Product Release Notes
Oracle Banking Origination
Release 14.7.0.0.0
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FINANCIAL SERVICES

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Product Release Notes

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
https://www.oracle.com/industries/financial-services/index.html

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1 Release Notes

1.1 <u>Background</u>

Oracle Financial Services Software Limited has developed Oracle Banking Origination to offer seamless flexibility to financial institutions for easy adaptability to market needs and to enable banks to streamline their operations using Task based workflows and improve their overall operational efficiency while onboarding various Banking products across Savings Accounts, Current Accounts, Term Deposit Accounts, Loan Accounts and Credit Cards.

Oracle Banking Origination is the middle office banking solution with a comprehensive coverage of Retail Banking origination processes. It enables Banks to deliver improved user experience for various Bank personas handling defined functions in the lifecycle of the various product originations.

1.2 <u>Purpose</u>

The purpose of this Release Note is to propagate the enhancements in Oracle Banking Origination Release 14.7.0.0.0.

1.3 <u>Abbreviation</u>

Abbreviation	Description
IPA	In-Principle Approval
UI	User Interface
CAOD	Current Account with Overdraft
CASA	Current Account / Savings Account
DS	Data Segment
GL	General Ledger
NLP	Natural Language Processing
OCR	Optical Character Recognition
OD	Overdraft
FOP	Formatting Objects Processor
SMB	Small and Medium Business
SLA	Service Level Agreement
LTV	Loan to Value Ratio
LMI	Lenders Mortgage Insurance

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APY	Annual Percentage Yield
APR	Annual Percentage Rate
OFAC	Office of Foreign Assets Control

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1.4 <u>Release Highlights</u>

The rationale for the product release of Oracle Banking Origination Release 14.7.0.0.0 is to further enhance the origination features of the existing products supported such as Savings Accounts, Current Accounts, Credit Cards, Term Deposits and Loans and help improve the competitiveness of our product in the market.

Following are the features included in the release along with forward porting of applicable fixes related to the incidences reported in previous versions and technical qualification to comply with approved Tech Stack.

- Savings/Current Account OD for Individuals - Enhancement in workflows
- IPA Enhancements – Initiate & Approval Stages
- Post Offer Amend Data Segment – UI changes for Loans and Current Account Overdraft (CAOD)
- Financial Details Data Segment – UI changes for SMB Customer Types
- Collateral Details Data Segment - Loan to Value Ratio (LTV)
- Fees and Charges – Enhancements related to Capitalized Charges
- Ability to identify First Home Buyer Loan application
- Ability to select Pre-defined purposes during application Initiation/ entry
- Capability to capture solicitor details
- Lenders Mortgage Insurance(LMI)
- Ability to Onboard Guarantor and enrich Guarantor details
- Income Reliant and Guarantor Financials
- Enrich Collateral Capture – Purchase Property, Collateral Address, Ownership
- Guarantee Collateral
- Underwriting - Display property summary in Valuation and Legal Opinion Data Segment
- Capture Conditions and Covenants during Application process
- Ability to capture profession code
- Address and Media details standardization
- Ability to support regulatory compliance across the various geographies

1.5 <u>Release Enhancements</u>

1.5.1 <u>Savings/Current Account OD for Individuals Enhancement in workflows</u>

Savings Account and Current Account originations for **Individuals Overdraft** will now have the Assessment feature along with **Offer Issue**, **Offer Accept / Reject** and **Post Offer Amend** workflows.

Essentially there will be three variants of the origination workflow for Savings and Current Account overdrafts:

- Overdraft with Collateral other than Bank own Term Deposit (secured)

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- Overdraft with Bank's own Term Deposit as Collateral (secured)
- Overdraft - Unsecured

Offer Issue, Offer Accept /Reject, Post Offer Amend feature will be made available only when the collateral provided for overdraft is other than that of Bank's own Term deposit and in case when the overdraft is Unsecured.

In case the collateral provided is Bank's own Term Deposit, the origination workflow will skip **Assessment** and **Offer Stages** will move directly to **Account Approval** Stage.

1.5.2 IPA Enhancements – Initiate and Approval Stages

IPA Enhancements – The origination workflow will have a two-stage workflow for IPA

- **Initiate stage**
- **Approval stage**

In the **Initiate stage**, the following enhancements have been done

- IPA details data segment – for vehicle loan the 'make' and 'model' type indicator fields have now been made non-mandatory
- In case System Recommendation for IPA application is Rejected, the Reject letter will now be generated within the Initiate stage (FOP advice)
- In case System Recommendation for IPA application is Approved, the application will be moved to the next referenced Approval stage.

In the **IPA Approval stage,** the following enhancements have been done

- Assessment Summary DS (view only) has been included
- IPA Approval DS (new) - will provide the following details with a user recommendation action option to Approve or Reject

    ❖ Approved Amount

    ❖ Tenure of Loan

    ❖ Purpose of Loan

    ❖ Interest Rate (Product offered rate)

    ❖ Date of Issue

    ❖ Validity Period

    ❖ Date of Expiry

- If approved, will generate IPA offer (FOP advice)
- If rejected, will generate regret offer (FOP advice)

1.5.3 Post offer Amend Data Segment – UI Changes for Loan and Current Account OD

UI changes on the Post Offer Amend Data segment were done to accommodate the Interest Variance and Margin fields based on Fixed and Floating Rates respectively.

In the Post Offer Amend DS the Applicant will be able to request for AMEND of Loan components / CASA- Overdraft components even after the Offer has been made by the Bank. (Applicable for INDIVIDUAL and SMB Asset Product Originations)

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The following data segments are made available in the Post Offer Amendment Stage for LOANS

- **Assessment Summary DS** – View only
- **Offer Issue** – View Only as available in the Offer Issue stage
- **Post Offer Amendment DS** - Mandatory / Editable
- **Loan Disbursement DS** - Optional / Editable
- **Loan Repayment DS** - Optional / Editable
- **Summary DS**

The following data segments are made available in the Post offer Amendment stage for CASA – Overdrafts

- **Account Limit Details** – Optional / Editable
- **Offer Issue** – View only
- **Offer Accept / Reject** – View only
- **Assessment Summary DS** – View only
- **Post Offer Amendment DS** - Mandatory / Editable
- **Summary DS**

1.5.4 Financial Details Data Segment – UI changes for SMB Customer types

UI changes were made on the Financial Details Data segment whereby for SMB Type of Customer the data segment will now render only the Income / Expense & Asset / Liabilities details in the grid format. No other changes have been done in the functionality.

1.5.5 Collateral Details Data Segment – Loan to Value Ratio (LTV)

The **Loan to Value Ratio** is computed based on the collateral details that are captured while initiating the application. The **Market LTV**, **Bank LTV**, **Total Collateral Value** and **Cover Available** values are computed and displayed in the respective fields. The computation of LTV happens with an inbuilt service and the LTV values are displayed in the corresponding fields of collateral details section. The guarantee collateral value is excluded from the **Total Collateral Value** and **Cover Available** values.

1.5.6 Fees and Charges – Enhancements related to Capitalized Charges

Using the existing framework at Business Product Definition, the system allows the user to configure different fees and charges. The fees and charges applicable to mortgage loans such as **Stamp Duty**, **Registration Charges**, **Solicitor Fees**, **Valuation**, and **Title Search Charges** are configured.

In the **Business Product Definition**, a new configuration option **Capitalization Allowed** is introduce for each charge. This option indicates whether that particular charge is applicable for capitalization while initiating an account opening origination workflow.

In the **Application Enrichment** Stage, a new option **Capitalize** for each charge is enabled in the **Charge Details** section based on the configuration set in **Business Product Definition**. The user is permitted to capitalize charges accordingly.

The **Total Amount** field is removed. The value is divided and displayed in new fields the **Total Uncapitalized Charges and Insurance** and **Total Capitalized Charges and Insurance**.

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The system will pass capitalized charge amount for inclusion to loan amount in the Disbursement Details Data Segment in which new fields the **Requested Loan Amount** and **Loan Amount** are introduced.

In the **Account Parameter Setup** stage, the original requested amount is displayed in the **Requested Loan Amount** field of the **Disbursement Details** Data Segment. The approved amount received from Decision Service is displayed in the **Loan Amount** field.

1.5.7 Ability to identify First Home Buyer's Home loan Application

Under **Create Business Product** while configuring the product, a new field **First Home Buyer Applicable** is introduced in **Business Product Details** Data Segment. This field appears only if the **Loan Account** option is selected from the **Product Type** list and the **Home Loan** option is selected from the **Product Sub Type** list.

While initiating an application and updating data in entry stage screens, the new toggle, **First Home Buyer** is introduced in the **Product Details** Data Segment for lending product. This field appears based on the configuration set for lending product. The **First Home Buyer** information captured in application initiation and application entry stage are used for Government Grants.

1.5.8 Ability to select pre-defined purposes during application entry/enrichment

While configuring the product, purpose codes are factory shipped for the **Loan** product type. The **Allow Purpose Types** field is introduced in the **Business Product Preference** Data Segment of the **Business Product Configuration**. The purpose codes that are factory shipped are as follow:

- Buy a New Home

- Construction

- Remortgage With Us

- Home Improvement / Renovation

- Motor Vehicle – New

- Motor Vehicle – Used

- Personal

- Education

- Other

While initiating an application and updating data in entry stage screens, the new **Purpose of Loan** drop-down list is introduced to capture the purpose of the loan. The new field **Purpose Description** is also introduced in the **Product Details** Data Segment to capture the additional description of the purpose code. Both the fields appear only if the purpose codes are configured in the **Allowed Purpose Types** field under **Business Product Definition**.

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1.5.9 Capability to capture Solicitor details

Solicitor details section is introduced under the **More** button in common wizard menu to capture the solicitor details. This section is applicable for all the loan product applications. User can capture the solicitor details from application entry stage till offer generation stage. Once the solicitor details are captured, user can only view the details.

1.5.10 Capability to define and execute Lenders Mortgage Insurance (LMI)

While configuring the loan product, the new field **Lender Mortgage Insurance** (LMI) is introduced in the **Business Product Preference Data Segment of Business Product Configuration**. This field is applicable only if the **Product Sub Type** is **Home Loan**. The linkage of LMI is optional. The facts such as, Loan Purpose, Staff, Application LTV are used while defining LMI rule.

While enriching an application in **Application Enrichment** stage, new data segment **Mortgage Insurance** is introduced to capture the mortgage insurance details. This data segment is also added in the **Account Parameter Setup** stage. This data segment is available for linkage in the process flow configuration and the same to be linked to Application Enrichment and Account Parameter Setup stages.

The system executes the mortgage insurance applicability rule on invoking Mortgage Insurance DS in mortgage loan application.

If LMI is applicable as per LMI rule execution outcome, the system enables LMI details summary and LMI manual capture panel. Lenders mortgage insurance premium is available in Charges Data Segment. The system provides ability for capitalization of mortgage insurance premium.

The system provides capability to charge mortgage insurance premium along with EMI amount. In case LMI is capitalized, the same is added to loan amount in disbursement details Data Segment and schedule drawn is on updated loan amount due to capitalization of LMI. Since Lenders mortgage premium is not periodic, the same is not displayed as a separate component in loan schedule.

1.5.11 Identify parties as applicants and guarantor and Ability to Onboard Guarantor and enrich Guarantor details

The new mandatory field the **Applicant Role** is introduce while capturing the customer information to identify the roles such as, **Primary Applicant**, **Joint Applicant** and **Guarantor**.

As new field Applicant Role serves multiple purposes, following fields are removed and renamed:

- Primary Applicant toggle

- Ownership drop-down list

- Holding Pattern field is renamed as **Customer Type**.

The new applicant role as **Guarantor** is introduced while capturing an application details. Guarantor can be new or existing party in the system. User can enrich the exiting guarantor details. The Guarantor is onboarded as individual customer in Party Module through the same API used for customer onboarding.

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1.5.12 Income Reliant and Guarantor Financials

A new toggle the **Income Reliant** is introduced while capturing the customer information to indicate whether the financial capture is applicable for the respective applicant. If **the Income Reliant** is captured as **Yes** in the **Customer Information** stage for an applicant, then financial details Data Segment is available for the respective applicant for capturing the financial details. User can capture financial details only for those applicants or guarantors whose **Income Reliant** option is **Yes** in **Customer Information** stage.

API call to Decision Service contains only Income reliant party financials.

1.5.13 Enrich Collateral Capture – Purchase Property, Collateral Address and Ownership

A new toggle the **Purchase Property** is introduced to indicate whether the property is a purchase property. This field is enabled only for the **Property** type of collateral.

A new section **Property Location** is introduced to capture property or collateral address. The Property Location details are used as input for deriving various collateral related fees such as stamp duty, registration charges and other government fees.

Ability to capture ownership share against property collateral, if a collateral is shared across parties is also available. A new section **Collateral Ownership Details** is introduced to capture the Ownership Type, Percentage, and Remarks.

1.5.14 Guarantee Collateral

If the guarantor is involved while submitting the loan application, then user can capture guarantee collateral in the **Collateral Details** stage. A new option **Guarantee** option is introduced in the **Collateral Type** list to capture guarantee collateral details.

If the **Guarantee** option is selected as **Collateral Type,** then the below option are introduced in the **Category** list:

- Personal Guarantee – currently this option is supported for this release

- Guarantee and Indemnity

- Government Guarantee

- Family Guarantee

User can capture addition details of Guarantee type of collateral in below introduced fields:

- Guarantee Type: Guarantee Limited by Amount option is available to limit the amount.

- Currency

- Collateral Value

- Collateral Description

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For Guarantee type of collateral, new section for Applicants and Guarantors is enabled. The applicants section displays all applicants that are involved in loan application. In this section user can select the applicant and guarantor for the **Guarantee** type of collateral.

1.5.15 Underwriting - Display property summary in Valuation and Legal Opinion Data Segments

Instead of Applicant Summary, system has provisioned to display a **Property Summary** section.

The **Valuation and Legal Opinion** display the property summary with following details -

- Collateral Description
- Collateral Type
- Category
- Collateral Value
- Owners

1.5.16 Capture Conditions and Covenants during Application process

To enable Conditions and Covenants details capture, a menu item **Conditions and Covenants** is added to More button on common wizard menu. Conditions and Covenants capture is applicable for following - Loan Application Entry, Application Enrichment, Credit Assessment, and Offer Accept/Reject stages.

Conditions and Covenants for entity as Party and Collateral are supported. Conditions could be Pre-Disbursement or Post Disbursement. Covenant Types are Financial, Reporting and Undertaking.

Status will be used to indicate Open and Complied options. Monitoring Type as dropdown with values as Fixed, Periodic and Ongoing are provided.

Once captured, Conditions and Covenants are available for view.

Pre-disbursement conditions will be validated for compliance on completion of Offer Accept/Reject stage.

1.5.17 Ability to capture Profession code

A new optional field **Profession Code** is added in Customer Information data segment to capture the profession of **Individual** type of applicants.

1.5.18 Address and Media details Standardization

Standardization is done in address section to capture additional details required for ISO address

The following fields are newly introduced:

- Location (Mandatory)

- Preferred Address

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- Address From

- Address To

- Department

- Sub Department

- Building Number

- Post Box

- District Name

- Floor

- Room

- Landmark

- Contact name /Narrative

The new section **Media** is introduced in **Address Details** section to capture multiple media details for each media type. Following are the media types:

- Phone

- Email

- Mobile

- Fax

- Swift

1.5.19 <u>Ability to support regulatory compliance across the various geographies</u>

Various features are developed to support regulatory compliance across various geographies. It leverages the process driven architecture and parameter driven configuration to lead the bank user in ensuring that the necessary information or inputs are taken from the customer. Following are some common regulation or consents introduced:

- All the documents or information from bank are communicated to account holder through preferred electronic communication mode.

- Ability to get the detailed disclosure of the interest rates. In case of credit interest, Annual Percentage Yield (APY) is disclosed and for debit interest, Annual Percentage Rate is disclosed.

- Ability to disclose the details of fee and charges.

- To capture consent on any other offering that the bank may need such as, marketing consents and preferences. These consents are related to time and communication channel or mode.

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- To identify an individual party type as belonging to armed forces for the financial institution to offer additional benefits

- To identify the parties as OFAC match and assist the financial institution to stop an account opening.

- To identify a customer as an Insider or related to the Insider. The system defines amount threshold for extension of credit to insiders and validate the breach of this amount.

- Maintain and assign adverse action reason for denial of a credit application

- To generate an adverse action notice when credit is declined or offers on terms are less favorable.

- To capture opt-in or opt-out decisions for sharing credit and other information with external entities or parties

- To capture of tax related documents based on residential status including individuals who are citizens of other countries.

- To capture consent from minor's guardian to obtain personal information of the minor and guardian details.

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2 Deprecated Features

There are no deprecated features for 14.7.0.0.0 version.

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3 Components of the Software

3.1 Documents Accompanying the Software

The various documents accompanying the software are as follows:

- Product Release Note and Installer Kit
- User and Installation manuals can be accessed from the below link
  https://docs.oracle.com/cd/F72113-01/index.htm

3.2 Software Components

Software Components of Oracle Banking Origination 14.7.0.0.0 that form part of this release are as follows:

- Service and API Components
- UI Components
- Database objects which includes tables, sequences and seed data
- Configuration files used for deployment

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4 Annexure - A: Environment Details

4.1 <u>Tech Stack – Oracle Banking Origination</u>

Component	Deployment option	Machine	Operating System	Software	Version Number
Oracle Banking Origination	Single Instance Standalone	Application Server	Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	Oracle WebLogic Server	14.1.1.0.0 + Patch 32077936**
				Java HotSpot (TM) JDK (with WebLogic Application Server)	Oracle JDK 8 Update 341 & JDK 11.0.16
		Database Server	Oracle Enterprise Linux Server 8.3 (x86 64 Bit))	Oracle Database 19c Enterprise Edition Release	19.16.0.0.0
		Message Broker	Oracle Enterprise Linux Server 8.3 (x86 64 Bit)	Apache Kafka	2.13-2.8.1
				Apache ZooKeeper	3.6.2
		Client Machines# For detailed information on Browser Support, please refer to the Oracle Software Web Browser Support Policy at https://www.oracle.com/middleware/technologies/browser-policy.html		Mozilla Firefox	Mozilla Firefox Release (87+)
				Google Chrome	Release (Version 88+)
				Microsoft Edge	Microsoft Edge (89+)
				Safari	Apple Safari (14+)

** **Patch 32077936:** JSF APPLICATION RESPONSE ISSUE FOR HTTPS PROTOCOL WHEN HTTP2 IS ENABLED, needs to be applied to Weblogic version 14.1.1.0.0.

NOTE: # Browser support is no longer based on Operating Systems but strictly tied to the browser themselves, no matter on which Operating Systems they are installed. Current release is certified on client workstations with Windows 10 and Mac OS.

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5 Annexure - B: Third-Party Software

For information on the third-party software, refer Oracle Banking Origination 14.7.0.0.0 License Guide in the OHC Documentation Library.

https://docs.oracle.com/cd/F72113-01/license.htm

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