

ORACLE LOANS

KEY FEATURES

- Standardize loan management process
- Mitigate risk through credit evaluations
- Default loan terms and conditions based on program rules
- Perform funds checking and reservation
- Automate loan approvals and funding
- Manage multiple disbursements
- Streamline loan information with a centralized dashboard
- Simplify loan servicing by monitoring statuses and agent short cuts
- Reduce delinquency rates with collections strategies
- Support Public Sector requirements such as MFAR and budgetary accounting
- Automate loan accounting and reporting

Oracle® Loans enables you to manage the complete lending cycle from origination through maturity. It provides powerful tools to simplify the origination process so that borrowers get the right loan every time. Oracle Loans streamlines loan servicing so that customers are best served. And it gives you a complete and accurate view of your portfolio so that you make informed lending decisions. Oracle Loans is part of Oracle's integrated suite of E-Business solutions for the enterprise, designed to transform your lending business into an e-business

Streamline the Lending Process

Oracle Loans enables lending organizations and government agencies to standardize the loan origination and management processes and to centralize customer information across origination, credit, servicing and collections departments.

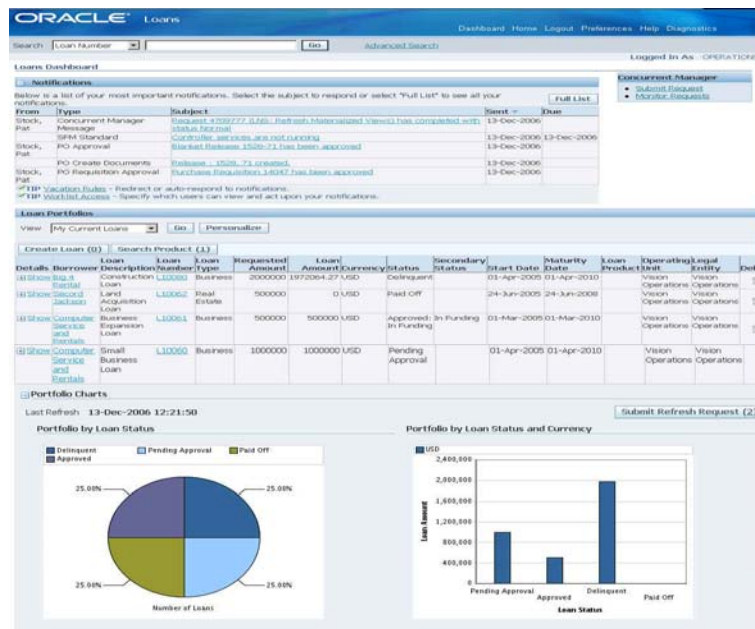


Figure 1: Loans Dashboard provides notifications, loan views and real-time portfolio graphs.

Using intuitive origination screens, loan officers and agents create online applications for new and repeat borrowers. They can also create extended repayment plans for borrowers who have outstanding receivables. Through a streamlined origination flow, loan agents review required terms, conditions, amortization schedules, disbursement schedules, collateral, repayment plans and

more. Application defaults are based on program rules that enforce policy across agents and applications. Loan agents perform funds checking and reservation to ensure there is money for each loan applicant prior to approval.

Once completed, notifications and a case folder are sent to managers for review. Through Oracle Credit Management, evaluation and recommendation for loan approval is completed using configurable credit scoring engines. After approval, the funding process automatically begins, and managers disburse funds through Oracle Payables. Loans become active and servicing agents manage their portfolio for the entire lifecycle. When a loan has multiple disbursements such as construction or student loans, the servicing agent confirms milestones are completed prior to future payments. If a particular loan becomes troubled, collections agents manage “delinquent” or “in default” loans with automated recovery tools. And, critical to accurate reporting, loan accounting is automatically generated throughout the loan lifecycle to create appropriate general ledger journals.

Know and Manage Your Portfolio

Lending organizations and agencies need comprehensive, real-time information about their loan portfolio so they can make prudent lending decisions. Portfolio graphs and reconciliation reports provide a comprehensive view of all loans in your portfolio. Lending agents review percentages of loans by status and across currency, and can reconcile billing and payment issues. Additionally, Oracle Loans provides quick access to updated borrower information so the loan officer and agent can make well-informed approval and customer support decisions. And with Oracle Customer Data Management components, agents can drill deeply into the borrower’s profile to understand the financial status, plans, profile and other details about their customers and prospects.

Mitigate Risk with Configurable Loan Products

When making loan decisions, lending organizations and agencies have to weigh funds availability and borrower risk tolerance with executive or congressional considerations. Oracle Loans provides controls for each loan program and the flexibility for the loan officer to determine the best loan product for a specific borrower.

Loan managers configure loan products to match their program rules. These products determine most defaults for each applicant including minimum and maximum loan amounts and terms; collateral requirements; credit review types; mandatory approval conditions and fees; numbers of disbursements; co-borrower and guarantor guidelines; accounting; and more. These defaults ensure compliance with your organization’s credit loan policies.

Oracle Loans electronically tracks the status and review cycle of an application to ensure all loans are appropriately processed and generate notifications for all loan status changes. Approved loans are recorded in Oracle General Ledger, disbursed through Oracle Payables and billed through Oracle Receivables.

Support Extended Repayment Plans

Oracle Loans supports the origination of loans that are the basis for extended repayment plans. Some public agencies have borrowers who have either been overpaid or owe money to the government. Extended repayment plans allow you to define terms and conditions based on published U.S. Treasury rates, agency programs and congressional approval. Extended repayment plans may be based on one or multiple receivables.

Lower Loan Servicing Costs and Improve Customer Satisfaction

Piecing together critical information regarding loan and borrower history can be difficult if not impossible with the obstacles of disjointed electronic records and incomplete and scattered paper files. With Oracle Loans, loan agents have immediate access to critical loan information and short cuts to common tasks and loan information requests—all from a central screen. They also have quick access to billing and payment details for problem resolution and can review all statements for billing clarity.

Simplify with a Centralized Dashboard

Oracle Loans' dashboard provides a central focal point for the loan officers and servicing agents. From the dashboard, agents have a single view of all of their loans. They can drill into details about each loan and navigate into origination, funding, or servicing functions based on loan status. Notifications inform the agent of loan status changes or when review and approval is required. Portfolio graphs give agents a quick status of their portfolio, including the percent and amount of all loans in each status and across currencies.

Reduce Delinquency and Default Rates on Loans and Extended Repayment Plans

Lending organizations and government agencies must aggressively minimize loan loss rates while strictly adhering to collections regulations or face censure by stockholders or Congress or both. Through integration with Oracle Advanced Collections, Oracle's lending solution offers automation to ensure the appropriate recovery strategy is initiated. Lending organizations require flexible definitions for "delinquent" and "defaulted" loans and schedule dunning notifications, collections calls, and customer site visits to effectively collect the loan. Collections agents process payments, promises, or refusals while negotiating the troubled loans. All customer interactions and notes are tracked so any loan agent or collector can access all aspects of the centralized borrower record.

Manage Public Sector Lending Requirements

Public sector lending organizations and agencies must adhere to stringent government regulations to remain compliant and to avoid disciplinary actions by Congress. A major source of loan requirements was the Financial Systems Integration Office (FSIO) guidelines issued by the U.S. federal government.

Loans can begin from one or more outstanding receivable that is later converted into a loan or extended repayment plan. Extended repayment plans must follow terms, conditions, and interest rates that were published at the time the receivable was

KEY BENEFITS

ORACLE LOANS ENABLES YOU TO:

- Streamline the lending process
- Mitigate risk with flexible origination tools
- Lower loan servicing costs and improve customer satisfaction
- Manage public sector lending requirements

RELATED PRODUCTS:

- Oracle Credit Management
- Oracle Order Management
- Oracle Projects
- Oracle Services Contracts
- Oracle Sales Contracts
- Oracle Receivables
- Balanced Scorecard
- Oracle Advanced Collections
- Oracle Trade Management
- Oracle iReceivables
- Oracle Payments
- Oracle Financials Intelligence
- Oracle Customer Data Management

RELATED SERVICES

The following services are available from Oracle Support Services:

- Oracle E-Business Suite Accelerators
- Oracle Application Solution Centers
- Oracle University
- Oracle Consulting

created, but must also be flexible enough to respond to congressional overrides. Original receivables are automatically adjusted based on the extended repayment plan terms.

Agencies need the ability to prevent public funds from unnecessarily flowing out of government treasury accounts. Some loans are eligible for netting, which overrides payments that the government may be making to borrowers. With AR/AP netting functionality, Oracle Loans can automatically apply payments to loans from the netting proceeds. This capability streamlines the recovery of government funds and reduces overall agency receivables.

Finally, Oracle Loans enables agencies to meet special accounting and reporting requirements. U.S. Government departments have multi-fund accounts receivable (MFAR) guidelines that require principal and interest payments be applied to different Treasury funds. Oracle Loans also provides appropriate budgetary and proprietary accounting entries for each major phase in the loan lifecycle.

Oracle E-Business Suite—The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on a unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, products—all aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.

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