# Oracle Financial Services Payment Patterns





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# Get Help

#### Topics:

- · Get Help in the Applications
- Learn About Accessibility
- Get Support
- · Get Training
- Join Our Community
- Share Your Feedback
- · Before You Begin

## 1.1 Get Help in the Applications

Use Help icons to access help in the application.

Note that not all pages have Help icons. You can also access the Oracle Help Center to find guides and videos.

#### **Additional Resources**

- Community: Use Oracle Cloud Customer Connect to get information from experts at Oracle, the Partner Community, and other users.
- Training: Take courses on Oracle Cloud from Oracle University.

## 1.2 Learn About Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program. Videos included in this guide are provided as a media alternative for text-based topics also available in this guide.

## 1.3 Get Support

You can get support at My Oracle Support.

For accessible support, visit Oracle Accessibility Learning and Support.

## 1.4 Get Training

Increase your knowledge of Oracle Cloud by taking courses at Oracle University.

## 1.5 Join Our Community

Use Cloud Customer Connect to get information from industry experts at Oracle and in the Partner Community. You can join forums to connect with other customers, post questions, and watch events.

## 1.6 Share Your Feedback

We welcome your feedback about Oracle Applications User Assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we did like to hear from you.

You can email your feedback to My Oracle Support.

Thanks for helping us improve our User Assistance!

# 1.7 Before You Begin

Refer to following Documents:

See What's New



# Payment Patterns

User defined payment patterns allow you to define custom repayment patterns for products in your portfolio. You can include a payment pattern while generating cash flows by entering the payment pattern code for the instrument.

This chapter describes the procedure for capturing instrument payment patterns that are too complex to be accommodated in the standard fields of Instrument tables.

The procedure for working with and managing Payment Patterns is, similar to that of other Oracle assumption rules.

#### **Topics**

- Payment Pattern Summary Page
- Searching for Payment Patterns
- Creating Payment Patterns
- Viewing and Editing Payment Patterns
- · Copying Payment Patterns
- Deleting Payment Patterns

## 2.1 Payment Pattern Summary Page

This page is the gateway to all Payment Patterns and related functionality. You can navigate to other pages relating to Payment Patterns from this point.

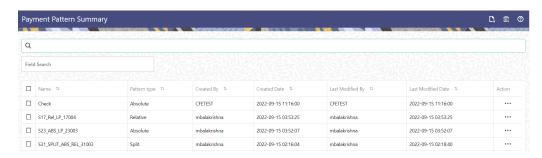
The Payment Summary Page displays the following columns.

Table 2-1 Payment Pattern Rule - Fields and Descriptions

Column	Description
Name	Displays the Payment Pattern Rule's Short Name.
Pattern Type	Displays the Payment Pattern Type, such as Absolute, Relative, or Split.
Created By	Displays the Name of the user who created the Payment Pattern.
Created Date	Displays the Date and Time at which a Payment Pattern was created.
Last Modified By	Displays the Name of the user who last modified the Payment Pattern Rule.
Last Modified Date	Displays the Date and Time when Payment Pattern was modified last.
Action	Displays the list of actions that can be performed on the Payment Pattern Rule. For more information, see Payment Pattern – Icons and Descriptions.



Figure 2-1 Payment Summary Page



The Action column on the Payment Pattern Summary Page offers several actions that allow you to perform different functions. The following actions are available for the Payment Pattern Rule.

Table 2-2 Payment Pattern Rule – Icons and Descriptions

Fields	Description
Add	Click Add icon at the top right of the Summary Page to build a new Payment Pattern Rule.
Multiple Delete	Select one or more rules in the table and then click the Delete icon at the top right of the Summary Page to delete more than one rule at the same time.
View/Edit	Click on the Action icon against the Pattern Name and select View/Edit to view or edit the contents of a Payment Pattern Rule in Read/ Write format. Depending on User Privileges the rule will open in either View or Edit Mode.
Save As	Click on the Action icon against the Pattern Name and select Save As to create a copy of an existing Payment Pattern Rule.
Delete	Click on the Action icon against the Pattern Name and select Delete to delete an existing Payment Pattern Rule.
Dependency Check	Click on the Action icon against the Pattern Name and select Dependency Check to view objects where selected Payment Pattern Rule is used.

# 2.2 Search for Payment Patterns

Search for a payment pattern to perform any of the following tasks:

- View
- Edit
- Copy
- Delete
- Check Dependencies

#### **Prerequisites**



Predefined Payment Patterns

#### **Procedure**

To search for payment patterns, do the following:

- 1. Navigate to the **Payment Pattern** summary page.
- 2. Enter the Code, Name, Description, or Type of the pattern in Search Criteria.
- 3. Click the Search icon.

Only patterns that match the search criteria are displayed.

You can control the number of rows to display on-screen by selecting the "Pagination Options" icon from the action bar.

## 2.3 Create Payment Patterns

You create payment patterns to capture the repayment behavior of instruments that are too complex to be accommodated through the use of the standard instrument table fields.

To create the payment pattern, do the following:

- 1. Navigate to the **Payment Pattern** summary page.
- 2. Click Add icon. The Add Payment Pattern page is displayed.
- 3. Enter a Code value for the new payment pattern. You can also click Generate Code Option in Code field to generate the code automatically.



The code value you assign to the new pattern must be unique. Also, the code must be mapped to the appropriate instrument records (PMT\_PATTERN\_CD field) to connect the instrument to the appropriate pattern.

- 4. Enter the Name for pattern.
- **5.** Enter a brief Description for the pattern.
- Select the Pattern Type: Absolute, Relative, or Split.
- 7. Select the Payment Type: Conventional, Level Principal, or Non-amortizing.



The Payment Type option is not available for Split Payment Pattern type.

The selection of the payment pattern type made in the previous step determines the information you must provide to successfully define that pattern type. See:

- Defining Absolute Payment Patterns
- Defining Relative Payment Patterns
- Defining Split Payment Patterns
- Click Save.



## 2.3.1 Define Absolute Payment Patterns

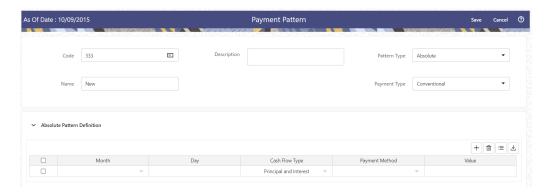
Absolute payment patterns are commonly used for instruments that are on a seasonal schedule, such as agricultural or construction loans that require special payment handling based on months or seasons.

When working with absolute payment patterns, it is sufficient to define payments for one calendar year. Once the term exceeds a year, the payment schedule will loop until the instrument matures.

#### **Prerequisites**

Selecting Absolute as the pattern type.

Figure 2-2 Absolute Payment Patterns



To define absolute payment pattern, do the following:

- 1. In the **Payment Patterns** page, select **Pattern Type** as **Absolute**.
- Select the Payment Type from the drop-down list: Conventional, Level Principal, or Non-Amortizing. The Payment Type determines the type of information required to successfully define the Payment Phase.
- 3. Define the **Payment Phases**. A Payment Phase is a set of payment characteristics that defines the timeline of the instrument's amortization.
  - a. Define the following parameters:
    - Month: This drop-down list allows you to select the month of the payment phase being defined.
    - Day: Used to specify the day of the month the payment is due.
  - Select the Cash Flow Type. The available types depends on the Payment Type. This do not apply to the Non-Amortizing Payment Type.
     Table: Relationship between Cash Flow Type and Payment Types

	Level Principal	Non-Amortizing	Conventional
Principal and Interest	Yes		Yes
Principal Only	Yes		



	Level Principal	Non-Amortizing	Conventional
Interest Only	Yes	Yes	

- c. Select the Payment Method. The available Payment Methods depend on the Payment Type. For more information, see: Relation between Payment Method and Payment Types. Payment Methods do not apply to the Non-Amortizing Payment Type.
- d. Enter the Value for the Payment Method you selected in the previous step for applicable Payment Types.
  If you selected the Interest Only Payment Method in the previous step, the Value field does not apply.
- 4. Click the **Add** icon to add additional Payment Phases to the Pattern. Click Delete icon corresponding to the rows you want to delete.
- 5. Click Add Multiple Row icon to enter the number of rows you want to add and click Go.
- The **Download Excel** icon helps you to export payment information, modify and paste back in the UI.



A Payment Pattern must have at least one valid Payment Phase to be successfully defined. The system raises a warning if you try to save a Payment Pattern with an incomplete Payment Phase.

7. Click Apply and Save.

The Payment Pattern is saved and the Payment Pattern summary page is displayed.

The following table describes the relationship between Payment Phase properties and Payment Types.

Relationship between Payment Phase Properties and Payment Types

	Level Principal	Non-Amortizing	Conventional
Month	Yes	Yes	Yes
Day	Yes	Yes	Yes
Payment Method	Yes		Yes
Value	Yes		Yes

The following table describes the relationship between Payment Method and Payment Types.

Relationship between Payment Methods and Payment Types

Payment Method	Level Principal	Non-Amortizing	Conventional
Percentage of Original Balance	Yes		
Percentage of Current Balance	Yes		
Percentage of Original Payment	Yes		Yes
Percentage of Current Payment	Yes		Yes



Payment Method	Level Principal	Non-Amortizing	Conventional
Absolute Payment	Yes		Yes
Interest Only	Yes		Yes

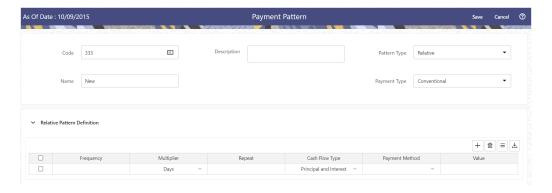
### 2.3.2 Define Relative Payment Patterns

You create Relative Payment patterns for instruments that have irregular scheduled payments.

#### **Prerequisites**

Selecting Relative as the pattern type.

Figure 2-3 Relative Payment Patterns



To define a relative payment pattern, follow these steps:

- 1. In the Payment Patterns page, select Pattern Type as Relative.
- Select the Payment Type from the drop-down list: Conventional, Level Principal, or Non-Amortizing. The Payment Type determines the type of information required to successfully define the Payment Phase.
   The payment type determines the available characteristics for defining the payment amount.
- 3. Define the **Payment Phase**.

The payment type determines the type of information required to successfully define the payment phase. For more details, see: Relation between Payment Phase Attributes and Payment Types.

- **a.** Enter the **Frequency** for each payment phase.
- b. Select the appropriate Multiplier for each payment phase from the following options:
  - Days
  - Months
  - Years
- c. Enter the number of times each Payment Phase should be repeated in the Repeat column.



d. Select the Cash Flow Type. The available types depend on the Payment Type. This do not apply to the Non-Amortizing Payment Type.

Table: Relationship between cash Flow Type and Payment Types

	Level Principal	Non-Amortizing	Conventional
Principal and Interest	Yes		Yes
Principal Only	Yes		
Interest Only	Yes	Yes	

e. Select the Payment Method.

The available payment methods depend on the payment type. For more details, see Relation between Payment Method and Payment Types. Payment Methods do not apply to the Non-Amortizing Payment Type.

- f. Type the Value for the Payment Method you selected in the previous step for applicable Payment Types.
- 4. Click the **Add** icon to add additional Payment Phases to the Pattern. Click Delete icon corresponding to the rows you want to delete.
- 5. Click **Add Multiple Row** icon to enter the number of rows you want to add and click Go.
- The **Download Excel** icon helps you to export payment information, modify and paste back in the UI.



A Payment Pattern must have at least one valid Payment Phase to be successfully defined. The system raises a warning if you try to save a Payment Pattern with an incomplete Payment Phase.

7. Click Apply and Save.

The payment pattern is saved and the Payment Pattern home page is displayed.

#### Note:

It is not necessary to set up relative payment patterns for the complete term of an instrument. The payment pattern automatically repeats until the maturity date. Suppose a payment pattern is created to make monthly payments for the first year and quarterly payments for the next three years. If you apply this pattern to an instrument record with an original term of five years, the payment pattern wraps around and the fifth year is scheduled for monthly payments.

An easy way to set up payment patterns for instruments with varying original terms is to use the repeat value of 999 in the last row of the payment pattern. For example, a payment pattern that pays monthly for the first year and quarterly thereafter, can be set up with two rows. The first row shows 12 payments in one month. The second row shows 999 payments in three months. When this payment pattern is processed it repeats the three-month payment frequency until the maturity date is reached.

The following table describes the relationship between payment phase attributes and payment types.

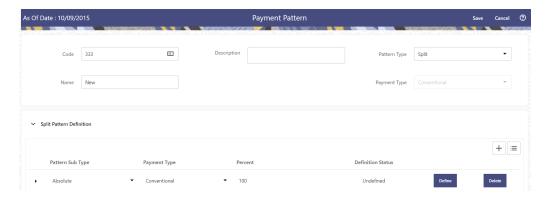
Relationship between Paym	ent Phases and	Payment	Types
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Payment Phase Attributes	Payment Types: Level Principal	Payment Types: Non-Amortizing	Payment Types: Conventional
Frequency	Yes	Yes	Yes
Multiplier	Yes	Yes	Yes
Repeat	Yes	Yes	Yes
Payment Method	Yes		Yes
Value	Yes		Yes

## 2.3.3 Define Split Payment Patterns

You can use a Split payment pattern for financial instruments that make principal payments along with two concurrent amortization schedules. Split patterns may be a combination of Absolute and Relative Payment Patterns for example, and contain multiple sets of payment phases under a single amortization code. These patterns could further use a combination of Conventional, Level Principal, and Non-Amortizing Payment Types.

Figure 2-4 Split Payment Patterns



To define a split payment pattern, follow these steps:

- 1. In the Payment Patterns page, select Pattern Type as Split.
- 2. Define Split Pattern definition.
  - Select the required Pattern Sub Type for each leg.
    - Absolute
    - Relative
  - b. Select the Payment Type for each Payment Phase or Split.
  - c. Enter the Percent value to indicate the percentage weight of the timeline being defined for the individual payment phases (each row). The sum of the percentage weights must total 100%.



#### Note:

The payment pattern term specifications for different payment phases or splits vary depending on whether you select the Absolute or Relative Pattern Type. You can define the term specifications for the splits following the steps described previously for defining payment phases for these patterns. See:

- Define Absolute Payment Patterns
- Define Relative Payment Patterns
- 3. Select one of the legs and then select **Define** button to enter pattern details for the leg.
- Select one of the legs and then select **Delete** button to delete pattern details for the leg.
- 5. Click the **Add** icon to add additional Payment Phases to the Pattern.
- 6. Click Add Multiple Row icon to enter the number of rows you want to add and click Go.
- 7. Click Apply and Save.

The Split payment pattern is saved and the Payment Pattern summary page is displayed.

## 2.4 View and Edit Payment Pattern

You can view existing Payment Pattern, and you can edit existing patterns, provided you have Read/Write privileges.

To view and edit a Payment Pattern, follow these steps:

- 1. Navigate to the **Maintenance** and select **Payment Pattern**.
- 2. Search for a Rule. For further information, see the Searching for Rules section.
- 3. Click on the **Action** icon against the Pattern Name and select **View/Edit** to open the rule you want to update.
- 4. Update the Rule details.
- 5. Click **Apply** or **Save**, depending on the Rule type.

## 2.5 Copy Payment Pattern

You can copy patterns to avoid having to enter data multiple times. This saves time and effort and also reduces mistakes.

To copy a Payment Pattern, follow these steps:

- 1. Navigate to the **Maintenance** and select **Payment Pattern**.
- Search for a Rule. For more information, see the Searching for Rules section.
- Click on the Action icon against the Pattern Name and select Save As to duplicate the rule.
- 4. Select a folder where you want to save the Rule Copy.
- 5. Enter a unique name for the new Rule.
- 6. (Optional) Enter a brief description of the Rule.



- 7. Select the access type.
- Click Save.

## 2.6 Delete Payment Pattern

You can delete patterns that are no longer required.



A pattern cannot be retrieved after deletion.

Restrictions on deleting patterns are:

- You cannot delete patterns if you have only Read privileges. Only users with Read/Write privileges and pattern owners can delete patterns.
- You cannot delete a pattern that has a dependency.

To delete a Payment Pattern, follow these steps:

- 1. Navigate to the **Maintenance** and select **Payment Pattern**.
- 2. Search for a Rule. For more information, see the Searching for Rules section.
- 3. Click on the Action icon against the Pattern Name and select **Delete**.

## 2.7 Dependency Check

You can check dependencies for rules to know where a particular Payment Pattern Rule has been used. This also prevents accidental deletion of rules having dependencies.

To check the dependency of a rule, follow these steps:

- 1. Navigate to the Maintenance and select Payment Pattern.
- 2. Search for a Rule. For further information, see the Searching for Rules section.
- Click on the Action icon against the Pattern Name and select Dependency Check to the Rule that you want to check for.



This is functionality will be released in future.

