Foreclosure of Retail Term Deposit Account
Oracle FLEXCUBE Universal Banking
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FINANCIAL SERVICES

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1. Foreclosure of Retail Term Deposit Account

1.1 Introduction

The process begins when bank receives a request from the customer for foreclosure of a term deposit. The bank retrieves the details of the term deposit and checks:

- Whether foreclosure is allowed as per the product terms and conditions
- If the signature / signatures on the request is/are made by the authorized signatories of the account

In case verification is not successful, the bank rejects the request made by the customer else, the bank checks if there is any lien to be released. In case lien has to be released the bank obtains necessary approvals for releasing the lien. The bank then books foreclosure of the term deposit in the relevant system and the proceeds are paid to the customer as per his/her instructions. Successful completion of all the steps required for foreclosure of a term deposit.

## 1.2 Stages in Retail Term Deposit Creation

In Oracle FLEXCUBE, the process for closing a retail term deposit is governed by several user roles created to perform different tasks. At every stage, the users (with requisite rights) need to fetch 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.

The retail term deposit opening process comprises the following stages:

- Receive and verify the request for foreclosure of a term deposit
- Generate advice of rejection of foreclosure of term deposit
- Dispatch/handover the advice of rejection of request to the customer
- Check whether lien can be released on the term deposit
- Verify details of foreclosure of term deposit
- Modify details of foreclosure of term deposit
- Release lien on the term deposit
- Book foreclosure of a term deposit
- Arrange for payment of foreclosure/partial closure amount and update details
- Endorse term deposit receipt
- Hand over term deposit receipt
- Generate confirmation advice for foreclosure of a term deposit
- Dispatch/handover confirmation advise to customer and store documents

Only users who have procured the relevant access rights can perform activities under a stage.

1.3 <u>Process Flow Diagram</u>

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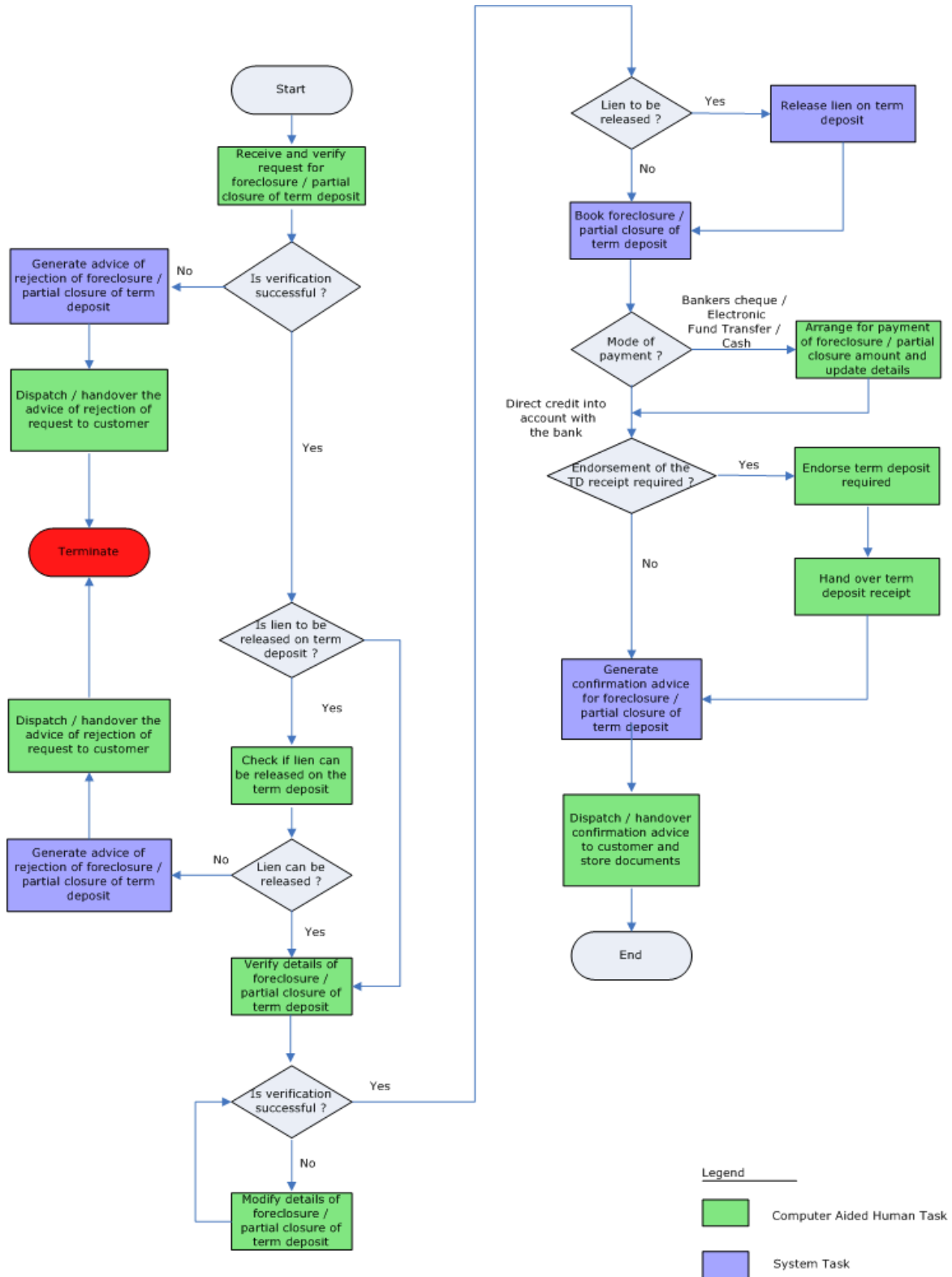
Step 1. Receive and Verify TD Account Opening form and Documents

In this stage, the bank receives request from the customer for foreclosure of a term deposit. The bank retrieves the details of the term deposit and checks:

- Whether foreclosure is allowed as per the product terms and conditions
- If the signature / signatures on the request is/are made by the authorized signatories of the account
- If any lien exists on the term deposit the bank captures the details of the foreclosure request and the request received from the customer is also uploaded as part of this activity.

Users belonging to the user role RCSEROLE (Retail Customer Service Executive) can perform these activities.

Specify the following basic details in this screen:

Workflow Reference

The reference number of the workflow is displayed here.

Priority

Select the priority for the creation of the term deposit account for a customer from the adjoining drop-down list. This list displays:

- Low
- Medium
- High

Account Details

Capture the basic account details of the customer here:

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Branch Code

The current logged in branch is displayed here.

TD account No

Specify the account number of the term deposit from the option list. The list displays all the valid TD account number maintained in the system.

Account Type

Select the account type from the drop-down list. The options available are:

- Single
- Joint

Mode of operation

Select mode of operation from the drop-down list. The options available are:

- Single
- Jointly
- Either – Any one or Survivor
- Former or Survivor
- Mandate Holder

Lien to be Released

If there is a lien, whether it ahs to be released or not.

Currency

The system displays the currency.

Account Class

The system displays the account class.

Customer No

The system displays the customer number.

Term Deposit Amount

The system displays the term deposit amount.

Maturity Date

The system display the maturity date.

Term Deposit Pay-in Option

The system displays the term deposit pay in option.

1.1. Capturing Primary Customer Details

Click 'Primary Customer' button to capture customer details. The following screen is displayed:

Here you can maintain the following details:

Customer Information

In this section, maintain the following basic customer details:

Customer No

The customer number is displayed here.

Full Name

The system displays the full name of the customer.

Existing Customer

The system cheks this box.

The system validates against the allowed list of documents and indicates:

- If any mandatory documents are missing as an error
- Override documents as overrides

There are two outcomes 'PROCEED and REJECT'. If the required documents have been uploaded, select the action 'PROCEED' in the text box adjoining the 'Audit' button. You will be taken to the next task. Click the save icon in the tool bar. The following screen will be displayed.
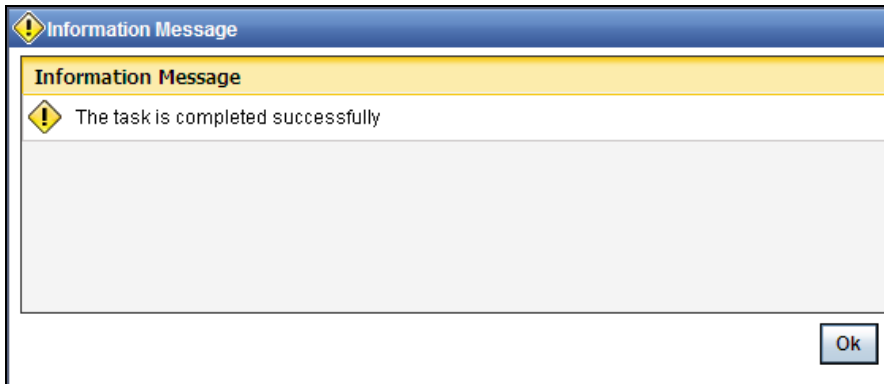
The task is then moved to the next activity.

Step 2. Generate Advice of Rejection of Foreclosure of TD

In case the verification is not successful for some reason, the bank generates advice of rejection of the request for foreclosure of the term deposit along with the appropriate reasons for rejection.

Step 3. Dispatch/Handover the Advice of Rejection of Request

The bank dispatches/ hands over to the customer, the advice of rejection of request for foreclosure of term deposit.

Users belonging to the user role RCSEROLE (Retail Customer Service Executive) can perform these activities.

Step 4. Check whether Lien can be Released on the Term Deposit

The bank checks whether with the relevant authority/ department whether the lien marked on the term deposit can be released to facilitate foreclosure.

Users belonging to the user role RCSEROLE (Retail Customer Service Executive) can perform these activities.
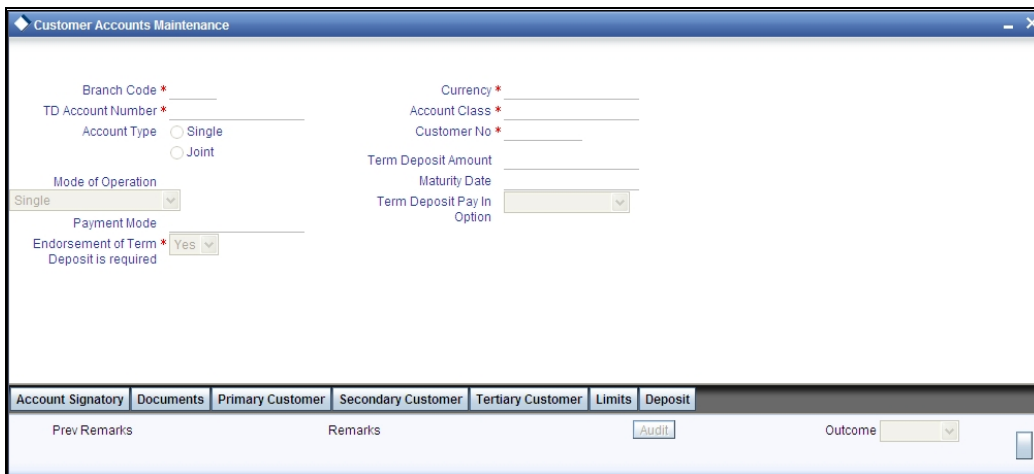
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Click 'Populate' button to capture account closure details:

In this screen verification details are displayed. If the verification is successful, select the outcome as 'Yes'. However if the verification fails select the outcome as 'No'. The system takes you to the 'Receive and Verify account Closure form' screen.

Step 5. Verify Details of Foreclosure of Term Deposit

The bank verifies the details of the foreclosure of term deposit.

Users belonging to the user role ROMROLE (Retail Operations Manager) can perform these activities.

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Click 'Deposit Details' screen, to view the term deposit details:
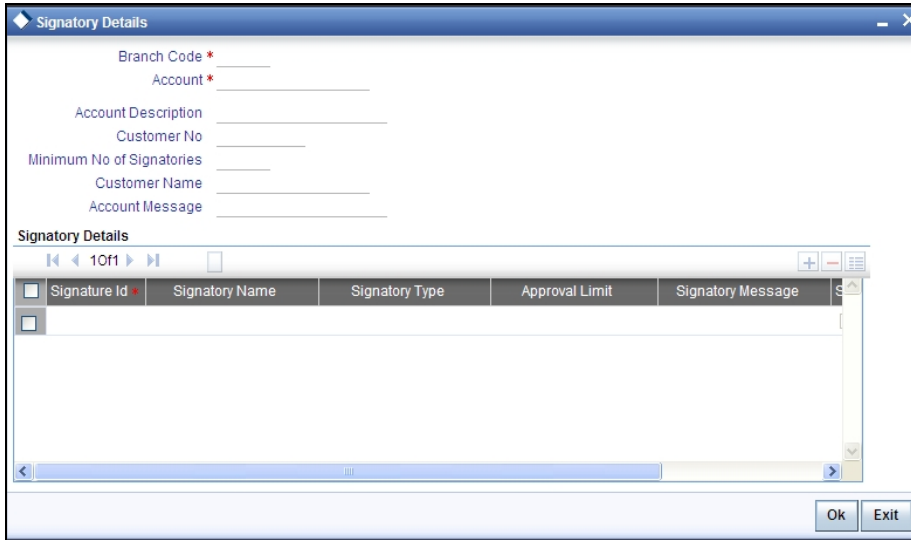
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Click 'Account Signatory' button to view the customer signatary details:

In this screen verification details are displayed. If the verification is successful, select the outcome as 'Verification Successful'. However if the verification fails select the outcome as 'Verification Failed'. The system takes you to the 'Receive and Verify account Closure form' screen.

Step 6. Modify Details of Foreclosure of Term Deposit

In case verification fails due to incorrect details, the bank makes necessary modification in the details of foreclosure request.

Users belonging to the user role ROEROLE (Retail Operations Executive) can perform these activities.

Priority

Select the priority for creating a current account from the adjoining drop-down list. The list displays the following options:

- Low
- Medium

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- High

Account Type

Select the account type from the drop-down list. The options available are:

- Single
- Joint

Mode of operation

Select the Mode of operation from the drop-down list. The options available are:

- Single
- Jointly
- Either – Any one or Survivor
- Former or Survivor
- Mandate Holder

Payment Mode

Select the mode of initial payment. The options available are:

- Cash
- Cheque

Endorsement of Term Deposit is Required

Check this box to indicate whether the endorsement of the term deposit required or not.

In this screen, the system will query for the customer attached to the account and display the details:

- TD account No
- Account Type
- Currency
- Account Class
- Customer No
- Term Deposit Amount
- Maturity Date
- Term Deposit Pay - in Option

After the modifying the details, select the outcome as 'PROCEED' and save the record by clicking the save icon in the tool bar then the task move to the next stage.

Step 7. Release Lien on the Term Deposit

If the lien on the term deposit is to be released, then the bank will release lien on the term deposit.
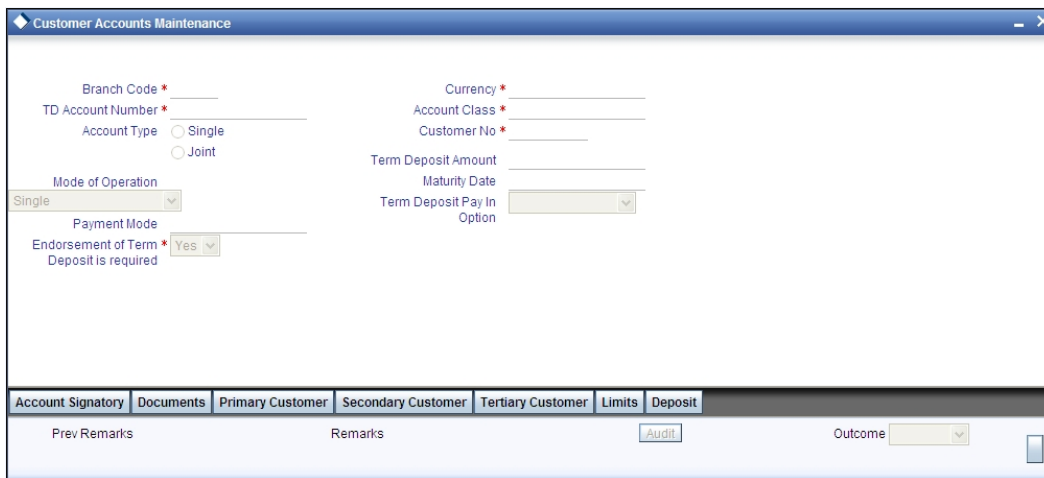
Step 8. Book Foreclosure of a Term Deposit

The bank books foreclosure of a term deposit and passes the necessary accounting entries. The process continues based on mode of payment. The closure proceeds are credited to the appropriate settlement account in case the mode of payment is by banker's cheque/ electronic funds transfer/ cash. In case mode of payment is by credit to an existing account with the bank, the amount is credited to the customer's account.

Step 9. Arrange for Payment of Foreclosure Amount and Update Details

In case the mode of payment is by banker's cheque/ electronic funds transfer / cash, the bank arranges for payment of proceeds by respective means by debiting the appropriate settlement account. The bank also updates the details of the payment made to the customer.

Users belonging to the user role ROEROLE (Retail Operations Executive) can perform these activities.

After arranging for payment amount, select the outcome as 'PROCEED' and save the record by clicking the save icon in the tool bar then the task move to the next stage.

Step 10. Endorse Term Deposit Receipt

The bank endorses the partial closure amount on the term deposit receipt. The details of the current deposit value, partial closure amount, and the penalty/charges (if any) are also noted as part of this activity.

Users belonging to the user role ROEROLE (Retail Operations Executive) can perform these activities.

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TD account No

Specify the account number of the term deposit from the option list. The list displays all the valid TD account number maintained in the system.

Account Type

Select the account type from the radio buttons. The options available are:

- Single
- Joint

Mode of operation

Select the Mode of operation from the drop-down list. The options available are:

- Single
- Jointly
- Either – Any one or Survivor
- Former or Survivor
- Mandate Holder

Payment Mode

Select the mode of payment.

Endorsement of Term Deposit is Required

In this screen you can view the following details:
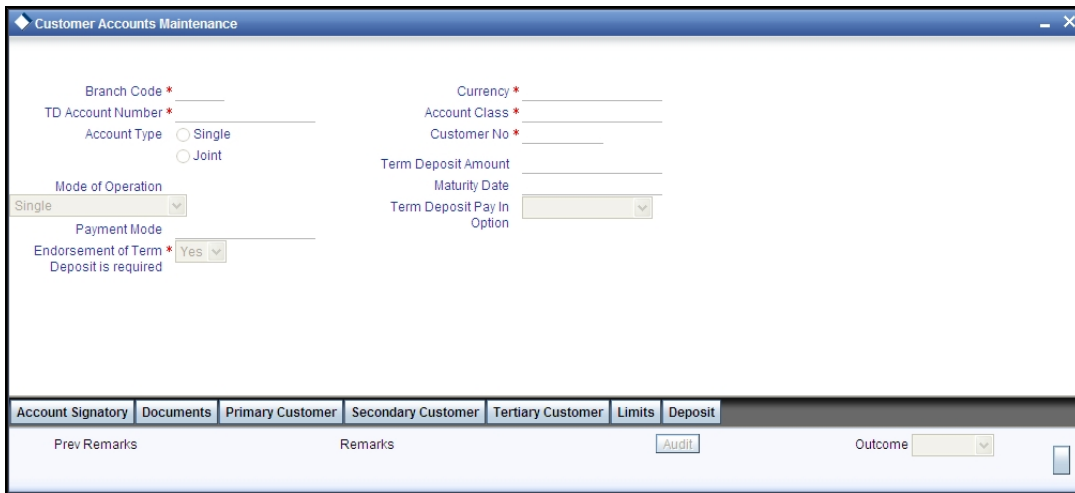
- Branch code
- TD account No
- Currency
- Account Class
- Customer No
- Term Deposit Amount
- Maturity Date
- Term Deposit Pay - in Option

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After receiving the endorse term deposit receipt, select the outcome as 'PROCEED' and save the record by clicking the save icon in the tool bar then the task move to the next stage.

Step 11.Hand Over Term Deposit Receipt

The bank hands over the term deposit receipt to the customer.

Users belonging to the user role RCSEROLE (Retail Customer Service Executive) can perform these activities.

After hand over of the term deposit receipt, select the outcome as 'PROCEED' and save the record by clicking the save icon in the tool bar then the task move to the next stage.

Step 12.Generate Confirmation Advice for Foreclosure of a TD

The bank generates confirmation advice to customer confirming the foreclosure of the term deposit.

Step 13.Dispatch/Handover Confirmation Advise to Customer and Store Documents

The bank dispatches a confirmation advice to the customer. If payment is made by means of banker's cheque, the same is also dispatched as part of this activity. The bank stores all the documents pertaining to foreclosure of a term deposit.

Users belonging to the user role ROEROLE (Retail Operations Executive) can perform these activities.

You can store the current account opening form and other supporting documents are stored in a safe and accessible location. This storage information can be recorded using 'Store Documents' screen. You can capture the storage details in this stage.

Click 'Acquire' button adjoining the 'Store Documents' task to acquire it. The following screen will be displayed.

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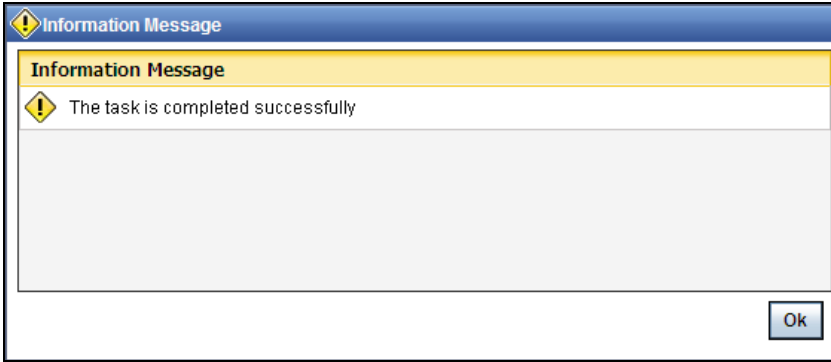
If you have requisite rights, double click on the task in your 'Assigned' task list and invoke the following screen.

In this screen the following information can be stored:

Workflow Reference #

The workflow reference number is displayed.

Priority

Select the priority for maintaining the documents.

Customer Information

The following customer information is displayed:

- Customer Name
- Customer Number

Account Details

The current account number of the customer is displayed.

Storage Details

Capture the following storage details in this section:

Date Of Storage

Capture the date of storing the documents.

Time Of Storage

Specify the time of storing the documents of the current account.

Place Of Storage

Mention the place where the document is stored.

Storage Ref. Number

Specify the storage reference number.

Select the action 'Document Stored' in the textbox adjoining the 'Audit' button in this screen and save the record by clicking the save icon in the tool bar. The following screen will be displayed:
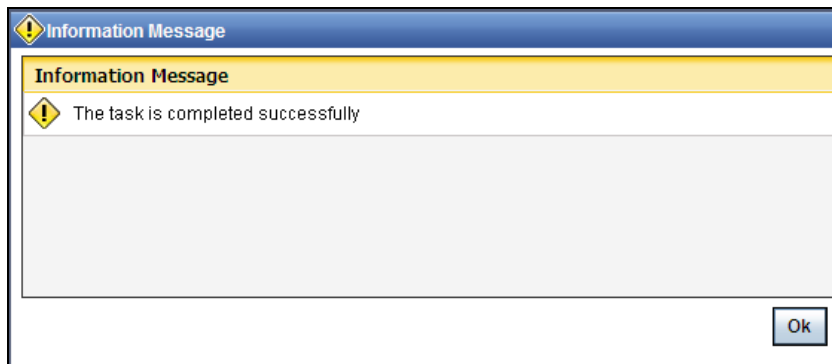
Click 'Ok' button.

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