.7.3 Split Rollover with Increase in Principal Amount

Oracle Banking Corporate Lending 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 initiates 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 Banking Corporate Lending passes the value dated amendment for USD 50,000 value dating the maturity date of the parent contract.

Note

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.

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.

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 enables 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.

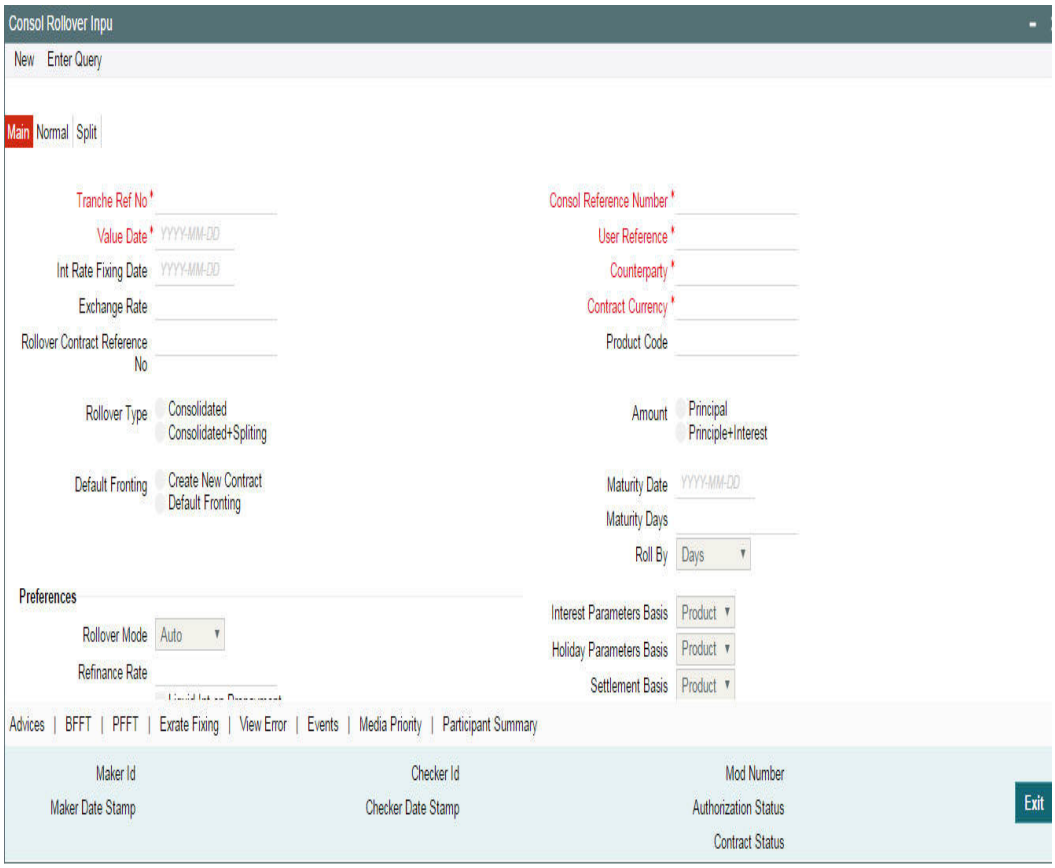
Note the following

Once all the Rate setting rules are maintained and when you come out of ‘Rate Setting Rule screen’ by clicking OK button, following override message is displayed.

- If the Interest Rate Rounding Rule is ‘Manual’, then the message is ‘Rounding Rule is manual. Auto Rate Fixing will not be done’
- If Interest Rate Rounding Rule is not ‘Manual’, then the message is ‘Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted’. This message appears only for the future dated events / contracts
- You are allowed to change the Rounding Rule by clicking ‘Cancel’ button in the override message

9.3.8 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. You can invoke the ‘Consolidation Rollover’ screen by typing ‘LBDCOROL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Note

This section explains only those features that are specific to consolidation rollover.

To specify consolidation details for a new drawdown, select New from the 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 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:

9.3.8.1 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 displays all active and authorized tranches maintained in Oracle Banking Corporate Lending Select the tranche of your choice from this list.

Product Code

You have to select the drawdown product based on which the system selects the drawdowns for consolidation. The option list displays the drawdown products associated with the tranche product under which the selected tranche is processed.

Note

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 displays 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 displays 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.

9.3.8.2 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 displays all drawdowns with the same combination of counterparty, product, currency and maturity date that you select. Select a drawdown from this list.

Click the 'Add Row' 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

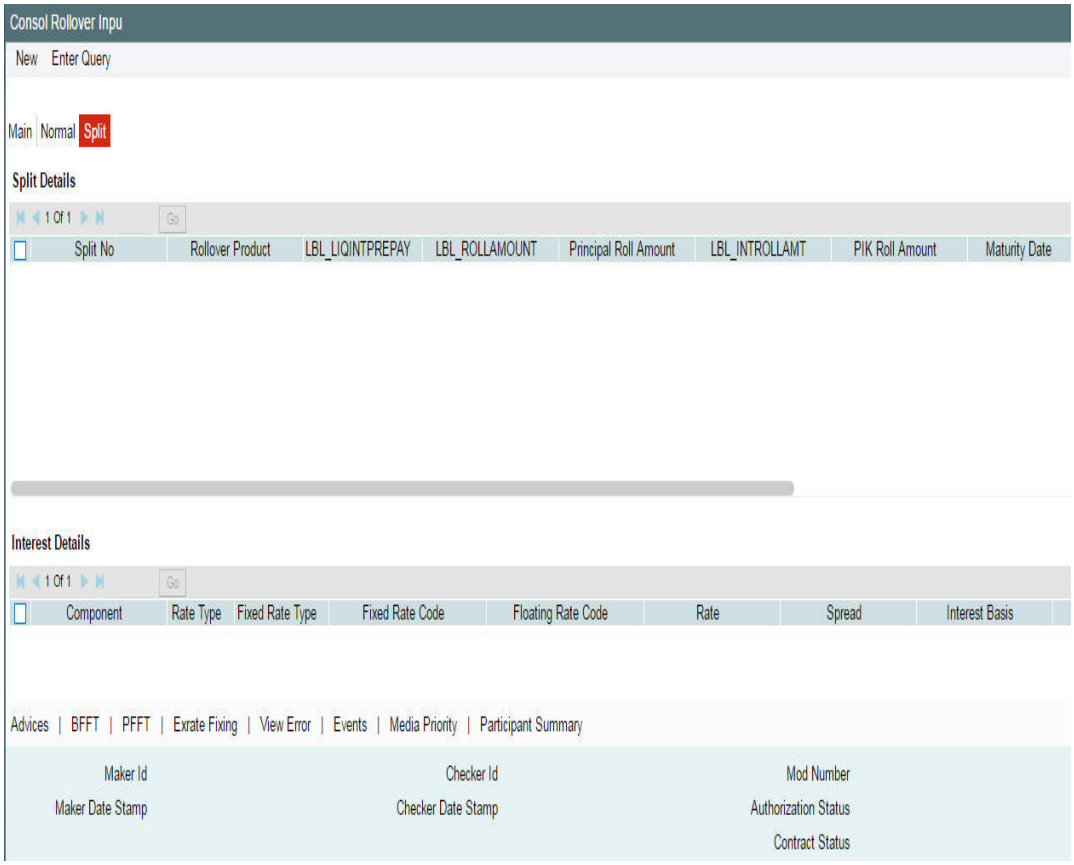
- You can select only one of the child drawdowns as the driver drawdown.
- You can define the rollover amount to be greater than the total outstanding amount of the driver child drawdown.
- For other contracts that are being rolled over, you cannot specify a rollover amount greater than the outstanding 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 that 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.

9.3.8.3 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.



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

- 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.

9.3.8.4 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.

9.3.8.5 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.

9.0.0.1 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 'Part Summary'button.

This screen displays the following details:

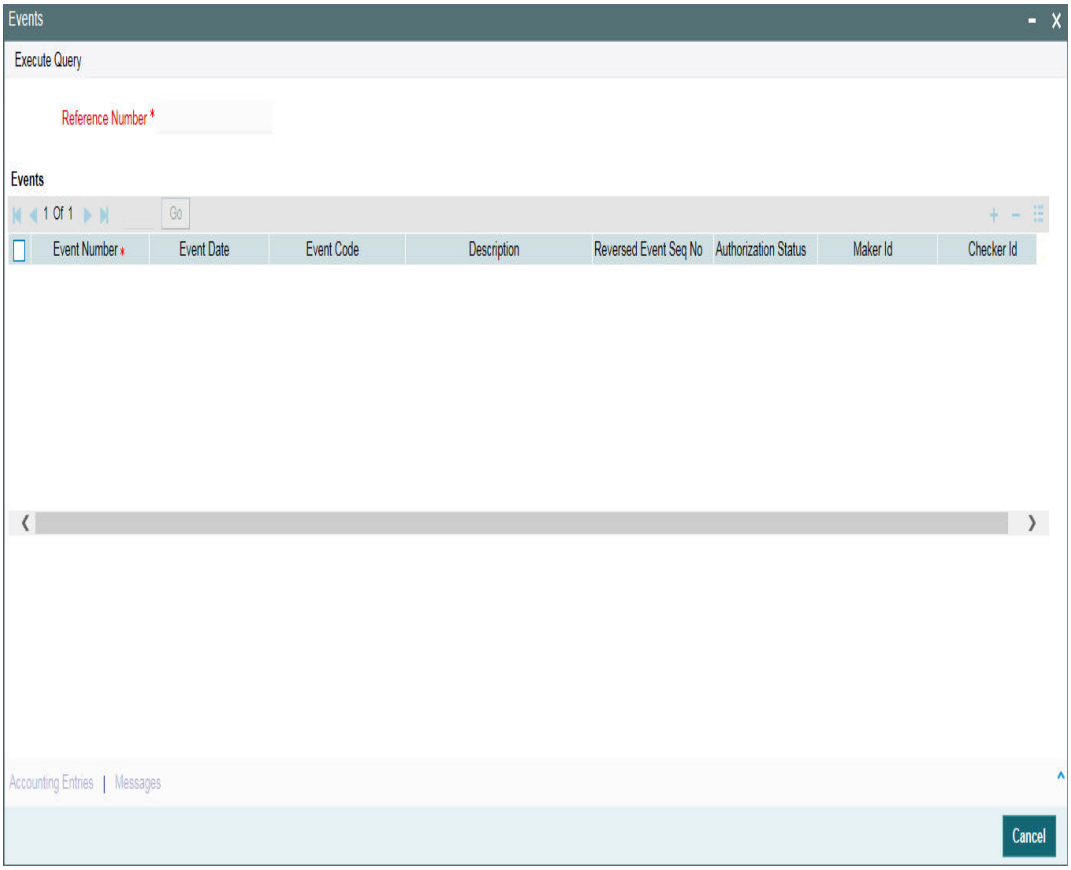
- Contract reference numbers of the participant side contracts
- The counterparty for each contract

Through this screen, you can also view the events and advices generated for the each participant. To do this, click 'Events' button.

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.

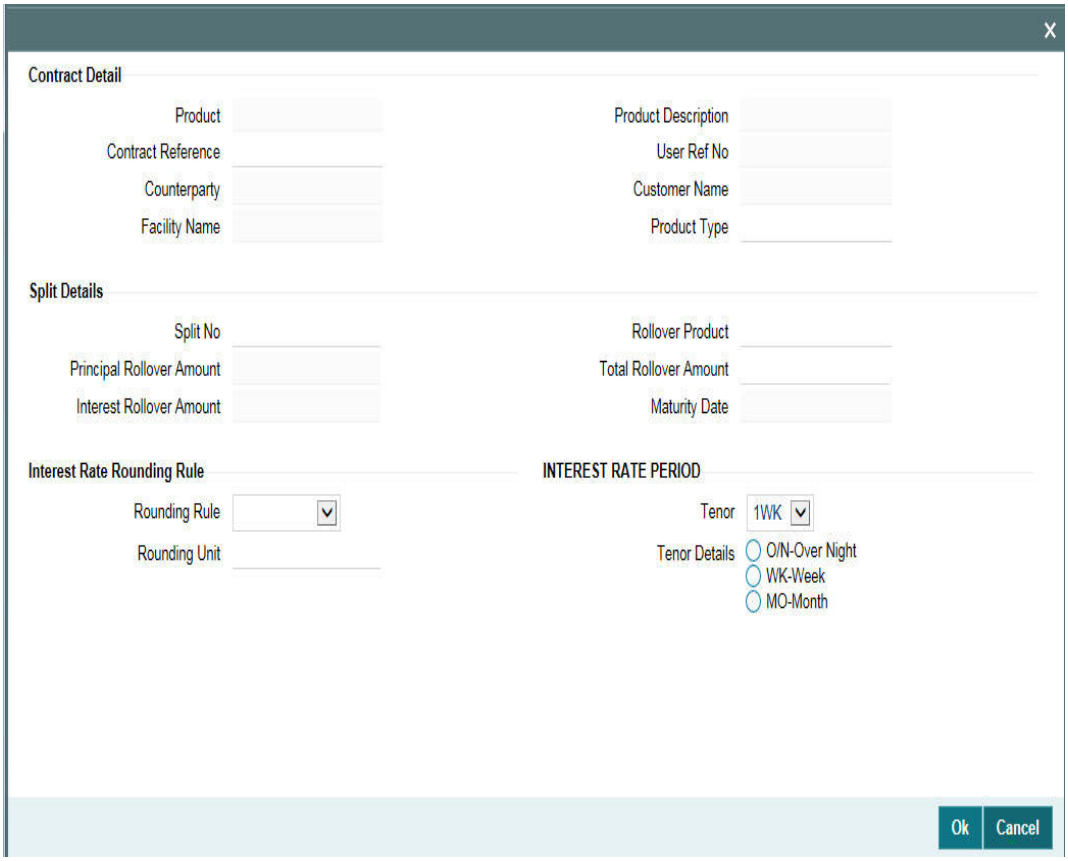
9.3.8.6 Viewing Events

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 displays the 'Event Log Details' screen.



9.3.8.7 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:



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

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 is displayed.

- If the Interest Rate Rounding Rule is 'Manual', then the message is 'Rounding Rule is manual. Auto Rate Fixing is not done'
- If Interest Rate Rounding Rule is not 'Manual', then the message is 'Rounding Rule is maintained. Auto Rate Fixing is done and rate is defaulted'. This message appears only for the future dated events / contracts

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You are allowed to change the Rounding Rule by clicking 'Cancel' button in the override message

9.3.8.8 Viewing Advices

Similarly, you can view the advices for the borrower drawdown. To do this, click 'Advices' button in the 'Consolidation Rollover' screen. The system will display the 'Advices' screen, as shown below.

9.3.8.9 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 'Media Priority' 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.

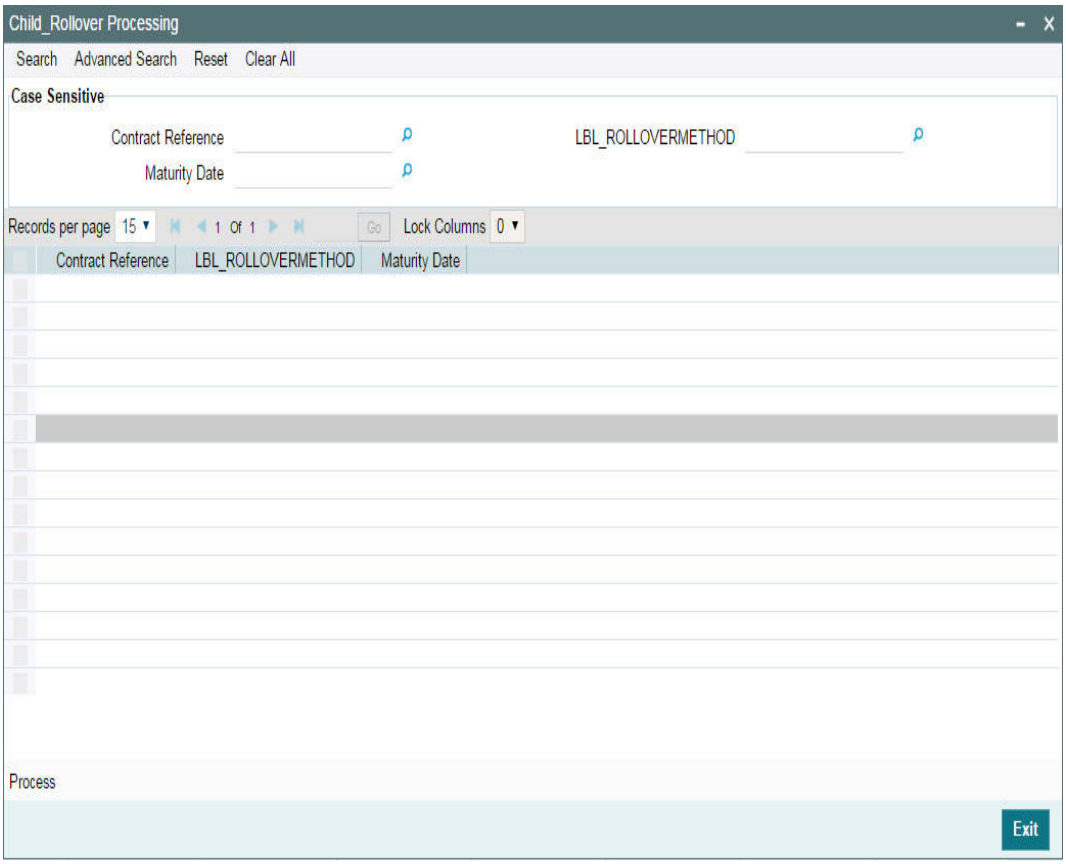
9.3.9 Capturing Back-Dated Renewals

Oracle Banking Corporate Lending 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.

9.3.10 Generating Child Contracts for Future Dated Rollovers

In the case of future dated rollovers, Oracle Banking Corporate Lending allows you to create the rollover child contracts in advance i.e. before the rollover date. You can use the 'Rollover Child Processing' (LBSPAROL)screen to generate the child contracts.



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 'Ok' to generate the child contracts for the selected parent contracts.

Note

- 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.

9.3.11 Rolling Over with Interest Capitalization

Oracle Banking Corporate Lending 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 'LB Tranche Contract Online' screen).
- Rate Revision for the drawdown
- Margin Revision for the drawdown
- Value Dated Amendment

9.3.12 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

- Rollover with Interest capitalization (P+I rollover) is not 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 allows only one active future dated payment at any point of time

9.3.13 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.
- Incase 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.

9.3.14 LS Rollover Processing Changes for Past Due Tracking

The following are the changes done in LB module for past due tracking rollover processing.

1. The changes are applicable for the below rollover processing
   - Split rollover
   - Consolidated rollover
   - Consolidated + split rollover
2. The accounting entries which are being posted currently for the ROLL event are split across two events such as ROLL and LIQD.
3. The accounting entries related to the liquidation of interest and principal (if any) components are posted for the LIQD event.
4. The accounting entries related to the principal rollover of the drawdown contract are posted for the ROLL event.
5. The LIQD event is triggered first followed by the ROLL event.

6. When rollover is processed with decreased principal amount, the system posts the liquidation of the interest amount and the principal amount to the extent of decrease as part of the LIQD event first. Then the system posts the accounting entry for new principal rollover amount as part of the ROLL event.
7. When rollover is processed without any amount change, the interest amount is liquidated as part of the LIQD event first followed by the ROLL event where the accounting entry for principal rollover is posted.
8. When rollover is processed with increase, the system triggers three events such as VAMI for principal increase, LIQD for liquidation of interest component and ROLL for principal rollover.
9. If there is no principal/interest liquidation during rollover, that is, the entire outstanding amount getting rollover, then the system does not fire LIQD event.
10. The STP interface browser is populated with separate events for LIQD and ROLL once the rollover processing in LB module is completed successfully.
11. Two LIQD events are posted in the linked loan contract with accounting entries for the liquidation of principal and interest components as part of one LIQD event and the accounting entries for principal rollover as part of the second LIQD event.
12. The ‘Liquidate Principal’ and ‘Liquidate Interest’ check boxes are enabled in the rollover processing screen. The system defaults the value as per the existing functionality and you can change the value.

Note

The changes for ‘Liquidate Principal’ and ‘Liquidate Interest’ check boxes are not dependent on the ‘Split Rollover Acc Entry’ check box in the 'Loans Parameters' screen.

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13. If ‘Liquidate Principal’ and ‘Liquidate Interest’ check boxes values are changed,the system shows the following override message

    “User input values of Liquidate Principal and Liquidate Interest do not match with system values. Do you want to proceed?". If you click 'OK', then the system retains the inputted values. If you click 'Cancel', the system processes the rollover with system defaulted values for these check boxes.
14. If you select 'Netting Option' during rollover capture, and then the ‘Liquidate Principal’ and ‘Liquidate Interest' check boxes values are changed then the system shows an override message "Liquidate Principal' and 'Liquidate Interest' flag will be changed due to netting option. Do you want to proceed?". If you click OK, then the system retains the system defaulted values.
15. The system does not allow you to change the value of ‘Liquidate Principal’ or ‘Liquidate Interest’ check boxes for non-driver contracts during consolidated rollover processing. Appropriate error messages are displayed.
16. If the ‘Liquidate Interest’ check box is selected, the system liquidates the interest component. If the ‘Liquidate Interest’ check box is not selected, the interest amount is not liquidated and the same is left outstanding in the parent contract. The status of the parent contract is not marked as liquidated and left active.
17. If the ‘Liquidate Principal’ check box is selected, the system liquidates the principal component. If the ‘Liquidate Principal’ check box is not selected, the principal amount is not liquidated and the same will be left outstanding in the parent contract. The status of the parent contract is not marked as liquidated and left active.
18. If a future dated rollover is captured, FP browser is populated with LIQD event instead of populating the ROLL event. The system allows you to hold this message.

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 does not allow you to make any changes to the netted cash flow by means of any activities such as rate revision, margin revision, and so on.

The payment message is routed through the forward processing, if the component liquidation is Semi-Auto.

For the normal and split rollovers, the netted entries are 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 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

- 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 is generated when a drawdown is rolled over. As mentioned, you can rollover a drawdown only if the 'Allow Rollover' option is selected for the drawdown product it involves.

Generation of advices upon rollover, if specified, 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 is not generated. Instead, a rollover advice, with the details of the liquidation of the original drawdown and its subsequent rollover into a new drawdown, is 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 is 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 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.

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10. Processing a Value Dated Amendment

This chapter contains the following sections:

- Section 10.1, "Introduction"
- Section 10.2, "Making Value Dated Amendments for a Tranche"
- Section 10.3, "Viewing Value Dated Amendment Summary"
- Section 10.4, "Downsizing Tranche for an Investor's Default"
- Section 10.5, "Upsizing Tranche Amount on a Non-prorata Basis"
- Section 10.6, "Making Value Date Amendments for a Drawdown"

10.1 Introduction

The Value Dated Changes function of Oracle Banking Corporate Lending enables you to make changes to borrower tranches and borrower drawdowns under a syndication, which 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, takes 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 *Bilateral Loans* User Manual.

Note

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 is automatically applied to the participant leg of the contract.

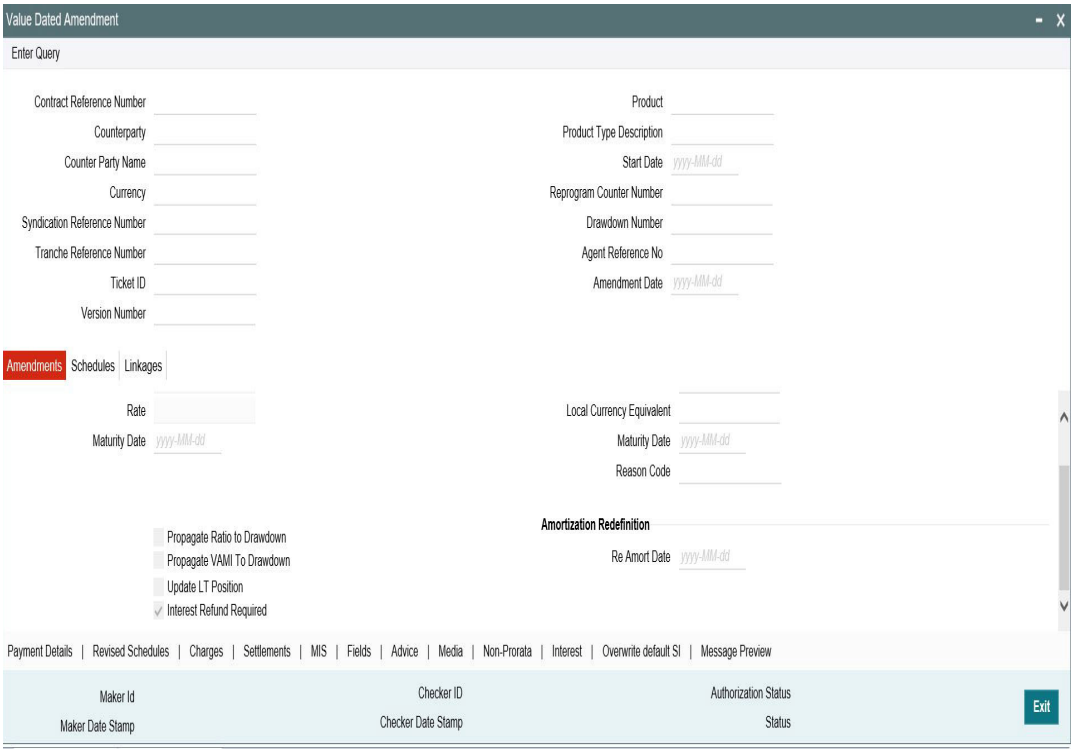
10.2 Making Value Dated Amendments for a Tranche

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 ‘Value Dated Amendments’ screen. You can invoke the ‘Value Dated Amendment’ screen by typing ‘LBDVAMND’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The ‘Contract Details’ section of the screen displays 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 displays the following:

- Current Principal
- Current Maturity Date

To make an amendment, select the reference number of the tranche you want to amend and then select “Unlock’ from the menu to unlock the same.

Specify the following after unlocking the tranche:

Amendment Date

By default, the current system date is 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.

Note

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 is allowed but not allowed with value date less than or equal to the previous VAMI value date. This validation is applicable for both Lead and Non Lead(Wrapper) tranches.

10.2.1 Modifying Tranche Principal

You can use the ' Value Dated Amendments' screen to:

Increase the tranche principal

When increasing the tranche principal, the system checks 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 checks 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 displays its equivalent in the local currency.

A change in tranche principal results in recalculation of the Utilization and Non-Utilization Fee. It also alter the Non-Utilized amount under the tranche. An increase in the principal allows you to process new drawdowns under the tranche to the extent of the increased amount. Note that the system considers the margin rates maintained for the participants while calculating the interest due for the participants.

10.2.2 Modifying Maturity Date

Through the 'Value Dated Amendments' screen, you can:

Extend the maturity date

When extending the maturity date of the tranche, the system ensures 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 ensures 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 you requirement, whether you want to extend or reduce the maturity date. Capture the date in 'DD-MMM-YYYY' format.

Note that the system considers 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

- 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 Update LT Position

The default value of the 'Update LT Position' is not selected. You are allowed to select during value dated amendment booking.

The 'Update LT Position' check box is enabled only for the following desks.

- ORIG
- ORIGINATIONS_HFS
- ORIGINATIONS_PRM (New desk)

When a value dated amendment is booked with the 'Update LT Position' selected, the system updates the position for the portfolios associated with any of the above three desks in the SLT module.

However, the system does not update the position for the portfolios which are not associated to the above three desks even if the 'Update LT Position' check box is selected.

When a value dated amendment is booked with the 'Update LT Position' cleared, the system does not update the position in the SLT module.

You are allowed to select the check box only if the portfolio of any of the self-participants in the tranche belong to any of the three desks mentioned above.

An internal trade is booked to create/update the SLT position for the respective portfolios associated with any of the above three desks when 'Update LT Position' is selected.

10.2.2.2 Interest Refund Required

This check box is selected if the bank intends to pass the interest benefit of certain events to the borrower.

Following are instances of such events.

- VAMI - Interest decrease, Maturity date is advanced
- Prepayments including full prepayments leading to contract closure

If the check box is selected, the interest is recomputed based on the event that has occurred and the borrower's CASA/GL is credited for BADJ event (Backdated adjustments) defined at the product.This check box is not relevant if rates are decreased as a result of index changes.

10.2.2.3 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 amotization amount.

Re-Amortization is 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 also considers 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 happens 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 have impact on EMI and the installment amount (and balloon payment on bullet schedule) is 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 'Save' from the menu. On successful save, the system displays a message to confirm the same.

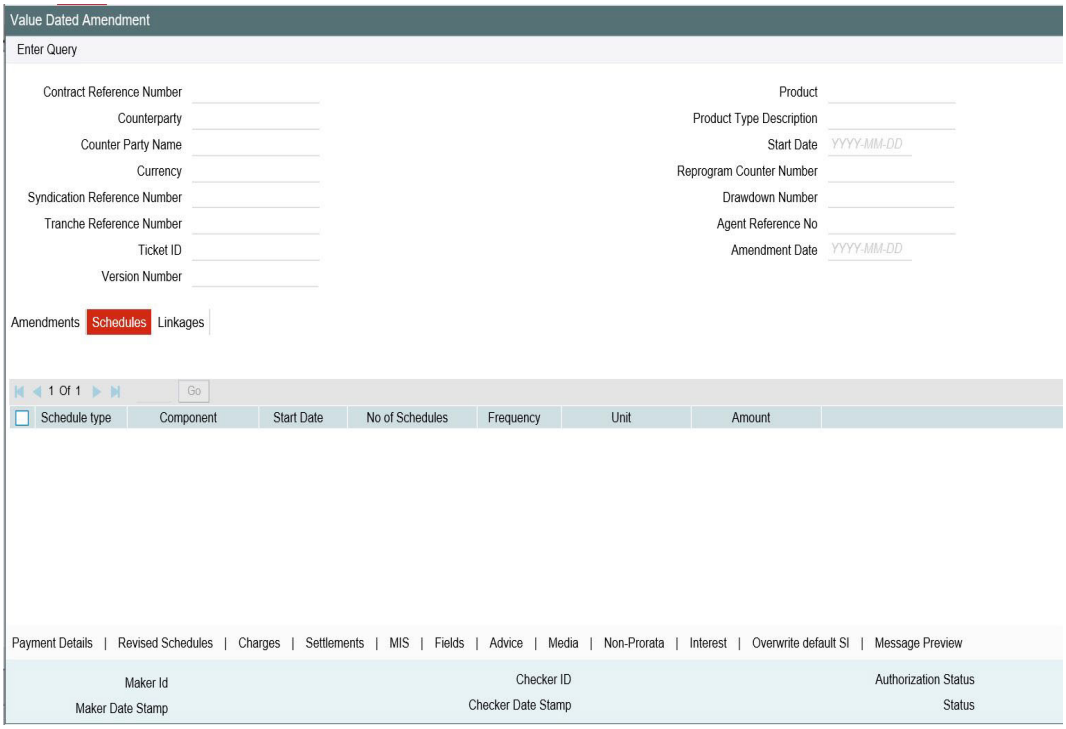
The 'Current Values' section of the 'Amendments' tab displays the new values for the tranche.

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:



10.2.4.1 Impact of Amendment

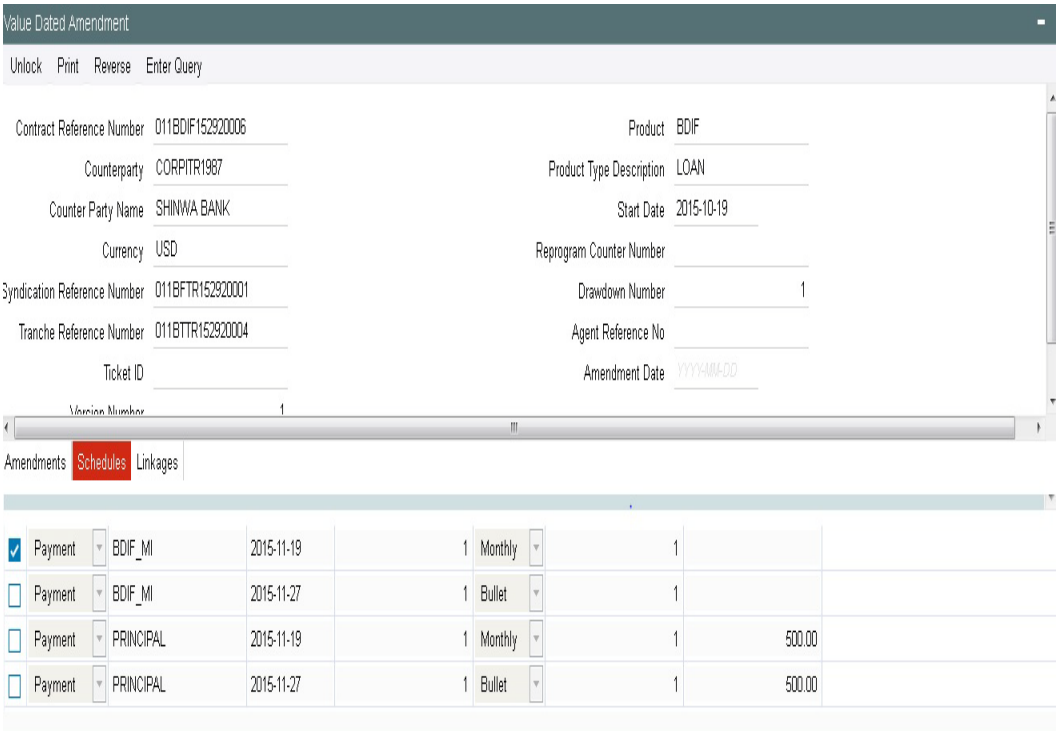
The system redefines the fee schedules and reduction schedules on increase/decrease of principal/maturity date, as mentioned below:

- 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 moves to the new maturity date.
- If maturity date is decreased, one bullet schedule for fee and reduction is inserted with the sum of reduction/fee amount which falls after the new maturity date.

10.2.4.2 Viewing Payment Schedules

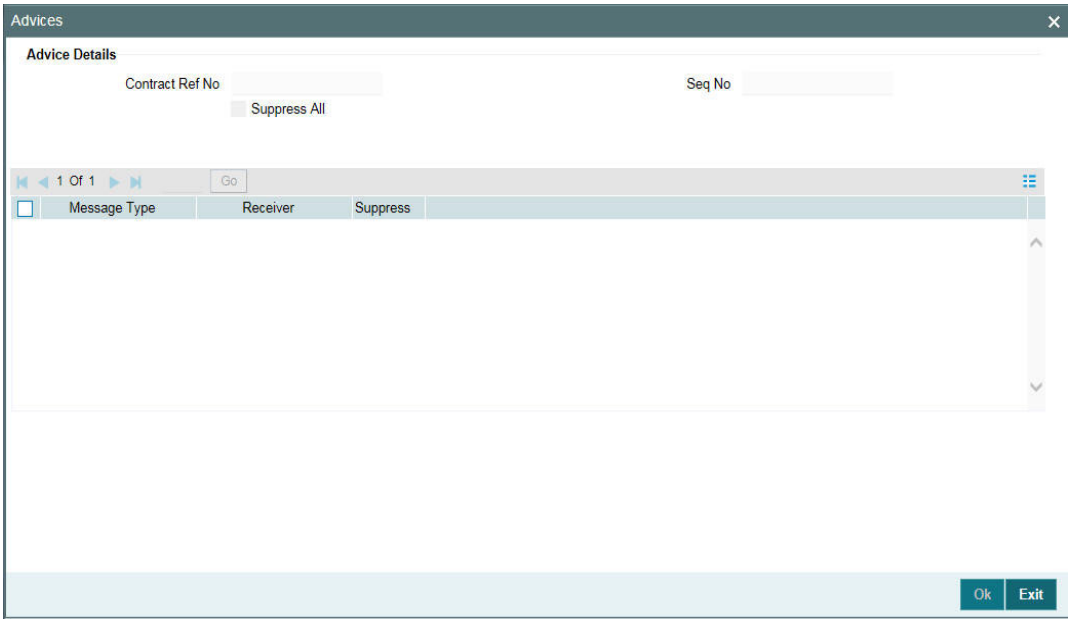
You can view the schedules in the ‘Schedules’ tab of the screen. To do this, click ‘Payment Details’ tab.

You can see the payment details like 'Amount Due' and 'Amount Settled' for the maintained schedules in the 'Payment Details' screen.



10.2.5 Viewing Advices

You can view the advices generated as part of the value dated amendment (VAMI), in the ‘Advices’ screen. Click ‘Advice’ tab to view the details.



Suppress All

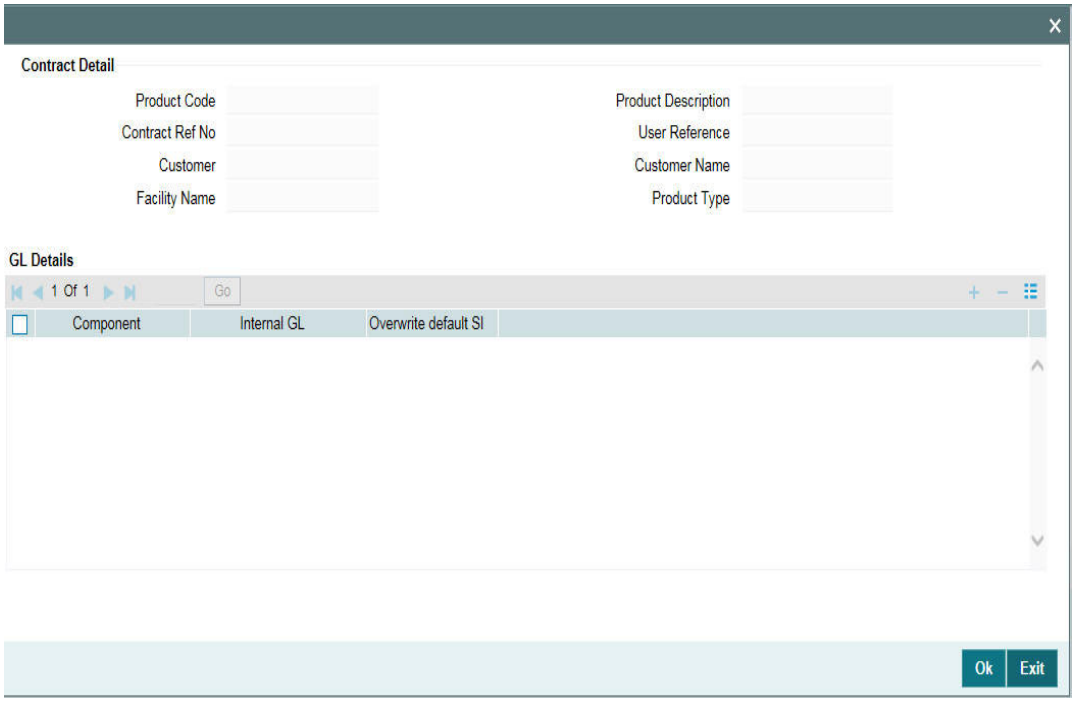
Select this check box to indicate that the system can suppress all the messages.

For more information, refer to '*Appendix A – Events, Advices and Accounting Entries*'.

10.2.6 Viewing Overwrite Settlement Instruction Details

You can maintain settlement instructions for various components such as fees, charges, tax, principal, interest, and so on, 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 default SI' in the ' Value Dated Amendment' screen to invoke the following:



Component

This screen displays the all the components displayed in the Settlement Message Details screen.

Internal GL

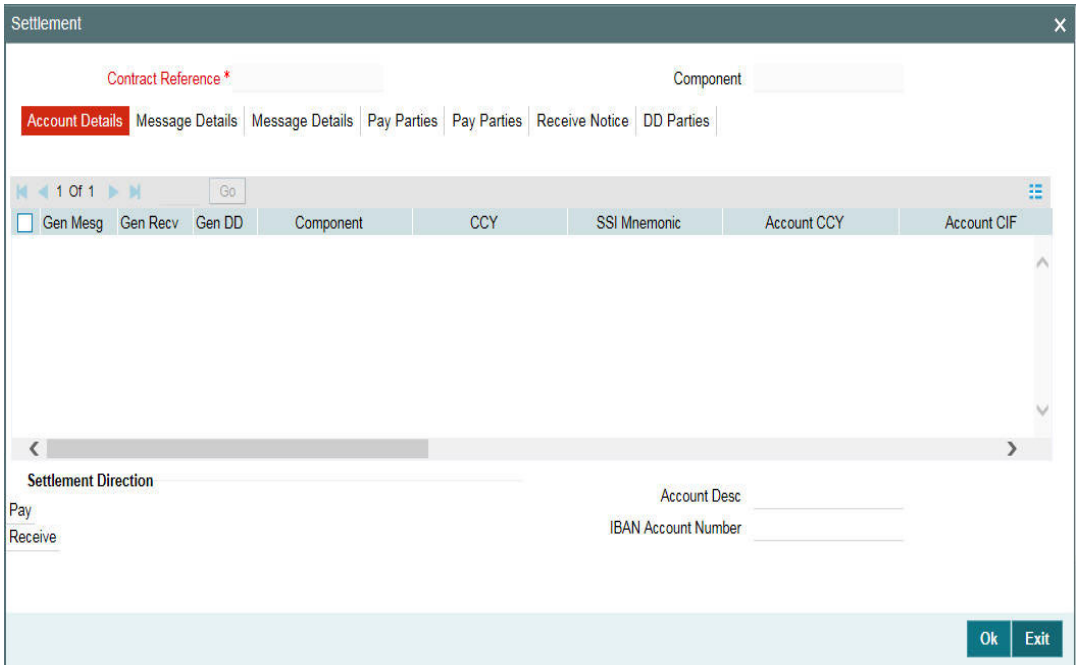
Specify the Internal GL accounts into which you want to post the liquidation entries for the components.

Overwrite default settlement instruction

Select the 'Overwrite default settlement instruction' check box to confirm that the liquidation entries should be posted into the Internal GL account. System posts the entries to the Internal GLs only if you check this check box. Otherwise, system posts the entries as per the settlement instructions specified for the component of the contract.

10.2.7 Viewing Settlement Details

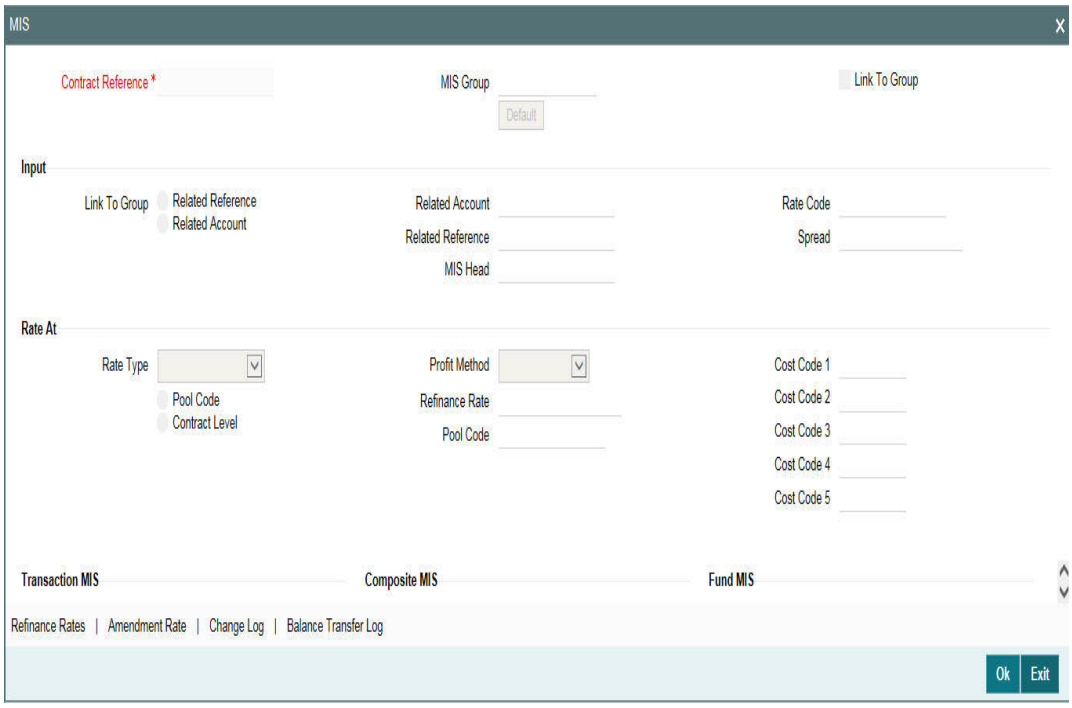
You can view the settlement account details for the amended tranche in the 'Settlement Message Details' screen. Click 'Settlements' tab to view the details, as shown below:



For details on the above screen, refer the *Settlements User Manual*.

10.2.8 Viewing MIS Details

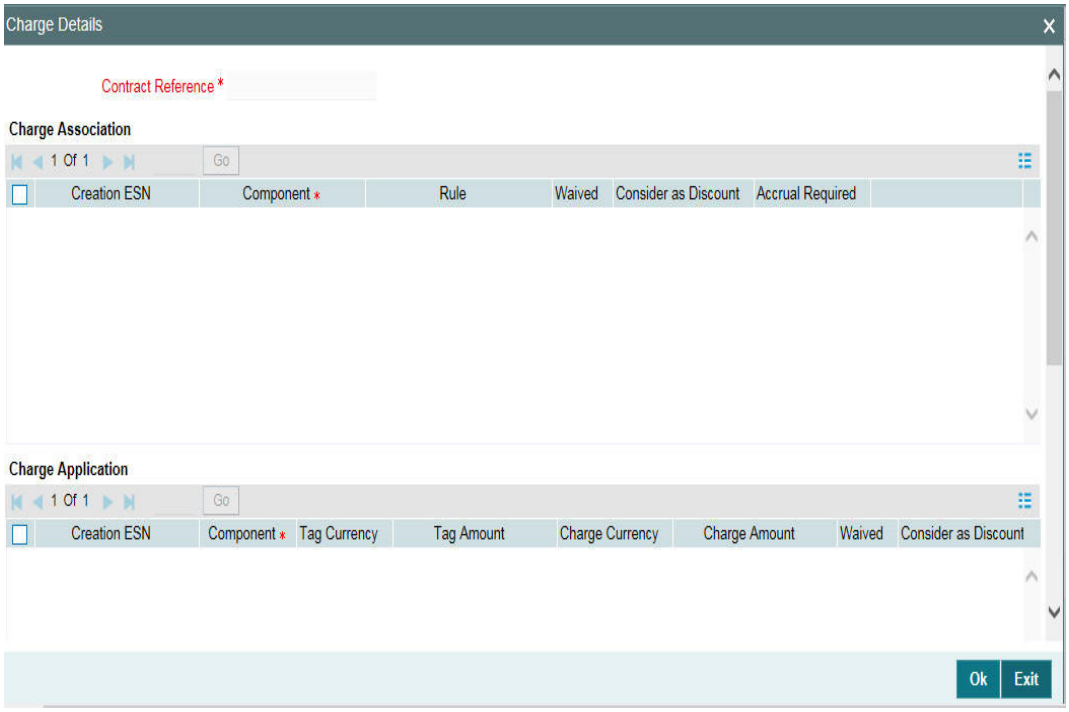
To view the MIS details for the amended tranche, click 'MIS' tab.



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 'Charges' tab in the 'Value Dated Amendments' screen to view the details.



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 'Media' . This button is enabled only if the 'FpML Type' option is deselected 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.

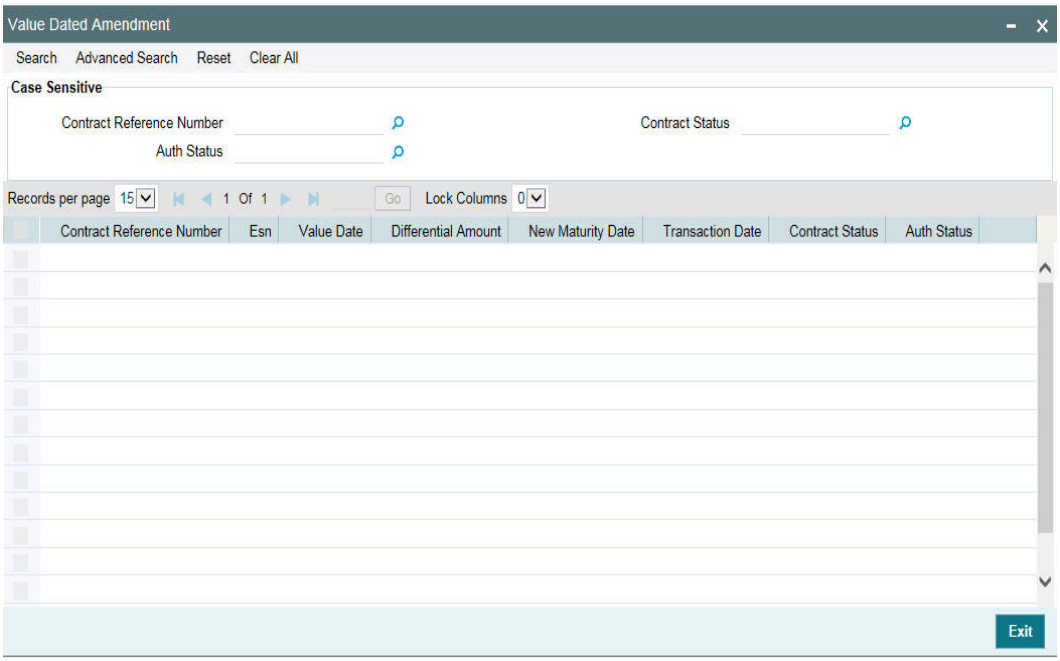
10.2.11 Viewing Messages using Message Preview

For more information on message preview, refer to 'Viewing Messages using Message Preview' section, 'Loan Syndication Contracts - Part 1' chapter.

10.3 Viewing Value Dated Amendment Summary

You can view the Value Dated Amendment summary in the 'Value Dated Amendment Summary' screen.

You can invoke the 'Value Dated Amendment' summary screen by typing 'LBSVAMND' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The following fields are displayed in the '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 Banking Corporate Lending allows you to perform a non-prorata type of increase (upsize) of the tranche amount through a value dated amendment. To do this:

1. First you to 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 ‘Value Dated Amendments’ screen.
2. 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’ tab in the ‘ Value Dated Amendments’ screen to invoke it. In the ‘Non Prorata Participant Ratio Details’ screen, click ‘List of Values’ 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 (upsize).

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.

After selecting the list of participants, click ‘Ok’ button to save and return to the ‘Participant Ratio Details’ screen. In this screen, you can view the names of the selected participants (in the ‘Component Ratio’ field), as shown below.

You can specify the new ratio as per the participants' contribution towards the increase. The system allocates the increased amount to the selected participants as per this new ratio.

10.5.1.1 Propagating the Increased Amount to Underlying Drawdowns

For prorata type of tranche, you can propagate the new ratio, as a result of tranche upsize, to the underlying drawdowns. By default, the system checks the 'Propagate Ratio to Drawdown' box to facilitate the propagation. You can deselect this option, if required. If not checked, propagation to the underlying drawdowns does not happen and the system converts the tranche to a non-prorata type (the 'Cascade Participation' option is unchecked in the 'LB Tranche Contract Online' screen).

If you check the 'Propagate Ratio to Drawdown' box, the system displays a message to indicate that the new asset ratio is propagated to the underlying drawdowns. This message is displayed when you save the tranche upsize.

Note

- The 'Propagate Ratio to Drawdown' is not available for a non-prorata type of tranche.
- You can use the Non-Prorata option only to upsize the tranche amount and not for reduction in the tranche amount.

In addition, the system performs the following activities on tranche upsize:

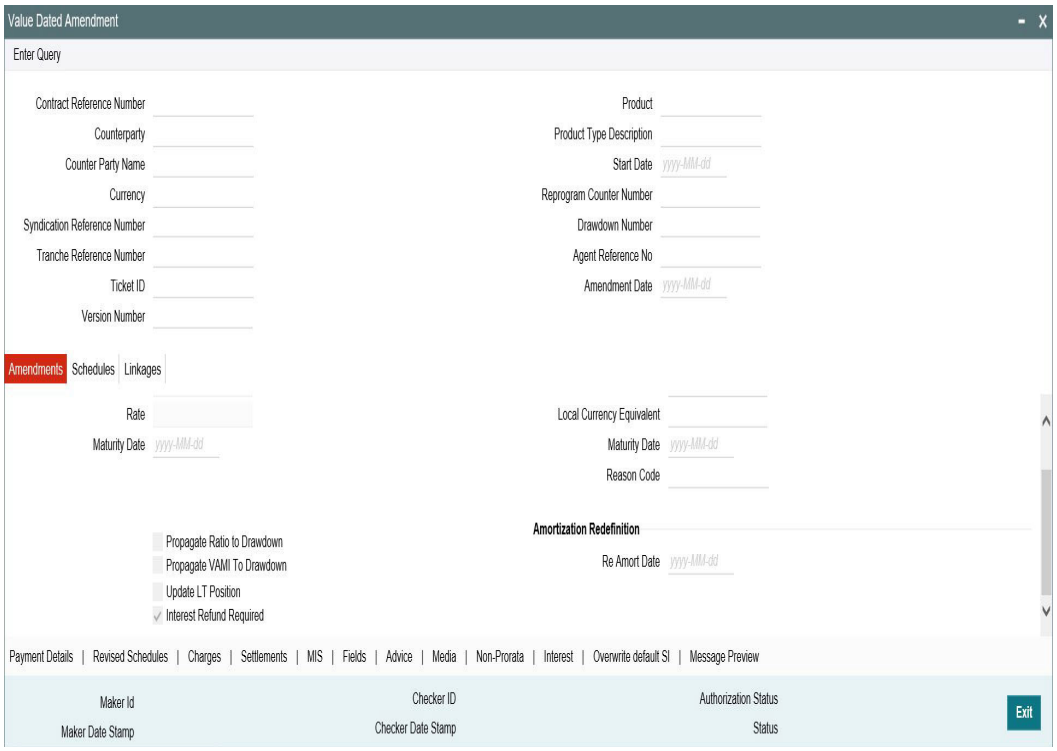
- On saving, triggers the events VAMI (Value Dated Amendment Initiation) and PRAM (Participant Ratio Amendment) for the tranche. Increase the tranche amount and updates the new asset ratio for the tranche.
- If you have checked the 'Propagate Ratio to Drawdown' box, triggers the PRAM event for the underlying 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 Banking Corporate Lending, 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 'Value Dated Amendments' screen. You can invoke the ' Value Dated Amendment' screen by typing 'LBDVAMND' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



The ‘Contract Details’ section of the screen displays 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 displays the following:

- Current Principal
- Current Maturity Date

To make an amendment, select the reference number of the drawdown you want to amend and then select **Unlock** from the 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 is 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 ‘ Value Dated Amendments’ screen. If the currency

of the drawdown is different from the local currency of the branch, system displays its equivalent in the local currency.

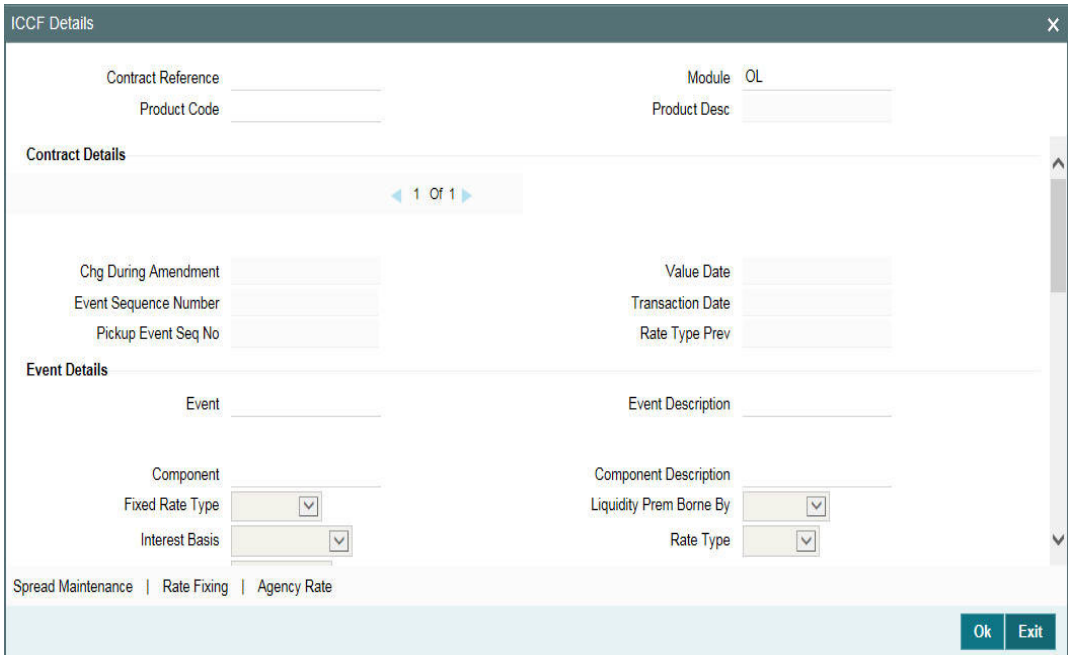
When you specify the increase in principal, this amount is blocked at the tranche level from the date of booking.

Note

- For normal and bearing type of drawdowns, the increase in principal amount is added to the bullet payment schedule.
- For amortized type of drawdowns, the increase in principal recalculates 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 is subsequently change. As a result, the participant's contracts will get updated based on their share. This is initiated through a VAMI event.
- When the principal amount changes at the drawdown level, Oracle Banking Corporate Lending recalculates 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 Banking Corporate Lending converts 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' tab (this button is available only if you are performing value dated amendment for a drawdown) in the 'Value Dated Amendments' screen. The 'ICCF Details' screen is displayed.



Using the above screen, you can select the rate type for which you want 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

- 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 is 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 considers the margin rates maintained for the participants while calculating the interest due for the participants.

Note

For main interest component if ‘Rate Type’ is 'Fixed', then you can enter rate fixing details in 'Rate Fixing' screen. In addition, you can enter the 'Spread' and 'Margin Details'.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.

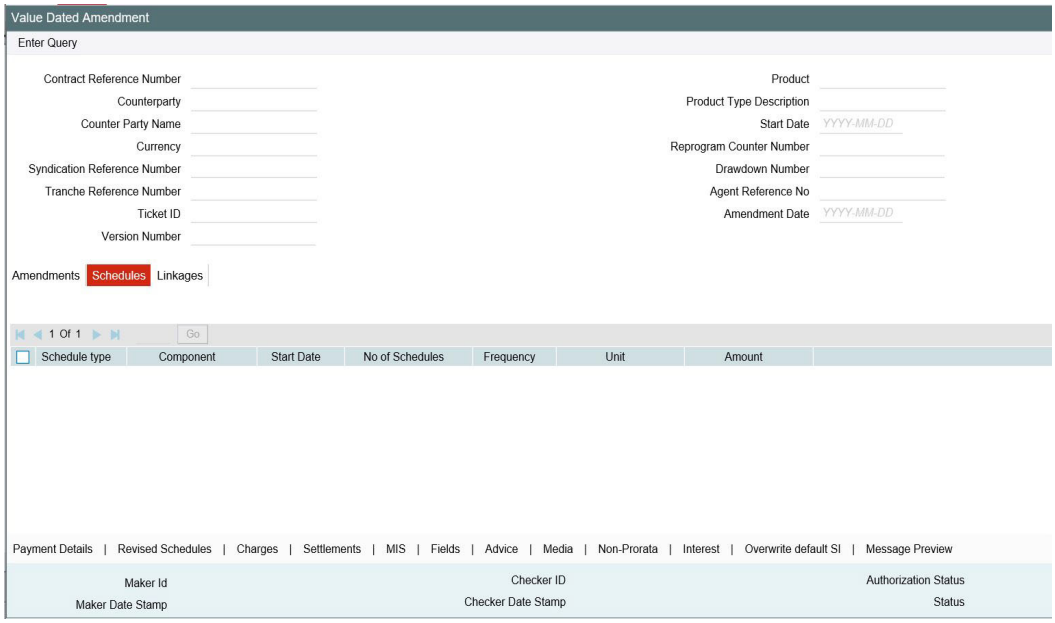
Note

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.



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)

This chapter contains the following sections:

- Section 11.1, "Introduction"
- Section 11.2, "Maintaining Desk Codes"
- Section 11.3, "Mapping LB and OL Products and Components"
- Section 11.4, "Mapping LB OL Contract Details"
- Section 11.6, "Identifying Loan Products for Agency Contract Creation"
- Section 11.7, "Processing Loan Contracts in OL Module"
- Section 11.8, "Reprocessing STP Status Details in OL Module"
- Section 11.9, "Handing off Agency Contract Amendment Details"
- Section 11.10, "Handing off Agency Fee Amendment Detail"
- Section 11.11, "Processing HFI-HFS Transfer in STP Interface Browser"
- Section 11.12, "Processing the LB PRAM (Assignment) as Part of STP"
- Section 11.13, "Processing Agency Reprice Detail"
- Section 11.14, "STP Processing for BA drawdown contracts"
- Section 11.16, "Bulk Update of Handoff Status in LB OL STP Interface browser"
- Section 11.17, "Simplified STP"
- Section 11.18, "Translation maintenance"

11.1 Introduction

Oracle Banking Corporate Lending 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 Banking Corporate Lending 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 (LB) module to Loans (OL) module, thereby ensuring efficiency and data consistency.

For STP from LB module to OL module, you have to maintain the following information:

- Different desk codes
- Mapping between the self participant, desk code and expense code
- Mapping between LB and OL 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.

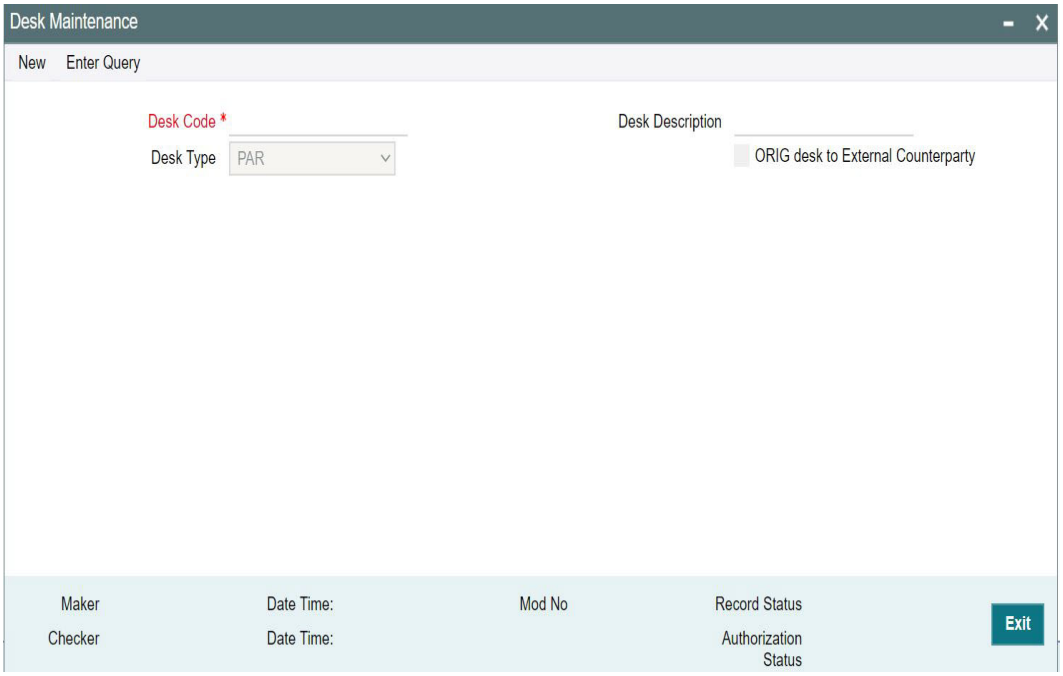
Note

In STP, from LB module to OL module you can propagate15 UDFs.

11.2 Maintaining Desk Codes

You can maintain different types of desks (loan desk, credit desk, and so on) used in your bank in the ‘Desk Code Maintenance’ screen. You can invoke the ‘Desk Maintenance’

summary screen by typing ‘LBDDKMNT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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
- ORIGINATIONS-PRM

Note

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.’

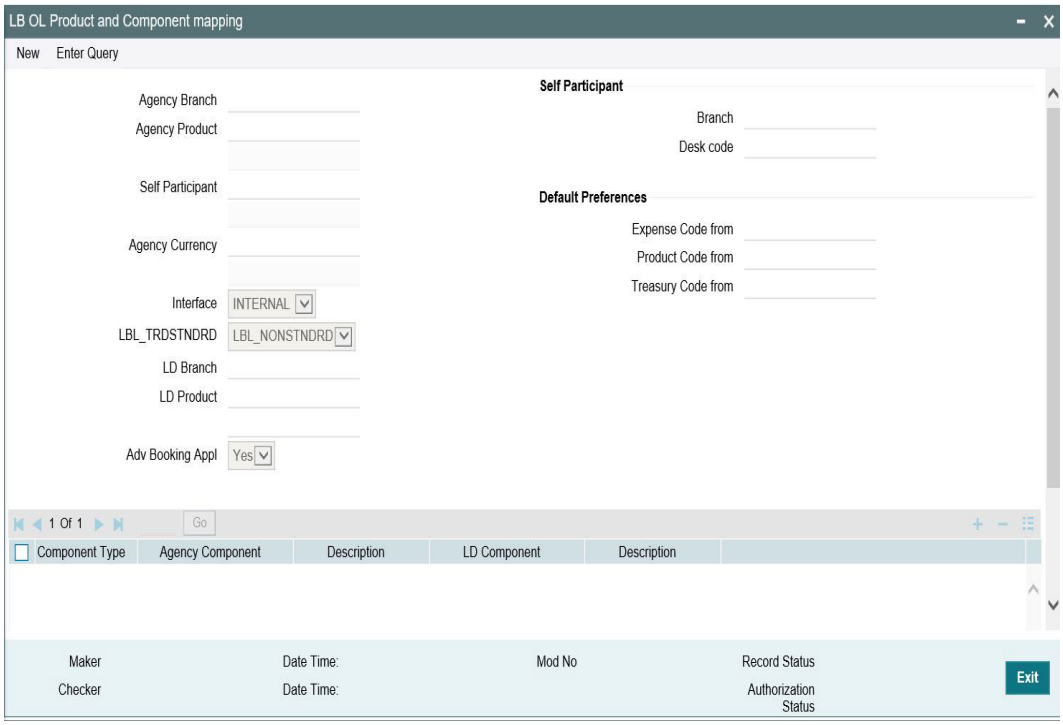
The ‘ORIGINATIONS-PRM’ is used to identify the fronted or un-fronted portfolios which are involved in primary trade.

ORIG desk to External Counterparty

Origination Desk can trade (Buy/Sell) directly with external counter party if the check box is selected. If 'ORIG desk to External Counterparty' check box is not selected for ORIGINATION Desk then Origination Desk can trade (Buy/Sell) through PAR desk.

11.3 Mapping LB and OL Products and Components

In order to facilitate the creation of the corresponding commitment/loan contract for a tranche/ drawdown, you have to map the LB products and their components to the relevant OL products. You can do this mapping in the 'LB OL Product and Component Mapping' screen. You can invoke the 'LB OL Product and Component mapping' summary screen by typing 'LBDPCMAP' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You have to specify the following details as part of product and component mapping:

Agency Branch

Select the transaction branch for initiating the LB contract on the agency side. All valid branch codes are displayed in the option list provided.

Agency Product

Select the LB product to be used for creating the LB 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 'Position Identifier' 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 'Position Identifier' screen).

Note

If you select the self participant as 'ALL', the system displays 'ALL' in the Branch Code and Desk Code fields also .

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 'LB-OL 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.

Treasury Code From

For loans that are booked through STP, the system defaults the treasury code from the commitment.

Interface

Select the type of interface for STP from LB to OL. The available options are:

- Internal – Select this option when Loan Syndication module and OL module are available in the same OBCL set up.
- External – Select this type if OBCL set up is distinct for Loan Syndication module and OL module that is, the modules are available in separate instances of OBCL.

Trade Standard

The following are the list of values in the 'Trade Standard' drop-down list.

- LMA Participation

- LSTA Participation
- Non-Standard

The ‘OL Product’ LOV display only the loan products where the ‘LMA Participation’ check box is selected when you select the value of the field ‘Trade Standard’ as ‘LMA’ in this screen. The system displays all loan products when the trade standard value is selected as ‘LSTA’ or ‘Non-Standard’.

Note

You are allowed to create a default maintenance with the key values as ‘All’, except for the fields ‘Agency Product’, ‘OL Branch’ and ‘OL Product’ for mapping the OL product which has the ‘LMA Participation’ check box selected.

LB 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.

LB 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 – 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 ‘Up arrow’ icon. You can then select the value you want to amend.

New check box

Select this check box to indicate if you wish to copy all the details for LB OL Product and Component mapping with only the self-participant being different.

Note

- You can copy all the details pertaining to the LB OL Product and Component mapping details by specifying the following values:
  - LB Branch
  - LB Product
  - Self Participant
  - LB Ccy
  - OL Branch

- If you select this check box, then the details for the following fields in the copy screen is defaulted with the details of the Self-participant from whose record it is being copied:
  - LB Branch
  - LB Product
  - LB Ccy
  - Self Participant– User is allowed to choose an existing valid self participant
  - OL Branch– 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/OL Component Details

11.3.1 Mapping Product Components

You can map the components of the selected LB and OL 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)
- T(Tax)

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.

OL Component

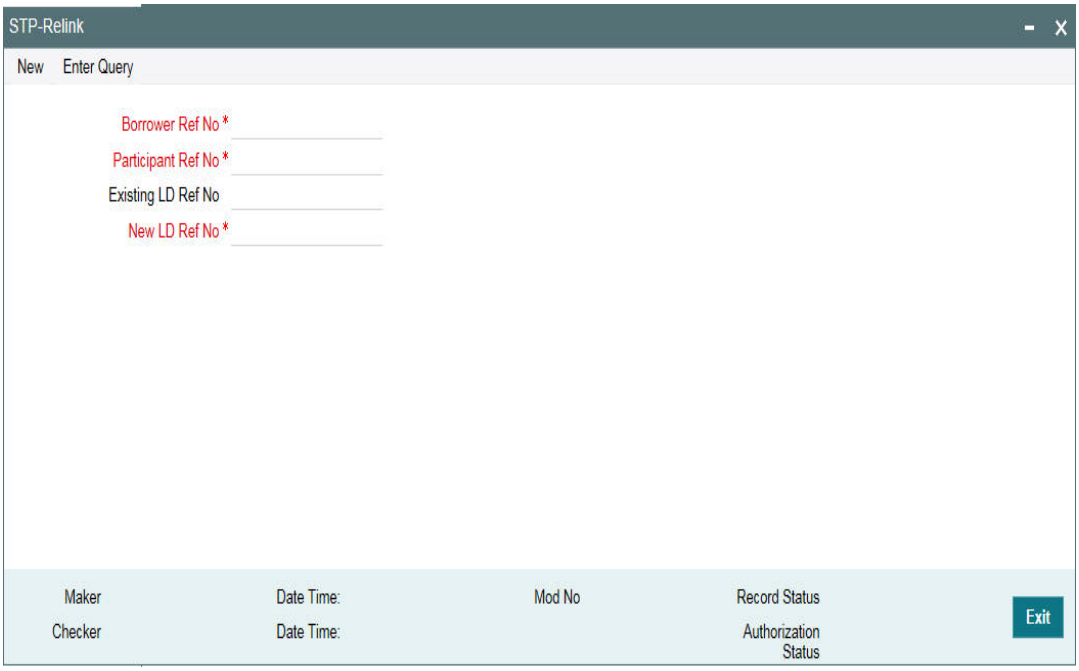
Likewise, the system displays the components associated with the selected 'OL Product' in the option list provided. When you select the code of the component, the system also displays the associated description in the adjacent field.

For an 'External' type of interface, you have to key-in both the component code and the description for the same.

11.4 Mapping LB OL Contract Details

You can manually map LB to OL 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 is done by using the STP - Relink screen.

You can invoke the 'STP-Relink' screen by typing 'OLDRLINK' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

Participant Ref No

Specify the participant reference number. The adjoining option list displays all the participant reference numbers maintained in the system.

Existing OL Ref No

Specify the existing OL reference number here.

New OL Ref No

Specify the new OL reference number here.

If RAPID Enabled is ‘Y’, then commitment contract is not automatically created. It has to be mapped to OL using the ‘STP Relink’ screen.

Validate value date availability

Select this check 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 OL 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

11.5 Tax Propagation to Bilateral Loans Contracts

When a particular tax rule is waived on borrower side for syndication loans contract, the waiver is propagated to all the participants under the contract. For a self-participant, the tax-details and the waiver are propagated to bilateral loans contract and the corresponding accounting entries maintained at product level are triggered through STP process. These tax details can be viewed through 'Tax' sub-screen of 'Loan and Commitment- Contract Input' screen.

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 LB products (in the 'LB OL Product and Component Mapping' screen).

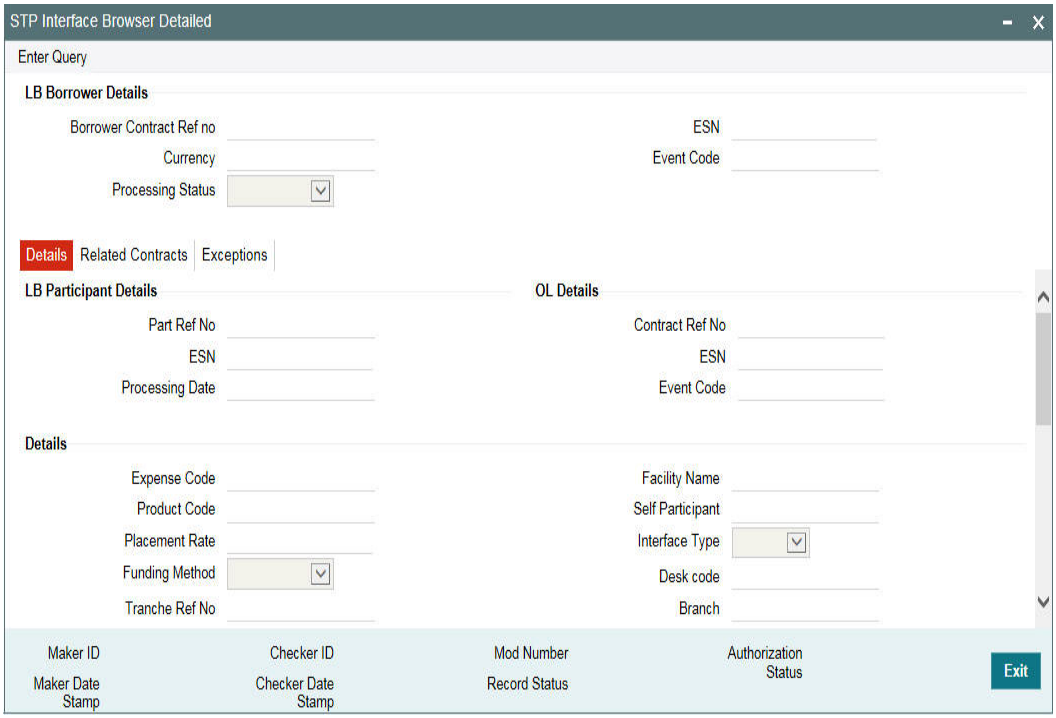
This preference defaults to all contracts booked under the product. It helps in distinguishing a normal loan from an agency contract. However, if required, you can deselect this box for a contract (in the 'OL Contract Online' screen).

For more details on setting up loan products in the OL module, refer the 'Defining the Attributes specific to a Loan product' chapter of the Loans User Manual.

11.7 Processing Loan Contracts in OL 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. You can invoke the 'STP Interface Browser Detailed' screen by typing 'LBDSTPIB' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 LB contract (self participant’s contract). These events are posted in the STP queue for handoff to OL 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 LB-OD 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 LB events are handed off to the OL module to create the corresponding commitment/loan contract on the originations side.
- Processed – Once the events that take place on the LB side are replicated/processed (after performing the validations explained in the section ‘Validating records prior to processing in OL 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

Note

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.

Note

While processing the specific event, the negative base rate or margin rate is 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.

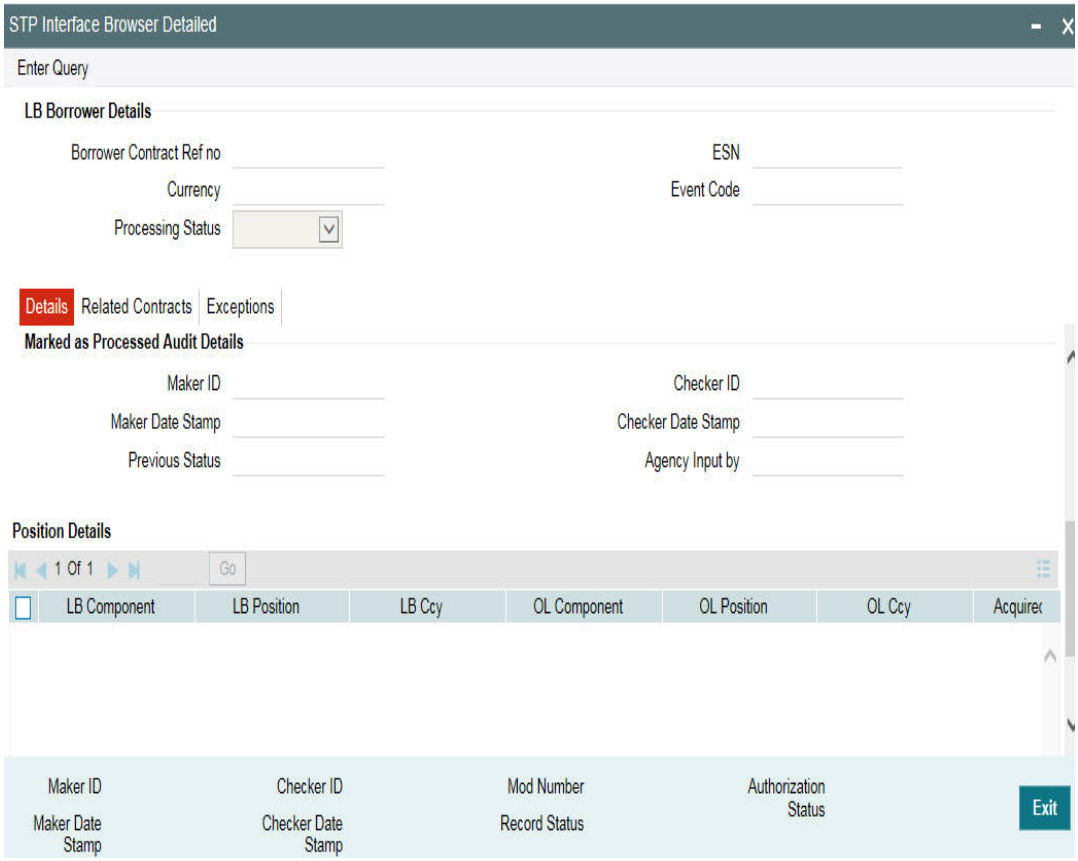
11.7.1 Validating Records Prior to Processing in OL Module

Prior to processing the contract in the OL 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 ‘OL Branch’ field of the ‘LB OL 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 LB and OL product and components of the product (in the ‘LB OL 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 LB module is equivalent to the corresponding loan/commitment contract in the OL module.

11.7.1.1 Viewing Positions of LB and Loan Contracts

You can view the outstanding position of each LB contract and that of the corresponding commitment/loan contract in the ‘Position Details’ section. Scroll down in the ‘STP Interface Browser Detailed’, to view component-wise position



The system displays the following details for both LB and the corresponding loan contract in this screen:

- Name of the component
- Position of the component
- Contract currency

Note

If the interface type is ‘External’, the system displays the position of the LB 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 LB 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.

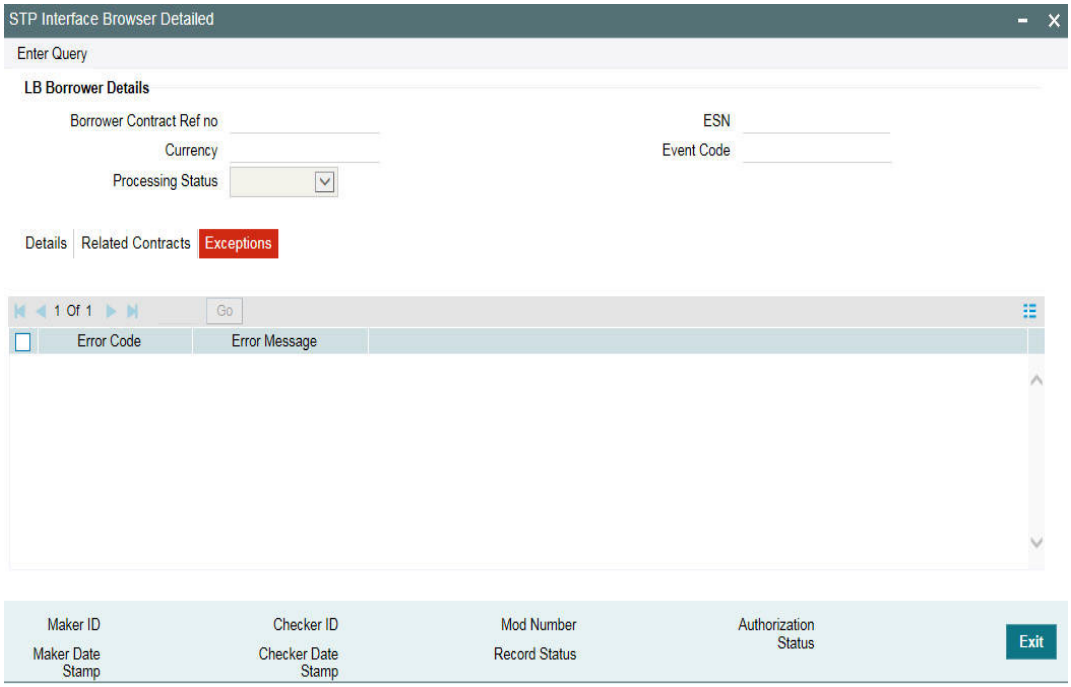
You can view the loan in the ‘OL Contract Online’ screen.The system checks the ‘Agency Contract’ box to distinguish between a normal contract and the contract created as a result of STP. If required, you can unlock the record and uncheck this box. If you uncheck, the contract becomes a normal loan contract. 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 ‘LB OL 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 LB module does not match with the outstanding principal and interest of the corresponding commitment/loan contract.
- Any failures in the OL 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 ‘Exceptions’ tab in the ‘STP Interface Browser Detailed’ 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 OL module. The Agent ID is displayed in the ‘Agent CIF’ field of the ‘OL Contract Online’ screen.

11.7.4 Impact of STP on CUSIP/ISIN

For Originations (OL) commitments booked through Straight Through Processing (STP) from Agency (LB) tranche for self-participants, the following update is done to the OL commitment:

- OL commitment ‘CUSIP’ is updated with the LB Tranche ‘CUSIP’ value
- OL commitment ‘Ext CUSIP/ISIN’ is updated with the LB Tranche ‘Ext CUSIP/ISIN’
- New display field ‘Ext Deal CUSIP/ISIN’ at OL commitment is updated with the LB Tranche ‘Ext Deal CUSIP/ISIN’

For Originations (OL) commitments linked to the Agency (LB) tranche for self-participants, through the ‘Participant Commitment Linkage' screen, the following updates are done to the OL commitment:

- OL commitment ‘CUSIP’ is updated with the LB Tranche ‘CUSIP’ value
- OL commitment ‘Ext CUSIP/ISIN’ is updated with the LB Tranche ‘Ext CUSIP/ISIN’
- New display field ‘Ext Deal CUSIP/ISIN’ at OL commitment is updated with the LB Tranche ‘Ext Deal CUSIP/ISIN’

For Originations (OL) commitments relinked to the Agency (LB) tranche for self-participants through the ‘STP Relink’ screen, the following updates are done to the OL commitment:

- OL commitment ‘CUSIP’ is updated with the LB Tranche ‘CUSIP’ value
- OL commitment ‘Ext CUSIP/ISIN’ is updated with the LB Tranche ‘Ext CUSIP/ISIN’
- New display field ‘Ext Deal CUSIP/ISIN’ at OL commitment is updated with the LB Tranche ‘Ext Deal CUSIP/ISIN’

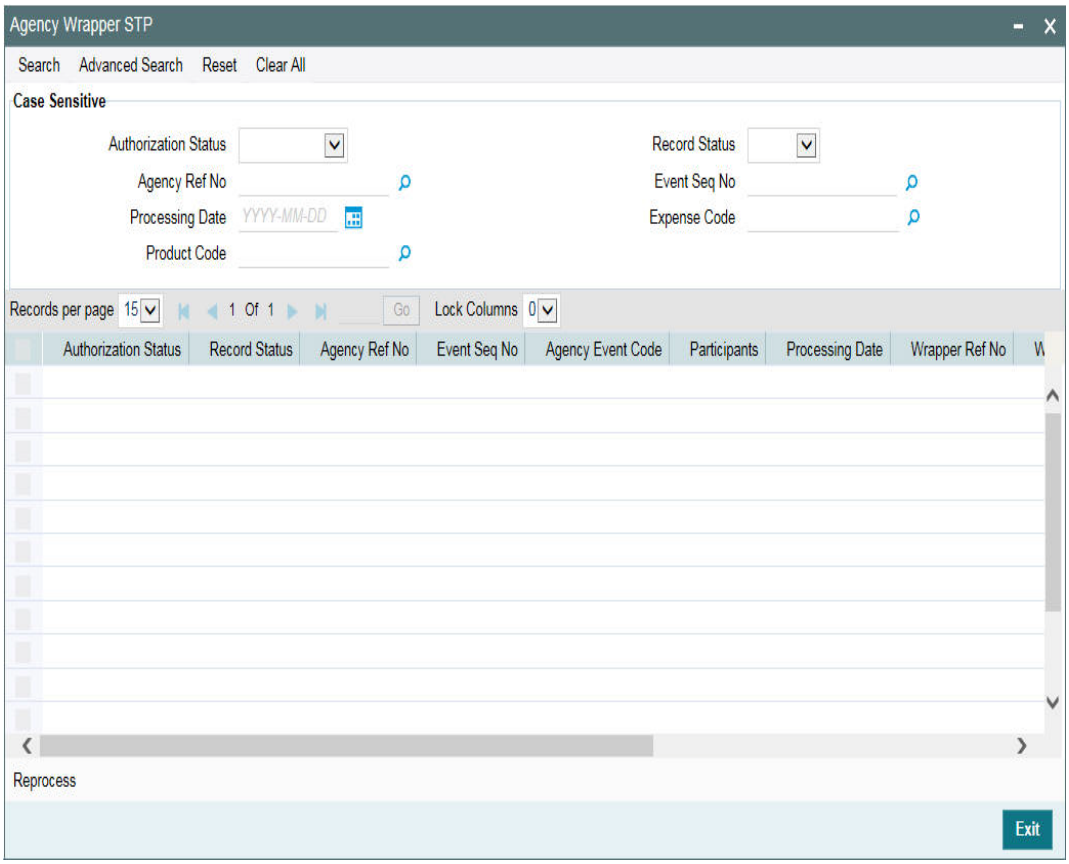
For contract amendment (CAMD) propagated at commitment through Straight Through Processing (STP) from Agency (LB) tranche for self-participants, the following updates will be done to the OL commitment.

- OL commitment ‘CUSIP’ is updated with the new LB Tranche ‘CUSIP’ value
- OL commitment ‘Ext CUSIP/ISIN’ is updated with the new LB Tranche ‘Ext CUSIP/ISIN’
- New display field ‘Ext Deal CUSIP/ISIN’ at OL commitment is updated with the New LB Tranche ‘Ext Deal CUSIP/ISIN’

11.8 Reprocessing STP Status Details in OL Module

You can reprocess the STP handoff data in case of failure in the OL module also. The details are updated in the ‘Origination Interface Browser’ screen.

You can also invoke this screen by typing ‘LBSAGYIB’ 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 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 are SYSTEM and SYSTEMAU.

The following table lists the events that are handed off from LB module for bank or bank entities play the self participant’s role:

LB Events	Description	OL Events	Description
BOOK	Booking of tranche/draw-down	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/draw-down	VAMB	value dated amendment booking in commitment/loan
VAMI	Value dated amendment initiation in tranche/draw-down	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

Note

The system hands of the ROLL (Rollover) event from LB module as LIQD for liquidating the parent contract in OL module. Likewise, the BOOK/INIT event of the child contract of LB module creates the child contract with BOOK/INIT in OL module.

The future dated payments (BLIQ) should be propagated to the OL module on the booking date

11.9 Handing off Agency Contract Amendment Details

Oracle Banking Corporate Lending has the facility to handoff the Agency Contract Amendment detail to Loans module to process it through STP route.

Note

- 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 is 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 OL contract.

11.10 Handing off Agency Fee Amendment Detail

Oracle Banking Corporate Lending has the facility to handoff the Agency FEE Amendment detail to Loans module to process it through STP route.

Note

- 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 is 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, LB-OL STP Interface browser will be updated with two records - one each for HFI and HFS participants. The LB 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 does not invoke a job to process the PRAM events for tranche and drawdown contracts. The processing status is 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 have to manually link the HFS commitment with the HFS participant using the 'STP Relink' screen. Upon authorization of re-link, the processing status is updated as 'Processed' for the HFS participant.

You l have to manually mark the processing status as 'Processed' for the HFI Participant. Balance for the HFI commitment in origination module is reduced based on the updated file sent from RAPID,

If the PRAM is reversed and rebooked then both the reversed and rebooked PRAMs are in 'Failed' status in the STP browser for both the participants. You have to manually mark the process status as 'Processed.'

11.12 Processing the LB PRAM (Assignment) as Part of STP

Oracle Banking Corporate Lending processes the LB PRAM (assignment) in Origination (OL) module as part of STP.

Note

- As part of any assignment in Agency involving the Self participation, there is no 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 OL 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 OL 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 OL 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 LB, system checks on the OL whether VAMB/VAMI is done with same value date and amount combination. If it is done already on the OL side, STP will not be done and instead process status is changed as Processed.
- If VAMB/VAMI is not done on the OL side, STP process is decided based on the reason code selected at the VAMI screen. If the reason code is maintained as STP Process not required, STP is not done and Process Status is 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 Banking Corporate Lending processes the LB reprice details in Loans module through STP process. The system handles both the split and Merge events for STP.

Note

- 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 OL 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 OL contract during the SPTI handoff. DLNK event is triggered in the reporting commitment of the parent OL contract to the extent of the reprice amount in case of Non Revolving commitments to ensure that Split amounts are not 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 OL 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 of 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 are not 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

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11.13.1 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 LB-OL Product and component mapping, Agency Amortization type of Product should be mapped to OL 'Normal Bearing' type of Product. This needs to be done as Escrow components are not propagated to participants in agency and hence not be handed off to Origination.

Mapping is done for below components:

Main Interest component – This supports the STP of the agency contract that has both pre-Amortization Interest schedule and Amortization schedule

LB-OL STP Product and Component mapping maintenance should be done for the same kind of LB and OL 'Amort' products matching the attributes like 'Allow userinput installment', 'Allow re-amortization'.

11.13.2 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 are 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 checks 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 does not validates the syndication to origination customer mapping.

11.14 STP Processing for BA drawdown contracts

Processing of BA drawdown contract STP from LB to OL is done as following:

- When a drawdown is booked with a discounted drawdown product with ‘Banker’s Acceptance’ selected.
- The information in ‘BA Details’ sub-screen of the LB drawdown contract is copied to the ‘BA Details’ sub-screen of the OL loan contract.
- Stamping fee (main Interest) is accrued on the loans contract in OL module as per the existing functionality.
- The discount amount calculated in the LB module is posted in the OL loan contract. The stamping fee and discount amount are posted in OL contracts.
- The CoF amount calculated in the LB module is used for computing the P&L in the OL loan contract.
- The Cost of Funding (CoF) rate is derived from the MIS rate given by the treasury multiplied by the number of days and divided by the day basis. Treasury MIS rate is captured in the ‘BA Details’ screen.
  - Days - Actual number of days between the value date and the maturity date.
  - Day basis - defaulted from the day basis of the main interest component.

Example:

  - Loan Amount = 2,200,000.00
  - Treasury MIS rate = 0.90%
  - Value date = 31-OCT-2016
  - Maturity date = 30-NOV-2016
  - Number of days = 30
  - Day basis = 365
  - CoF rate = 1 / (1+0.90%*30/365) = 0.99926 (rounded to the 5th place)
  - CoF amount will be calculated as ? Loan Amount * (1 – CoF Rate)
  - CoF amount = 2,200,000.00 * (1 – 0.99926) = 1,628.00
- P&L is computed while booking a loan in OL as mentioned below
  - P&L = CoF amount - discount amount
  - Loss is booked when discount is greater than the CoF.
  - Profit is booked when discount is lesser than the CoF.

Example:

  - Discount amount = 880.00
  - CoF amount = 1626.19
  - P&L = (1626.19 – 880) = 746.19 (profit)
- Profit or loss accounting is posted in the OL loan contract as part of INIT event.
- The following events are not be applicable for the discounted type of BA contracts in OL module
  - Margin revision
  - Interest rate revision
  - Value dated amendments for amount, interest rate and date change
  - Partial Prepayments
  - Rollovers

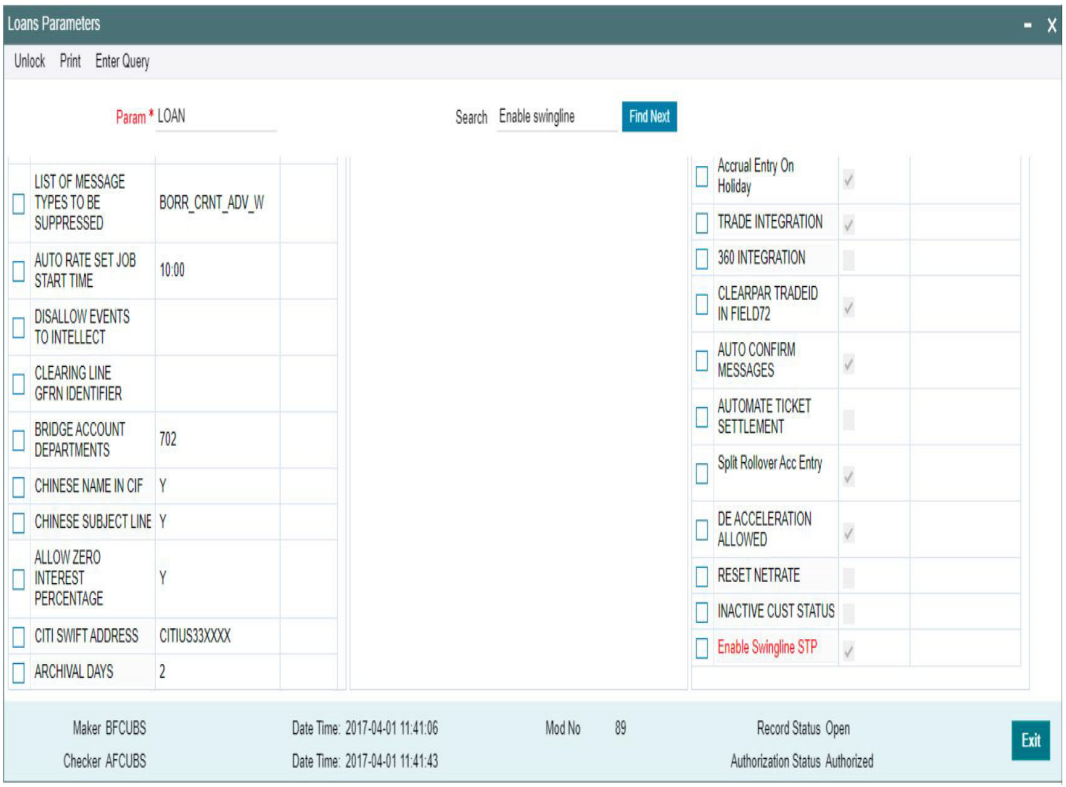
Note

If you want to pay back the BA drawdown in full before the maturity date, the stamping fee (interest) amount is not recalculated.

The stamping fee (interest) amount collected already as part of BA drawdown booking is not refunded.

11.15 STP Processing for Swingline drawdown contracts

In 'Loan Parameters' screen, ‘Enable Swingline STP’ propagation check box is available for swingline drawdowns.



If this loan parameter is selected then booking of swingline drawdown contract which has the participant limit at tranche level, does not convert the cascade participation to non-cascade participation. As the STP needs to be allowed it does not do the conversion. It remains as cascade participation only.

Note

Earlier the STP propagation was failing due to the conversion of cascade to non-cascade conversion of tranche.

To denote this conversion the system propagates a CASC (Cascade Conversion to non-cascade) event at tranche contract level. Now, By enabling the LOAN PARAM if user check this check box “Enable Swingline STP”, the system propagates the tranche/swingline DD’s STP to OL module

System will STP the below events to the origination module for the Swingline drawdown

- BOOK
- INIT
- LIQD

STP for zero –investor Swingline Participant under the tranche does not happen to Origination. You have to relink the failed LS Tranche with a new Commitment which will be within the swingline limit provided at the tranche level for the zero - investor.

STP for non–zero swingline participant contract happens below.

- Non –zero investor: Participant having asset ratio and swingline limit maintained on tranche .
- Zero –Investor: Participant having asset ratio maintained as zero on tranche but swingline limit is maintained

Appropriate error message is displayed by the system if the swingline limit at the tranche level is reduced below the total outstanding of the participant in swingline contracts.

VAMI on drawdown contracts are not allowed beyond the value date of PRAM (Events occurred before booking of any swingline contracts), if any active swingline drawdown exists under the tranche.

LIQD on drawdown under the non–revolving tranche is not allowed before the value date of any existing PRAM. (Events occurred before booking of any swingline contracts), if any active swingline drawdown exists under the tranche.

11.16 Bulk Update of Handoff Status in LB OL STP Interface browser

1. You are allowed to change the processing status for multiple events of participant tranche contract, as ‘Processed’ from ‘Failed’ and ‘Enriched’ in this screen.
2. You are allowed to perform the below actions.
   - Query
   - Unlock
   - Save
   - Authorize
   - Delete
3. You are allowed to query based on tranche reference number and participant number of tranche contract. The system displays the records in the below manner
   - If the user has searched using tranche reference number alone, the system displays the records for each participant present in the tranche. You can navigate to the tranche reference number and participant number combination using the arrow button in the tool bar.
   - If you have searched using tranche reference number and participant number of the tranche contract, the system displays record for the combination of the tranche reference number and participant number only.
4. Once the records are displayed, you should unlock the screen. Once the record is unlocked, the system displays the list of ‘Failed’ and ‘Enriched’ events of the tranche reference number and participant number combination. You should change the processing status for multiple records from either ‘Failed’ or ‘Enriched’ to ‘Processed’ and save.

5. During authorization, the system perform the below validations
   - The position balance should be the same for both the LB and OL contracts.
   - The payment schedules of both the LB and OL contracts should match.
   - There should not be any unauthorized record in the STP Interface Browser related to the participant tranche/drawdown contracts.
6. Authorization fails in case of any mismatch and an error message appears.
7. On successful authorization, the system marks the respective event as processed in STP interface browser. In the STP interface browser the maker and checker details are updated in the general audit details section as well as in the 'Marked as Processed Audit Details' section.
8. The maker and checker details are updated in the 'LB - OL STP Status Change Browser'.In addition, the version number is incremented for the tranche reference number and participant number combination. The version number is displayed as X of Y, where X is the current version and Y is the last version. When you perform subsequent status change for same the tranche reference number and participant number combination, the version number is incremented. You are allowed to navigate to the other versions within the tranche reference number and participant number combination.
9. The system propagates the latest fee schedules from tranche to commitment while marking the event as processed in STP interface browser.
10. You are provided with an option to delete the record before it is authorized in the 'LB- OL STP Status Change Browser'.
11. On click of the 'Delete', the system restores the old status of the event. There could be multiple records under a tranche and participant number combination. When you click 'Delete', changes done for all the records are restored.

11.17 Simplified STP

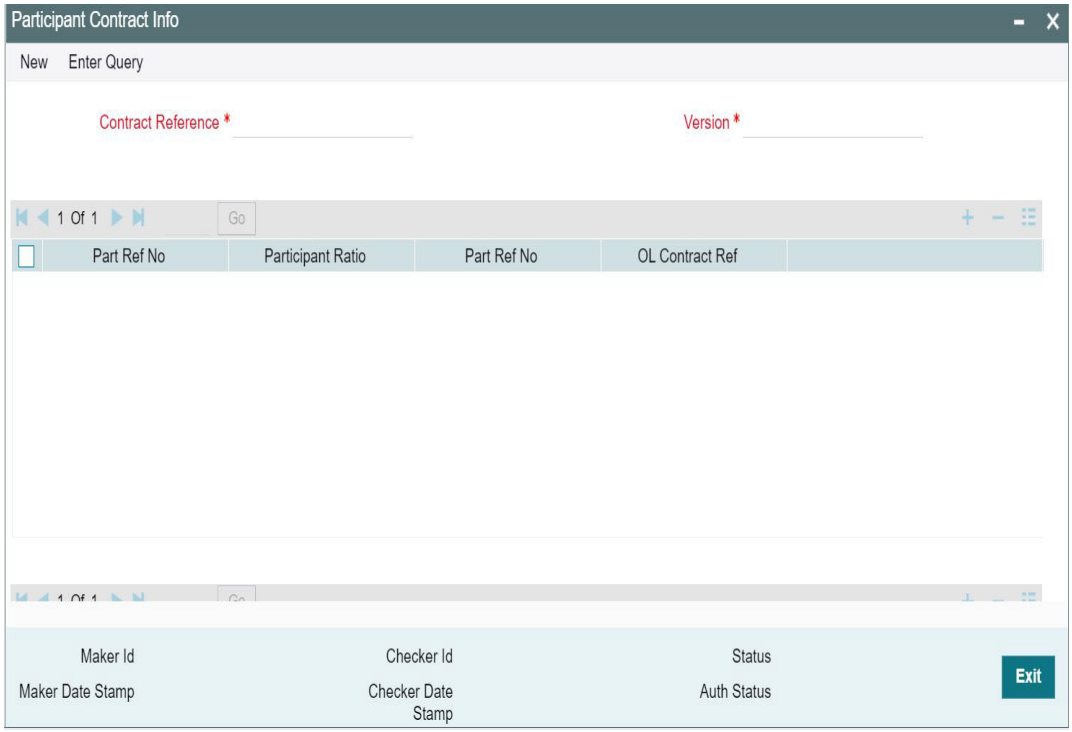
- STP functionality is used to propagate the Syndication Agency Contract details to the Bilateral Loan through batch jobs
- LSSTPJB batch job runs in every 10 seconds and its propagating Syndication Agency Contract details at event wise to Bilateral Loan.
- You can view the STP propagation status, Bilateral Loan Contract details at event wise in LBSSTPIB screen.
- Simplified STP is used to propagate the agency contract details such as interest, penalty, fee and tax, so on. to the OL without any recalculation.
- Simplified STP approach would resolve most of the STP failure issue because of amount mismatch.

You can invoke the 'Participant Contract Info' screen by typing 'LBDPTCNI' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Or

You can invoke 'Participant Contract Info' screen from LB Tranche Contract Online (LBDTRONL) and DrawDown Online (LBDDDONL) screens.

Participant contract info screen is used to view the STP propagated OL contract's amount due and events details.You can give Borrower/tranche reference as input, based on that corresponding OL contract is displayed. You can navigate the OL contract from this screen.



Main Interest and amount due calculation

1. Main interest and amount are calculated for agency contract in LS based on self-participant ratio.
2. Self-participant contract's main interest and amount due are pushed to OL contract without recalculation.
3. OL contract main interest recalculation should be skipped during propagation

Penalty, Tax and Fee calculation

1. Penalty, tax and fee are calculated for agency contract in LS based on self-participant ratio.
2. Self-participant contract's penalty, tax and fee are pushed to OL contract without recalculation.
3. OL contract's penalty, tax and fee calculation should be skipped during propagation

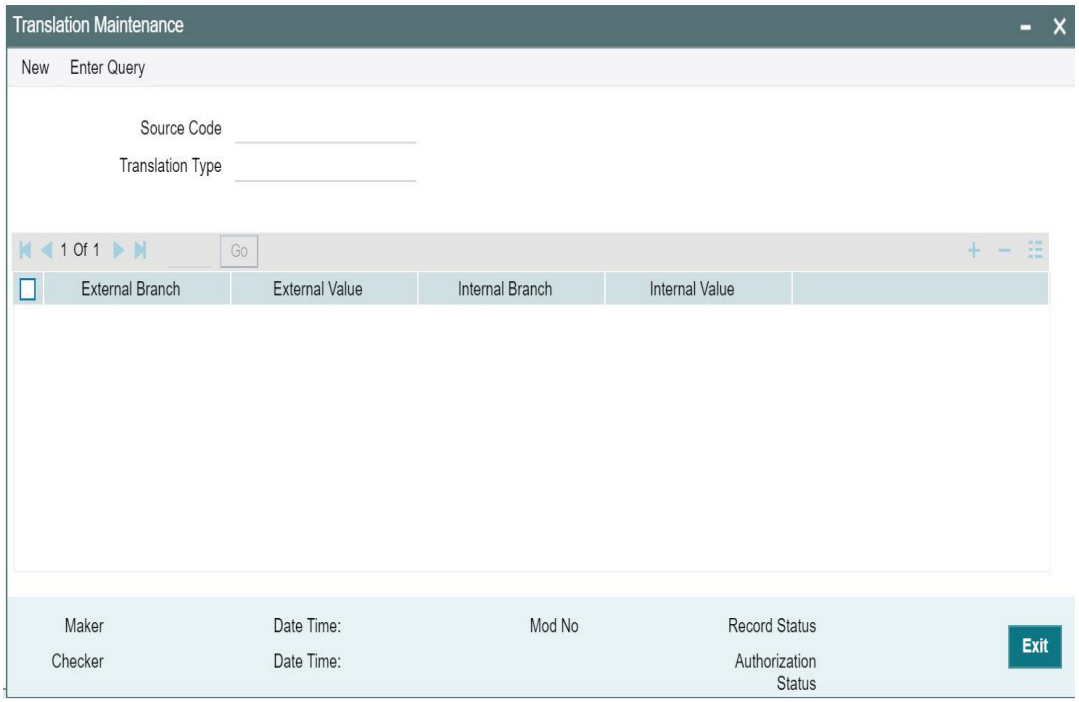
Liquidate Back value dated Contract Propagation

1. Back value dated contract LIQD is done in LS for self-participant contract.
2. Based self-participant contract's LIQD event, OL contract liquidation happens similar to existing flow during STP propagation.
3. Cash flow validation is skipped only for Liquidate back value schedules during STP propagation.

11.18 Translation maintenance

This screen is used for defining certain inputs associated with branch, self-participant bank, currency and SSI mnemonics associated with the self-participant customer which are required for a smooth straight-through-processing between the syndication and loan modules.

You can invoke the 'Translation maintenance' screen by typing 'OLDTRANS' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



- Source code: STP
- Translation Type: SSI_MNEMONIC
- External Branch: Branch code of the self-participant customer
- External value: Self-participant customer ID@ Currency@ Branch code
- Example: 00124@USD@002

wherein:

- 00124 - Self-participant bank customer ID
- USD - Currency
- 002 - Branch code of the self-participant bank

Internal Branch

Branch code of the self-participant customer

Internal Value

Mnemonic as defined for the self-participant bank for the branch and currency combination in the Settlement instructions maintenance

12. Re-pricing

This chapter contains the following sections:

- Section 12.1, "Introduction"
- Section 12.2, "Capturing Split Re-Price Instructions"
- Section 12.3, "Processing Split Re-Pricing"
- Section 12.4, "Capturing Consolidation Re-Price Instructions"
- Section 12.5, "Processing Consolidated Re-Pricing"
- Section 12.6, "Reversing Re-Price Instructions"

12.1 Introduction

Oracle Banking Corporate Lending 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:

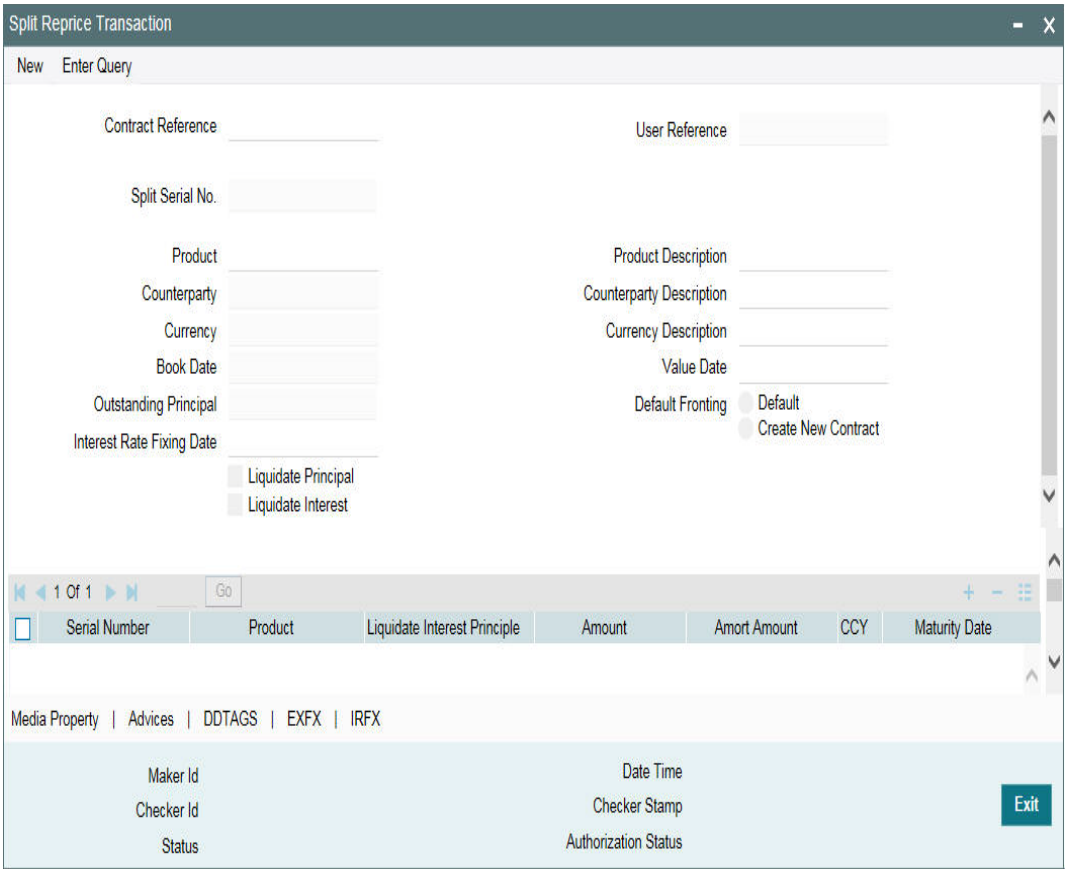
- Use ‘Re-Price Suspense GL’ (selected in the Branch Parameters – Preferences’ screen) for settlement of re-price transactions
- Re-price only the principal of the contract and not interest
- Use different products for parent and child contracts during re-pricing but all products have to be under the 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.

You can invoke the ‘Split Reprice Transaction’ screen by typing ‘LBDREPRS’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

- 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

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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 selects this check 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 deselect this check box, if required.

Liquidate Interest

By default, this check box is deselected. If you select this check 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 select or deselect 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.

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 is 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 is not fired based on these default options. Further, as part of Reprice processing, one of the child contractsare created for the increase in amount without any default fronting/funding options. In the split child contract, for the increased amount, the funding details are captured and borrower payment is 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

---

Note

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 is 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 are not 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

Select this check 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

On selecting the 'Default Fronting' option, the 'Consider for Split' is 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 is as follows:

Split No	Reprice Amount	Consider for Split	Child Contract
1	2M	Y	C2
2	10M	N	C3

The split for 12M is internally split into 2M (increase in amount) and 10M (12M-2M). Child contracts C2 and C3 are created for 2M and 10M, respectively. For C3, all the participants are treated as fronting (defaulted from parent contract C1). For C2, there is not any default fronting. User 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 is as follows:

Split No	Reprice Amount	Consider for Split	Child Contract
1	10M	N	C2
2	2M	Y	C3

Child contracts C2 and C3 are created for 10M and 2M respectively. For C2, all the participants are treated as fronting (defaulted from parent contract C1). For C3, there is not any default fronting. User 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 is 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 is internally split into 2M (increase in amount) and 3M (5M-2M). Child contracts C2, C3 and C4 are created for 7M, 2M and 3M respectively. For C2 and C4, all the participants are treated as fronting (defaulted from parent contract C1). For C3, there is not any default fronting. User have to capture the fronting values manually using the payment processing browser.

12.2.2 Specifying Interest Details

Click ‘Interest Details’ button to enter interest related details and also RFR (Risk Free Rate) details. The system allows you to modify the default RFR parameters maintained at product-level during split reprice operation. For more information on RFR, refer to *Interest User Guide*.

Product Component

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.

Note

For main interest component if ‘Rate Type’ is 'Fixed', then you can enter rate fixing details in 'Rate Fixing' screen. In addition, you can enter the 'Spread' and 'Margin Details'.

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.

The interest for each currency is calculated using the interest basis, which you select:

- 30 Euro/ 360
- 30 US / 360
- Actual / 360
- 30 Euro / 365
- 30 US / 365
- Actual / 365
- 30 Euro / Actual
- 30 US / Actual
- Actual / Actual
- 30(Euro)/365.25
- 30(US)/365.25
- Actual/365.25
- Working Days/252
- Working Days/360
- 30SPL/360

For more information on ‘Interest Basis’, refer to *Interest* User Manual.

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’.

Interest Component

In addition, the system displays the following:

- Margin Rate - The sum total of the margin component values
- Spread - You can enter the spread value in the 'Spread' field. The system verifies the spread value is within the value maintained in the 'Minimum Spread' and 'Maximum Spread' of 'Interest Limits Detail' (OLDINTLM) screen.
- Rate – The final rate that the system arrives at based on the component ‘Base Rate’ p‘Margin Rate’, and ‘Spread’that you specify.
  - Rate value is calculated as Rate = Base Rate + Margin Rate + Spread

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

Note

You can change the default rate only for components with ‘Basis Amount Tag’ as ‘User Input’.

Specifying Interest Rate Rounding Components

The ‘Rate Rounding Rule, ‘Rate Rounding Unit’, and ‘Rate Rounding Position’ values get defaulted from ‘Interest Limits Detail’ screen. If required, you can change these values.

Remarks

You can capture any additional information/remarks for the split transaction.

12.2.3 Specifying BA Details

In the BA Details section of this screen, you can perform the following:

- You can select only BA drawdown products for the child contracts in this screen.
- Ensure ‘Bankers Acceptance’ check box is selected for the BA drawdown product at the product level.
- As part of reprice, the BA details entered in the parent contract are defaulted to child contract.
- Reprice Decrease
  - In case of reprice decrease, ensure to select 'Liquidate Principal’ check box and perform reprice decrease.
  - Before the parent contract is liquidated, principal must be liquidated from the parent contract to the extent of decrease for BA drawdowns and the associated loans.
  - This is posted as part of ‘SPTI’ event in borrower and participant contracts.
- Reprice Increase
  - In case of reprice increase, the increased amount is disbursed to the borrower from the borrower contract. There is no netting of the increased loan amount disbursed to the borrower with that of the stamping fee and discount amount.
  - Before the parent contract is liquidated, principal must be liquidated from the parent contract to the extent of increase for BA drawdowns and the associated loans.
  - This is posted as part of ‘VAMI’ event in borrower and participant contracts.

You can specify the following:

Broker BA Product

You can select the BA drawdown product for the list of values.

Interest Day Basis

The interest day basis gets defaulted from the ‘Interest Basis’ field of the ‘Product Components’ section.

Net Borrowing Amount

The net borrowing amount gets defaulted from the ‘Amount’ field of ‘Child Re-Price Transaction (Split)’ section.

Stamping Fee Rate

The stamping fee rate gets defaulted from the ‘Rate’ field of the ‘Product Components’ section.

Stamping Fee Amount

The stamping fee amount gets automatically calculated on save of the BA drawdown contract.

Discount Rate

Specify the discount rate.

Discount Amount

The discount amount gets automatically calculated on save of the BA drawdown contract.

Treasury MIS Rate

Specify the treasury MIS rate.

Agent Rate

Specify the agent rate.

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 select the ‘Liquidate Principal’ and ‘Liquidate Interest’ boxes. If you do not select the amount is retained in the parent contract.

Note

- 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 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

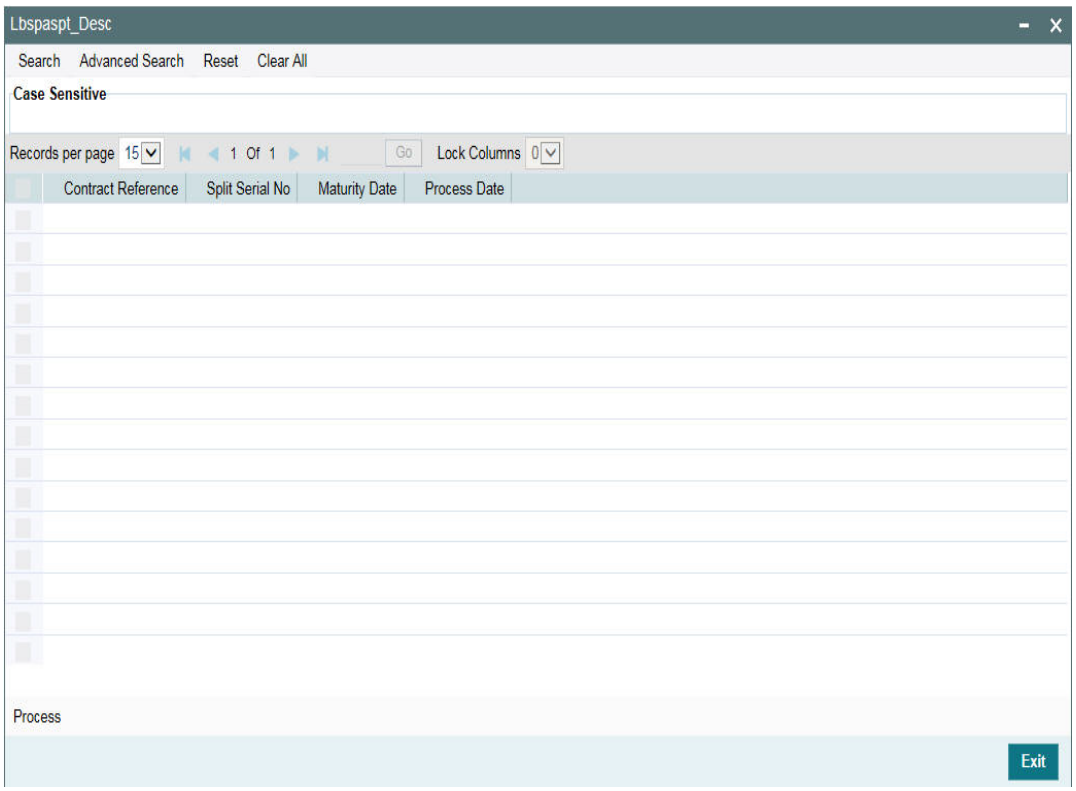
If the flag 'Auto Auth Rate Fixing Events' is 'Yes' at loans parameters screen, then SPIX gets auto-authorized with maker/checker as SYSTEM

If the flag 'Auto Auth Rate Fixing Events' is 'No', then SPIX will not be authorized. The Maker Id for SPIX event is 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 fails the SPIX event if rate maintenance is not available for the day. Appropriate exception is 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, Oracle Banking Corporate Lending allows you to create child contracts in advance, that is,. before the value date of the split. You can create the child contracts through the 'Partial Split Instruction Processing' screen. You can invoke the 'Partial Split Instruction Processing' screen by typing 'LBSPASPT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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.

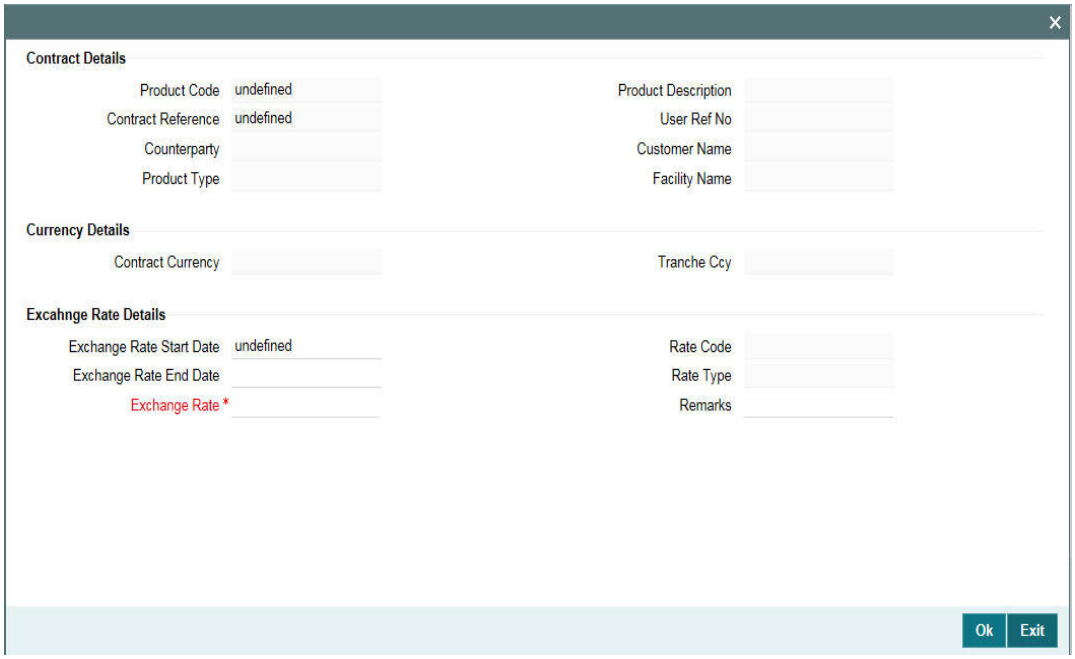
Click ‘Ok’ to generate the child contracts for the selected parent contracts.

Note

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, and so on), 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

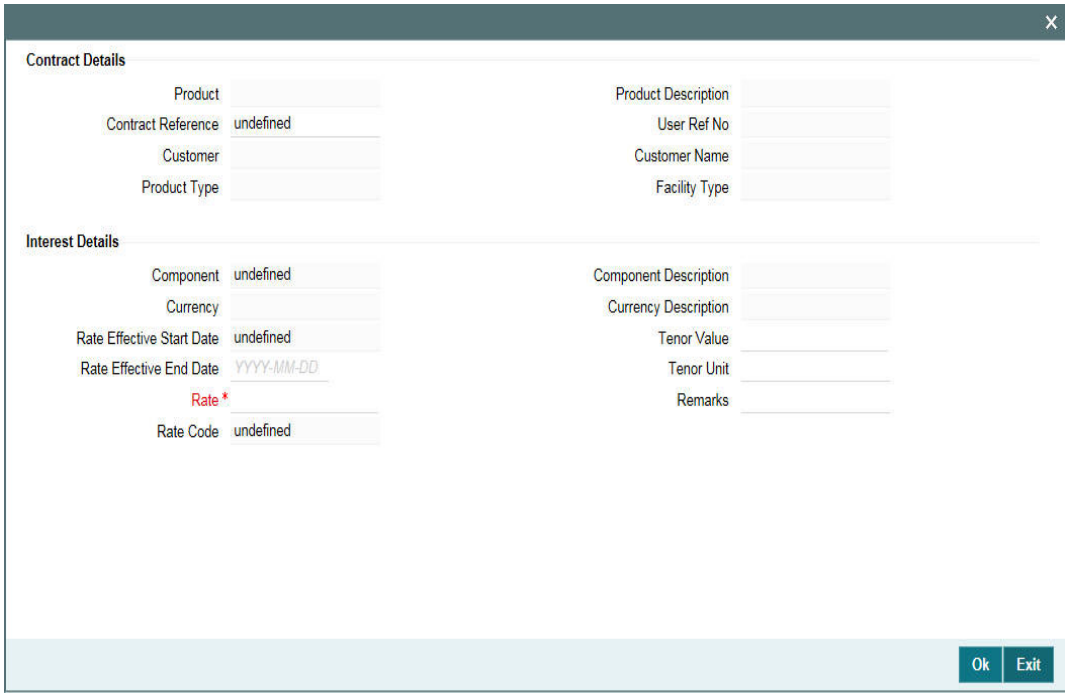
If drawdown currency is different from the linked tranche currency, you have the option to fix exchange rate for each child contract. You can do this through the ‘Exchange Rate Fixing’ screen. Click ‘Exchange Rate Fixing’ button in the ‘Re-Price Transactions (Split Details)’ screen.



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 ‘Interest Rate’ 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.

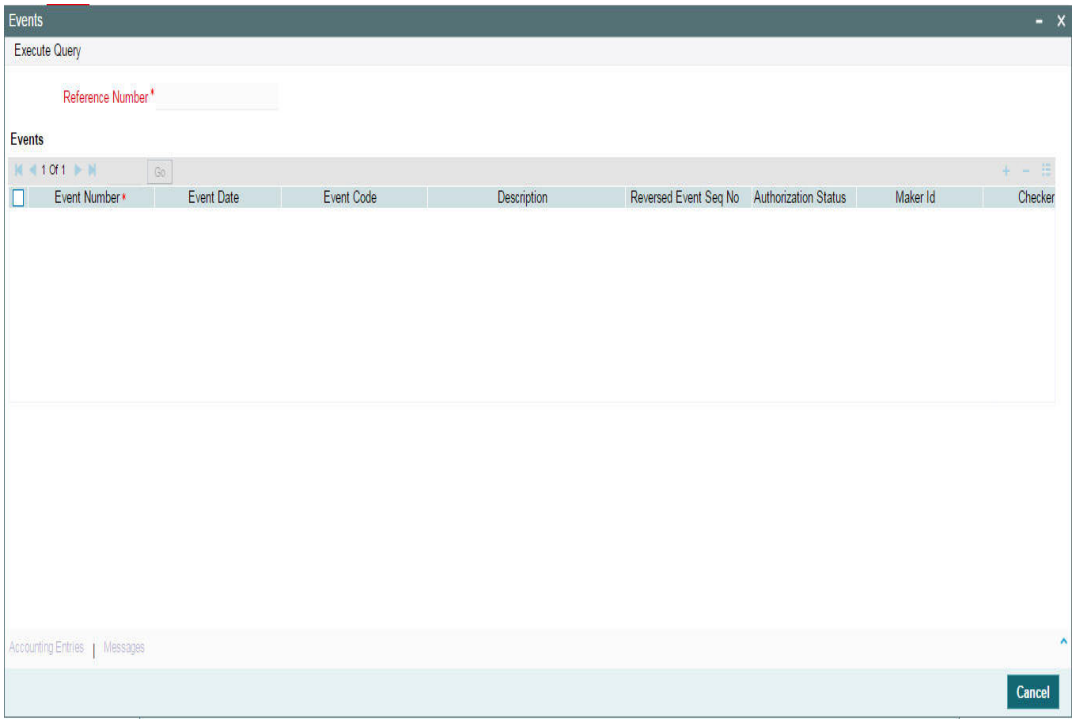
12.3.5 Authorizing Override for Split Re-Pricing

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

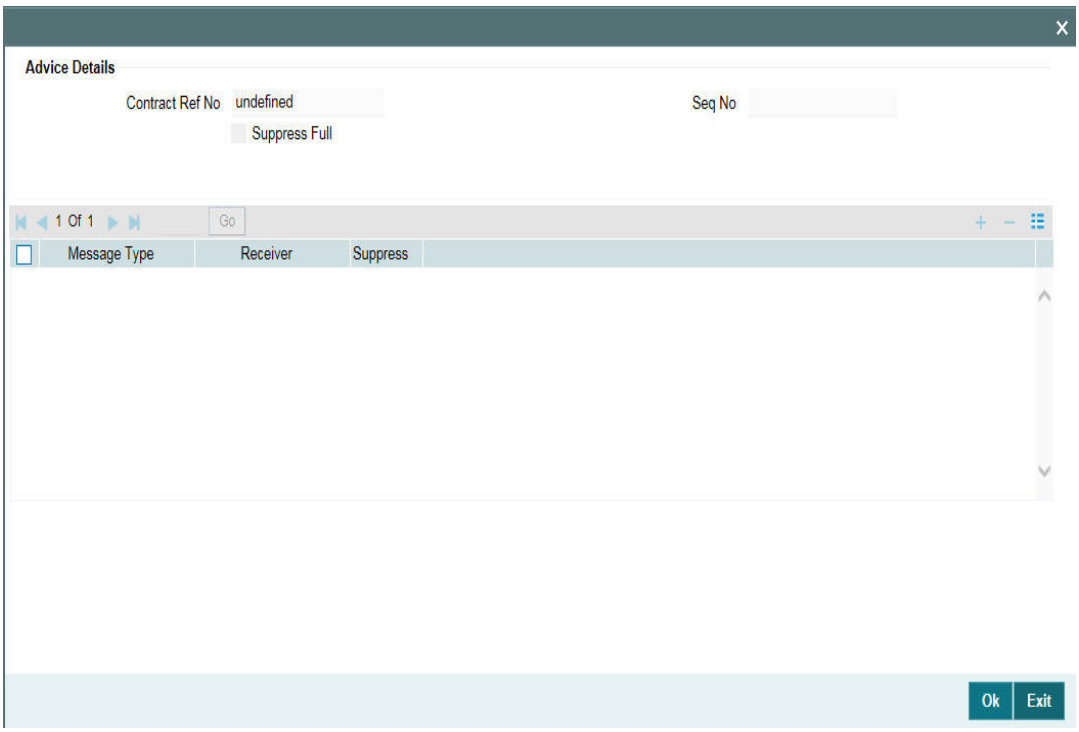
You can view the events, accounting entries and advices generated for contract in the ‘Event Log Details’ screen. Click ‘Events’ to invoke this screen.



For more information on the ‘Event Log Details’ screen, refer the section ‘Viewing events for the facility’ in the ‘Loan Syndication Contracts’ chapter in this User Manual.

12.3.6.1 Viewing Advices

Similarly, you can view the advices generated for contract. To do this, click ‘Advices’ tab in the ‘Re-Price Transaction (Split Details)’ screen. The system displays the ‘Advices’ screen, as shown below.



For more information, refer to '*Appendix A – Events, Advices and Accounting Entries*'.

12.3.7 Specifying Media for Message Generation

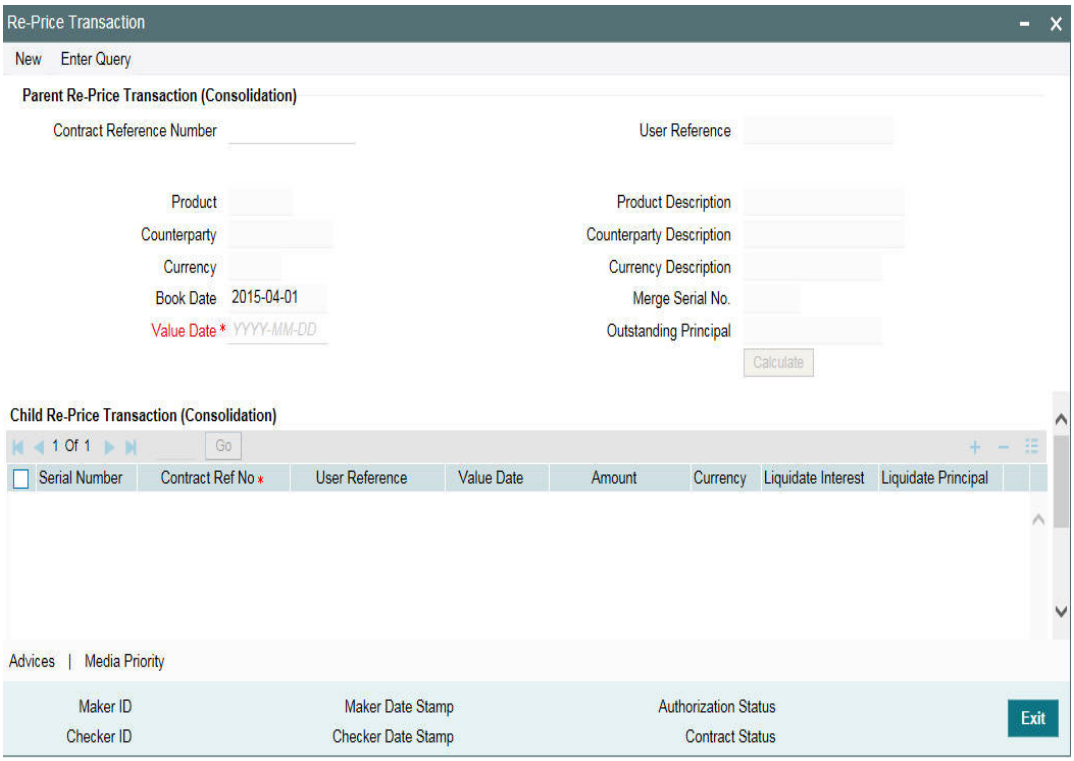
You can specify the media for the message generation in 'Media for Message Generation' screen. You can invoke this screen by clicking 'Media' button. This button is enabled only if the 'FpML Type' option isdeselected at the contract level and the 'Media Priority' option is selected at the product level.

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 handoffs 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. You can invoke the 'Re-Price Transaction' screen by typing 'LBDREPRC' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Note

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 is 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 deselected. If you select this check 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 select this check box, the interest remains with the child.

Note

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 selects this check 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 deselect this check 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

- 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 is not 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.

12.6.0.1 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.	PRINCI-PAL_LIQD
CUSTOMER	Dr.	PRINCI-PAL_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.	PRINCI-PAL_ROIN
SYN_POOL	Dr.	PRINCI-PAL_ROIN

12.6.0.2 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 (LBDREPRS) and invoke the ‘Rate setting’ screen.

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 enables 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

Once all the Rate setting rules are maintained and when you come out of ‘Rate Setting Rule screen’ by clicking OK button , following override message is displayed displayed.

- If the Interest Rate Rounding Rule is ‘Manual’, then the message is ‘Rounding Rule is manual. Auto Rate Fixing will not be done’
- If Interest Rate Rounding Rule is not ‘Manual’, then the message is ‘Rounding Rule is maintained. Auto Rate Fixing will be done and rate will be defaulted’. This message appears only for the future dated events / contracts
- You are allowed to change the Rounding Rule by clicking ‘Cancel’ button in the override message

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13. Maintaining Collateral Details

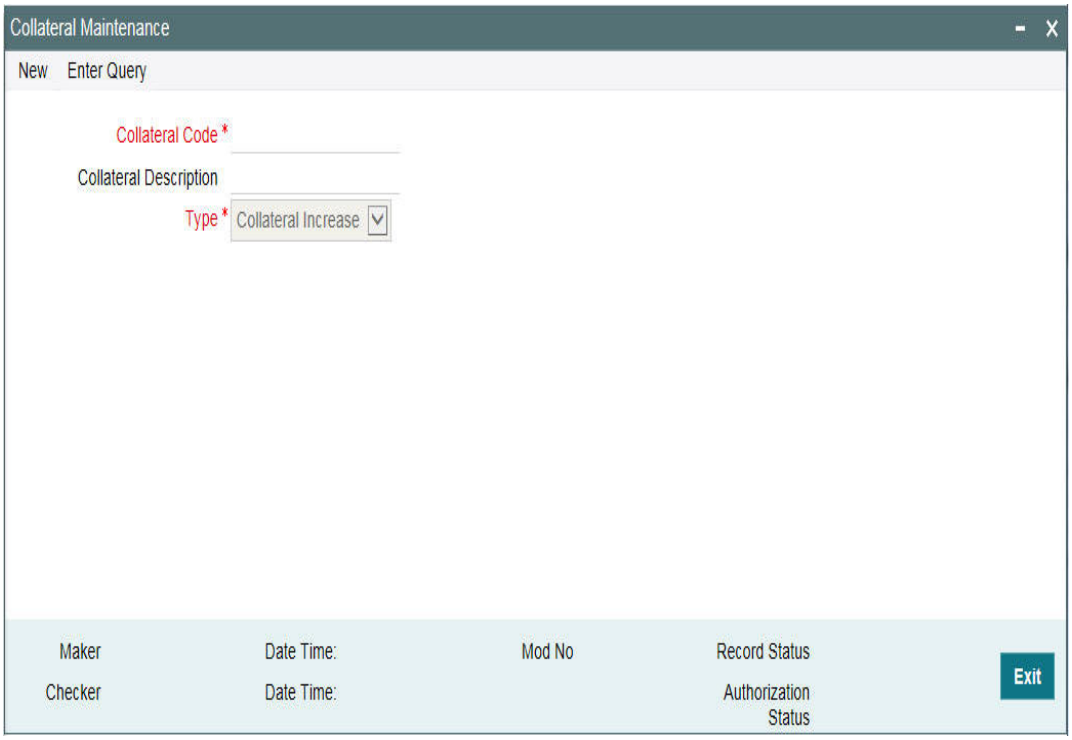
This chapter contains the following sections:

- Section 13.1, "Maintaining Collateral Details"
- Section 13.2, "Maintaining Collateral Entity Details"
- Section 13.3, "Maintaining Tranche Collateral Details"
- Section 13.4, "Viewing Tranche Collateral Details"
- Section 13.5, "Maintaining Tranche Collateral Account Details"
- Section 13.6, "Maintaining Tranche Collateral Entity Details"
- Section 13.7, "Maintaining Collateral Percentage Details"
- Section 13.8, "Capturing Collateral Override 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.

You can invoke the 'Collateral Maintenance' screen by typing 'LBDOLMNT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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

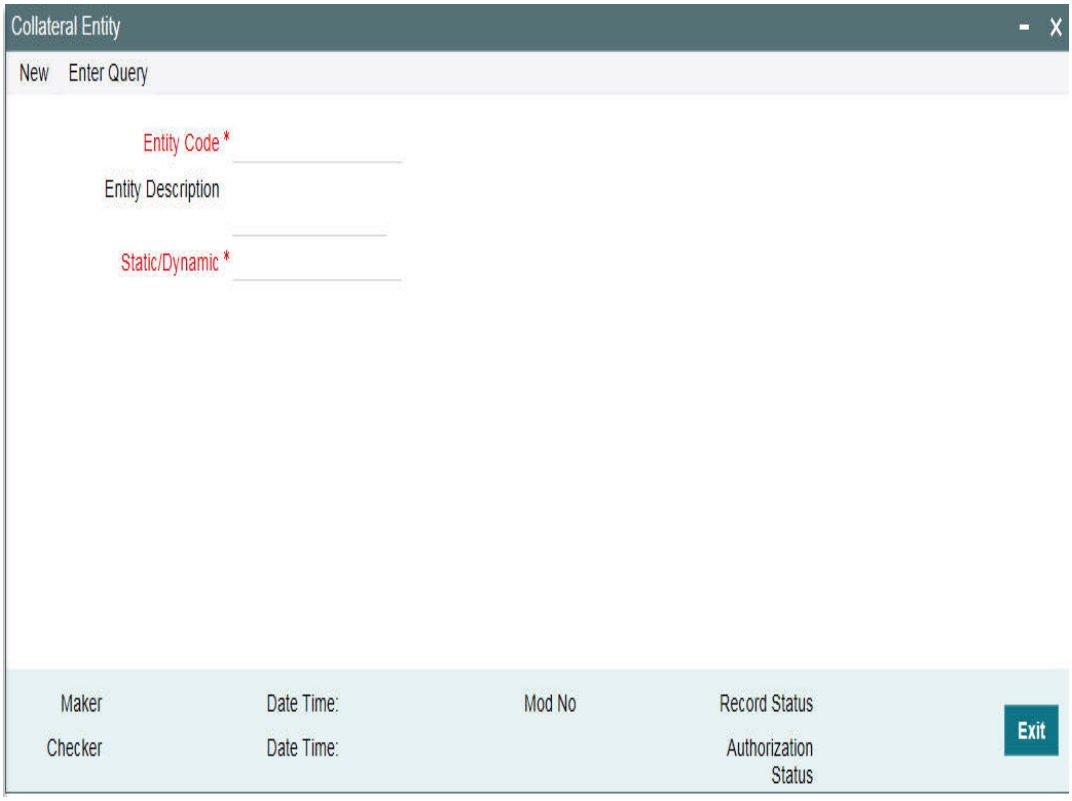
Select the collateral type. You can have the following options:

- 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.

You can invoke the ‘Collateral Entity Maintenance’ screen by typing ‘LBDOLENT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button. Entity



Code

Specify the entity code.

Entity Description

Enter the description for the collateral entity.

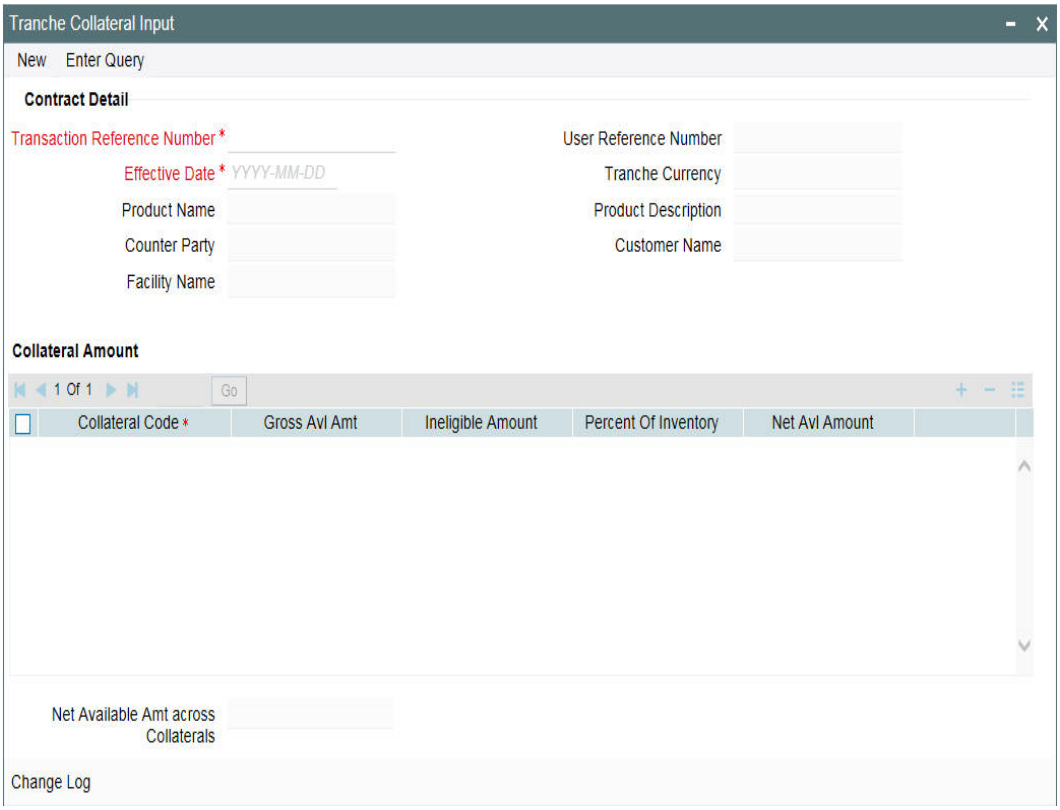
Entity Type

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. You can invoke the ‘Tranche Collateral Input’ screen by typing ‘LBDCOLAT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can also book the tranche details for the collaterals by clicking the ‘Collateral’ tab in the ‘LB Tranche Contract Online’ screen.

Note

You can book the tranche details in the ‘LB Tranche Contract Online’ screen, whereas the sub sequent amendments can be done only in this screen. No event is 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 is 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:

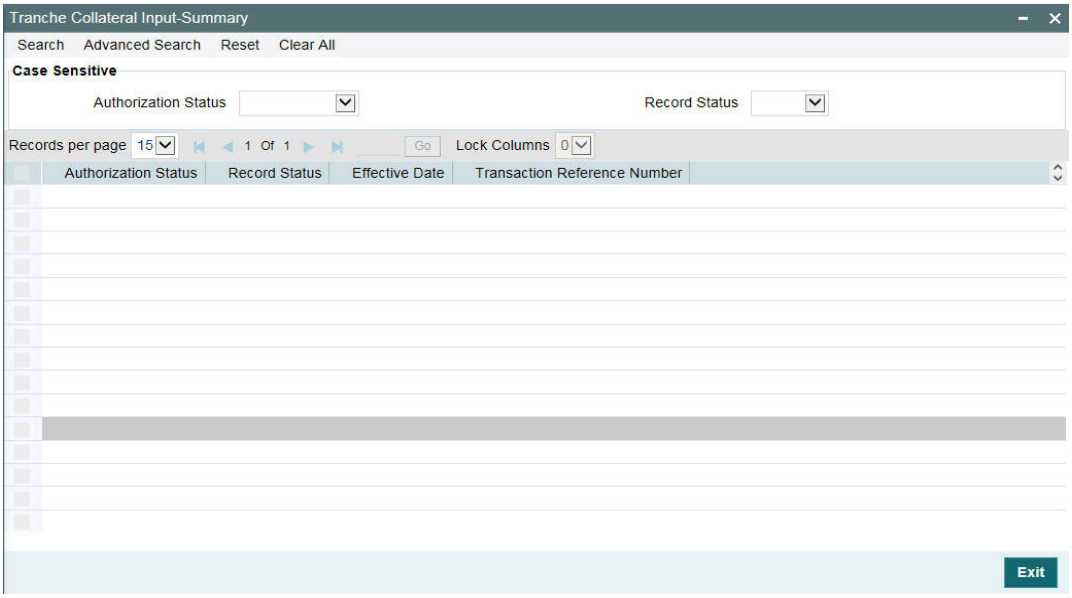
- Net Available Amount = ((Gross Available Amount - Ineligible Amount) * % Of Inventory)

Note

- 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 is e stored as negative collateral.

13.4 Viewing Tranche Collateral Details

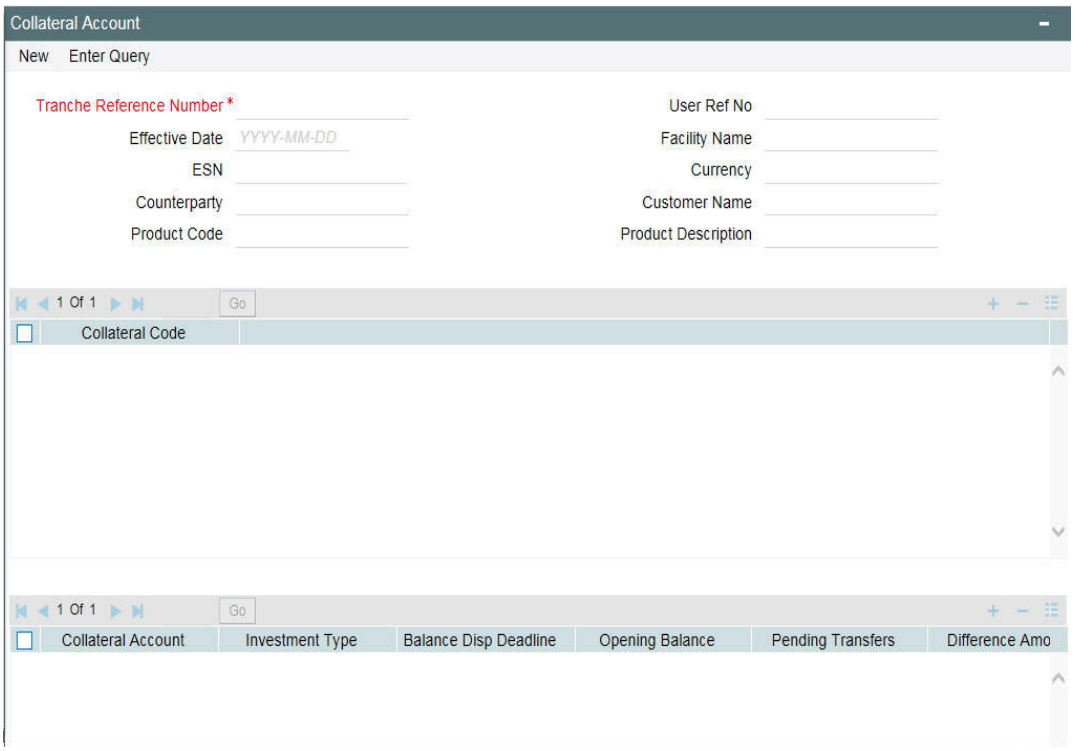
You can view the tranche collateral details in the ‘Tranche Collateral Input Summary’ screen. You can invoke the ‘Tranche Collateral Input Summary’ screen by typing ‘LBSCOLAT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



13.5 Maintaining Tranche Collateral Account Details

You can maintain the tranche account details for collateral in the ‘Tranche Collateral Account Maintenance’ screen.

You can invoke the ‘Collateral Account’ screen by typing ‘LBDCOLAC’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can also book the tranche account details for the collaterals by clicking the ‘Collateral Account’ in the ‘LB Tranche Contract Online’ screen.

Note

You can book the tranche details in the ‘LB 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.

Note

Once you specify the date, the opening and available balances are 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 fro 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:

- Difference = Available Balance - Pending Transfers

On saving the account details, an override message is displayed which requires dual authorization. An e-mail is 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:

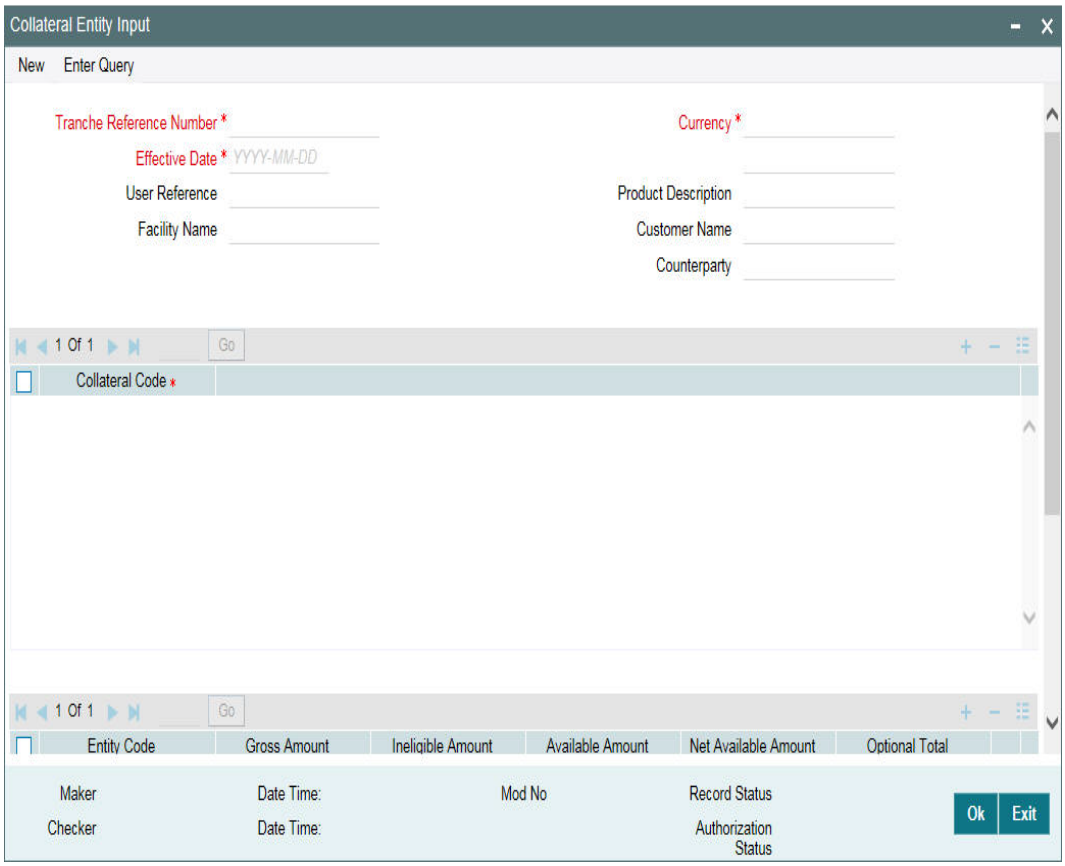
Account is in Overdraft

If the opening balance or difference amount is positive, the following message is displayed:

Verify if Investment is required

13.6 Maintaining Tranche Collateral Entity Details

You can maintain the tranche collateral entity details in the 'Collateral Entity Input' screen. You can invoke the 'Collateral Entity Input' screen by typing 'LBDCOLET' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can also book the Tranche account details for the collaterals by clicking the ‘Collateral Entity’ in the ‘LB Tranche Contract Online’ screen.

Note

You can book the tranche account details in the ‘LB Tranche Contract Online’ screen, whereas the sub sequent amendments can be done only in this screen.

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 is displayed based on the collateral code selected.

Collateral Gross

Specify the collateral gross amount. The amount entered is in Tranche currency.

Collateral Ineligibles

Specify the collateral ineligible amount. The amount entered is in Tranche currency.

Collateral Available

Specify the collateral available amount. The amount entered is in Tranche currency.

Collateral Net Available

Specify the collateral net available amount. The amount entered is in Tranche currency.

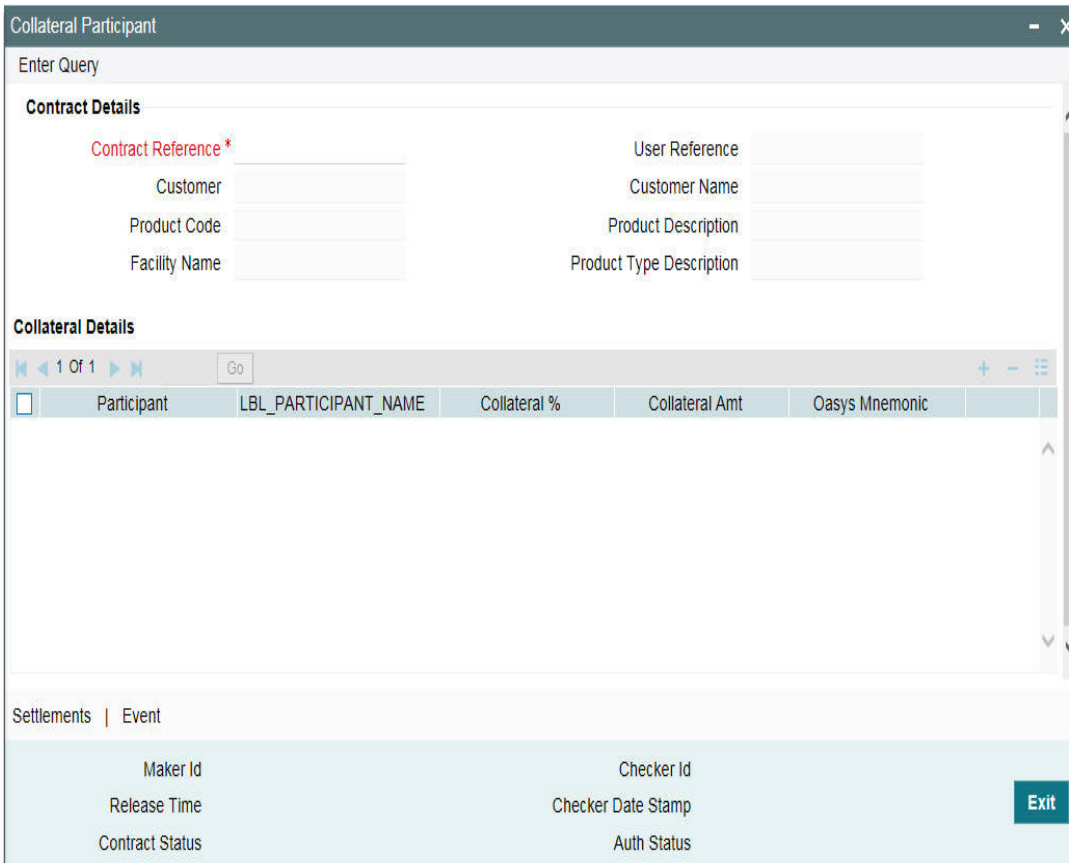
Optional Total

Specify the optional total amount. The amount entered is in Tranche currency.

13.7 Maintaining Collateral Percentage Details

You can maintain the collateral percentage details for the participants in the ‘Collateral Monitoring Details’ screen.

You can invoke the ‘Collateral Participant’ screen by typing ‘LBDCOLPT’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



You can also maintain the collateral percentage details for the participants by clicking the ‘Coll Part’ button in the ‘LB Tranche Contract Online’ screen.

Note

You can maintain the collateral percentage details in the ‘LB Tranche Contract Online’ screen, whereas the sub sequent amendments can be done only in this screen.

Specify the following details:

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:

Collateral Amount = Collateral % * Tranche Un-utilized amount * Participant Share

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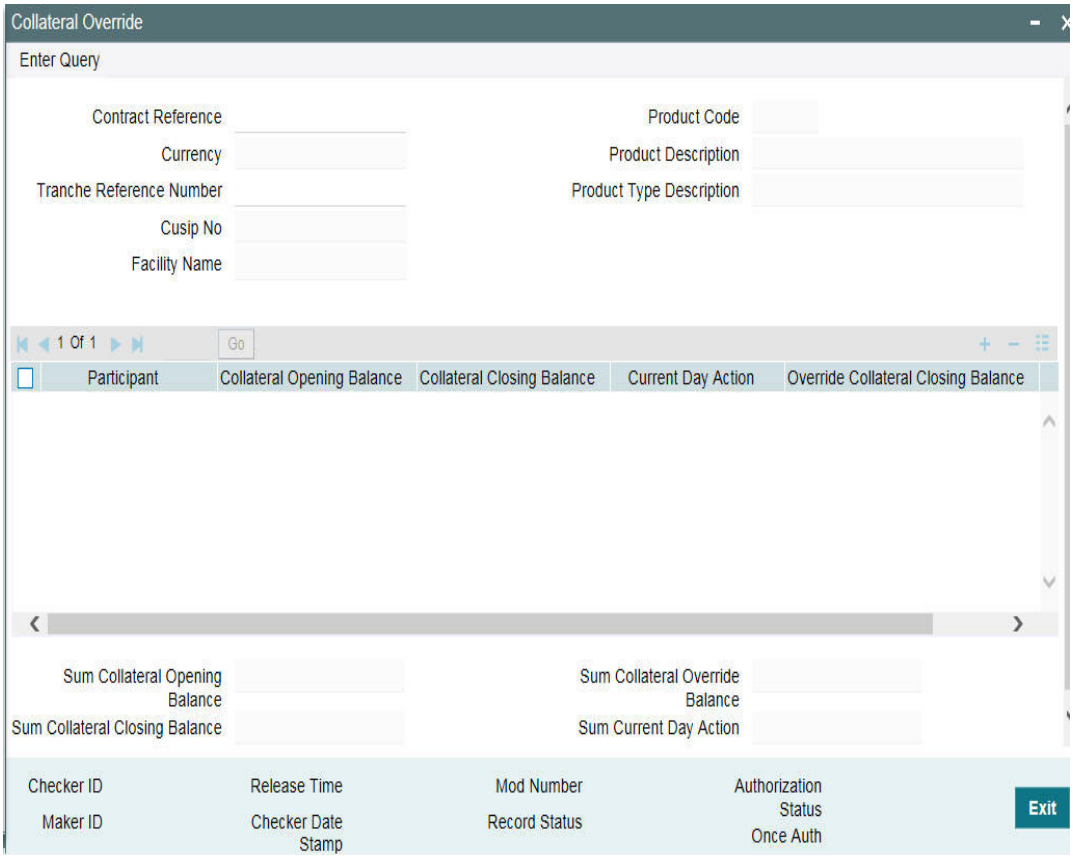
Note

- You can maintain the collateral percentage details only if you have specified details in ‘Collateral Settlement Mnemonic’ field in ‘LB 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.

13.8 Capturing Collateral Override Details

You can capture the collateral amounts for over-ride details at the tranche level in the ‘Collateral Override’ screen.

You can invoke the ‘Collateral Override’ screen by typing ‘LBDOLOVD’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



In this screen, enter contract reference number or the tranche reference number for the collateral or tranche that you wish to view and click ‘Refresh’.

The system will display the following details based on your query:

- Product Code
- Contract Ref No
- Cusip
- Tranche Ref No
- Facility Name
- Participant
- Collateral Opening Balance
- Collateral Closing Balance
- Override Collateral Closing Balance
- Current Day Action
- Override

If you want to modify the override collateral closing balance, you can do so by selecting the Override option for the required record. Subsequently you can unlock the record and modify the override collateral closing balance. If you change the override collateral closing balance, it should be authorized.

14. Appendix A – Events, Advices and Accounting Entries

This chapter contains information about events, advices, and accounting entries for Loan Syndication Products.

This chapter contains the following sections:

- Section 14.1, "Events, Advices and Accounting Entries"
- Section 14.2, "Event-wise Accounting Entries and Advices"
- Section 14.3, "Accounting Entries for BPMT / PPMT"
- Section 14.4, "Accounting Entries for Late Payment Charges"
- Section 14.6, "Accounting Entries for FATCA"
- Section 14.9, "Error Codes"

14.1 Events, Advices and Accounting Entries

When you create products for borrower facility, tranche or drawdown 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
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

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	
FELB	Adhoc Fee Booking	Required
FELA	Adhoc Fee Amendment	Required
FERB	Reversal of Advance Fee Booking	Required

14.1.2 Amount Tags

The amount tags listed below are hard coded in Oracle Banking Corporate Lending:

Sl 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

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_L-COS	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
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_SYN-D_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

Note

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
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
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 Draw-down under the Tranche
FLIQ	Triggered when fees are liquidated for a tranche that uses the prod-uct
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 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	COMPO-NENT_LIQD	Dr
SYN_POOL	COMPO-NENT_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
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
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
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
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
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	PRINCI-PAL_SPTI	To the extent of the re-priced amount and customer leg routes through re-price suspense GL.	Dr
Syn_Pool	PRINCI-PAL_SPTI		Cr
Customer	PRINCI-PAL_LIQD	To the extent of the residual principal (Principal O/S – Re-priced Amount)	Dr
Syn_Pool	PRINCI-PAL_LIQD		Cr
Customer	INTER-EST_LIQD	To the extent of interest to be liquidated	Dr
Syn_Pool	INTER-EST_LIQD		Cr

MRLQ

Accountin g Role	Amount Tag	Description	Cr/ Dr
Customer	PRINCIPAL_M-RLQ	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'.	Dr
Syn_Pool	PRINCIPAL_M-RLQ		Cr
Customer	PRINCI-PAL_LIQD	To the extent of residual principal (Principal O/S – Re-priced amount)	Dr
Syn_Pool	PRINCI-PAL_LIQD		Cr
Customer	INTEREST_LIQD	To the extent of interest to be liquidated	Dr
Syn_Pool	INTEREST_LIQD		Cr

MRGI

Account-ing 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
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
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
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

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	COMPO-NENT_AMT	Dr
CUSTOMER	COMPO-NENT_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 draw-down 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
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.

VAMI

Accounting Role	Amount Tag	Dr/Cr
SYN_POOL	COMPONENT_LIQD	Dr
CUSTOMER	COMPONENT_LIQD	Cr

VAMB

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
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
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.
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	COMPO-NENT_LIQD	Cr
SYN_POOL	COMPO-NENT_LIQD	Dr
COMPONENT-TAX_PAY	COMPONENT_AMT	Cr
CUSTOMER	COMPONENT_AMT	Dr
SYN_POOL	COMPO-NENT_LIQD	Cr
CUSTOMER	COMPO-NENT_LIQD	Dr
CUSTOMER	COMPO-NENT_LIQD	Cr
SYN_POOL	COMPO-NENT_LIQD	Dr

Note

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 Entries are not applicable for this event.

CREX

Accounting Entries are not applicable for this event.

VAMI

Accounting Role	Amount Tag	Dr /Cr
CUSTOMER	PRINCIPAL_INCR	Cr
SYN_POOL	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.

SPTI

Accounting Role	Amount Tag	Description	Cr/ Dr
Customer	PRINCI-PAL_SPTI	To the extent of the re-priced amount and customer leg routes through re-price suspense GL.	Cr
Syn_Pool	PRINCI-PAL_SPTI		Dr
Customer	PRINCI-PAL_LIQD	To the extent of the residual principal (Principal O/S – Re-priced Amount)	Cr
Syn_Pool	PRINCI-PAL_LIQD		Dr
Customer	INTER-EST_LIQD	To the extent of interest to be liquidated	Cr
Syn_Pool	INTER-EST_LIQD		Dr

MRLQ

Accounting Role	Amount Tag	Description	Cr/ Dr
Customer	PRINCIPAL_M-RLQ	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'.	Cr
Syn_Pool	PRINCIPAL_M-RLQ		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	PRINCI-PAL_INCR	To the extent of re priced Amount and customer leg routes through 'Reprice suspense GL'	Cr
Customer	PRINCI-PAL_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 are captured during drawdown booking and also the exchange rate details are 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
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 are captured during drawdown booking and also the exchange rate details are 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 are captured during drawdown booking and also the exchange rate details are shared as part of Drawdown notice.

14.3 *Accounting Entries for BPMT / PPMT*

14.3.0.1 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 is linked to BPMT event for payment message generation at the time of disbursement for the borrower contract.

14.3.0.2 BPMT Accounting Entry Setup for Participant Product

Dr/Cr	Accounting Role	Amount Tag	Remarks
Debit	CUSTOMER	FUND_PRINC	Direct funding without front-ing
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	

14.3.0.3 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 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	

14.3.0.4 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	
Debit	SYN_POOL	UNFUND_LIQD	Liquidation of unfunded amount
Credit	SF_SUS-PENSE_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 is 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

14.3.0.5 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_SUS-PENSE_GL	C	2M	PRINCIPAL

Participants:
P1

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_SUS-PENSE_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_SUS-PENSE_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_SUS-PENSE_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

14.3.0.6 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
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

14.3.0.7 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 is 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	PRINCI-PAL_LIQD
C1	07-Jan-08	SF_SUS-PENSE_GL	D	1,428,571.43	PRINCI-PAL_LIQD

Participants:
P1

Ref No	Value Date	Accounting role	DR/ CR	Amount	Amount Tag
P1	07-Jan-08	SYN_POOL	D	428,571.43	PRINCI-PAL_LIQD
P1	07-Jan-08	SF_SUS-PENSE_GL	C	428,571.43	PRINCI-PAL_LIQD

P2

Ref No	Value Date	Accounting role	DR/ CR	Amount	Amount Tag
P2	07-Jan-08	SYN_POOL	D	285,714.29	PRINCI-PAL_LIQD
P2	07-Jan-08	SF_SUS-PENSE_GL	C	285,714.29	PRINCI-PAL_LIQD

P3

Ref No	Value Date	Accounting role	DR/ CR	Amount	Amount Tag
P3	07-Jan-08	SYN_POOL	D	714,285.71	PRINCI-PAL_LIQD
P3	07-Jan-08	SF_SUS-PENSE_GL	C	714,285.71	PRINCI-PAL_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

14.3.0.8 Payment to the Investors upon Borrower Funding PPMT

Accounting Entries for PPMT event is 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_SUS-PENSE_GL	D	428,571.43	PRINCI-PAL_UFND
C1	07-Jan-08	SYN_POOL	C	428,571.43	PRINCI-PAL_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_SUS-PENSE_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

14.3.0.9 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

14.3.0.10 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	PRINCI-PAL_LIQD
C1	31-Jan-08	SF_SUS-PENSE_GL	D	571,428.57	PRINCI-PAL_LIQD
C1	31-Jan-08	SYN_POOL	C	7,045.01	MAIN-INT_LIQD
C1	31-Jan-08	SF_SUS-PENSE_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	PRINCI-PAL_LIQD
P1	31-Jan-08	SF_SUS-PENSE_GL	C	171,428.57	PRINCI-PAL_LIQD
P1	31-Jan-08	SYN_POOL	D	2,113.50	MAIN-INT_LIQD
P1	31-Jan-08	SF_SUS-PENSE_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	PRINCI-PAL_LIQD
P2	31-Jan-08	SF_SUS-PENSE_GL	C	114,285.71	PRINCI-PAL_LIQD
P2	31-Jan-08	SYN_POOL	D	1,409.00	MAIN-INT_LIQD
P2	31-Jan-08	SF_SUS-PENSE_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	PRINCI-PAL_LIQD

P3	31-Jan-08	SF_SUS-PENSE_GL	C	285,714.29	PRINCI-PAL_LIQD
P3	31-Jan-08	SYN_POOL	D	3,522.50	MAIN-INT_LIQD
P3	31-Jan-08	SF_SUS-PENSE_GL	C	3,522.50	MAIN-INT_LIQD

14.3.0.11 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 are 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
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.

14.3.0.12 Borrower Funding for the Maturity Schedule Payment PPMT:

On 31-Jan-08, Borrower funds for the maturity schedule payment.

The new PPMT accounting entries are as follows:

Borrower:

Ref No	Value Date	Accounting role	DR/ CR	Amount	Amount Tag
C1	31-Jan-08	CUSTOMER	D	571,428.57	PRINCIPAL_F-NFR
C1	31-Jan-08	SIGHTING_-FUND_GL	C	571,428.57	PRINCIPAL_F-NFR
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 Compo-nent>_LIQD	Debit
<Special Penalty Compo-nent>INC	<Special Penalty Compo-nent>_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 is 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 Tax Components

- Events for which tax is collected are FLIQ for a fee component tax (Facility, Tranche, Drawdown) and LIQD for an interest component tax (Drawdown).
- For a Borrower Product, the following accounting entries are expected to be added to the events associated with the tax components.

Accounting Role	Amount Tag	Dr/Cr
Customer	TaxComponent_AMT	Dr

TaxCompo-nent_PAY	TaxCompo-nent_AMT	Cr

For a Participant Product, the following accounting entries are expected to be added to the events associated with the tax components.

Accounting Role	Amount Tag	Dr/Cr
TaxCompo-nent_PAY	TaxCompo-nent_AMT	Dr
Customer	TaxCompo-nent_AMT	Cr

For an OL Product mapped to LB product, the following accounting entries are expected to be added to the events associated with the tax components.

Accounting Role	Amount Tag	Dr/Cr
Customer	TaxCompo-nent_AMT	Dr
TaxCompo-nent_PAY	TaxCompo-nent_AMT	Cr

14.6 Accounting Entries for FATCA

Amount Tag	Accounting Role	Dr./Cr. Indicator
INTER-EST_LIQD	SYND_POOL	Debit
INTER-EST_LIQD	CUSTOMER	Credit
INTFATCA_AMT	Customer	Debit
INTFATCA_AMT	FATCATAXGL	Credit
DEFAUL_AMT	Customer	Debit
DEFAUL_AMT	TAX GL	Credit

14.7 Accounting Entries for LOR

Agent case (Sell type Deal type Assignment)

- During Trade settlement system populates LOR adjustment data in the funding memo.
- If you select the ‘Settled Interest’ check box, the buyer pays the seller on the’ Settlement Date’ an amount equal to interest or fees accrued to the ‘Settlement Date’.

- During LT to LB handoff system posts the accounting entries at participant contract level during PRAM event.

Accounting Role	Amount Tags	Dr/Cr. Indicator	Description
SYN_POOL	INT_LIQD	Cr	These entries relate to Buyer in the Sell trade for an Agent case with Deal type as Assignment
CUSTOMER	INT_LIQD	Dr	
SYN_POOL	INT_LIQD	Dr	These entries relate to Seller in the Sell trade for an Agent case with Deal type as Assignment
CUSTOMER	INT_LIQD	Cr	

Agent case (Sell type Deal type Participant) - Silent Participant

- During trade settlement system populates LOR adjustment data in the funding memo.
- If you select the 'Settled Interest' check box, the buyer pays the seller on the 'Settlement Date' an amount equal to interest or fees accrued to the 'Settlement Date'.
- During LT to LB handoff system posts the accounting entries at participant contract level during PRAM event.

Silent Participant side

Accounting Role	Amount Tags	Dr/Cr. Indicator	Description
SYN-_POOL	INT_LIQD	Cr	These entries relate to Buyer (Silent Participant) in the Sell trade for an Agent case with Deal type as Assignment
CUS-TOMER	INT_LIQD	Dr	
SYN-_POOL	INT_LIQD	Dr	These entries relate to Seller in the Sell trade for an Agent case with Deal type as Assignment
CUS-TOMER	INT_LIQD	Cr	

Agent case (Buy type Deal type Assignment)

- During trade settlement system populates LOR adjustment data in the funding memo.
- If you select the 'Settled Interest' check box, the Buyer pays the Seller on the 'Settlement Date' an amount equal to interest or fees accrued to the 'Settlement Date'.
- During LT to LB handoff the system posts the accounting entries at participant contract level during PRAM event.

Accounting Role	Amount Tags	Dr/Cr. Indicator	Description
SYN_POOL	INT_LIQD	Cr	These entries relate to Buyer in the Buy trade for an Agent case with Deal type as Assignment
CUSTOMER	INT_LIQD	Dr	
SYN_POOL	INT_LIQD	Dr	These entries relate to Seller in the Buy trade for an Agent case with Deal type as Assignment
CUSTOMER	INT_LIQD	Cr	

Participant case (Sell type Deal type Participant)

- During Trade settlement system populates LOR adjustment data in the funding memo.
- If you select the 'Settled Interest' check box, the buyer pays the seller on the 'Settlement Date' an amount equal to interest or fees accrued to the 'Settlement Date'.
- During LT to LB handoff system posts the accounting entries at participant contract level during PRAM event.

Accounting Role	Amount Tags	Dr/Cr. Indicator	Description
SYN-_POOL	INT_LIQD	Cr	These entries relate to Buyer in the Sell trade for an Participant case with Deal type as Participant
CUS-TOMER	INT_LIQD	Dr	
SYN-_POOL	INT_LIQD	Dr	These entries relate to Seller in the Sell trade for an Participant case with Deal type as Participant
CUS-TOMER	INT_LIQD	Cr	

Participant Transfer Changes

Agent case

- During participant transfer the system populates LOR adjustment data.
- If you select the 'Settled Interest' check box, the buyer pays the seller on the Participant value Date an amount equal to interest or fees accrued to the 'Settlement Date'.
- System posts the accounting entries at participant contract level during PRAM event.

Accounting Role	Amount Tags	Dr/Cr. Indicator	Description
SYN-_POOL	INT_LIQD	Cr	These entries relate to Buyer in the Sell Participant transfer for an Agent case
CUS-TOMER	INT_LIQD	Dr	
SYN-_POOL	INT_LIQD	Dr	These entries relate to Seller in the Sell Participant transfer for an Agent case
CUS-TOMER	INT_LIQD	Cr	

Participant case

- During participant transfer system does not populate LOR adjustment data.
- You can input manually any amount in interest and fee fields as part of manual LOR Adjustment.
- The system posts the accounting entries at participant contract level during PRAM event.

Accounting Role	Amount Tags	Dr/Cr. Indicator	Description
SYN-_POOL	INT_LIQD	Cr	These entries relate to Buyer in the Sell Participant transfer for an Participant case
CUS-TOMER	INT_LIQD	Dr	
SYN-_POOL	INT_LIQD	Dr	These entries relate to Seller in the Sell Participant transfer for an Participant case
CUS-TOMER	INT_LIQD	Cr	

14.8 Accounting Entries for Adhoc Expense Fee

- Events for which adhoc expense fee is collected is FELR for a fee component liquidation and FACR for fee component accrual.
- For a borrower product, no accounting entries are expected as these expenses are not collected from borrowers.
- For a participant product, the following accounting entries are added to the events associated with fees.

FELR:

Accounting Role	Amount Tag	Dr/Cr
Customer	FeeComponent_LIQD	Dr
FeeComponent_PAY	FeeComponent_LIQD	Cr

For an OL Product mapped to LB product, the following accounting entries are expected to be added to the events associated with the fee components.

FELR: With Amortization/Accrual

Accounting Role	Amount Tag	Dr/Cr
FeeComponent_PGL	FeeComponent_LIQD	Dr
Customer	FeeComponent_LIQD	Cr

FACR:

Accounting Role	Amount Tag	Dr/Cr
FeeComponent_EXP	FeeComponent_ACCR	Dr
FeeComponent_PGL	FeeComponent_ACCR	Cr

FELR: Without Amortization/Accrual

Accounting Role	Amount Tag	Dr/Cr
FeeComponent_EXP	FeeComponent_LIQD	Dr
Customer	FeeComponent_LIQD	Cr

14.9 Error Codes

14.9.1 Collateralized Participant Details

The following error codes are available for collateralized participant details:

Error Code	Message
LB-DDS-000	Participant/Collateral % ($1) cannot Be null

LB-COL-005	Percentage should be between 0 and 100
LB-COL-006	Collateral $1 mnemonic is not maintained
LB-COL-007	Collateral $1 contract is yet to be created
LB-COL-008	Collateral percentage is not maintained.
LB-COL-009	Total collateral available amount is going negative.
LB-COL-010	Collateral $1 product is not maintained.
LB-COL-011	Collateral $1 counterparty is not maintained.

14.9.2 Floor and Ceiling Details

The following error codes are available for base rate propagation/validation of Floor and Ceiling:

Error Code	Message
LB-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)?
LB-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?
LB-FLR-038	Margin Adjustment Component cannot be blank
LB-FLR-039	Floor and Ceiling Maintenance Exists, Flag cannot be Changed
LB-FLR-040	Floor/Ceiling Propagation not initiated as interest rate is not fixed till the latest floor/ceiling maintenance date

14.9.3 Markit Trade Settlement

The following error codes are available for validating and handling exceptions for Markit Trade Settlement:

Error Code	Message
LB-MKT-01	Buyer and Seller cannot be same
LB-MKT-02	Cusip $1 under Markit trade id $2 is in rejected state
LB-MKT-03	Tranche $1 under the trade id is in rejected state
LB-MKT-05	Failed in Position Update Notice generation/handoff processing for Markit Trades
LB-MKT-06	Failed in validating the conditions to block the current events for the contract
LB-MKT-07	Participant Transfer PositionUpdateNotice sent to Markit and participant transfer is pending for processing in Agency for Tranche $1. Operation Not Allowed
LB-MKT-08	SyndicatedLoanTradeNoticeAgent/ TradeMatchNotice messages not received earlier for Markit Trade Id $1. Cannot process TradeUpdateNotofication
LB-MKT-09	Markit Trade id received is already closed in agency confirmation browser.
LB-MKT-10	Markit Trade Identifier maintenance not exists
LB-MKT-11	Markit Trade id not found in tag list
LB-MKT-12	More than one Markit trade Id found in the tag value. Message Rejected
LB-MKT-13	SyndicatedLoanTradeAllocation message not received earlier for Markit Trade Id /Allocation id
LB-MKT-35	Markit trade id $1 is already in Cancelled/Removed state
TL-MKT-38	TradeMatchNotice/SyndicatedLoanTradeAllocation message not received earlier for Markit Trade Id $1. Cannot process SettlementDetailsNotice
TL-MKT-39	Earlier closed allocations are not part of the current allocation message
TL-MKT-40	Markit Trade Id $1 has been replaced by Markit Trade Id $2
TL-MKT-41	Allocation id $1 is already settled under Markit Trade Id $2.
TL-MKT-42	TradeMatchNotice not allowed after one of the previous allocation is closed. Suspension should come first
TL-MKT-43	Settlement detail should come allocation wise, once allocation message has already been received
TL-MKT-44	Allocation Messages yet to be received for Markit trade id $1 after Suspension

14.9.4 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 has 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 deletes 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

14.9.5 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.

14.9.6 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

LF-CL0021	For the given amount category, Accrual Required flag should be set to N	E
LB-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

14.9.7 Named Agents

The following error codes are applicable for Named Agents:

Err Code	Error Message
ST-MNT-017	Expense code already mapped to another Named 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

14.9.8 UCC Processing

The following error codes are available for UCC processing of disclosure codes and contract disclosure schedule:

Error Code	Description
LB-DSC-017	Expiry Date cannot be less than Application Date
LB-DSC-018	Expiry Date is Mandatory if UCC code is selected
LB-DSC-019	Expiry Date is propagated to UCC linked contracts upon authorization, do you wish to continue?
LB-DSC-022	Contract Disclosure schedule for $1 is being amended by another user; expiry date is not propagated

LB-DSC-028	Expiry Date is not propagated to contracts, do you wish to continue?
LB-DSC-031	Multiple schedules are not allowed for UCC disclosure codes
LB-DSC-032	End date cannot be lesser than Start date
LB-DSC-033	Cannot delete the schedule for UCC disclosure codes

14.9.9 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
OL-PMT305	Active Drawdowns exist for the Tranche. Liquidation not allowed.
OL-PMT306	Contract will be liquidated. Proceed?
OL-PMT307	Maturity date is greater than application date. Liquidation not allowed.
OL-PMT308	Validation for marking the liquidation is failed.
OL-PMT309	Principal Outstanding/amount due balance still exists. Liquidation not allowed.
OL-PMT310	Active STP contract exists. Liquidation not allowed.
OL-PMT311	The escrow balances linked to this contract is not zero. Liquidation not allowed.
OL-PMT312	Principal Outstanding/amount due balance still exists for the participant contract. Liquidation not allowed.
OL-PMT313	Pending STP contract yet to be processed. Liquidation not allowed.

14.9.10 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
LB-ASN-001	Issuing Bank Sublimit amount should not be greater than $1.	E

LB-ASN-002	Currency and Amount are mandatory.	E

14.9.11 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

14.9.12 Sanction Screening

The following error codes are available for Sanction Screening:

Error Code	Error Description	Error Type
LB-FW-018	Confirmation not possible for status code 03.	E
LB-FW-019	Resend possible only for status code 04,05 and 06	E
LB-FW-020	Status code of the current message is $1 and not -1(Complete), Do you still want to proceed with confirmation?	O

14.9.13 HFS Transfer

The following error codes are available for HFS transfer:

Error Code	Error Description
LB-HFS-001	Participant should be Self and portfolio should be Origination HFS
LB-HFS-002	HFS Transfer and Sale Flag is unchecked at Loans parameter Level so cannot check the HFS Transfer Flag
LB-HFS-003	Position mismatch between agency and origination for the HFI portfolio
LB-HFS-004	Negative VAMI on loan contract is not allowed if HFS Transfer is unchecked
LB-HFS-005	Participant Transfer with multiple Participant is not allowed during HFI to HFS Transfer

LB-HFS-006	HFS Transfer will be allowed only between origination HFI and HFS desk participants and only if HFS Transfer Flag is checked
LB-HFS-007	Transfer To Participant should belong to Origination HFS desk
LB-HFS-008	$1 Participant is not a self participant
LB-HFS-009	Transfer Price in HFS Transfer cannot be null
LB-HFS-010	HFS Transfer and sale parameter not checked at loan parameter level
LB-HFS-011	HFS Transfer, Manual intervention is required
LB-HFS-012	Open Trade exist for the combination of CUSIP and portfolio, PRAM cannot be processed
LB-HFS-013	HFS Transfer Flag is not checked at the product level. Cannot save the Record
LB-HFS-014	Origination HFS Desk Product is not maintained
LB-HFS-015	Failed in population of COC balances during HFS Transfer
LB-HFS-016	Failed in calculation of Cost Basis
LB-HFS-017	Failed in Validating Position for the Participant
LB-HFS-018	PRAM Date beyond latest liquidation date of Drawdown
LB-HFS-019	PRAM Date is beyond latest VAMI date
LB-HFS-020	Transfer Mark Fee Liquidation has not happened on the commitment. Do you want to proceed?
LB-HFS-021	Please enter only 10 decimal digits.

14.9.14 CUSIP Swing

The following error codes are available for CUSIP swing.

Error Code	Error Description
LB-TRN-035	Unprocessed or failed commitment reduction record exists which is not handed off to LQT for the old CUSIP.
LB-TRN-036	Position mismatch exist on CUSIP between Agency and Trading. CUSIP update not allowed

14.9.15 Participant Margin Maintenance

The following error codes are available for participant level margin maintenance on Tranche and Drawdown contracts.

Err Code	Error Message
LB-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
LB-FLR-041	Floor/Ceiling is not applicable with margin for lender functionality.Do you want go ahead with removing the $1
LB-PMAR-004	Margin Rate is captured for the Participants at the Tranche level, hence cannot perform NPVAMI
LB-RPS-25	Reprice instructions are not allowed for drawdown/tranche $1/$2 as participant margin is already captured at the tranche
LB-PMAR-007	Participant margin maintenance not allowed on tranche $1 as reprice is already captured for underlying Drawdown(s)
LB-DDS-048	Partial payment flag is unchecked as it should be unchecked in order to maintain the participant margin
LB-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
LB-PMAR-009	Participant margin maintenance not allowed on tranche $1 having active Partial Interest Payments on underlying Drawdowns
LB-PMAR-012	Cascade participation flag has been unchecked. All the participant maintenance will be deleted. Do you want to proceed?
LB-PMAR-017	There is a mismatch in borrower and participant margin. Please visit the margin maintenance again
LB-MAR-002	Please visit the margin maintenance
LB-NPB-008	Nonprorata distribution is not allowed as participant margin is already maintained for drawdown/tranche $1/$2
LB-PMAR-018	Margin Rate is captured for the Participants at the Tranche level, hence Participant Ratio cannot be changed
LB-PA-141	Margin Rate is captured for the Participants at the Tranche level, hence cannot enter Consolidated transfer instructions
LB-MAR13	Uninitiated Transfer Instructions already existing in the tranche,do you want to continue?
LB-MAR14	Participant margin cannot be amended for an effective date falling beyond PRAM date

14.9.16 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
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 synchronization	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
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 is not 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 reo-pened 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

This chapter contains the following sections:

- Section 15.1, "Introduction"
- Section 15.2, "S.W.I.F.T. Messages"

15.1 Introduction

The S.W.I.F.T. messages generated by the system during the life cycle of a tranche or drawdown 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 Oracle Banking Corporate Lending	Mail Equivalent
MT 643	Tranche input	Provides notice of the borrower(s)' request for drawdown(s)/ renewal(s) on a given date	N days prior to the value date of the drawdown, 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 drawdown 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 drawdown	LIQD	Mail Format of MT646LS_INC_SHR
MT649	Free Format	Provides for communications related to syndicated facilities for which no specific messages has been defined	At the discretion of the sender	NA	NA

15.2.1 S.W.I.F.T Tags and OBCL Fields Linkage - MT 643

Notice of Draw Down Renewal

SWIFT Tag	Field Name	Mandatory (M) / Optional (O)	Field / FFT Code	Field / FFT Code name in OBCL

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 LB Draw Down schedules Screen (under Borrower leg contract)
31F	Draw Down Period	M	Field	The drawdown date and tenor* specified in the LB Draw Down schedules Screen (under Borrower leg contract)*The end date of the drawdown is arrived at using the drawdown date and tenor
32B	Amount of Draw Down	M	Field	The Amount specified in the LB Draw Down schedules Screen (under Borrower leg contract)
33B	Receiver's Participation	M	Field	The Amount arrived using the drawdown amount and the participation ratio specified in the Participant (Receiver) leg of the tranche contract

15.2.1.1 MT 643 – A Sample

Sample MT643 Message
{1:F01AMBKWASHIXXX1111111111}
{2:I643JARDINEFXXXXN}
{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 OBCL 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 OBCL
20	Transaction reference Number	M	Field	Contract Reference Number
21	Related Refer-ence	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 Facil-ity Amount	M	Field	The value date and Amount specified in the Syndication con-tract to which the present draw-down is attached
26N	Drawing Identi-fication	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 drawdown 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:F01AMBKWASHIXXX1111111111}
{2:I644BANKAMERXICAN}
{4:
:20:000DFPN013650007
:21:
:88D:GENMO01
:32A:20011226USD2000000000,
:26N:USD/2
:31F:2001123120020331//
:37G:18,
-}

15.2.3 S.W.I.F.T Tags and OBCL 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 OBCL
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:I645JARDINEFXXXXN}
{4:
:20:000LNCP010010018
:21:
:88D:IBNIN01
:32A:19900101USD1000000000,
:23:Syndication non rev fees
:31F:2001123120011231
:34B:USD600,
:33A:600,
-}

15.2.4 S.W.I.F.T Tags and OBCL 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 OBCL
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
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:F01AMBKWASHIXXX1111111111}
{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 OBCL 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 OBCL
20	Transaction reference Number	M	Field	System Generated
21	Related Reference	O	Field	User Input
88D	Borrower	M	Field	User Input
79	Narrative	M	FFT	User Input

15.2.5.2 MT 649 – A Sample

Sample MT649 Message
{1:F01AMBKWASHIXXX1111111111}
{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

This chapter contains the following sections:

- Section 16.1, "Introduction"
- Section 16.2, "Maintenances Required for FpML"
- Section 16.3, "Handling Initial Validations for FpML Messages"
- Section 16.4, "Notices from Agent to Investors"
- Section 16.5, "Generating Notices Manually"
- Section 16.6, "System generated Messages"
- Section 16.7, "Messages from Markit for Prime Increase"
- Section 16.8, "Messages from Markit for Trade Settlement"
- Section 16.9, "Impact of Markit Trades on Tranches and Drawdowns in LB"
- Section 16.10, "Handling Status for Processing Markit Agency Trade Settlement"
- Section 16.11, "Messages from Markit for Trade Settlement in SLT"
- Section 16.12, "Processing Manual Trade Settlement"
- Section 16.13, "Handling Status for Processing Markit SLT Trade Settlement"
- Section 16.14, "Viewing the Markit Agency Interface Browser"
- Section 16.15, "Transferring Updated Information to Markit"
- Section 16.16, "Viewing FpML Messages"
- Section 16.17, "Viewing the Markit Agency Interface Browser"

16.1 Introduction

FpML (Financial products Markup Language) is an XML based message standard used for complex financial products. Oracle Banking Corporate Lending 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 supports FpML messaging for regular back-valued activity, which is not prior to any other activity. This is treated as any other current dated activity message. Any back-valued activity prior to any other event is 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 are generated when the contract to which the message is attached is saved and it is 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 ensures 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. In addition, 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 is 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 is 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 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 suppresses the message.

Note

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 is 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 are 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.

Note

If you want 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 tabis 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 are printed blank.

Note

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 are 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’.

Note

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 ensures 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 are 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 display ‘Ext Deal CUSIP/ISIN’ captured at the tranche level for the ‘InstrumentId’ field in ‘Deal Summary’.

Note

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 are 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 displays 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.5.4 Drawdown Notice

The Drawdown Notice is 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 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, is generated whenever principal is increased or decreased for a tranche. It has all the participant and global details and 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 is suppressed. You can also suppress the generation during value dated amendment if you require. 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 does not generate the notice for drawdown payments on non-revolver tranches.

The message 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 is 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 want. The system suppresses 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-LB STP.

The message 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 excludes 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 Banking Corporate Lending contains the latest amended details and all other tranches contain the latest details. In case of facility/deal amendment, the latest details are present in the notice for all the tranches.

Note

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 ‘LB 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 Banking Corporate Lending
- 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 'LB 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 'LB 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' check box

Deal Definition Notice is generated for all tranche amendments (CAMD event) involving change to the 'Assignment Validations Applicable' check box in the 'LB 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 'LB 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' check box is amended in the 'LB Tranche Online' screen.

Note

Assignment validation details are populated for each tranche in the Deal Definition Notice.

16.6.3 Amend Contract Notice

The Amend Contract Notice is 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 is a bulk message which consists 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 suppresses the notice generation. You can manually suppress the notice during VAMB.

The message '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 systematically suppresses the notice generation. In addition, 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 is generated at the borrower level for partial or full payments of principal on the drawdown. It is a bulk message for a drawdown payment with all the participant and global details and 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 '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 is generated at the borrower level for full or partial interest payments on the drawdown. It is a bulk message for drawdown interest with all the participants and global details and 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 suppresses the notice. If the payment is for both interest and principal, then the system generates 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 '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 is 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 generates 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 '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 is 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 '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 is generated at the borrower level with one bulk message for a tranche and have all participant and global details. The message consists of one message for each participant and one message for the global details for the borrower. It is 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 Banking Corporate Lending 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 does 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 is 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 suppresses 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 '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 is generated at the borrower level with one bulk message for a tranche with all participant and global details. The message consists of a message for each participant and a message for the global details for the borrower. It is 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 Banking Corporate Lending 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 suppresses the generation of this notice. You cannot manually suppress the notice generation during fee liquidation.

The message 'Ext Deal CUSIP/ISIN' captured at the tranche level for the 'InstrumentId' field in 'Deal Summary'.

16.6.11 Rollover Notice

The Rollover notice is generated at the borrower level with one bulk message for a tranche with all participant and global details. The message consists of a message for each participant and a message for the global details for the borrower. It is generated for the rollover (split or consolidated) or re-pricing (split or consolidated) of drawdowns.

The rollover message contains details of only the rollover. The system sends an 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 suppresses the drawdown notice for the new child contract as the rollover notice would include a section for

the child contract. You are not 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. In addition, 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, 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 ‘Ext Deal CUSIP/ISIN’ captured at the tranche level for the ‘InstrumentId’ field in ‘Deal Summary’.

16.6.12 Reprice Message

Oracle Banking Corporate Lending 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 is 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-LB STP activities will also result in the generation of the message. You do not have an option to suppress the generation for these operations.

The message ‘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 covers 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 are 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 '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 Banking Corporate Lending 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 sends 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 amend-ment	Systematic
	VAMB	During interest rate amend-ment 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 Rollo-ver Notice	CRNT	During consol Rollover Book-ing	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 Banking Corporate Lending. 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 Banking Corporate Lending.

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 Banking Corporate Lending, the system performs Prime increase by doing a value dated amendment for Drawdown(VAMI).

If the agent reference number is not associated with any Drawdown in Oracle Banking Corporate Lending then:

- The system considers it as a new Drawdown contract and will create a drawdown.
- The system does 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 Banking Corporate Lending, 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 logs the following exceptions:

- Based on the drawdown currency and amount, the availability of Tranche is checked. If there is insufficient availability at the tranche level, the system marks 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 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 marks 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 are ignored in the incoming message.
- If the event date (noticeDate) is earlier than the application date,
  - The system does not process the contract/event in Oracle Banking Corporate Lending and marks 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 considers the message as an ‘Intent Message’ and mark the processing status as ‘Hold’, irrespective of Effective Date (drawdown value date)
  - The system retains the message in the Incoming Browser till the event date. On the event date during the batch, the system updates 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 is automatically updated as ‘Processed’.
  - If the processing fails, the system updates the processing status as ‘Failed’ and the exceptions are shown in the ‘Exceptions’ sub-screen. You can 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 Banking Corporate Lending, you can 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 considers it as a back-dated value-dated amendment and all the back-value checks are 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 updates 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 are 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 Banking Corporate Lending, the system creates 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 Banking Corporate Lending, a value-dated amendment is booked and VAMB/VAMI events are 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 Banking

Corporate Lending 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 is 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 is 'Pending Authentication' in such cases and the drawdown VAMI 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 Banking Corporate Lending as an event and authorized, the system updates the processing status as 'Processed'.
- If the value-dated amendment is not authorised, while marking the EOTI, the system prompts you to clear pending authorizations.

Note

- 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 Banking Corporate Lending 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 (LB). Trade is consumed in Oracle Banking Corporate Lending and is populated into the Agency confirmation browser with all the relevant details of the trade.	Can be received multiple times prior to Settlement/ *TradeUpdateNotification*	Markit to Oracle Banking Corporate Lending
Trade Status Update Notification	Markit trade status will be updated in Oracle Banking Corporate Lending based on the status received. Cancelled/Removed/Suspended	Can be received only once prior to Settlement and it isoptional	Markit to Oracle Banking Corporate Lending

Submit Agency Update	Notifies the update to agent to signify final transfer of asset is needed. Trade is marked as closed.	Can be received only once on Settlement	Markit to Oracle Banking Corporate Lending
Position Update Notice	This is an inventory message and this is sent with type as "Assignment". Oracle Banking Corporate Lending validates the position of the investor involved in the trade and update and build the message and send it back to Markit	Is sent only once on successful processing of *SubmitAgencyUpdateNotice* in Oracle Banking Corporate Lending	Oracle Banking Corporate Lending 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 Banking Corporate Lending. Each Syndicated Loan Trade Notice message contains 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 Banking Corporate Lending. Each Trade Update Notification message contains the following details:

- Unique identifier for the trade
- Update Status

Each Trade Update Notification Message comprises 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 is not used by Oracle Banking Corporate Lending for the agented 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 Banking Corporate Lending.

16.8.3 Processing of Trade Update Notice Message in LB 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 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 LB 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 Banking Corporate Lending

The Submit Agency Update Notice message contains 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 comprises 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’
- Postion 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 is ‘Extraction’
- Markit Trade status is ‘Closed’
- Position update message status is ‘Pending/Failed’
- Message status is ‘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 Banking Corporate Lending 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.
  - tradeId –Markit trade id received from the original message
  - facilitySummary – Includes the CUSIP/ISIN for the tranche
  - commitedPosition – 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

- 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 LB

Since the Position Update message is sent to Markit before the ‘Participant Transfer’ is actually processed in LB Tranche, there is an impact on processing of events in the LB module. When the actual Participant Transfer is triggered in LB 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:

Sl. No	Screen Name	Blocking events
1	Borrower Tranche Input	To block Reversal

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 Rollver 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 Banking Corporate Lending 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 Banking Corporate Lending 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 Banking Corporate Lending 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, that is, 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 is ‘Extraction’.
- This status is updated and tracked for the individual Oracle Banking Corporate Lending 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 Banking Corporate Lending for processing trade settlement from in SLT module:

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 Banking Corporate Lending
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 Banking Corporate Lending
Trade Status Update Notification	Possible Trade Status from Markit: Suspended Cancelled Removed	Can be received only once prior to Settlement	Markit to Oracle Banking Corporate Lending
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 Banking Corporate Lending
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 Banking Corporate Lending

The FpML message from Markit would be parsed by the Java adapter. If 'Markit Trade Settlement Allowed' box is deselected in 'Loans Parameters' screen, then Markit messages are not processed in the system. However, if this check box is selected, 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 Banking Corporate Lending.

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 Banking Corporate Lending 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 are 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 Banking Corporate Lending
Product Type	It is always 'SyndicatedLoanTradeNotice'

TradeID	Unique Trade Id for each Markit trade. It consists of two Id's, Markit Trade Id and LQT Ticket Id which is 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
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 results in the trade being in unmatched status in Oracle Banking Corporate Lending. 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 results in the trade being in rejected in Oracle Banking Corporate Lending.
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. Contains the details of the traded amount for each Tranche. Contain the facilityTradeDetails element that occurs multiple times, for each of the tranche under the Markit trade id
FacilityTradeDetails	Wrapper Element and is repeated for every tranche under the Markit trade id
FacilitySummary	Wrapper Element. Consists of instrumentid and original commitment(tranche) amount with currency
multiFacilityTradeDetails-> facilityTradeDetails-> facilitySummary -> instrumentId	CUSIP/ISIN of the tranche, based on which the Tranche is identified in Oracle Banking Corporate Lending
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, that is,. Buyer/Seller in Oracle Banking Corporate Lending are identified by matching the Markit details with the MEICODE UDF of the customers in the Oracle Banking Corporate Lending.
  - 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 is 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. Consists 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. Contains the facilityTradeDetails element that occurs multiple times, for each of the tranche under the Markit trade id
FacilityTradeDetails	Wrapper Element and is 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 -> instrumentId	CUSIP/ISIN of the tranche, based on which the Tranche is identified in Oracle Banking Corporate Lending

multiFacilityTradeDetails -> facilityTradeDetails -> tradedCommitmentA-mount	Trade amount with currency
TradePrice	Trade Price

Oracle Banking Corporate Lending 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 ise 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 Banking Corporate Lending. 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 Banking Corporate Lending 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 Banking Corporate Lending 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
RevisedCommitmentA-mount	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 Draw-down Details and the associated DCF details for each Drawdown
Contract -> loancontract-summary-> identifier -> con-tractid	Drawdown reference number
Contract -> loancontract-summary-> original amount	Original drawdown amount with currency
Contract -> loancontract-summary-> maturitydate	Maturity date of the drawdown
Contract -> amount	Global Drawdown amount with currency
Contract -> effective date	Value date of the Drawdown

Contract -> participation-Amount -> globalAmount	Global Drawdown amount with currency
Contract -> participation-Amount -> 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 Banking Corporate Lending 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 Banking Corporate Lending 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 Banking Corporate Lending 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 is always be the current Application date in Oracle Banking Corporate Lending
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 is 'True'. For rest of the prior messages, it remains 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 Banking Corporate Lending. 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 Banking Corporate Lending 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 Banking Corporate Lending allows you to manually initiate the SLT trade settlement. If the closure message is processed, then you can select the 'Process Settlement' check 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 Banking Corporate Lending and the subsequent settlement is based on Oracle Banking Corporate Lending 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 Banking Corporate Lending does not send any additional wire/payment message in case of Settlement amount/Fee amount mismatch between Oracle Banking Corporate Lending 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 Banking Corporate Lending 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 Banking Corporate Lending:
  - 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 Banking Corporate Lending 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.

Note

Manual trade settlement is initiated from the Markit Trade Settlement queue. Oracle Banking Corporate Lending sends an acknowledgement message to LQT when the last trade under a LQT ticket id is settled successfully in Oracle Banking Corporate Lending 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 Banking Corporate Lending Trade Status
- Match Status
- Oracle Banking Corporate Lending Settlement Status

16.13.1 Message Status

Details on Message Status are given below:

- This status indicates whether or not Oracle Banking Corporate Lending has successfully processed a Markit message.
- This status is updated and tracked for each Markit message and also for the individual Oracle Banking Corporate Lending 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 Banking Corporate Lending SLT trades under a Trade Id.

16.13.3 Oracle Banking Corporate Lending Trade Status

Details on Oracle Banking Corporate Lending Trade Status are given below:

- This status indicates the SLT trade status in Oracle Banking Corporate Lending.
- 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 Banking Corporate Lending.
- This status is updated and tracked for each Oracle Banking Corporate Lending SLT trade.

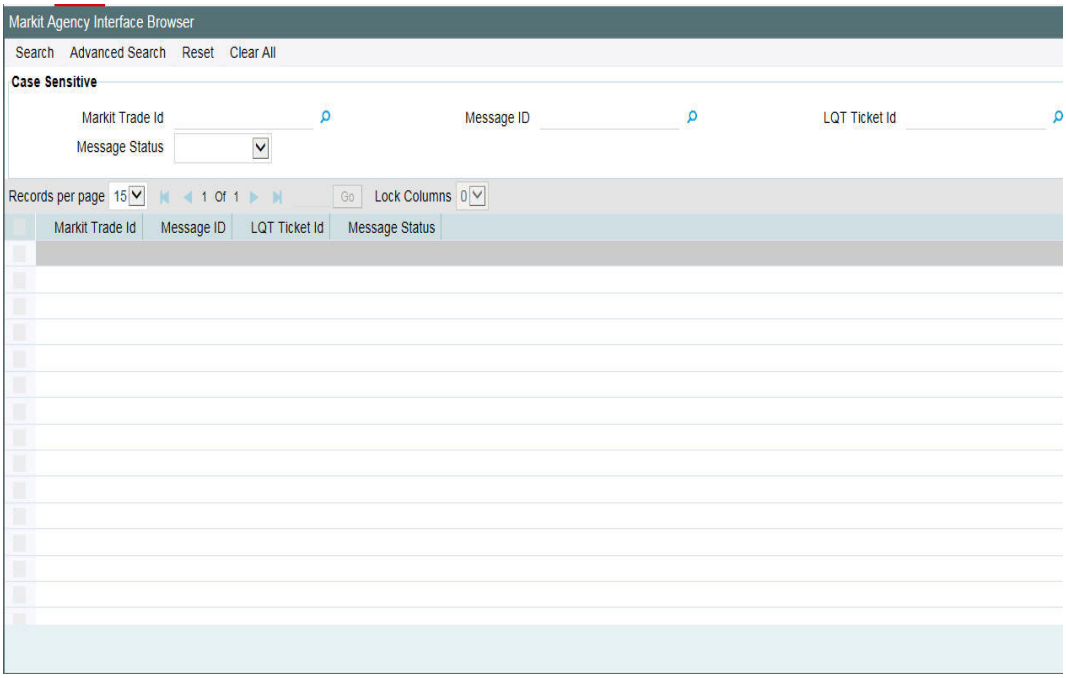
16.13.5 Oracle Banking Corporate Lending Settlement Status

Details on Oracle Banking Corporate Lending Settlement Status are given below:

- This status indicates whether or not the Markit Trade is settled in Oracle Banking Corporate Lending.
- This status is updated and tracked for each Markit message as well as for individual Oracle Banking Corporate Lending 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. You can invoke the 'Markit Agency Interface Browser' screen by typing 'LBSMKTIF' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 is 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

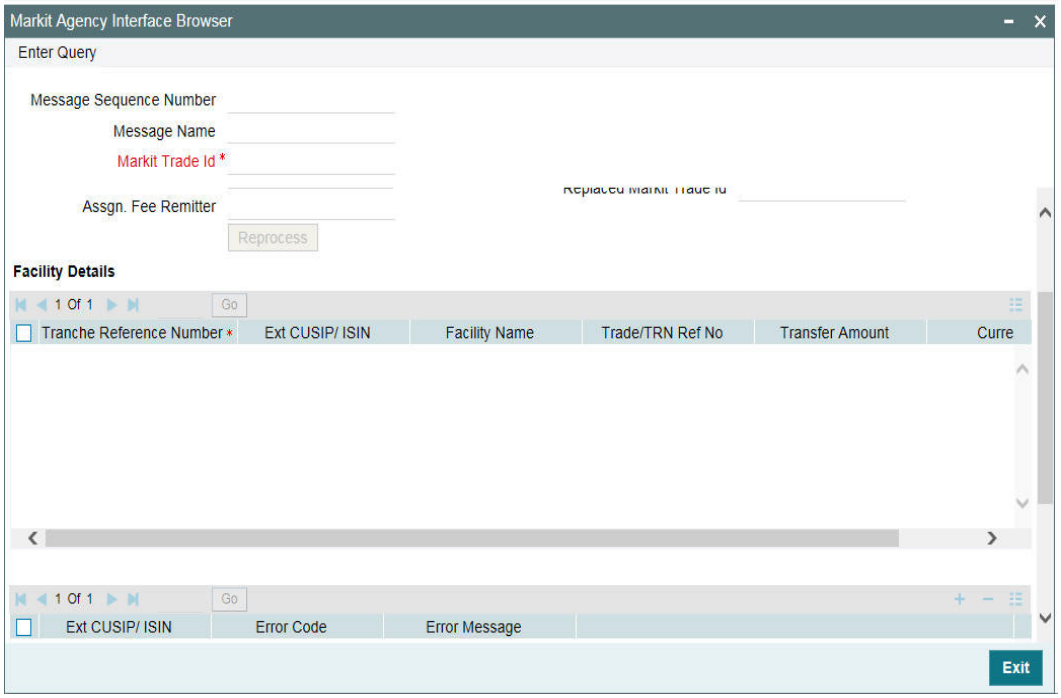
- If participant transfer processing fails after sending the Position Update message to Markit, then 'Process Status' in 'Agency Confirmation Browser' and 'Markit Agency Interface Browser' are updated as failed and appropriate exceptions are logged in both the screens. Processing of Participant Transfer can be done manually from the 'Pending Trade Processing Queue' for the tranche on such failures.
- In 'Agency Confirmation Browser' screen, if you click 'Refresh' button the matching SLT reference number is identified and updated in 'Trade Ref No'. In addition, if you click

'Refresh' and the mapped SLT trade is reversed, the system allows remapping of new SLT trade.

- 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 us 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 Banking Corporate Lending.
- You can manually close the Markit/Clear Par trades in Oracle Banking Corporate Lending 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 in ‘Markit Agency Interface Browser Detail’ screen. You can invoke the ‘Markit Agency Interface Browser Detail’ screen by typing ‘LBDMKTIF’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 sends 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 are sent as part of an offline activity that begins 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 are 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 are generated and till all such messages are generated and handed off for the drawdowns corresponding to the amended tranches, no events are 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 sends 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 are sent as part of an offline activity that begins after the authorization of the tranche amendment. End of day Pending Transactions show any message pending generation/handoff and Marking of End of Transaction Input are not allowed till the message generation and handoff is completed. In addition, no further events are 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 is initiated which registers the event ‘AMEI’ (Amendment of MEI Code) on all the tranches that have this customer as one of the participant. This job handoffs 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 is generated and handed off for each of the tranches for which the event is registered. This Position Update notice includes 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 is generated and handed off for each of the tranches for which the event is registered. This notice is 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 show any message pending generation/handoff and Marking of End of Transaction Input is not allowed till the message generation and handoff is completed. Additionally, no further events are 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

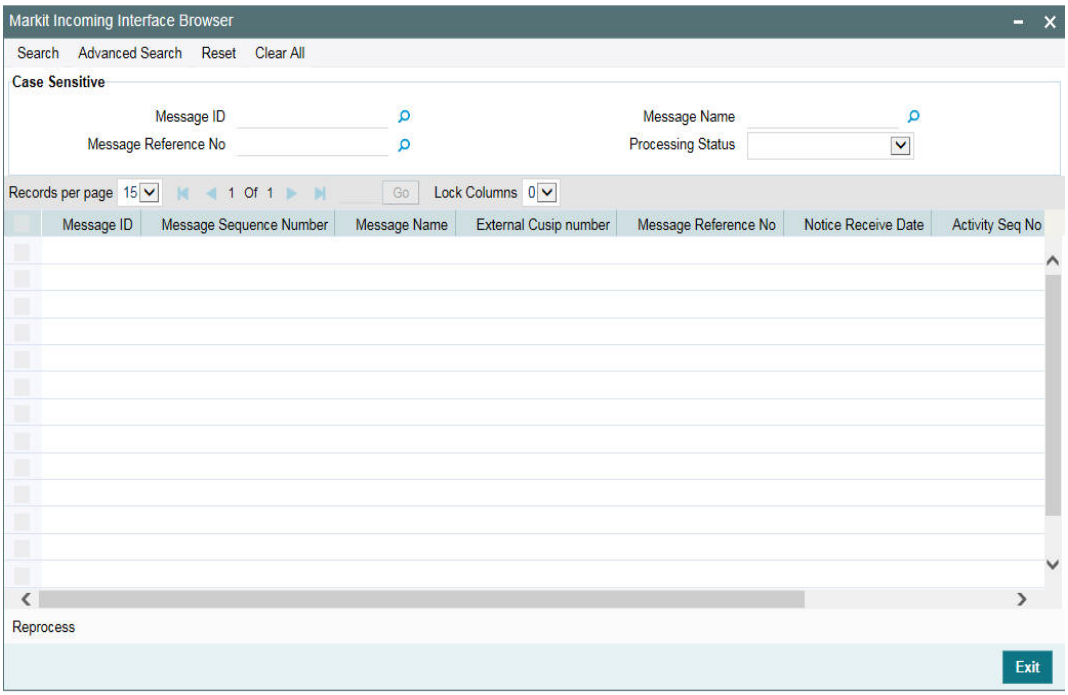
The FpML messages that have been generated can be viewed through the 'FpML Message' screen for events triggered manually. The operations for which the messages can be viewed are:

- 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.

You can invoke the 'Markit Incoming Interface Browser' screen by typing 'IFDMKTIB' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



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 adjoinign drop-down list. The list displays the following values:

- Pending
- WIP
- Failed
- Enrich
- Pending Authentication
- Hold

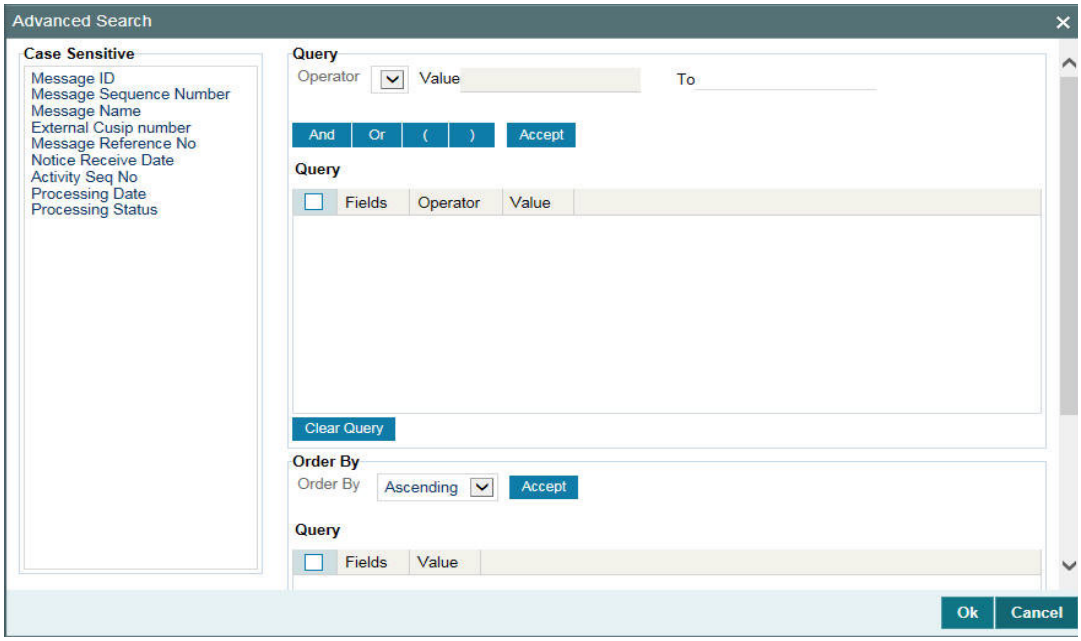
- Processed

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

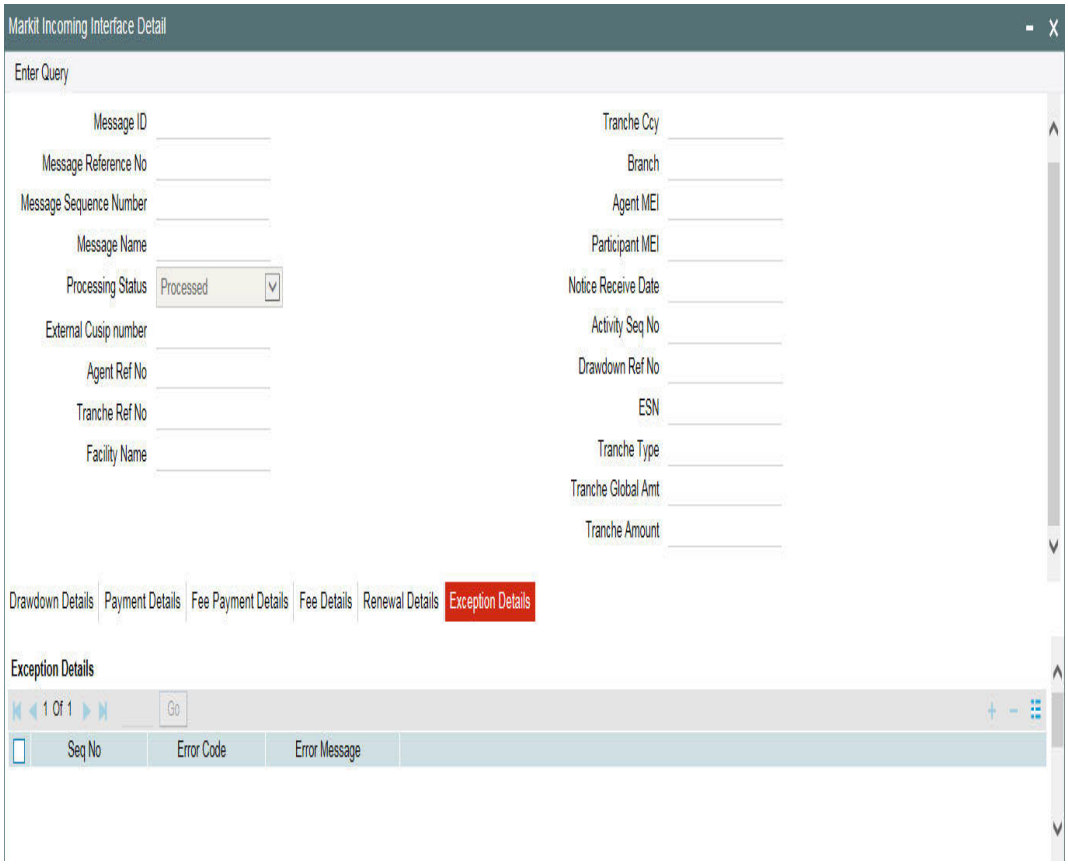
16.17.1 Querying Messages

You can use the ‘’Advance Search’ screen to query the message details. From the menu, click ‘Advance Search’.



16.17.2 Viewing Error Messages

You can view the exception log associated with the contract by clicking the ‘Exception Details’ 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
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 verifies 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 updates 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 updates the processing status as **‘**Failed**’** and display an exception message.

If the External CUSIP is an active tranche contract, the system validates 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 performs 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 updates 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 is updated as ‘Enrich’ and you need to manually enter the data and change the Processing Status back to ‘Pending’. The message is 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 does the following

- Update the Processing Status as ‘Hold’
- These messages 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 is created with back value dated effective date and the system updates the Processing Status as ‘Processed’.

If any messages for which the contract/event in the system is awaiting for your dual authorization, the system updates the Processing Status as ‘Pending Authentication’. Such processing is required in scenarios such as when borrower/investor is classified. The event/ contract is processed in the system but it requires 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 checks that the MEI Code for the participants matches the MEI Code in the incoming message
- If yes, the Participant Asset ratio for the tranche is utilized and applied to each participant while processing the message
- The Agent Ref No of the participant with the highest asset ratio is displayed in the incoming browser

On receiving a message for a message ID that has been 'Failed', the system proceeds 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 remains 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 is the same as that of the original message. The system increments 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 does not validates 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 is identified based on the External CUSIP/ISIN in the incoming message. The branch code, drawdown product(s) and participant(s) thus be identified.

If the tranche involves more than one participant with different MEI Codes (that is,. only one of the MEI Codes matches with the MEI Code in the incoming message) then:

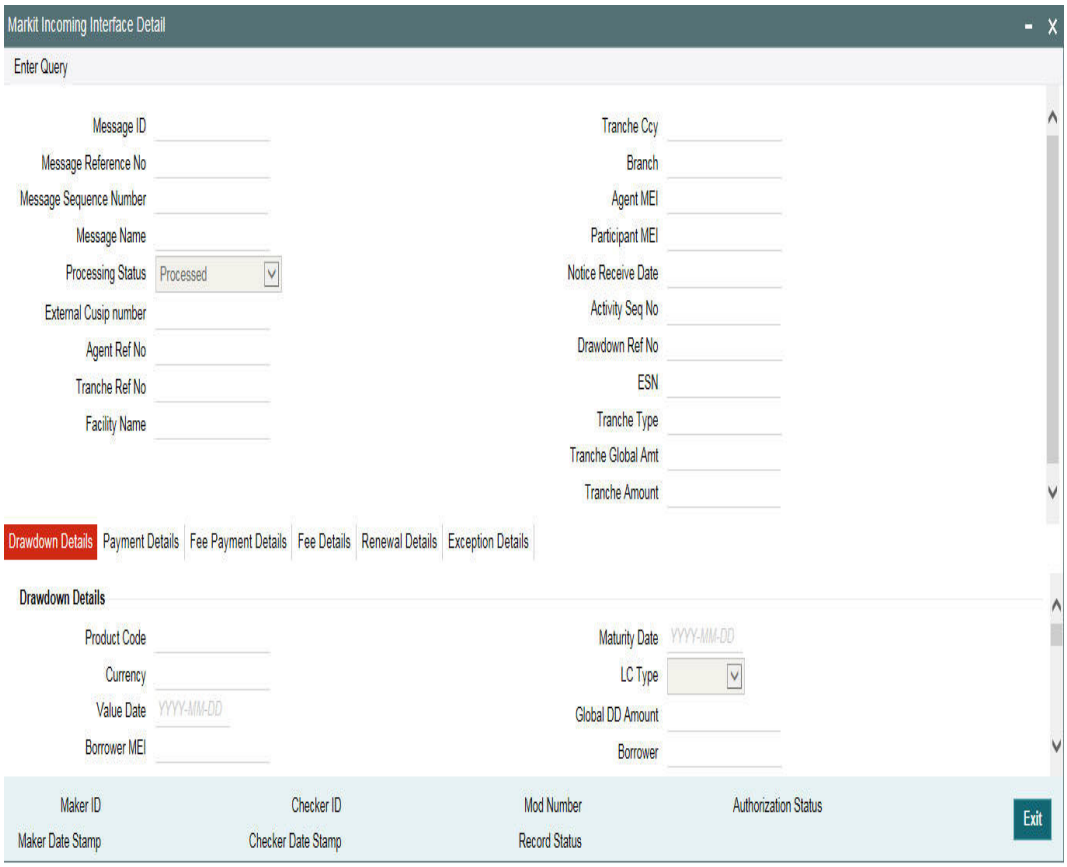
- Multiple messages with different Agent Ref Nos. and Message Ids are received for each MEI Code
- The message is placed in the Incoming Browser with Processing Status as 'WIP'
- System waits for messages of all the other participants, before processing the messages for any of the participants

Once the messages are received in the Incoming Browser for each MEI Code in the tranche, then the system validates the External CUSIP/ISIN, Value date, Maturity date, Borrower, Tranche Global Amount, Borrower Amount combination and checks that the number of messages equals the number of participants with different MEI Codes.

Once the above conditions are met, the system processes 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’ is placed in the Incoming Browser with Processing Status as ‘Pending’. You can view and process it by clicking ‘ Drawdown Details‘ tab against the message.



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 is resolved based on floating Rate Index in the incoming message:

- If floating Rate Index is ‘USD-LIBOR-LIBO’ then the system picks up the fixed type drawdown product
- if floating Rate Index is ‘USD-Prime-Reference’ then system picks up the floating type drawdown product
- System then checks 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’ is marked as ‘Enrich’ and exception ‘Product code resolution is failed’ is 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 is picked up by the system for re-processing.

The main interest component is taken from product to apply the interest rate received. The system Tranche Margin Rate is deducted from the margin rate received in FpML message and residual rate are applied for DD margin component

Once all the validations on the incoming message are successful, a new drawdown is booked and BOOK, DNOT, IRFX, EXFX (if drawdown currency is different from tranche currency) events are fired.

The newly created drawdown is auto-authorized if there are no overrides that require dual authorization and Processing Status is updated as ‘Processed’, whereas the newly created drawdown will be created as unauthorized if there are any overrides that require dual authorization. Processing Status is ‘Pending Authentication’ in such cases and the drawdown have to be manually authorized after dual authorization.

If the drawdown is not authorised, while marking the EOTI, the system prompts 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 logs 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 updates 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 is checked. If there is insufficient availability at the tranche, system marks 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 marks 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 does not match with the rate available in system, then system updates 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 marks the ‘Processing status’ as ‘Failed’ by logging an exception -Interest rate fixing details are not present.
- Exchange rate details are checked if the drawdown currency is different from the tranche currency. If they are not present then system marks 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 picks up for re-processing. The message is 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 Banking Corporate Lending 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 does not process the contract/event in the system and marks 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 retains the message in the Incoming Browser till the event date and on event date during batch, it updates the Processing Status as ‘Pending’ so that the job pickups 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 processes the message to create an uninitiated drawdown and update the Processing Status as ‘Processed’.

The new drawdown (current/future dated) is 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’ is 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’ is 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 marks ‘Processing Status’ as ‘Failed’ by logging an exception ‘Drawdown is not available’.

Once the drawdown is identified, the system checks 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 updates 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 processes the message to capture rate fixing information so that

system applies 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 fires 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 fires the IRFX event if the Rate Effective Start date is greater than the Rate Effective End Date and the corresponding fax messages are 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 logs the following exceptions during processing:

- System checks if the start date and end date are within Drawdown value date and Maturity date. If the condition is not met, the system updates 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 checks if rate fixing is captured for start date and end date from the Rate Set Notice. If rate fixing is not captured then system updates 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 checks if the last ‘Rate Effective End Date-’ is equal to the start date received in Rate Set Notice. If they are different, the system updates 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 considers the message as an Intent message and will mark the Processing Status as ‘Hold’. The message is retained in the Incoming Browser till the event date and on event date during batch processing system marks the Processing Status as ‘Pending’, so that the messageis 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 consumes and processes the Intent message and the Rate Set message is changed to ‘Processed’ automatically.

Only the message process status will be marked as ‘Processed’ for the Rate Set Notice. The system does not process the message and there are no events registered in Oracle Banking Corporate Lending.

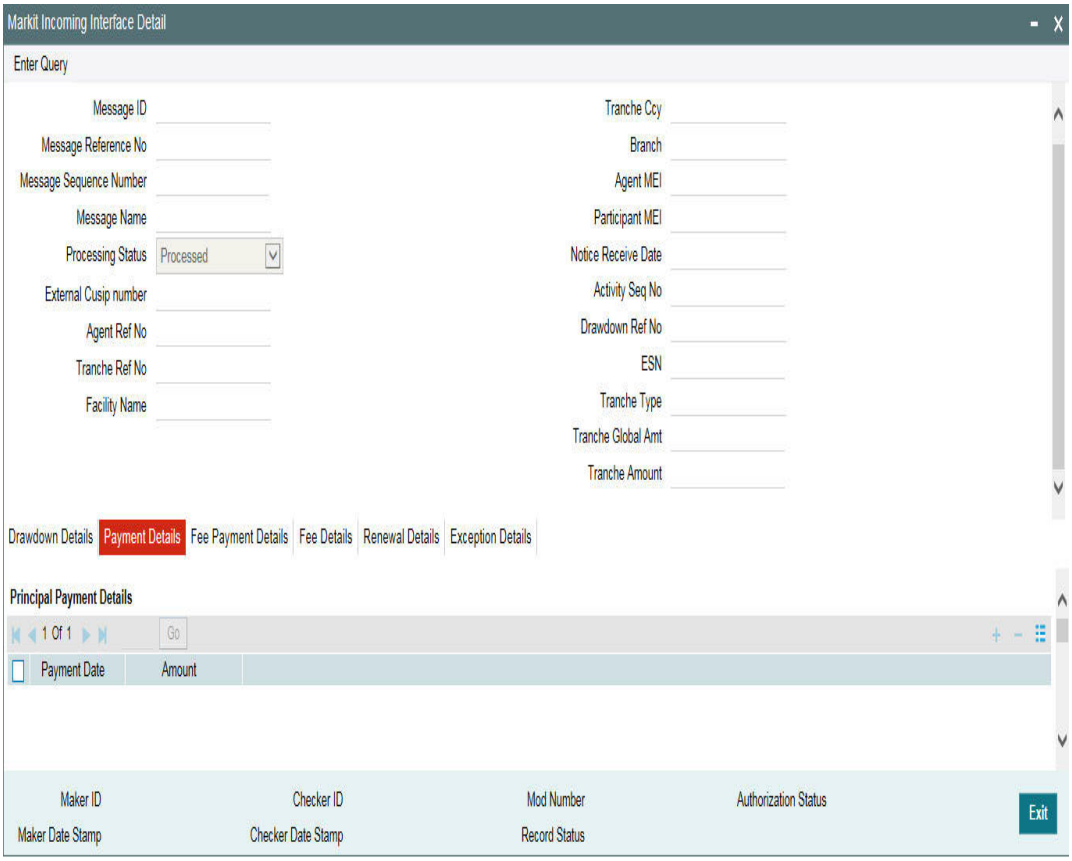
Note

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 does not process the contract/event in system and marks 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’ is placed in the Incoming Browser with Processing Status as ‘Pending’. You can view and process it by clicking ‘Interest Payment Details‘ button against the message.



Based on the Agent Ref No., the system identify the drawdown for which Interest payment needs to be processed. Once the drawdown is identified, the system compares 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 triggers a future value dated payment event (BLIQ) and change the ‘Processing Status’ of the incoming message as ‘Processed’. The actual payment event is automatically triggered on the effective date and payment related accounting entries are posted with value date as the Payment date

If the payment is actual payment that is, 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 does the following:
  - System compares 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 processes the incoming message.

- LIQD event is triggered at borrower and participant contracts to liquidate interest where the amount is as per the schedule amount due in Oracle Banking Corporate Lending.
- An override message saying difference amount is within the variance is flagged during processing and the payment message attached for LIQD event is 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 does the following:

- System picks the message for reprocessing and marks the Processing Status as 'WIP' with exception message saying waiting for message clipping. System then wait for the corresponding Principal Repayment Notice and once it is received system proceeds with processing after clipping both the messages. (BLIQ/LIQD may be fired based on Payment date)

System compare the principal and interest due amounts for the schedule in the system with the corresponding amounts in the incoming message and processes the messages if the difference is within the variance for principal and interest.
If the drawdown is in currency other than USD then the variance amount is 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 is considered as unscheduled and the system checks if there are any pending schedules. If so, the system gets the earliest pending schedule date and settle this schedule only, based on the Oracle Banking Corporate Lending amount provided it is within the defined variance for interest payment. If not, the message is not 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 picks 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 logs 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 marks '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 does not process the contract/ event in the system and marks the 'Processing Status' of the Incoming Message as 'Pending Authentication'. You can change the Processing Status to Pending or Processed.

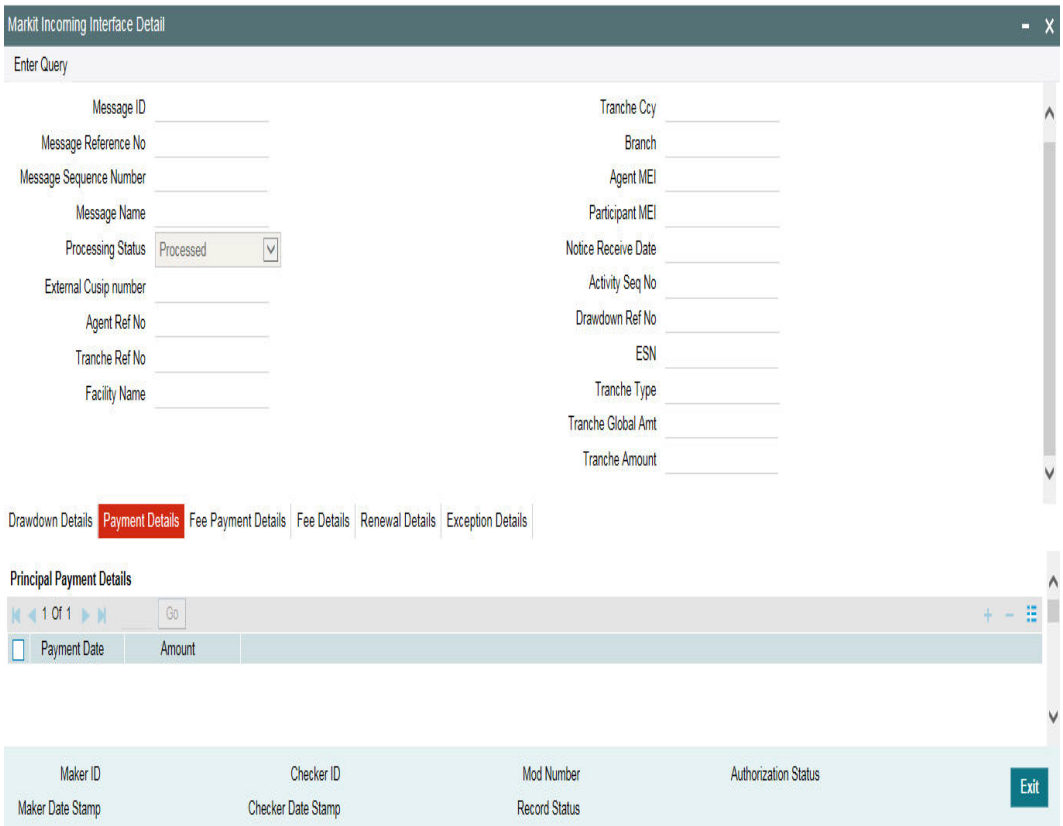
If the notice date is later than the application date and Message Name is 'Interest Payment Notice', the system will consider the message as an Intent message and updates the Processing Status as 'Hold'. It retains the message in the Incoming Browser till the event date and on event date during batch system updates the Processing Status as 'Pending' so that the job picks up the incoming message for re-processing

If the notice date and payment date are on application date, then system checks 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 marks 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 picks 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' is 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 system identifies the drawdown for which principal payment needs to be processed. Once the drawdown is identified, system compares 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 does not process the event in the system and marks 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 considers the message as an intent message and update the Processing Status as 'Hold'. It retains the message in the incoming browser till the event date and on event date during batch, system updates the Processing Status as 'Pending' so that the job picks 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 triggers a future value dated payment event (BLIQ) and change the 'Processing Status' of the incoming message as 'Processed'. The actual payment event is automatically triggered on the effective date and payment related accounting entries are 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 does the following:

- System compares 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 processes the incoming message
- LIQD event is triggered at borrower and participant contracts to liquidate Principal where the amount is as per the amount due in the system. An override message-difference amount is within variance is flagged during processing
- In case of full payment, the system does 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 marks '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 picks the message for reprocessing and marks the Processing Status as 'WIP' with exception message saying waiting for message clipping. System then wait for the corresponding Interest Repayment Notice and once it is received system I proceeds with processing after clipping both the messages. (BLIQ/LIQD may be fired based on Payment date)
- System compares the principal and interest amount for the schedule in the system with the corresponding amounts in the incoming message and processes 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 is compared with the interest amount in the message to check the variance.)
- In case of full payment, system does not mark the contract as 'Liquidated' and it is 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 is 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 is considered as unscheduled and the system will check if there are any pending schedules. If so, the system gets 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 proceeds 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 re-picks 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 logs the following exceptions:

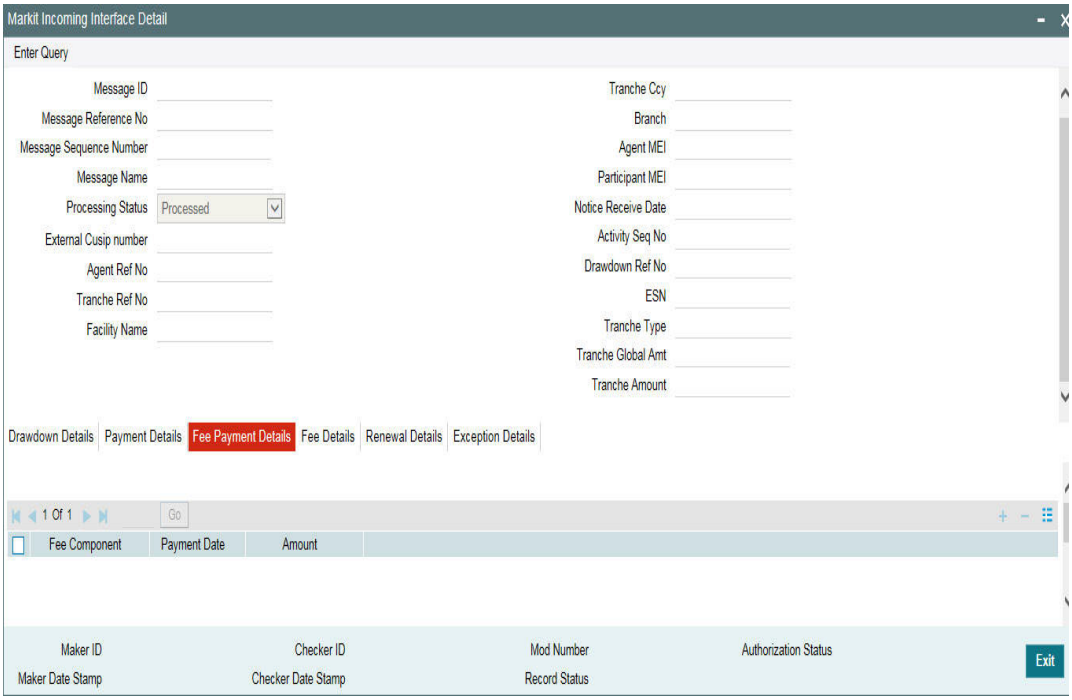
- If the Agent Ref No. In the incoming message does not match with any active drawdown in the system, it marks the 'Processing Status' as 'Failed' by logging an exception 'Drawdown is not available'.
- If the difference between the scheduled amount and the amount in the message is greater than Principal Payment Variance then the system marks '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 marks 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 checks if the 'Liquidate Interest on Prepayment flag is 'Yes' at the drawdown contract. The system does the following validations

- If the Interest Repayment Notice for message clipping is not received till the end of day, then system marks 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 is considered as an unscheduled payment.
- System identifies the earliest pending schedule and it liquidates the schedule provided all the other validations are successful.
- If subsequent validations are unsuccessful, system updates 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 picks 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’ is placed in the Incoming Browser with Processing Status as ‘Pending’. You can view and process it by clicking ‘Fee Payment Details‘ tab against the message.



If the External CUSIP/ISIN in the incoming message is an active tranche contract in the system, the message is 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 identifies 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 checks 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 compares 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 processes the incoming message with the fee amount due for the schedule date in the system
- FLIQ event is triggered at borrower and participant contracts and payment message attached to FLIQ event is generated. An override message- Difference amount is within variance is flagged during processing and the Processing Status of the message is changed to ‘Processed’ by the system
- If the difference between the amounts is greater than variance, then system marks ‘Processing Status’ as ‘Failed’ and log an exception ‘Difference amount is greater than the variance.
- System does 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 logs the following exceptions:

- If a matching external CUSIP/ ISIN is not found in the system, the ‘Processing Status’ is updated as ‘Failed’ and an exception message is logged.
- If the notice date is later than application date, the system considers the message as an Intent message and updates the Processing Status as ‘Hold’. It retains the message in the Incoming Browser till the event date and on event date during batch system updates the Processing Status as ‘Pending’ so that the job picks up the incoming message for re-processing
- If the fee type received is of type ‘USERINPUT’ (One-Off) then system marks the ‘Processing status’ as ‘Failed’ by logging an exception -Notice is for One off fee which is not processed
- If the incoming message is for a schedule which is overdue or if past schedules are overdue, system marks 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 marks 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’ is 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’ tab is displayed as shown below:

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 checks tranche availability based on LC currency and LC amount from the message.
- System identifies the LC drawdown product maintained for the tranche.
- Settlement pickup for borrower happens based on the LC currency and borrower Standard Settlement Instruction mnemonic defaulted from tranche
- Settlement pickup for participant happens based on the LC currency and participant mnemonic defaulted from tranche
- MIS pickup happens based on the tranche MIS maintenance

- If the event date and effective date (drawdown value date) are the same as application date system creates 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 creates an uninitiated LC drawdown contract and mark the ‘Processing Status’ as ‘Processed’. The contract is automatically initiated on the value date as per existing functionality.
- The new LC drawdown contract have the events BOOK, INIT, DNOT, EXFX (If drawdown currency is different from tranche currency) triggered and fax messages attached for DNOT, EXFX are 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 logs the following exceptions:

- If the Agent Ref No. exists in the system then the processing status is 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 marks 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 is updated as ‘Failed’ and an exception message is logged
- If the availability is insufficient at tranche then system marks 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 marks the ‘Processing status’ as ‘Enrich’ by logging an exception -Product code resolution is failed.

System checks 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 marks the ‘Processing Status’ as ‘Failed’ by logging an exception -Exchange rate is not presentYou 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 marks 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’

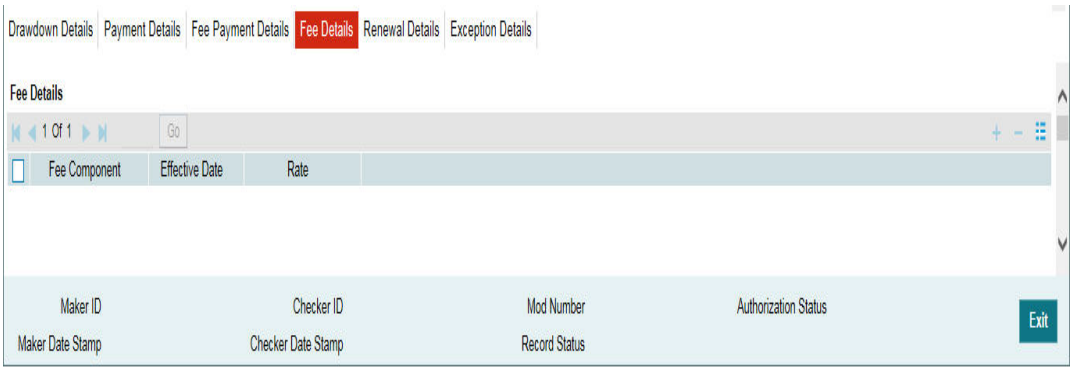
If the event date is greater than application date, the system considers the message as intent and will mark the Processing Status as ‘Hold’. It retains the message in the Incoming Browser till the event date and on event date during batch processing system will update the Processing Status as ‘Pending’ so that the message can be picked for re-processing

If the event date is earlier than application date, then the system does not process the contract/event in the system and marks the ‘Processing Status’ of the Incoming Message as

'Pending Authentication'. You need to change the Processing Status to Pending or Processed.

16.17.12 Pricing Change Notice

Incoming messages with Message Name as 'Pricing Change Notice' is 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



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 compares the message effective date with event date (notice date). If they are same, the system updates the margin / fee rate for the Tranche as below:

- The margin rate in the system is compared with the previous margin rate in the message to arrive at the margin component
- The fee rate in the system is 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 is 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 is applied for the new tranche getting booked. New margin/ rate is propagated to drawdown contracts under the tranche, based on effective date during batch (MRFX event). New fee rate is 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)

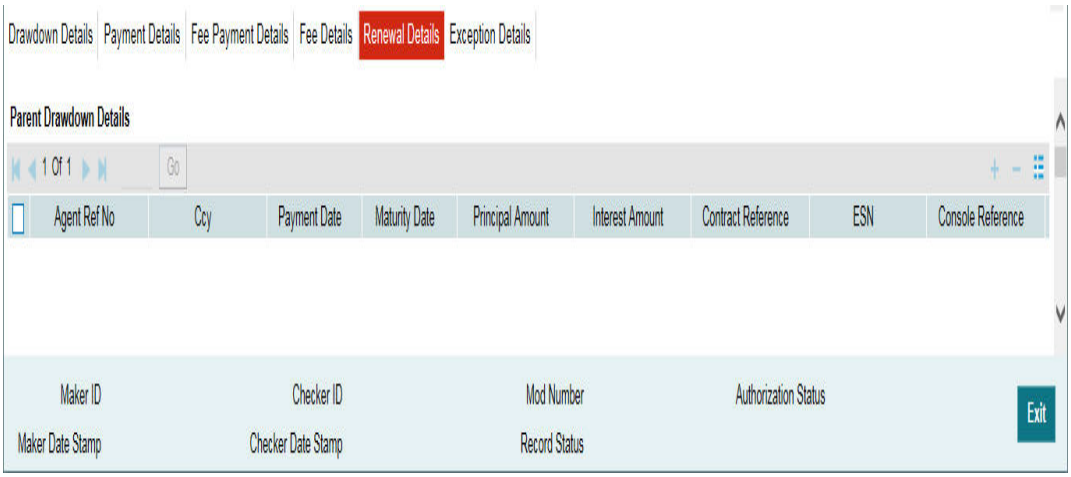
- Fee Effective Date
- Margin effective Date

The system logs the following exceptions during processing:

- If the event date is the same as application date system compares the message effective date with event date and if they are not the same the 'Processing Status' is marked as 'Failed' and an exception is logged
- If event date is greater than application date, then the message is considered as an 'Intent' message. The Processing Status is updated to 'Hold'. When application date equals the event date, system updates the Processing Status as 'Pending' so that message can be picked for re-processing

16.17.13 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



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 identifies the drawdown contract and if the event date is the same as application date, system checks the following:

- System then checks 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' is marked as 'Enrich' and exception 'Product code resolution is failed' is 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 initiates 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 is 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 processes 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 is marked as 'Processed'

If rollover value date (payment date) is earlier than parent drawdown Maturity Date(Maturity Date), system considers the message as a re-price instruction

System checks the count of maturing drawdowns as per the message:

- If there is more than one maturing drawdown then system processes 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 processes the message as a merge reprice.
- Agent Ref Nos. Of each maturing loan contract is matched with an active drawdown contract reference number
- In case of consolidated rollover/ merge reprice, system considers the drawdown with highest rollover/re-price amount as the driver/re-priced contract

System checks 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 considers the message as a split rollover / split reprice instruction
- Agent Ref No. of the maturing loan contract is matched with an active drawdown contract reference number

System compares the maturing drawdown amount(s) and child drawdown amount(s) to decide whether to process principal increase/decrease rollover/reprice.

System takes the outstanding principal amount as the rollover amount and fires ROLL event for the borrower and participant contracts.

System checks if the count of maturing Loan Contracts and new Loan Contracts are more than one then system considers 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 logs 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 marks 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 marks 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 marks 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 marks 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 considers this as a rollover instruction but marks the Processing Status as ‘Hold’ till event date. System retains the message in the Incoming Browser till the event date. On event date during batch the system updates 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 marks the Processing Status as ‘Failed’ and logs an exception- rate fixing details are not available

If the rollover value date (payment date) is earlier than application date, then the system marks the ‘Processing Status’ of the Incoming Message as ‘Pending Authentication’. If users change the Processing Status of the message to ‘Pending’, the message is picked for re-processing.

16.17.14 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

17. Customer Correspondence

This chapter contains the following sections:

- Section 17.1, "Introduction"
- Section 17.2, "Drawdown Notices"
- Section 17.3, "Exchange Rate Fixing Advices"
- Section 17.4, "Interest Rate Fixing Advices"
- Section 17.5, "A note on Interest Rate Revision Advices"
- Section 17.6, "Assignment Advice"
- Section 17.7, "Interest Rate Fixing Notice"
- Section 17.8, "Drawdown Notice to Participant"
- Section 17.9, "Amendment Fees for the Borrower"
- Section 17.10, "Amendment Fees for the Investor"
- Section 17.11, "Borrower Fax and Payment Message for SLC Fees"

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 (LB) 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

- 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 forms the part of all the drawdown notices generated at your bank:

- Interest rate fixing date and time
- Exchange rate fixing date and time

Note

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 are 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 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 are 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’ are 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 is sent to the borrowing customer of the new consolidated drawdown.

The advice includes 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 singe 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

Note

If the message type is 'Consol', the Split Drawdown Notice received by each customer includes the details of all the drawdowns. If the message type is 'Individual', each borrower receives 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' are available in this notice. In addition, the following fields are 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.

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 is 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 are available in this notice as well. In addition, the following new fields are also 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

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 isgenerated.

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 are 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 are also 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

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 is 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 that is. each participant receives 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 are also 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

- If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT643 is generated.
- The message type for the Borrower Drawdown Notice is DRAWDOWN_NOTC and that for the Participant Drawdown Notice is 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 are 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

Note

Maturity date is 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 are made available for the renewed drawdown as well.
- In addition, 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 are 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 are 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 is used for currency conversions.

All the fields (excluding Standing Instructions fields) available in the 'Exchange Rate Fixing Advice' sent to the borrowing customer is available in this advice also. In addition, the following information is 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

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is 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 is 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.

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is 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, are available in this advice as well. In addition, the following details are 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.

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is 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, are available in this advice as well. In addition, the following details are also 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

- If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is generated.
- The Message Type for the Borrower Exchange Rate Fixing Advice is **BORR_EXFX_ADV** and that for the Participant Exchange Rate Fixing Advice is **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 drawdown loan has a 'Rate Fixing' rate of interest, the same is 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, is applicable. You can change the rate code by using the Value Dated Changes function.

Note

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 includes 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

Note

Maturity date is 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 are included in this advice also. The advice has the date on which the drawdown is due for renewal.

In addition, 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 singe 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 are 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 onthe 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 are 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 are available in the advice to the participant bank also. In addition, the following additional fields are 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).

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is 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, is available in this advice also.
- The date on which the drawdown loan contract is due for renewal is also specified in the advice.

In addition, 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.

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is 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 are available in this advice. In addition, the following fields are 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.

Note

If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is generated.

17.4.8 Split Renewal Interest Rate Fixing Advice to 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 are included in this advice. The following additional fields are also 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

- If you have chosen the SWIFT media for sending the advice, then instead of the above mail format, the corresponding SWIFT message, MT644 is generated.
- The Message Type for the Borrower Interest Rate Fixing Advice is BORR_IRFX_ADV and that for the Participant Interest Rate Fixing Advice is **PART_IRFX_ADV**.

17.5 A note on Interest Rate Revision Advices

Oracle Banking Corporate Lending 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 Banking Corporate Lending 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 Banking Corporate Lending 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 are included in this notice also.

In addition, the following field is also 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 are 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' are also available in this notice.

In addition, 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

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

Note

In case you have chosen the media as SWIFT, an MT643 is generated instead of the above mail format.

17.7.7 Interest Rate Fixing Notice to 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' are available in this notice. In addition, the notice states the date on which the drawdown loan contract is due for a renewal.

Note

In case you have chosen the media as SWIFT, an MT643 is generated instead of the above mail format.

In addition, 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 Participant

Interest Rate Fixing Notice to 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' are available in this notice. In addition, the following fields are 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)

Note

In case you have chosen the media as SWIFT, an MT643 is 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' are available in this notice. In addition, the following fields are 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

Note

In case you have chosen the media as SWIFT, an MT643 is 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 is included in this advice also.

All the fields available in the 'Interest Rate Fixing Notice to the Borrower' are available in this notice. In addition, the following fields are 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

- In case you have chosen the media as SWIFT, an MT643 is generated instead of the above mail format.
- The Message Type for Borrower Interest Rate Fixing Notice is BORR_INOT_NOTC and that for Participant Interest Rate Fixing Notice is PART_INOT_NOTC.

17.8 Drawdown Notice to Participant

In case there is an exchange rate fluctuation, the participant of the account is sent a drawdown notice.

- The drawdown 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 is generated instead of the above mail format.

Note

The message type for the MT 643 SWIFT message is 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 is generated instead of the above mail format.

Note

The message type for the MT 644 SWIFT message is 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

17.9.0.1 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

17.10.0.1 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

18. Loan Syndication Drawdown Reports

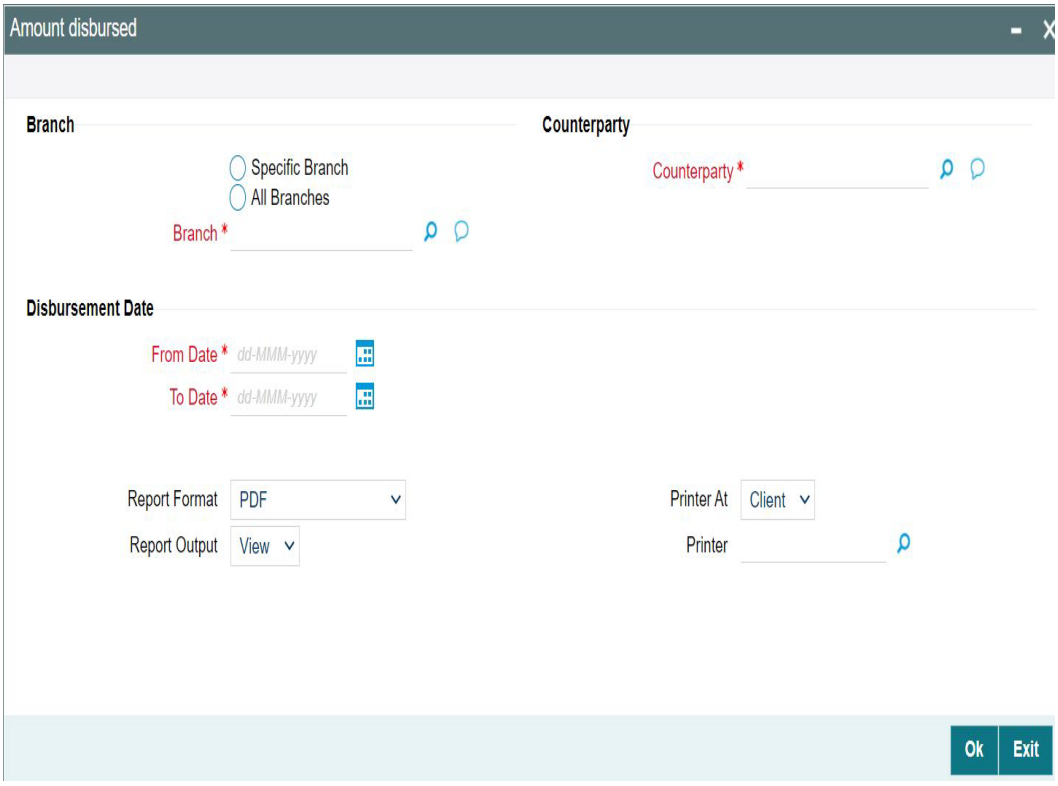
This chapter explains the various types of reports generated in the Loans Syndication Drawdown reports.

This section contains the following topics:

- Section 18.1, "Disbursement Report"
- Section 18.2, "Deal Level Report"
- Section 18.3, "Scheduled Payments Report"
- Section 18.4, "Contracts Overdue Report"
- Section 18.5, "Contracts Maturity Report"
- Section 18.6, "Tranche - Drawdown Fees Report"
- Section 18.7, "Interest Details Report"

18.1 Disbursement Report

You can invoke the 'Disbursement Report' screen by typing 'LBRINITD' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select 'Specific Branch' if you know the branch code and specify the branch code for which the report has to be generated in the 'Branch' field.

Select ‘All Branches’ if you do not know the branch code. The ‘Branch’ adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

Disbursement Date

From Date

Specify date from when you want to generate the report from the adjoining calendar.

To Date

Specify date till when you want to generate the report from the adjoining calendar.

18.1.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

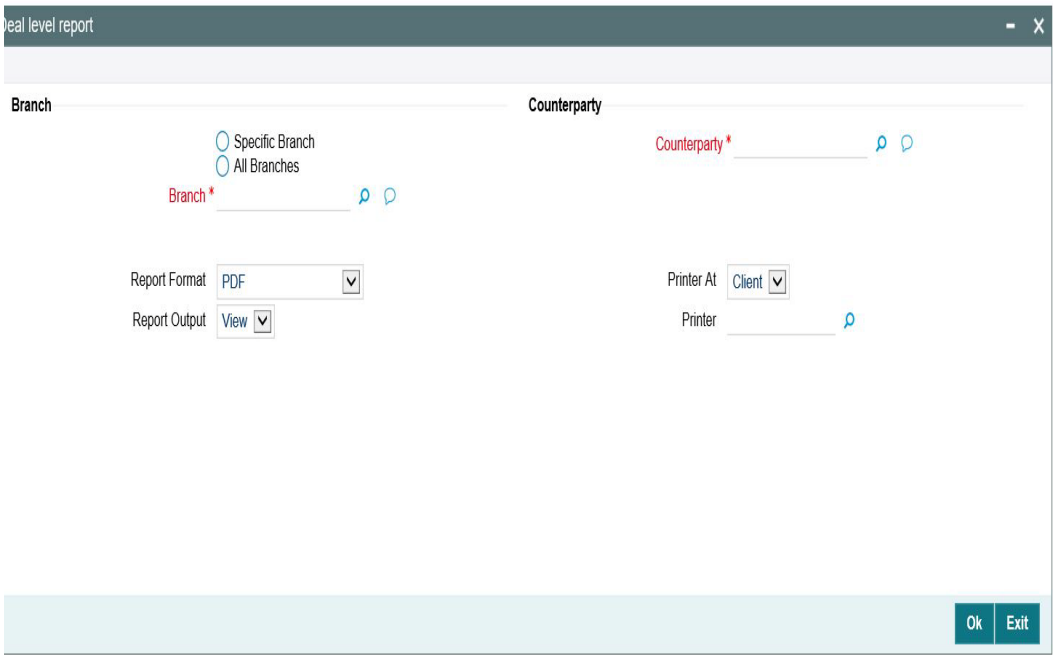
Body of the report

The report contains information on:

Fields	Description
Branch	Indicates the branch for which the report is generated
Date of disbursement	Indicates the disbursement date
Counterparty	Indicates the counterparty of the drawdown for which the report is generated
Product Code	Indicates the product code
Drawdown Contract Reference Number	Indicates the drawdown Contract reference number
Amount	Indicates the contract amount
Currency	Indicates the contract currency
Tranche Reference Number	Indicates the tranche reference number
Facility Reference Number	Indicates the facility reference number

18.2 Deal Level Report

You can invoke the ‘Deal Level Report’ screen by typing ‘LBRINIDL’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select ‘Specific Branch’ if you know the branch code and specify the branch code for which the report has to be generated in the ’Branch’ field.

Select ‘All Branches’ if you do not know the branch code. The ‘Branch’ adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

18.2.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

Body of the report

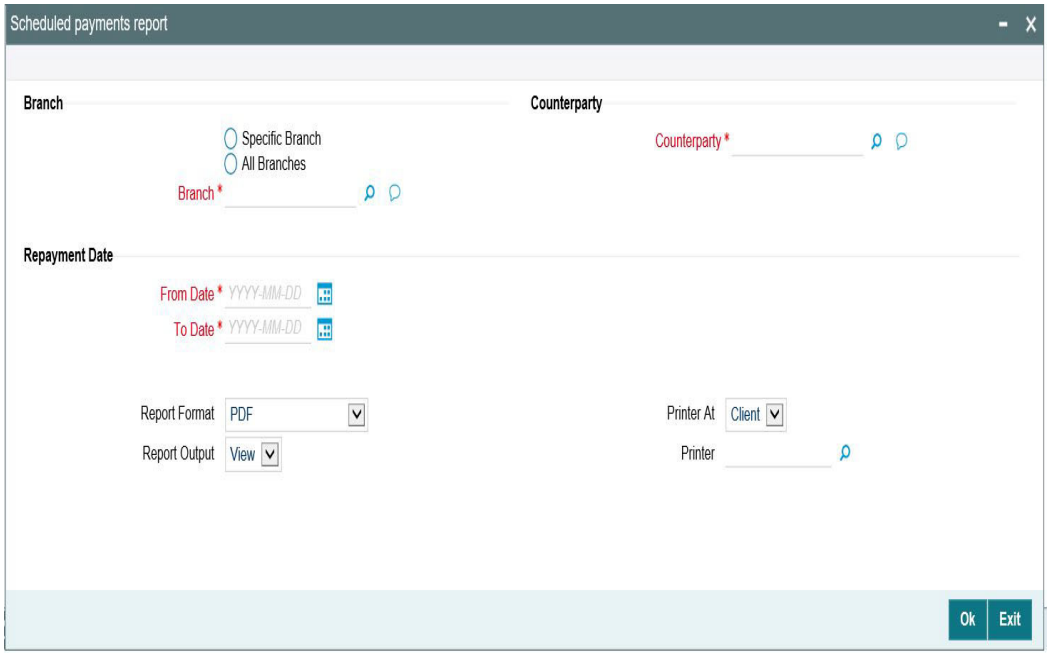
The report contains information on:

Fields	Description
Branch	Indicates the branch for which report needs to be generated.
Counterparty	Indicates the counterparty of the drawdown for which the report is generated.
Product Code	Indicates the product code of the facility contract

Fields	Description
Facility Contract Reference	Indicates the facility contract reference number
Product Code	Indicates the product code of the tranche contract
Tranche Contract Reference	Indicates the tranche contract reference number
Product code	Indicates the product code of the drawdown contract
DrawDown Contract Reference	Indicates the drawdown contract reference number

18.3 Scheduled Payments Report

You can invoke the ‘Scheduled Payments Report’ screen by typing ‘LBRINISP’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select ‘Specific Branch’ if you know the branch code and specify the branch code for which the report has to be generated in the ’Branch’ field.

Select ‘All Branches’ if you do not know the branch code. The ‘Branch’ adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

Repayment Date

From Date

Specify date from when you want to generate the report from the adjoining calendar.

To Date

Specify date till when you want to generate the report from the adjoining calendar.

18.3.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

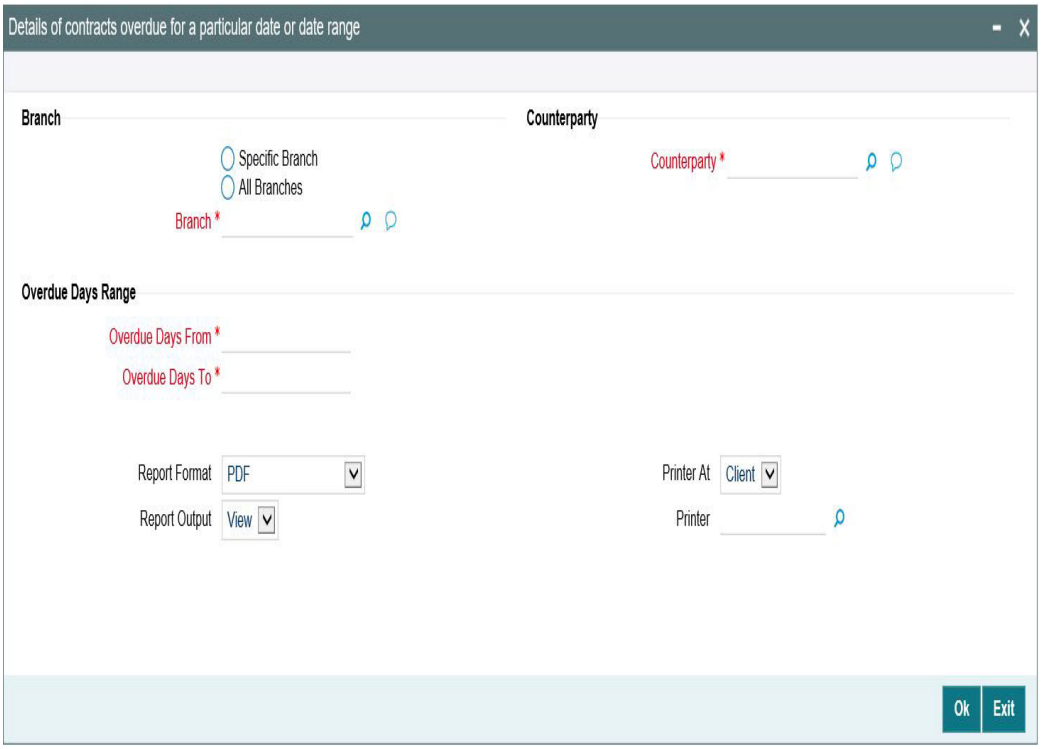
Body of the report

The report contains information on:

Fields	Description
Branch	Indicates the branch for which report needs to be generated.
Counterparty	Indicates the counterparty of the drawdown for which the report is generated.
Product Code	Indicates the product code of the drawdown contract
DrawDown Contract Reference	Indicates the drawdown contract reference number
Schedule Date	Indicates schedule date of drawdown contract
Amount	Indicates the drawdown amount
Currency	Indicates the drawdown currency

18.4 Contracts Overdue Report

You can invoke the 'Contracts Overdue Report' screen by typing 'LBRINICO' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select ‘Specific Branch’ if you know the branch code and specify the branch code for which the report has to be generated in the ’Branch’ field.

Select ‘All Branches’ if you do not know the branch code. The ‘Branch’ adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

Overdue Days Range

From Date

Specify date from when you want to generate the report from the adjoining calendar.

To Date

Specify date till when you want to generate the report from the adjoining calendar.

18.4.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

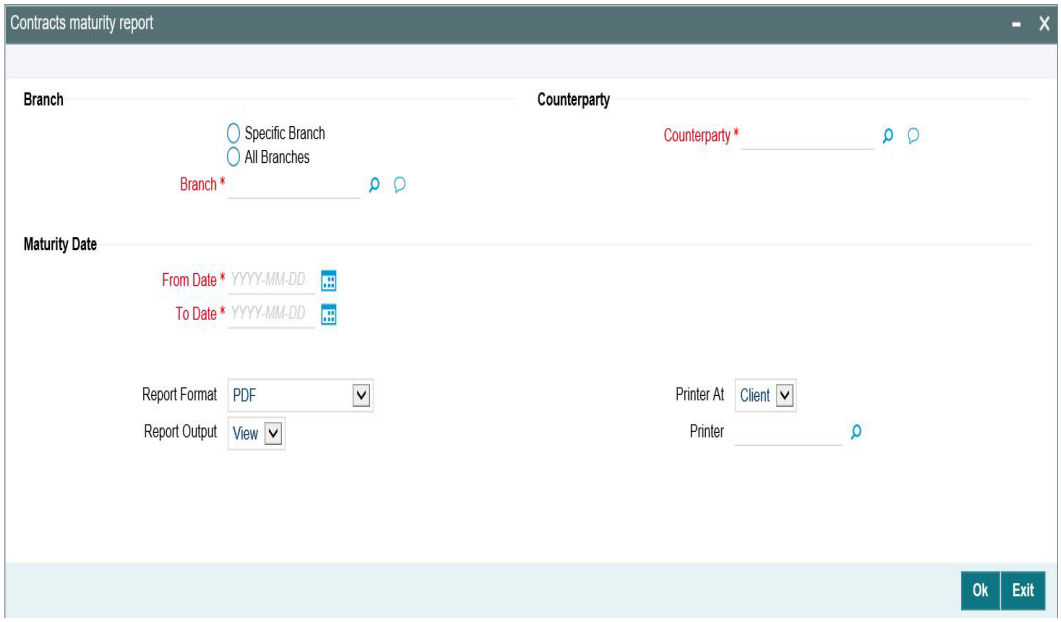
Body of the report

The report contains information on:

Fields	Description
Branch	Indicates the branch for which report needs to be generated.
Counterparty	Indicates the counterparty of the drawdown for which the report is generated.
Product Code	Indicates the product code of the drawdown contract
DrawDown Contract Reference	Indicates the drawdown contract reference number
Component OverDue	Indicates the drawdown component that is overdue
Amount Overdue	Indicates the drawdown amount overdue
Overdue Days	Indicates the overdue days

18.5 Contracts Maturity Report

You can invoke the 'Contracts Maturity Report' screen by typing LBRINICM in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select 'Specific Branch' if you know the branch code and specify the branch code for which the report has to be generated in the 'Branch' field.

Select ‘All Branches’ if you do not know the branch code. The ‘Branch’ adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

Maturity Date

From Date

Specify date from when you want to generate the report from the adjoining calendar.

To Date

Specify date till when you want to generate the report from the adjoining calendar.

18.5.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

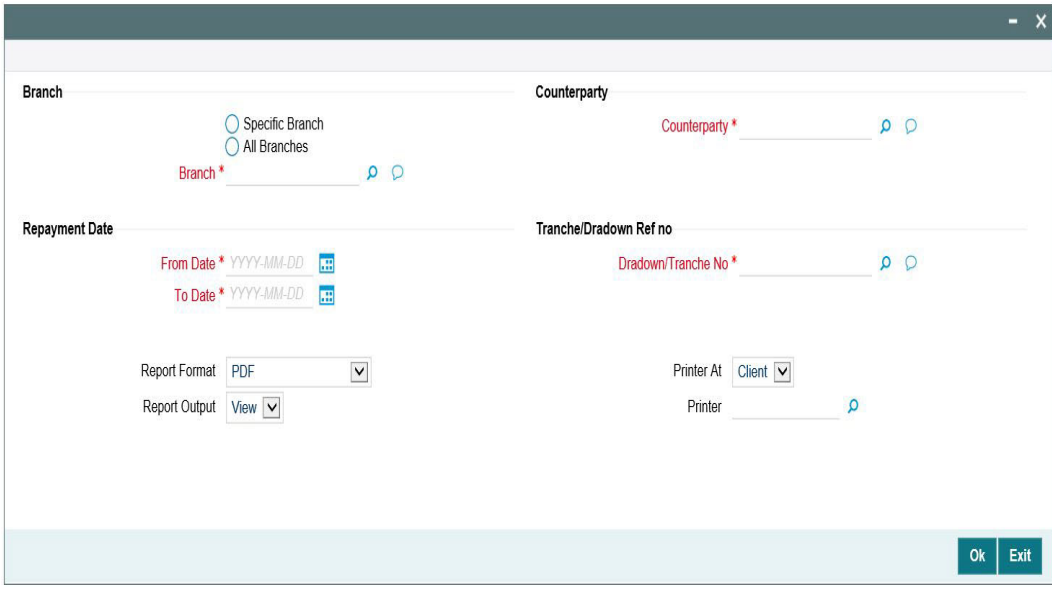
Body of the report

The report contains information on:

Fields	Description
Branch	Indicates the branch for which report needs to be generated.
Counterparty	Indicates the counterparty of the drawdown for which the report is generated.
Product Code	Indicates the product code of the drawdown contract
DrawDown Contract Reference	Indicates the drawdown contract reference number
Maturity Date	Indicates maturity date of drawdown contract
Amount	Indicates the drawdown amount
Currency	Indicates the drawdown currency

18.6 Tranche - Drawdown Fees Report

You can invoke the ‘Tranche-Drawdown Fees Report’ screen by typing ‘LBRINITF’ in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select 'Specific Branch' if you know the branch code and specify the branch code for which the report has to be generated in the 'Branch' field.

Select 'All Branches' if you do not know the branch code. The 'Branch' adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

Repayment Date

From Date

Specify date from when you want to generate the report from the adjoining calendar.

To Date

Specify date till when you want to generate the report from the adjoining calendar.

18.6.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

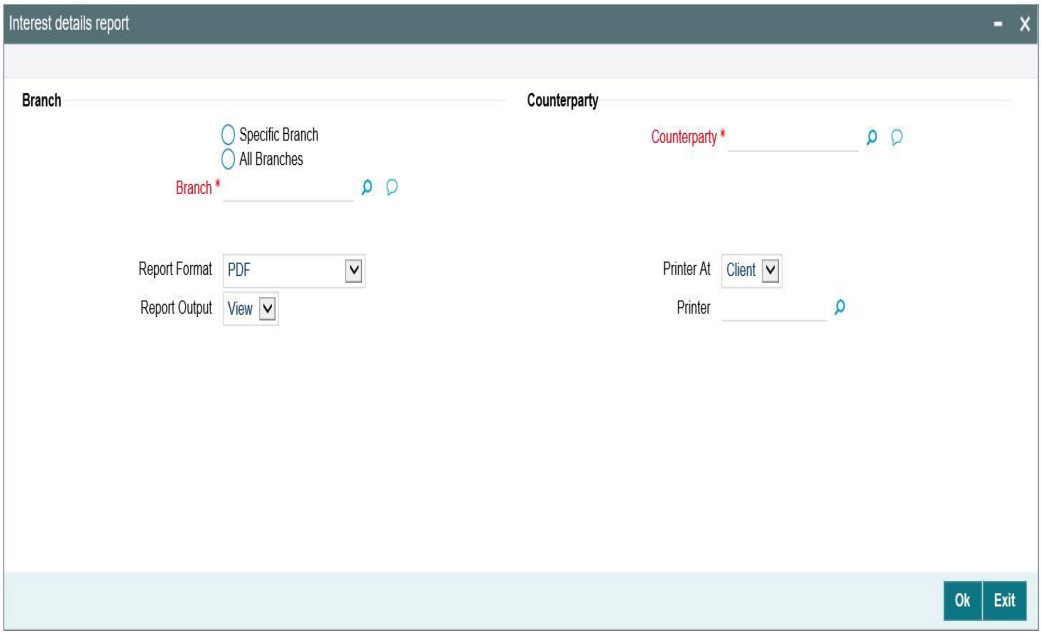
Body of the report

The report contains information on:

Fields	Description
Branch	Indicates the branch for which report needs to be generated.
Counterparty	Indicates the counterparty of the drawdown for which the report is generated.
Product Code	Indicates the product code of the drawdown contract
Tranche/DrawDown Contract Reference	Indicates the Tranche/drawdown contract reference number. You can either enter Tranche Reference Number or Drawdown Reference Number to 'Tranche/Drawdown Reference Number' field (whichever is known to you).
Repayment Date	Indicates repayment date of drawdown contract
Component	Indicates the drawdown component
Amount	Indicates the drawdown amount
Currency	Indicates the drawdown currency

18.7 Interest Details Report

You can invoke the 'Interest Details Report' screen by typing 'LBRINICA' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.



Specify the following:

Branch

Select ‘Specific Branch’ if you know the branch code and specify the branch code for which the report has to be generated in the ’Branch’ field.

Select ‘All Branches’ if you do not know the branch code. The ‘Branch’ adjoining option list displays the list of all branches available in the system. You can select the appropriate one.

Counterparty

Select the counterparty of the drawdown for which you want to generate the report from the provided list.

18.7.1 Contents of the reports

The contents of the report are discussed under the following heads:

Header

The Header carries the title of the report, information on the user who generated the report (User Id), the branch, branch date, the date and time (date and time on which report is generated), the page number and module of the report.

Body of the report

The report contains information on:

Fields	Description
Branch	Indicates the branch for which report needs to be generated.
Counterparty	Indicates the counterparty of the drawdown for which the report is generated.
Product Code	Indicates the product code of the drawdown contract
DrawDown Contract Reference	Indicates the drawdown contract reference number
Interest rate	Indicates the interest rate of the drawdown
Tenor	Indicates the tenor of the drawdown
Due Date	Indicates the due date or end date of the drawdown

19. Function ID Glossary

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