

LOANS

Versatile Multi-Product Loans System



Loan products are getting increasingly sophisticated in the finance market. Financial institutions compete not only in interest rates, but also in the variety of loan products and service levels offered. The LOANS System (LOANS) is specifically designed and developed by Excel Technology to cater for these new requirements.



Highlights

- ◆ Multiple loan types
- ◆ Multiple currencies
- ◆ Multiple institutions
- ◆ User-definable product parameters
- ◆ Complete and flexible credit facility and line control
- ◆ Comprehensive collateral management
- ◆ Chinese language support
- ◆ Flexible repayment, scheduling and restructuring
- ◆ Document tracking and control with optional imaging function
- ◆ Barcode and MICR scanning for batch repayment
- ◆ Hong Kong Mortgage Corporation interface

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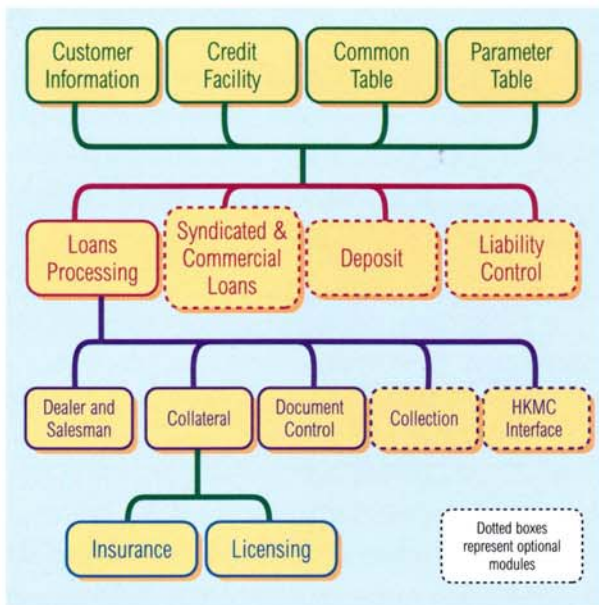
The loan types currently defined include but not limited to the following:

- ◆ Hire purchase
- ◆ Leasing
- ◆ Personal loan, tax loan
- ◆ Mortgage lending
- ◆ Overdraft (revolving & non-revolving)
- ◆ Discounting or factoring
- ◆ Stocking loan

LOANS System Structure

LOANS is made up of the following modules:

- ◆ Basic Modules
- ◆ Optional Modules
- ◆ Syndicated & Commercial Loans
- ◆ Collection
- ◆ Deposit
- ◆ Liability Control
- ◆ HKMC Interface



Common Tables and Parameters

LOANS provides flexibility through a set of user-definable parameters. Frequently changing variables such as exchange rates and interest rates are centrally kept in common "tables" which can only be modified by authorized users.

Creating new loan products or adjusting current loan definitions can be achieved easily by changing the corresponding parameters.

Customer Information (CIF)

The Customer Information Module is the central depository where all information about customers, guarantors, salesman, companies and other entities are stored. The information includes:

- ◆ Demographic information
- ◆ Relationships between individuals and companies
- ◆ Internal credit rating and other credit information
- ◆ Dealer or solicitor information for third party risk management
- ◆ Guarantor information

External Credit Check

Credit Facility

Credit Facility controls the credit limit for a particular customer or company, or for sharing between a group of companies. This credit limit has to be defined and approved before customer is allowed to utilize or drawdown any loan facilities. The credit limit will be applied to the total liability profile of that customer, should the credit limit be exceeded, senior approval will be required before further loan granting or drawdown.

Credit Line Enquiry

Loans Processing

This is the main module responsible for managing the repayment, restructuring and settlement of the loan.

- ◆ Approving loan proposal with effective yield computation
- ◆ Supporting various repayment methods including cash, direct debit, cheque etc.
- ◆ Handling repayments for full / partial instalment and early redemption
- ◆ Handling penalty interest, various fees, advance payment and principal / interest only settlement
- ◆ Reversal of invalid repayment (bounced cheques etc)
- ◆ Monthly or daily interest accrual
- ◆ Restructuring repayment schedules caused by interest rate change
- ◆ Generating general ledger entries
- ◆ Generating reminders / tracers
- ◆ Generating monthly invoices
- ◆ Printing various letters and reports

Perd.	Due Date	Instalment Amt.	Principal Amt.	Interest Amt.	O/S Principal
0	1998/11/30	0.00	0.00	0.00	1,000,000.00
1	1998/12/31	9,155.00	1,450.67	7,708.33	998,543.33
2	1999/01/31	9,155.00	1,461.85	7,697.15	997,087.48
3	1999/02/28	9,155.00	1,473.12	7,685.88	995,614.36
4	1999/03/31	9,155.00	1,484.47	7,674.53	994,129.89
5	1999/04/30	9,155.00	1,495.92	7,663.08	992,633.97
6	1999/05/31	9,155.00	1,507.45	7,651.55	991,126.52
7	1999/06/30	9,155.00	1,519.07	7,639.93	989,607.45
8	1999/07/31	9,155.00	1,530.78	7,628.22	988,076.67
9	1999/08/31	9,155.00	1,542.58	7,616.42	986,534.09
		2,197,521.36	1,000,000.00	1,197,521.36	

Trial Schedule

Dealer Commission

This module handles commission payments and executes risk management functions for dealer and salesman.

- ◆ Computing and tracking dealer & salesman commission
- ◆ Paying commission periodically, at front or at settlement of loan
- ◆ Commission adjustment, refund and amortisation
- ◆ Annual statement
- ◆ Recourse amount monitoring
- ◆ Limit control for various dealer related items such as stocking loans level & document borrowing

Document Control

This module is for the custodian department to keep track of all movements of documents.

- ◆ New document auto-registration upon loan drawdown
- ◆ Barcode printing and scanning for document in / out
- ◆ Tracking and management of borrowed documents
- ◆ Releasing document for loan settlement

Collateral

The collaterals supported by LOANS include vehicles, equipment, vessels, real estate, deposits, and equities. For collaterals which require insurance and licensing, LOANS provides the needed information on the insurance and license, and the trigger functions to alert for the renewals.

LOANS supports multi-loan with one collateral or multi-collateral for one loan. A collateral will not be released unless all the outstandings are settled.

Collection

This module provides comprehensive workflow functions to handle collection activities for delinquent accounts as well as to handle for overdue action items such as insurance expiry.

- ◆ User-definable queues for various collection activities
- ◆ User-definable parameters for controlling distribution of collection tasks
- ◆ Dairy for collectors to record actions taken
- ◆ Block and unblock of counter repayment
- ◆ Reprioritizing the follow up accounts according to actions taken
- ◆ Capturing results from outside collection agents or repossession agents
- ◆ Disposal of repossessed collateral
- ◆ Charge off processing

Syndicated & Commercial Loans

This module provides functions for lead manager or participant in offering syndicated / commercial loan.

- ◆ User-definable loan types / products
- ◆ Multiple interest rates for a particular loan
- ◆ Floating or fixed rate loan with re-pricing
- ◆ Interest protection option
- ◆ Multiple drawdowns with variable interest rate
- ◆ Put / call option
- ◆ Collection of various fees
- ◆ Repayment distribution to participants

Deposit

This module is mainly for time / fixed deposit processing.

- ◆ User-definable deposit products
- ◆ Deposit account renewal, adjustment, cancellation and settlement
- ◆ Deposit pledged as collateral for other loan
- ◆ Daily or monthly interest accrual

Liability Control

This module provides function to track funding cost and helps to manage liability of a lending business. Financial products supported include money market deposits, exchange fund bills, bonds, CD and various types of deposits and loans, FX, currency and interest rate swap etc.

- ◆ User-definable placement, deposit and swap types
- ◆ Deal capturing, authorisation and settlement
- ◆ Credit facilities granting and monitoring
- ◆ Daily interest accrual and ledger entry generation
- ◆ Periodic re-pricing and revaluation of FX deals

Excel LOANS / HKMC Interface

This module provides functions for banks to sell their mortgages to the Hong Kong Mortgage Corporation (HKMC) and to service those loans sold.

- ◆ Developing selling models by selecting mortgages according to HKMC issued criteria
- ◆ Handling all Offer Notice and Confirmation to sell
- ◆ Submitting mortgage information to HKMC through its MORE system
- ◆ Reporting repayment transactions to HKMC on mortgages sold
- ◆ Preparing payment remittance to the HKMC
- ◆ Handling of mortgage repurchased and replaced (substitution)

Reports

Over 300 online and day-end reports are available for daily operation and management analysis.

Integration with Existing Applications

LOANS can be customized to interface with other financial applications currently used in the institution such as Customer Information, Deposits, and General Ledger.

Supported Platforms

LOANS can run on all Oracle-based servers with any Windows client as a client / server application.