

Loan Creation
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1. About this Manual

1.1 Introduction

This manual is designed to help you quickly get acquainted with the basic features of the workflow layer of microfinance loan creation.

1.1.1 Audience

This manual is intended for the following User/User Roles:

Role	Function
Corporate Customer Service Executive	Collection of applications
Compliance Executive	Performance of compliance details of all parties in a contract
Compliance Manager	Verification of compliance check carried out by Compliance Executive

1.1.2 Abbreviations

The following abbreviations are used in this User Manual:

Abbreviation	Description
BPEL	Business Process Execution Language
MFi	Micro Finance

1.1.3 Organization

This manual is organized into the following chapters:

Chapter 1	<i>About this Manual</i> gives information on the intended audience. It also lists the various chapters covered in this User Manual
Chapter 2	<i>Microfinance Customer Creation</i> explains process of creation of microfinance loans in Oracle FLEXCUBE.

1.1.4 Conventions Used in this Manual




















Important information is preceded with the  symbol.

1.1.5 Related Documents

Micro Finance User Manuals

1.1.6 Glossary of Icons

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

Icons	Function
	New
	Copy
	Save
	Delete
	Unlock
	Print
	Close
	Re-open
	Reverse
	Template
	Roll-over
	Hold
	Authorize
	Liquidate
	Exit
	Sign-off
	Help
	Add
	Delete

Refer the Procedures User Manual for further details about the icons.

2. Microfinance Loan Creation

2.1 Introduction

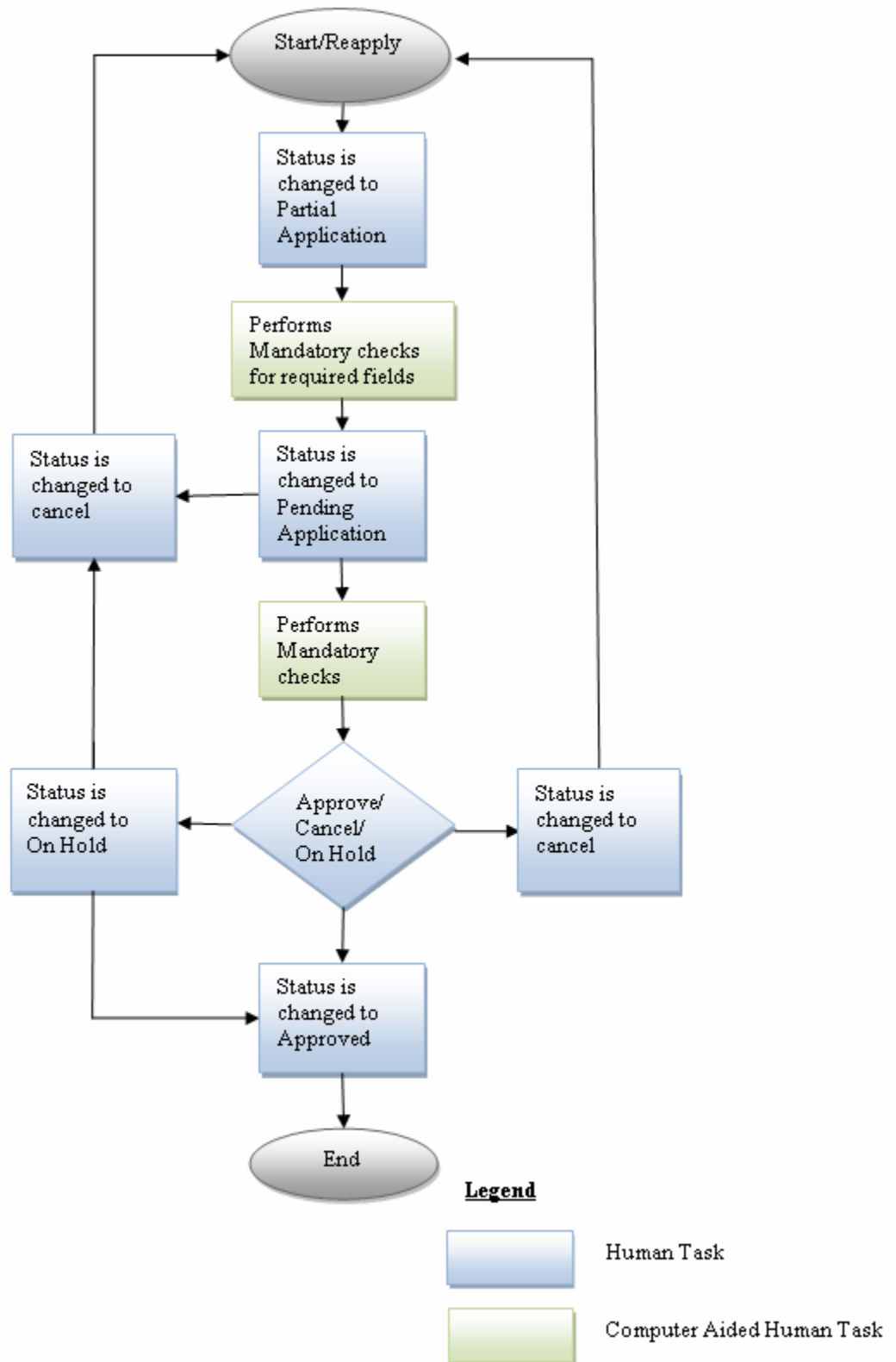
The bank initiates the process of microfinance loan creation on request from the customer. This process involves three steps. In the first place, bank captures all mandatory information pertaining to the loan and forwards the request to pending approval stage. At this stage, the bank verifies the request details against a defined set of approval conditions. From pending approval stage, the loan creation request can be approved, cancelled or kept on hold. On approval, the system creates a new loan. This document explains the processes involved in the creation of a new microfinance loan.

2.2 Creation of Loans

Creation of microfinance loan involves three stages. At every stage of loan creation, the users (with requisite rights) need to acquire the relevant transactions from their task lists and act upon them. Similarly, at different times, the system will make calls to certain web services to process the transaction.

2.2.1 Process Flow Diagram

The following diagram shows the flow and the stages for creating a loan:



Step 1. Input Basic Details of Microfinance Loan

The process of loan creation begins with partial application stage. At this stage, you have to maintain the minimum information required for the creation of a microfinance loan. You can capture specific details pertaining to the loan using 'Account Details Stage' screen. To invoke the screen, type 'MFDCIF01' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

You can capture the following details on this screen:

Workflow Reference

The system displays the workflow reference number.

Priority

Set the priority of the loan creation request. The dropdown list displays the following values:

- Low
- Medium
- High

Choose the appropriate one.

Branch

Specify the branch code.

Product Category

Specify the product category.

Account Number

Specify the account number.

Application Number

The system displays the Application Number in this field.

User Defined Status

After you enter the account number, the system displays the status of the account in this field. This is based on the products status maintenance rules.

If you have opted for status processing at the 'Group/CIF' level as part of your branch preferences, the system defaults the value of CIF status as available in the 'Customer Maintenance' screen. This status is the worst status among all the loans, savings accounts and current accounts for the customer within the current branch.

Product Code

Click the option list to select a Product Code from the list of values. Double click on a Product Code to select a particular code. The product codes are maintained in the Product Definition screen.

Alternate Account Number

Specify the alternate account number in this field. It can be an account number in the existing system from which the account has migrated to Oracle FLEXCUBE.

User Reference Number

A 16-digit User Reference Number is autogenerated and displayed here if the 'Auto Generate User Ref No' option is checked in the Branch Parameters. The format of the user reference number is BranchCode + ProductCode + Sequence number. You are allowed to modify the auto-generated User Ref No.

If the 'Auto Generate User Ref No' in Branch Parameters is not checked then the User Ref No will be blank by default and you have to specify it manually. Validations are done by the system not to save the account if an unsuppressed payment message is present which has the User Ref No as blank.

Status

Select the status from the adjoining drop-down list.

Derived Status

The system defaults the status of the individual loan account here. This is derived from the status maintenance rules of the product, during end of day operations.

At this stage, you need to choose 'Partial Application' as the status. This will be updated in the later stages.

Once you have captured the details, save the maintenance. The partial application will be moved to pending approval stage, where another user will review the information provided and add further details of the loan.

Step 2. Loan Creation Approval

Once the user input data has been saved at pending approval stage, the process continues to the approval stage. This is the final stage of microfinance loan creation. Following actions can be taken at this stage:

- Approval: If the saved information has been approved, then the loan account is will be Active.
- On hold: The records can either be approved or cancelled.
- Cancel: If Approver cancels the record then record will go to stage1 where user can modify and save data as partial application.

All approved loans will be listed in the screen 'MFDACCNT' with status as 'Authorized'. You can query the records and perform various operations from this screen.



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