Oracle FLEXCUBE Core Banking

Collaterals User Manual
Release 5.1.0.0.0

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Collaterals User Manual
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1. Preface

1.1. Intended Audience

This document is intended for the following audience:

- Customers
- Partners

1.2. Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

1.3. Access to OFSS Support

https://support.us.oracle.com

1.4. Structure

This manual is organized into the following categories:

Preface gives information on the intended audience. It also describes the overall structure of the User Manual

Introduction provides brief information on the overall functionality covered in the User Manual

Chapters are dedicated to individual transactions and its details, covered in the User Manual

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1.5. Related Information Sources

For more information on Oracle FLEXCUBE Core Banking Release 5.1.0.0.0, refer to the following documents:

- Oracle FLEXCUBE Core Banking Licensing Guide

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2. Collaterals

Secured Loans are backed by security. Collaterals are the tangible securities. The collaterals are defined in the system and are attached to the loan accounts. Collaterals mapping is necessary if defined at loan product level. Value of collateral attached to a loan account gains significance at the time of a loan account turning bad. This determines the classification criteria and provisioning amount.

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2.1. BA434 - Account To Collateral Inquiry

Collateral refers to all property, including the proceeds thereof, assigned, transferred or pledged to the bank by the customer as collateral for loans/overdraft. It also refers to other extensions of credit, and all Capital Stock, Mortgage Collateral, Securities Collateral and other Collateral, including the proceeds thereof, which are now or hereafter pledged to the bank.

Using this option you can view the collaterals that are linked to specific accounts. The system provides information on collateral details like the value of the collateral in percentage, which has been shared with the account, the actual lendable value of the collateral and the type of collateral i.e. primary or secondary.

Definition Prerequisites

- BAM74 - Collateral Header Maintenance
- BAM39 - Collateral Codes Maintenance
- CASA and Loan accounts to which the collateral is attached

Modes Available

Not Applicable

To inquire on collateral linked to an account

1. Type the fast path **BA434** and click **Go** or navigate through the menus to **Transaction Processing > Internal Transactions > Collaterals > Account To Collateral Inquiry**.

2. The system displays the **Account To Collateral Inquiry** screen.

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Account To Collateral Inquiry

Field Description

Field Name	Description
Account No	[Mandatory, Numeric, 16] Type the account number for which you want to perform the inquiry.
Currency	[Display] This field displays the currency of the account.

Column Name	Description
Collateral Id	[Display] This column displays the unique collateral ID.
Collateral Desc	[Display] This column displays the description for the collateral.
Share %	[Display] This column displays the percentage share value of the collateral.

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Column Name	Description
Share Value(Account Currency)	[Display] This field displays the value of the collateral linked with the account. If collateral currency is different from account currency, the conversion to account currency will be done as per the last mid rate of the last EOM for the collateral currency.
Collateral Value(Account Currency)	[Display] This field displays the actual lendable value of the collateral. The conversion of collateral value from collateral currency to account currency will be done as per the last mid rate of the last EOM for the collateral currency.
Type	[Display] This column displays the collateral type. The types are: - P: Primary - S: Secondary

3. Enter the account number and press the <**Tab**> key.
4. The system displays the account to collateral details.

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Account To Collateral Inquiry

Account To Collateral Inquiry*					
Account No: 000000007492		Currency : INR			
First Previous			1 /1 1		Next Last
Collateral Id	Collateral Desc	Share %	Share Value(Account Currency)	Collateral Value(Account Currency)	Type
517	Automobile	100	50,000.00	50,000.00	P
208	Finantial Security	100	25,000.00	25,000.00	P
516	Land	100	75,000.00	75,000.00	P

OK   Close   Clear

5.   Click the **Close** button.

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2.2. BA433 - Collateral To Account Inquiry

One collateral can be linked to more than one account.

Using this option you can view all the accounts that are linked to any collateral. The system provides information on total collateral value, unused collateral value, all the linked account numbers, the percentage share value of the collateral linked to each account, the type of collateral, etc.

Definition Prerequisites

- BAM74 - Collateral Header Maintenance

- BAM39 - Collateral Code Maintenance

- Loan & CASA account to which the collaterals are attached.

Modes Available

Not Applicable

To inquire on accounts linked to a collateral

1. Type the fast path **BA433** and click **Go** or navigate through the menus to **Transaction Processing > Internal Transactions > Collaterals > Collateral To Account Inquiry**.

2. The system displays the **Collateral To Account Inquiry** screen.

Collateral To Account Inquiry

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Field Description

Field Name	Description
Collateral ID	[Mandatory, Numeric, 22] Type the ID of the collateral.
Collateral Code	[Mandatory, Drop-Down] Select the collateral code from the drop-down list. The collateral codes are added and maintained in the **Collateral Codes Maintenance** (Fast Path: BAM39) option.
Currency	[Display] This field displays the currency of the collateral.
Total Collateral Value	[Display] This field displays the total value of the collateral.
Unused Collateral Value	[Display] This field displays the total collateral value that has not been utilized.

Column Name	Description
No	[Display] This column displays the system-generated serial number that indicates the row item number.
Account No	[Display] This column displays the account number to which the collateral ID is linked.
Share	[Display] This column displays the percentage share value of the collateral linked to the account.
Share Value(Collateral Currency)	[Display] This column displays the share value amount of the collateral linked to the account.
Collateral Value(Collateral Currency)	[Display] This column displays the actual lendable value of the total collateral value.
Collateral/Security	[Display] This column displays the collateral type.

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Column Name	Description
Propagate Collateral Value	[Toggle]
	Click the toggle status to change the value to **Yes** to propagate the collateral value.
	By default, the system displays the value as **No**.

3. Type the collateral ID and press the **<Tab>** key.

4. Select the collateral code from the drop-down list.

5. Click the **Ok** button. The system displays the collateral to account details.

Collateral To Account Inquiry

6. Click the **Close** button.

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2.3. BAM46 - Collateral Propagation

When a collateral is re-evaluated, the new value of the collateral needs to be applied. This is applicable specifically for financial securities wherein the security value of the collateral changes as per market conditions and a feed containing value of each stock comes from the stock exchange.

Using this option, propagation of collateral can be done which will trigger a change in the drawing power of the collateral whose value has changed.

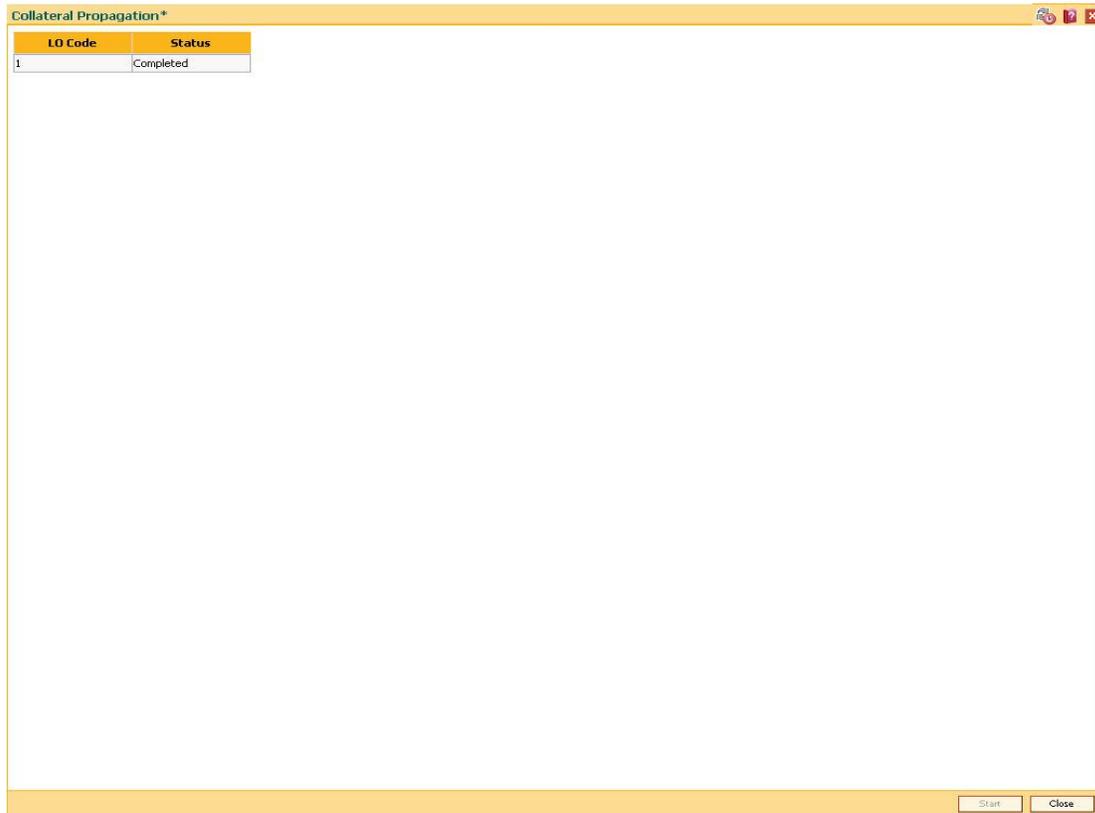### Definition Prerequisites

Not Applicable

Modes Available

Not Applicable

To propagate re-evaluation of a collateral

1. Type the fast path **BAM46** and click **Go** or navigate through the menus to **Transaction Processing > Internal Transactions > Collaterals > Collateral Propagation**.

2. The system displays the **Collateral Propagation** screen.

Collateral Propagation

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Field Description

Column Name	Description
LO Code	[Display]
	This column displays the local office code.
	The local office represents a regional office under which all the branches within a particular territory are grouped. So, when the user propagates collateral to a local office, it is effectively propagated to all the branches within that local office.
Status	[Display]
	This column displays the status of the collateral propagation.
	By default, this field displays the status as **Not Started**.

3. Click the **Start** button to propagate re-evaluation details to all branches.

Collateral Propagation
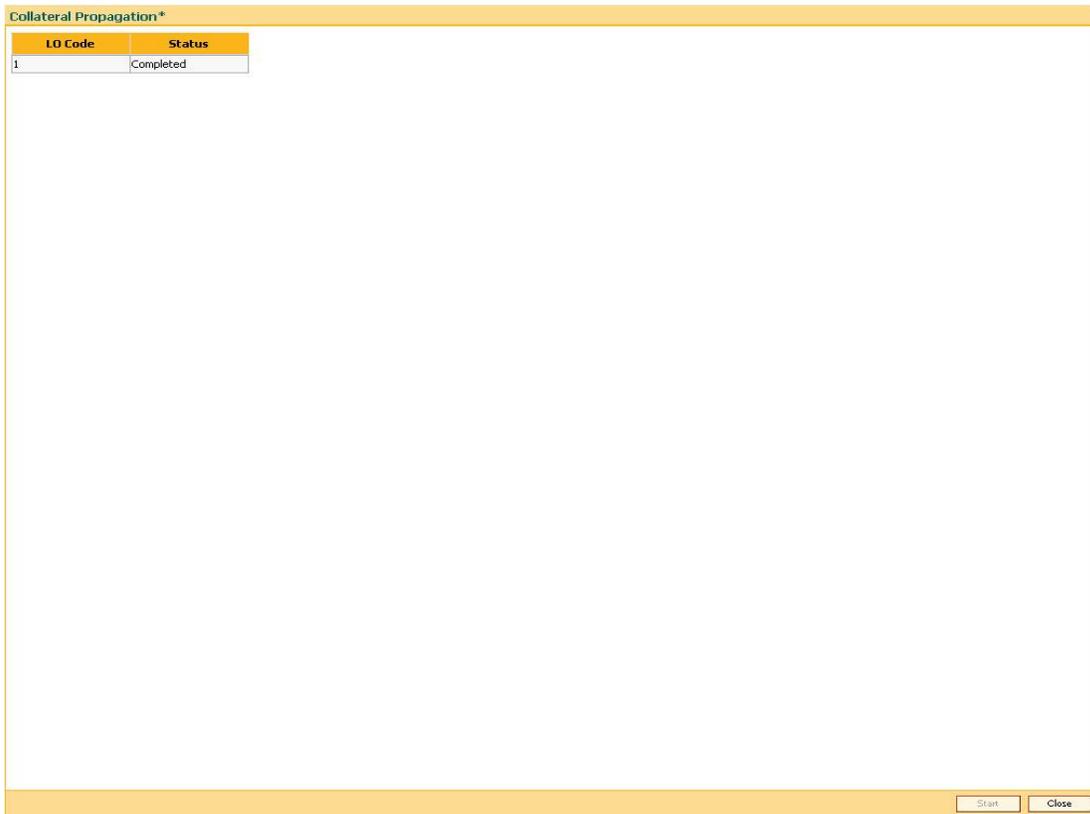
4. Click the **Close** button.

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2.4. BAM47 - Application Collateral Delink*

Using this option you can de-link a collateral linked to a loan account application. This transaction has to be authorised by a supervisor and the collateral can be released after successful Authorisation.

Definition Prerequisites

- BAM74 - Collateral Header Maintenance
- BAM39 - Collateral Codes Maintenance

Modes Available

Not Applicable

To delink collateral linked to an application

1. Type the fast path **BAM47** and click **Go** or navigate through the menus to **Transaction Processing > Internal Transactions > Collaterals > Application Collateral Delink**.

2. The system displays the **Application Collateral Delink** screen.

Application Collateral Delink

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Field Description

Field Name	Description
Application No	[Mandatory, Numeric, 16] Type the loan application number, to which the collateral ID is linked.

Column Name	Description
S. No.	[Display] This column displays the system-generated serial number that indicates the row item number.
Collateral Id	[Display] This column displays the unique ID of the collateral, linked to the application.
Collateral Type	[Display] This column displays the type of the collateral ID.
Collateral Value	[Display] This column displays the actual lendable value of the collateral.

3. Type the application number and press the **<Tab>** key.

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Application Collateral Delink

4. Click the **Ok** button.

5. The system displays the "Authorization Required. Do You Want to Continue?". Click the **OK** button.

6. The system displays the **Authorization Reason** screen.

7. Enter the relevant information and click the **Ok** button.

8. The system displays the message "Stock Adjustment completed successfully". Click the **OK** button.

Note: For more information on Authorisation transactions, refer to the *FLEXCUBE Introduction User Manual.*

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