

FaaSBank - Current Loan & Transaction Processing Functionality, June 2017

The following list was produced to provide the AFIs with an idea of what FaaSBank is currently capable of with regards to loan and transaction processing.

The idea is that upon reviewing this list, the AFIs will be able to identify - and inform NACCA about - **key pieces of functionality they believe to be currently missing from FaaSBank that they will require** e.g. specialized ways of posting/managing transactions for certain loans, unique interest calculation scenarios for specific segments of their portfolio etc.

- **Financial Products**
 - Loans
 - Lines of Credit
 - **Grants and Letters of Credit options will be added for AFIs**

- **Fund Management**
 - General Ledger accounts are tied to loan funds in Settings e.g. Bank account, Receivable account, Revenue account etc. This link is used when creating the journal import files (covered below).
 - At the moment in FaaSBank, one loan can only have one fund. Multi-fund functionality is in development.
 - The flow of loan/grant information to mandatory reporting - e.g. ABFP and ADLA - will likely be governed at the fund level e.g. "Fund A flows to the ABFP report, whereas Fund B flows to ADLA." This way loans/grants utilizing non-NACCA funds can be easily excluded from the necessary reports.

- **Loan Product Setup**
 - **Day Count**
 - Actual-Actual; Actual-365; and Actual-360
 - **Calculation Methods**
 - Simple; Compounded; and Mortgage
 - **Compounding Periods** (for Compounded and Mortgage loans)
 - Annual, Semi-Annual, Quarterly, Monthly, Semi-Monthly, Biweekly, Weekly, and Daily
 - **Interest Type**
 - Fixed or Variable i.e. a floating rate interest product.
 - **Capitalization**
 - Fee; Insurance; and/or Interest capitalization
 - **Payment Order of Precedence**
 - E.g. choose to pay down fees/insurance before interest.
 - All of the above can be edited at the loan level when required.
 - A 'Product Override' user permission exists to allow selected users to override loan product limits e.g. to disburse a loan whose interest rate is higher than a product's Maximum allowed limit.

- **Global Interest Updater**

- Allows users to post interest charges in bulk, to all loans or specific subsets of loans e.g. only to certain loan funds.
- The user selects the date the charges will be posted, and can also easily exclude specific loan groupings e.g. exclude Non-Performing loans and/or loans that have interest suspended.

- **Journal Import Files**

- FaaSBank can currently create journal import files for the following third party accounting packages:
 - Adagio
 - QuickBooks
 - Sage / Simply Accounting
- Each organization has the choice to either include or exclude the following on the journal files:
 - Disbursals
 - Accrued interest
 - Fee charges
 - Insurance charges
 - Doubtful / Provision for Loss amounts

- **EFT Import Files**

- May also be called Pre-Authorized Debit/Payment files by some AFIs.
- These are transaction files that are uploaded/submitted to financial institutions, to inform them of expected loan payments. The bank takes the info in the file and attempts to extract the payment amount from the relevant client bank accounts.
- FaaSBank currently **only includes payments** on the EFT files. **Are disbursals/advances required** on the files for your AFI?
- FaaSBank can currently create EFT import files for the following financial institutions:
 - BMO
 - CIBC
 - RBC
 - Scotiabank

- **Transaction Types**

- Loan Disbursal (advance)
- Manual Payment
 - One-off payment to a loan
 - Payment can be distributed between Principal, Interest, Fees and Insurance as desired.
- Transaction Processing
 - Bulk posting of loan transactions.
 - Can include disbursals, payments, and fee/insurance/interest charges.
 - Pulls in expected transactions from loans' Current amortization schedules.

- Payment/charge amounts can be edited before posting; and manual payments can be easily added to be posted along with the bulk transactions.
- Adjustment
 - Regular Adjustment
 - Capitalize Fee/Insurance/Interest Balances
 - Reduce Written-Off Amounts
- Charge
 - Fee
 - Insurance
 - Interest
- Reversal, and Deletion
- Write-Off
 - Regular Write-Off (can be full or partial)
 - Discard Interest Write-Off
 - Doubtful amounts (specify provision for loss)
- Loan Consolidation
 - Easily merge one or multiple loans into one loan.
 - Used during FaaSBank's simple loan **Refinance** process.
- **Fee Charges**
 - **Charge Types**
 - Fixed, % of Balance, or % of Payment
 - Amortization schedules can include multiple fees
 - Minimum and maximum amounts are set for each fee
 - A 'Fee Override' permission exists to allow specific users to post outside of these set limits
- **Insurance Charges**
 - Monthly insurance charges can be included on amortization schedules