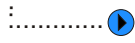




INFOLoans

Features

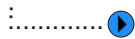


The Loans system handles a comprehensive range of Loan Products. The system manages the entire product from application, application processing, loan sanctioning to mortgage calculation, amortization schedule, repayment and recovery of the loan amount.

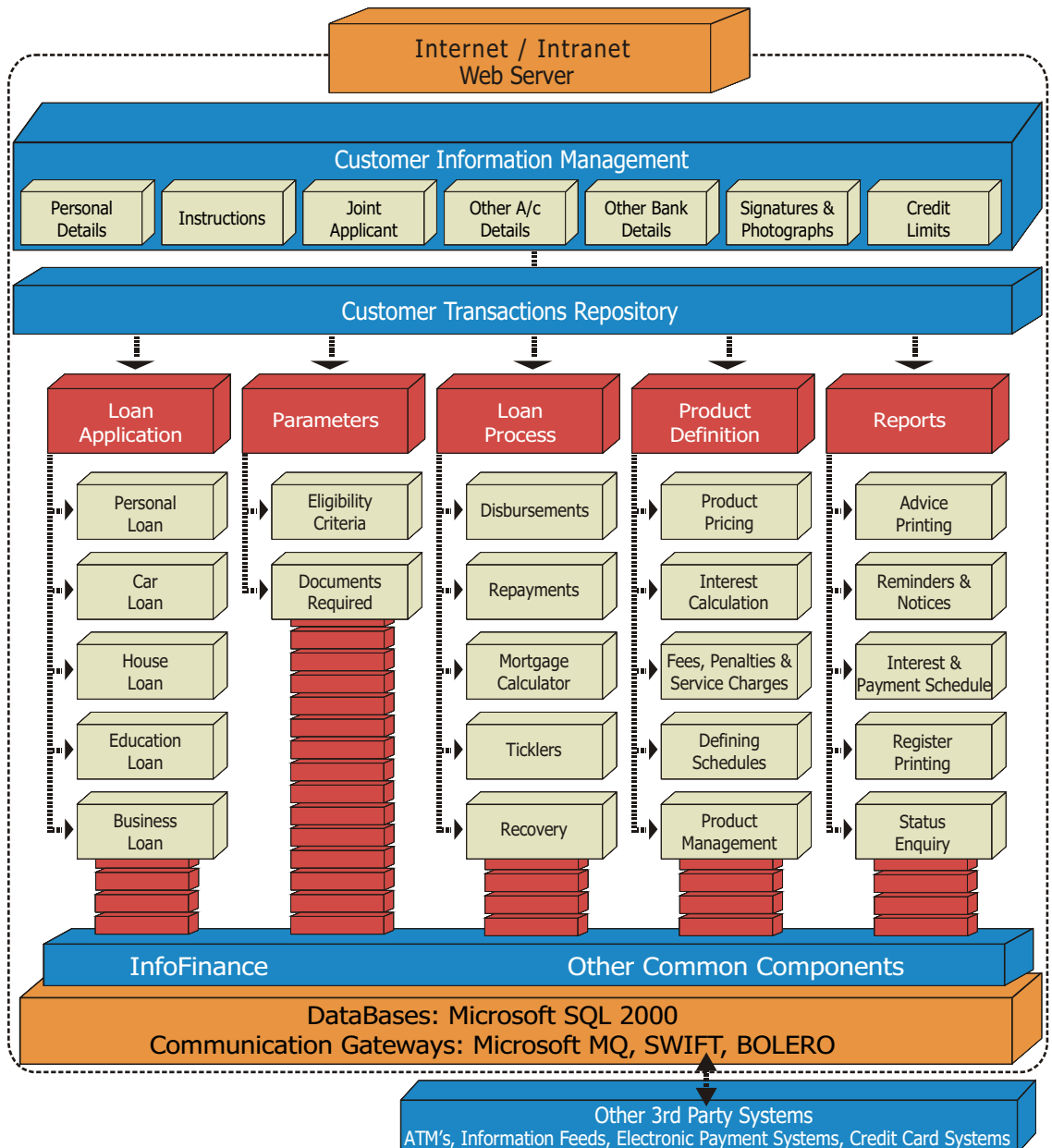
Product Definition is entirely user definable. This enables the bank to define all their products and also add new ones with ease. The Loan Product Definition module also has interfaces for defining the eligibility criteria as well as listing the documents required while applying for a loan.

- Extensive Parameter-driven System
- Flexible Product Definition
- Full Credit Control & Management Capability
- Interfacing with Accounting & Other Sub Systems
- Multi-currency & Multi-lingual System

Architecture



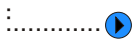
While catering to the Bank's requirements, InfoLoans Architecture described in the diagram below allows it to be deployed in a manner suitable to the bank.





INFOLoans

Modules



InfoLoans handles loan products having variation in term, interest, service charges, fees and penalties, etc.

The functionality of the InfoLoans System is described further below:

LOAN APPLICATION

The module for loan application helps capture all the personal details of the customer applying for the loan and at the same time also helps in capturing the details required depending on the type of loan, e.g Housing Loan, Car Loan, Educational Loan, etc. The Loan application also captures Guarantor Details, Insurance Terms, etc.

PARAMETERS

Certain parameters need to be considered to help process the loan application. The Applicant Eligibility Criteria for different classes of applicants such as salaried employee, self-employed individual, private limited company, etc will be different for a loan.

Similarly, the documents required checklist during a loan application can also be defined in the relevant form. The frequency with which the documents must be resubmitted can also be defined.

LOAN PROCESS

The entire process of the loan once it is sanctioned is managed in this module. On sanctioning of the loan, it is disbursed to the customer. The product selected by the customer might call for the loan being disbursed in installments, an interface is provided to define the loan disbursement schedule.

Also, the loan repayment is done in installments, which is defined using the mortgage calculator. Any deviations from the pre-defined schedule can be made using the same interface and the remaining installments will be re-calculated automatically at real time.

The system also keeps track of the ageing of the loans and generates relevant Reminder and Notices automatically to be sent across to the customer.

In case the interest on the Loan Amount and/ or the Principal Amount of the loan is overdue, the system also enables the recovery process to be followed in such a scenario.

REPORTS AND ADVICES

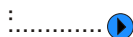
InfoLoans offers a suite of reports that can be generated based on the information gathered using the data entry forms. These reports are essential for loan and credit analysis.

This module provides for generation of various customer advices and a detailed list of registers required for management information. The module also generates and prints reminders and notices to be sent to the customers. Additionally, being an important section of loans, the system generates payment and re-payment schedules. The system also maintains a history of the entire loan which includes records of all the installments made and that are due for a certain period, interest accrual and payments. This transactions and history repository allows the users of the bank to enquire on the same at any time.





Product Parameters



The Loans system comprises a unique approach to the product definition process which provides the bank with the flexibility to define all their loan products. The Product Definition approach takes care of the following aspects while creating a product.

PRODUCT PRICING

The Product Price refers to the interest to be earned by the product. The interest rate can be fixed or based on an index such as Prime, LIBOR, HIBOR, etc. It can also be adjustable based on a schedule.

In case of a Fixed Rate Loan, the interest rate, tenor and principal are fixed beforehand. There are various methods of calculating the interest rate. Usually this rate is stored in a tabular format, varying with the principal amount and tenor.

INTEREST CALCULATION

Interest is calculated based on the following 5 factors:

- Accrual Basis (Act/Act, Act/365, 30/365, etc.)
- Compounding frequency (Monthly, Quarterly, Annually, Upon Maturity, etc.)
- Payment Frequency (Monthly, Quarterly, Annually, Upon Maturity, etc.)
- Interim Interest Treatment (Charge to Customer, Debit from same Loan A/c, Debit from another A/c, etc.)
- Accrual Days (Interest accrued on all days, Interest accrued only on working days)

FEES, PENALTIES AND SERVICE CHARGES

There are various fees, charges and penalties which are levied on the loan products. Since these can be common across multiple products, they are defined at a global level. This is to avoid replication of data.

Processing fees, Transaction and Instrument fees, Penalties for early termination of loan are examples of fees and penalties that can be defined.

SCHEDULES

The Schedule for Reminders and Notices is defined using the Reminder/Notice Schedule definition form. The Reminder/Notice schedule before the maturity date as well as after the maturity date can be defined using this interface.

The 'Duration' column denotes the number of days before/after the maturity date, the reminder/notice is to be sent.

MANAGEMENT

Product management covers all the aspects of the product required while defining or modifying a new product. It essentially deals with the following issues:

- Classification of Loan as a Non Performing Asset
- Disbursement and repayment of loans
- Early termination / pre-payment of loans
- Issuance of statements to the customer





INFOLoans

Product Definition Process



As explained earlier, InfoLoans has an extensive and comprehensive product definition system. Explained below is the flow of how best a product can be setup using this module.

FEE DEFINITION

Fees and Charges would be common across most of the products and need to be defined foremost, to avoid replication of data. The Fee Definition Form is used to define the Fee Rate and the Fee Calculation factors which are applicable to various fees and penalties. Some of the fees that can be applied to the product are Premature Closing Penalty, Delayed Payment Penalty and Processing Fees.

INTEREST DEFINITION

The second step would be to define the Interests Rates. There are four types of Interest Rates namely:

- Fixed
- Floating
- Adjustable
- Structured

TDS DEFINITION

This is also another parameter common across most products offered by the Bank. And the Tax Deducted at Source can be defined using the same Fee definition form.

DEFINING SCHEDULES

The Schedule for Reminders and Notices is defined using the Reminder/Notice Schedule definition form. The form has a 'Duration' column which denotes the number of days before/ after the maturity date, the reminder is to be sent.

DEFINING MAIN PRODUCTS

The next step would be to define the main products, which could be specified as, Fixed, Flexi, Recurring, Sweep and Structured Deposits.

Once the main product is defined, defining the sub products becomes extremely simple, since most of the conditions would be common and hence only some conditions need to be modified to define the new sub product. This saves time required for setting up new sub products and at the same time avoids duplication of information.

LINKING INTEREST RATE, FEES AND SCHEDULES WITH PRODUCTS

Once all the above have been defined, these need to be linked to have them effective. Using the Product Linking form the Interest Rate, Fees and Schedules defined earlier can be associated with a particular main deposit product.

DEFINING NEW PRODUCTS FROM EXISTING ONES

New products can now be setup by making changes to existing main products. e.g. Change in Interest Compounding frequency, Change in Interest Accrual Basis, Change in Interest Accrual Start Date, etc.

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To learn more about InfoBahn International contact us to arrange for a detailed demonstration and additional information. Call at our office locations or visit our website for the details on a partner near you.

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