

Oracle Banking Enterprise Recovery

A key element in a successful consumer lending operation is the deployment of leading technology solutions throughout the lending lifecycle to create efficiencies, improve decisioning and raise the level of service to borrowers. This is especially true in the Default Management Process, the back-end of the lending lifecycle, where strong processes can reduce and control net credit losses. Recovery is part of the Default Management Process and can help offset higher than expected, or rising, charge-offs, through the payback of bad debt. Oracle offers an advanced recovery solution to maximize post-charge off recoveries through in-house efforts, agency placements & surveillance, bankruptcy processing, liquidation of repossessed assets and facilitation of debt sales.

Oracle Banking Enterprise Recovery is an enterprise-class innovative solution designed to meet the complex recovery requirements of banks and financial institutions, plus is part of a larger default management solution offered by Oracle. The recovery solution, which can be sold and deployed as a stand-alone recovery solution or as part of a larger default management solution, has all the capabilities to deliver successful results.

Key Business Benefits

- Reduces cost of recovery per account
- Improves efficiencies by automating processes and optimized work allocation
- Enables quick decision making and helps strengthens compliance and governance.

Some of the solutions key capabilities are outlined below.

DEFAULT MANAGEMENT LIFE-CYCLE



ORACLE BANKING RECOVERY KEY CAPABILITIES

Financial System of Record and Single source of truth after Charge-off

The solution provides for the financial tracking of the debt post charge-off with the interface to the lender's enterprise general ledger system. This financial tracking capability includes payment posting, monetary maintenance, expense tracking, default interest accrual and settlement adjustments.

As the single source of truth post charge-off, the recovery solution can consolidate charged-off account data from multiple hosts across multiple consumer products.

Developed with Service Oriented Architecture with Consumable API's

For better efficiencies and results, recovery solutions need to be able to send and receive information between multiple third parties and agencies in real-time. Oracle Banking Recovery was developed with this in mind evidenced by its SOA architecture and consumable API's that enable the real-time bi-directional flow of data between the lender, agencies and other third parties. This capability can eliminate the need to create batch files, which are transmitted and received at the end of the work day.

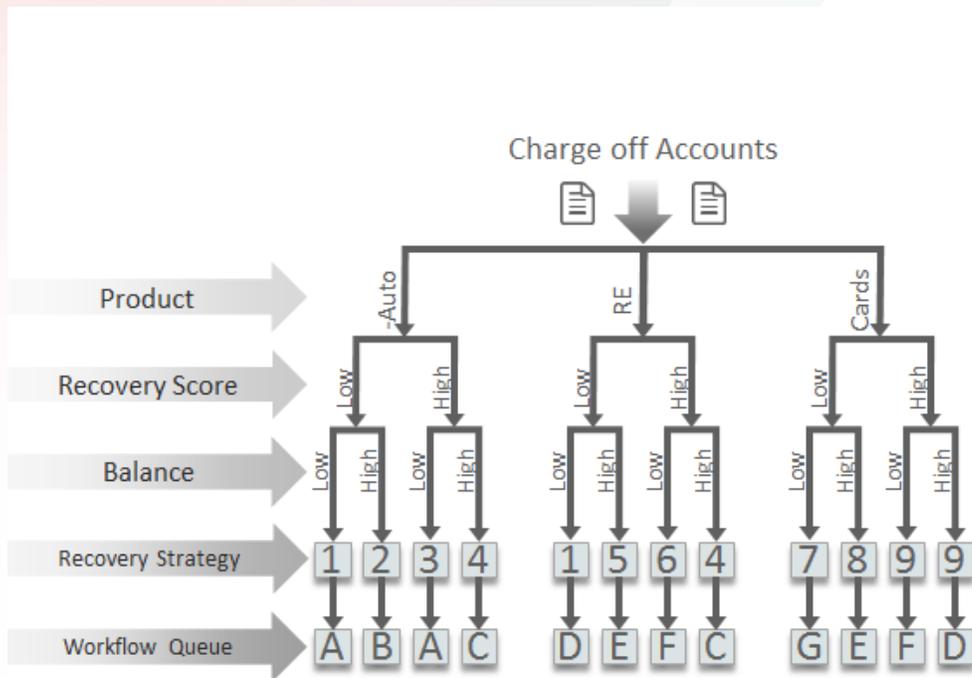
Intelligent Segmentation and Customized Treatments

One of the cornerstone capabilities of the Oracle Banking Recovery solution is the ability to segment the recovery account population based on the probability of recovery. Segmenting your general recovery pool into similar probability tranches allows for customized recovery strategies to be deployed against each tranche. Using this proven methodology, case/account assignments can be made to in-house agents, primary agencies and settlement campaigns, based on analytics to the most effective recovery channel.

In addition, multiple segmentation strategies can run concurrently, which allows test and control comparisons to be made. Within the Oracle Banking Recovery, this intelligent segmentation capability is highly configurable at the user level with change control audit tracking to manage the process.

Key Features

- Enterprise-level Recovery solution for all consumer loans
- Financial system of record for charged off accounts
- Payment processing
- Real-time processing
- Interest computation for accounts in recovery
- SOA with consumable API's allowing for bi-directional flow of data with agencies
- Segmentation of portfolio by probability of recovery
- Robust account assignment and allocation algorithms
- Leading settlement authority management and settlement campaigns
- Settlement tracking and billing
- Agency Management and Surveillance
- Bankruptcy Module
- Repossession Module
- Asset Liquidation Module
- Pre-integration linkage to predictive dialers
- US regulatory compliant



Related Products

- Oracle Banking Platform
- Oracle Banking Enterprise Collections
- Oracle Banking Enterprise Originations
- Oracle Banking Enterprise Product Manufacturing

Comprehensive Case and Account Allocation

The Oracle Banking Recovery solution supports multiple methods for allocating cases/accounts to the appropriate users. The lender can choose the most effective method for their situation or use multiple methods concurrently. The allocation is controlled by highly configurable business rules that can be changed by the user.

Also, allocation options include team assignments, individual owners based on various case/account attribute, load leveling, and maximum loads.

Supervisors or managers can also move pools of cases/accounts to other users temporarily if an employee is out. The allocation capabilities of the Oracle Banking Recovery solution provide the most comprehensive and configurable assignment options available today in the market.

Debt Settlement Campaigns and Management of Settlement Authorities

The settlement of debt is an important channel to the recovery of charge-off balances. Using the synergy between the intelligent segmentation and the settlement campaign capabilities of the Oracle Banking Recovery solution, users can maximize the debt recovered.

Within Oracle Banking Recovery, intelligent segmentation can identify and pool charged-off accounts that have a higher likelihood of agreeing to and paying a settlement. Using the settlement campaign capabilities of the solution, settlement offer letters can be created and configured for each account or sub-pool. Settlement letters, e-mails or SMS messages can be sent at any time during the recovery process to induce debtors to respond to a settlement offer.

In addition, multiple settlement offers can be sent during the life of the recovery case, while the Oracle Banking Recovery solution also has a maximum settlement authority level for each user to track,

monitor, control and report the approval of settlement offers.

Pay Plan Creation, Tracking and Monitoring

It is common for long term payment plans to be agreed upon to repay all or part of the charged-off debt. The Oracle Banking Recovery solution provides users the ability to set up a short-term payment plan (usually 3 payments or less) or a long-term plan with an unlimited number of payments with varying amounts and frequencies.

Both short-term plan and long-term plans are monitored within the Oracle Banking Recovery solution and will alert management should a payment in the plan be missed or fall short of the agreed upon amount. The case/account can be automatically be routed to the Agent/Agency that established the original plan or to any other desired user.

Default Interest Rate Accrual

For accounts in recovery, the Oracle Banking Recovery solution can maintain balances in different categories and levy interest based on a default rate. If decided, the lender can choose not to levy an interest accrual on the charged-off accounts through system configuration. The interest cycle ensures the interest is calculated based on the provided interest rate plan at a pre-defined frequency.

Agency Management and Surveillance

The Oracle Banking Recovery solution provides for external agencies as a channel of recovery. The solution can send accounts identified by intelligent segmentation, or other business rules, to the appropriate agencies in real-time.

An unlimited number of agencies can be set up in the solution with each having unique terms of business, such as commission rates and settlement authorities. Within Oracle Banking Recovery, agency performance against per-defined standards is monitored and accounts can be recalled or assigned based on specific account performance or overall agency performance.

Bankruptcy Module

Bankruptcy is a process that can take place at any point during the Default Management lifecycle. For this reason, the Oracle Recovery Solution provides a comprehensive and robust bankruptcy processing (for all Chapters), tracking and resolution capability.

A key capability of the Bankruptcy Module is the ability to assign cases/accounts to external legal counsel in real-time and to receive updates back from counsel, while Calendar management feature allows users to manage key dates like creditor meetings, show cause hearings and other important dates/events.

The Oracle Banking Recovery solution can track arrearage balances separate from contractual balances and plan balances. In addition, actions like seeking relief from the automatic stay or the filing of objections can be initiated automatically based on business rules.

The solution can store retrieve and use electronic documents pertaining to the bankruptcy case, such as the bankruptcy filing, Proof of Claim, and reaffirmation agreement.

Asset Repossession and Liquidation Module

Similar to Bankruptcy, Asset Repossession and Liquidation can occur at any point during the delinquency lifecycle. The Oracle Banking Recovery solution provides a comprehensive and robust asset repossession and liquidation capability. Users can manage an unlimited number of approved repossession vendors and monitor their performance like turn times and success percentages.

Once an asset is picked up, the liquidation model assists either internal resources or external partners with the efficient and effective sale of the repossessed asset to maximize sale proceeds and limit losses.

Expense Tracking for Charged-off Accounts

The Oracle Banking Recovery solution provides tracking the expense occurred on the charged-off account. Also, it allows the adding of the expense to the outstanding amount of the charged-off account.

US Regulatory Compliant

Oracle has invested in achieving US Regulatory compliance with all Default management solutions including Recovery. Part of this investment included a review by a Big four firm to determine Oracle's Default Management compliance with US regulatory requirements. Investment also includes hiring of compliance staff to keep our solutions compliant and to work and collaborate with our customers on new requirements.

The Journey to Compliance Leadership



CREATES AN EXCEPTIONAL USER EXPERIENCE

The solution provides interactive user interface to access the accounts in recovery. All critical information of charged-off account in recovery can be viewed in a single glance. The landing page has many widgets such as account Information, borrower Information, charge-off information, balance information, case information, and activity log comprising of financial and non-financial.

ALLOWS IN-HOUSE AND RECOVERY AGENCY ALLOCATION

The solution provides a framework for allocating the charged-off accounts to either in-house recovery team or a recovery agency. The configurability allows allocating cases based on different attributes of charged-off accounts such as days since charged-off, total outstanding amount and product types. Recovery agency can be on-boarded as Primary, Secondary or Tertiary. The charged-off accounts

can be allocated agency based on the age of the charge-off or other attributes.

VENDOR COMMISSION TRACKING

The solution provides a framework for tracking the charged-off accounts allocated to vendors. The service level agreement with individual vendor can be tracked. This ensures the performance of every vendor is monitored and necessary corrective action is taken up as required. Commission percentage for vendor can be defined in the system and system will provide the ability to calculate the commission for vendor.

US LOCALIZATION

US Regulations Compliant: FDCPA, TCPA, FCRA (Credit Bureau Reporting), TILA, E-Sign, SCRA, ECOA, URCC. Localized for US bankruptcy, repossession and liquidation processes. The solution is designed to comply with US regulations.

DESIGNED FOR RECOVERY SUCCESS

Investing in Oracle Banking Enterprise Recovery, banks and financial institutions will gain strong recovery capabilities, which is flexible enough to meet individual business needs. The solution will increase recovery rates, drive down costs, and improve process efficiency leading to a direct impact on bottom-line. The solution can be deployed stand-alone and can co-exist with their current business and technology landscapes. It acts as the single source of truth for charge-offs arising from multiple hosts spanning a variety of consumer products. Oracle Banking Enterprise recovery can transform the recovery function as suitable to the digital age with features such as consumable API's enabled by a SOA architecture and with capabilities such as intelligent segmentation. The solution is compliant to the current US regulatory framework and is capable of adapting to newer regulatory needs. It provides banks and financial institutions the ability to quickly and easily resolve any compliance concerns which arise in the future. Built on cutting edge technology, loaded with robust capabilities, with a comprehensive support across bankruptcy, repossession and liquidation, Oracle Banking Enterprise Recovery is designed for success.

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