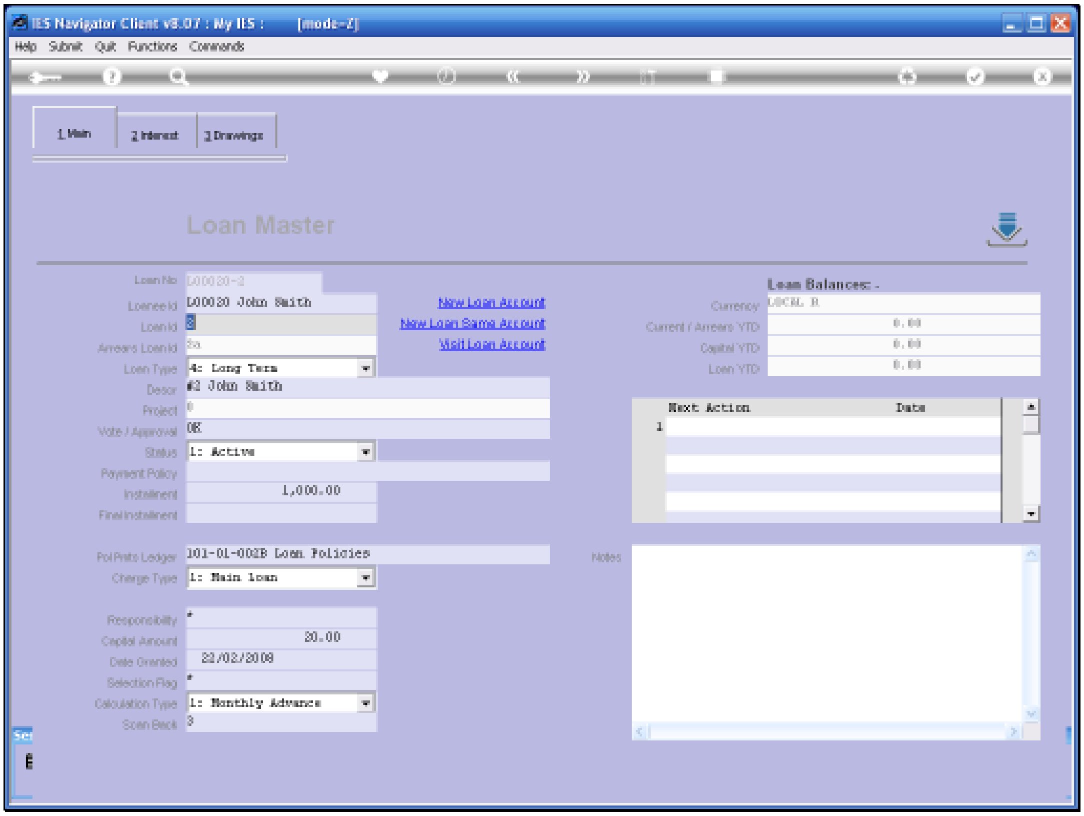
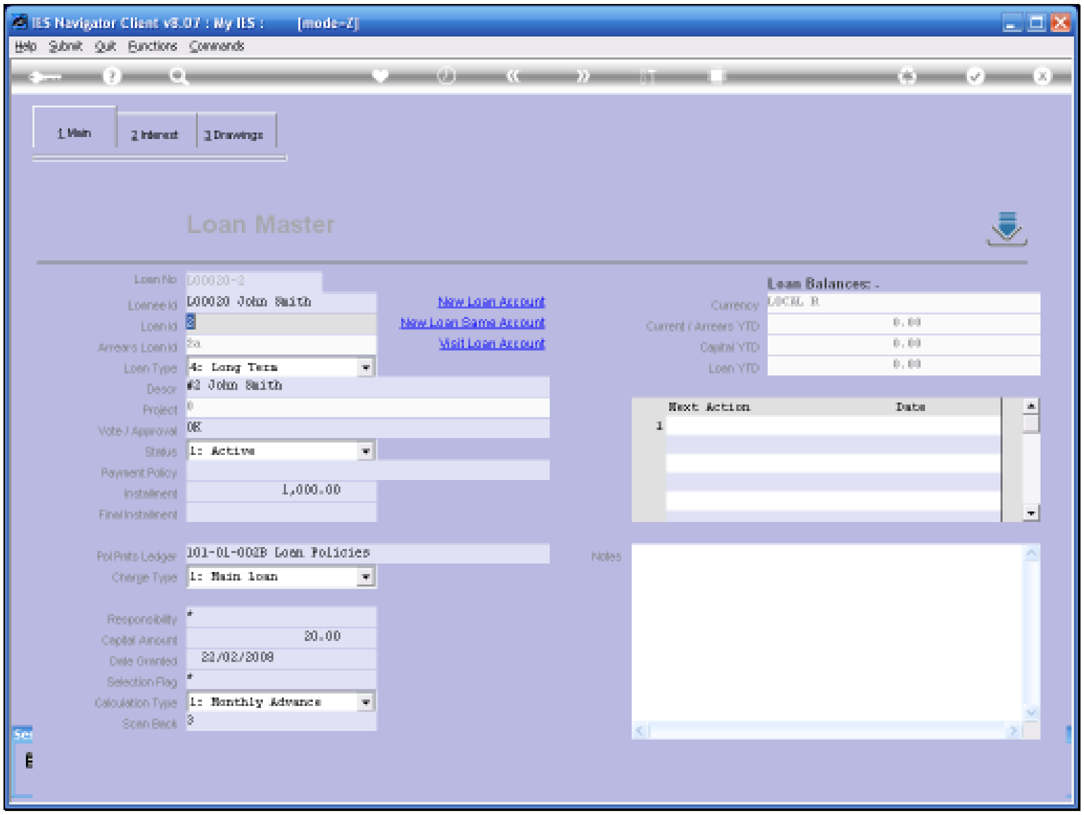


Slide 1

Normally, when we Open a New Loan, there is going to be a Cash Draw down at some stage, and that will then become the Outstanding Balance on the Loan.

In this Session we are looking at how we do a Take-on for a Loan that already has a Balance. In other words we take over a Loan from another System.



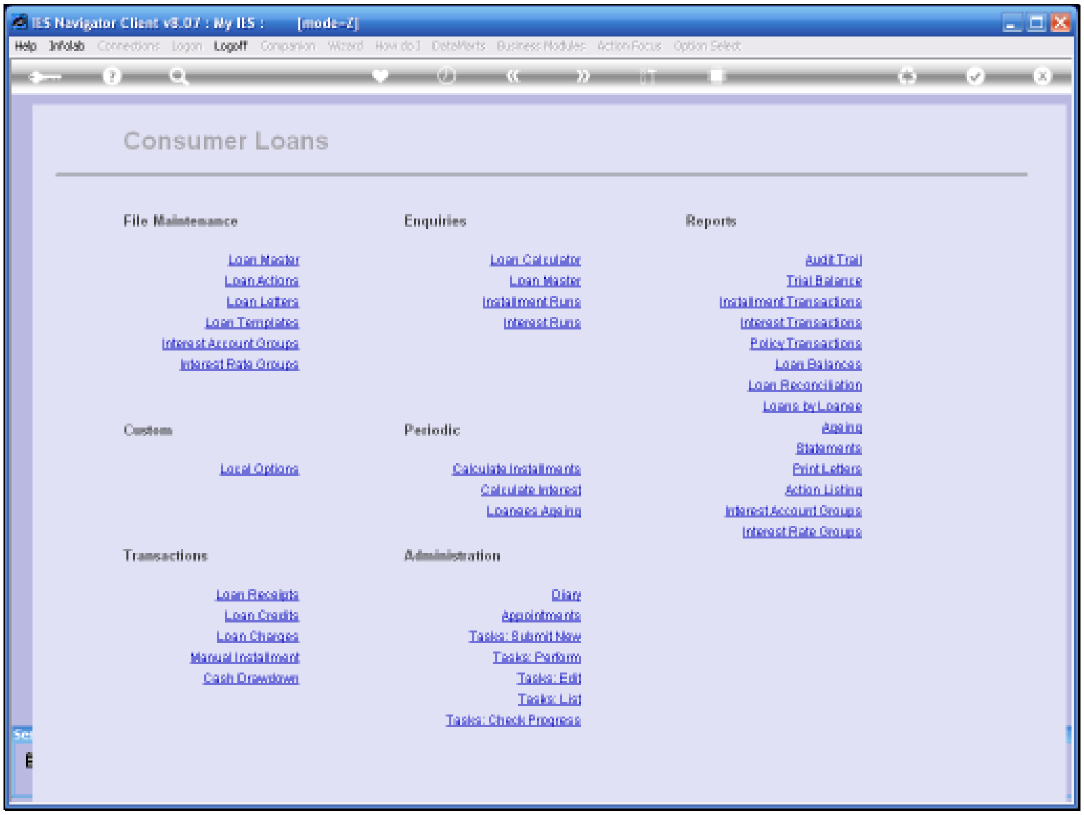
Slide 2

So what we do in this case is that we Open the Loan and then we perform a Loan Charge.

Either to the Capital or to the Capital and the Current Portions of the Loan.

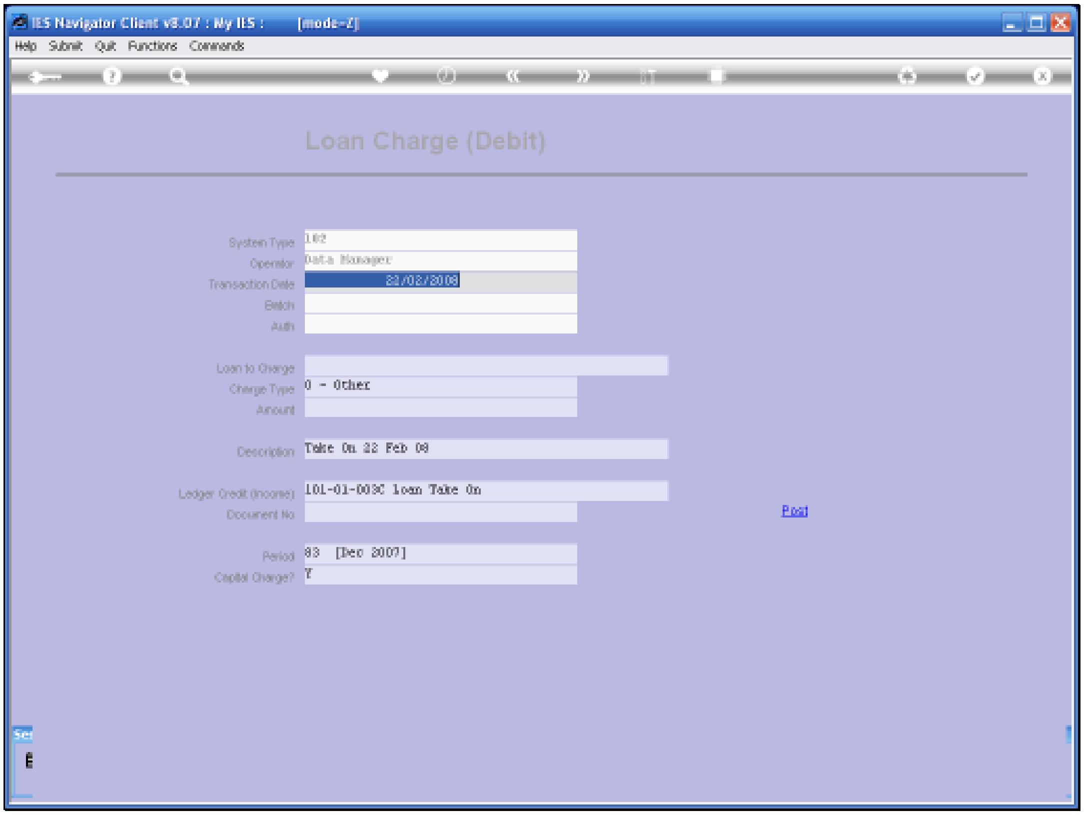
Note that on this New Loan in this example, there is no Balance at the moment.

In other words, the Loan has been Opened but there is no Balance.



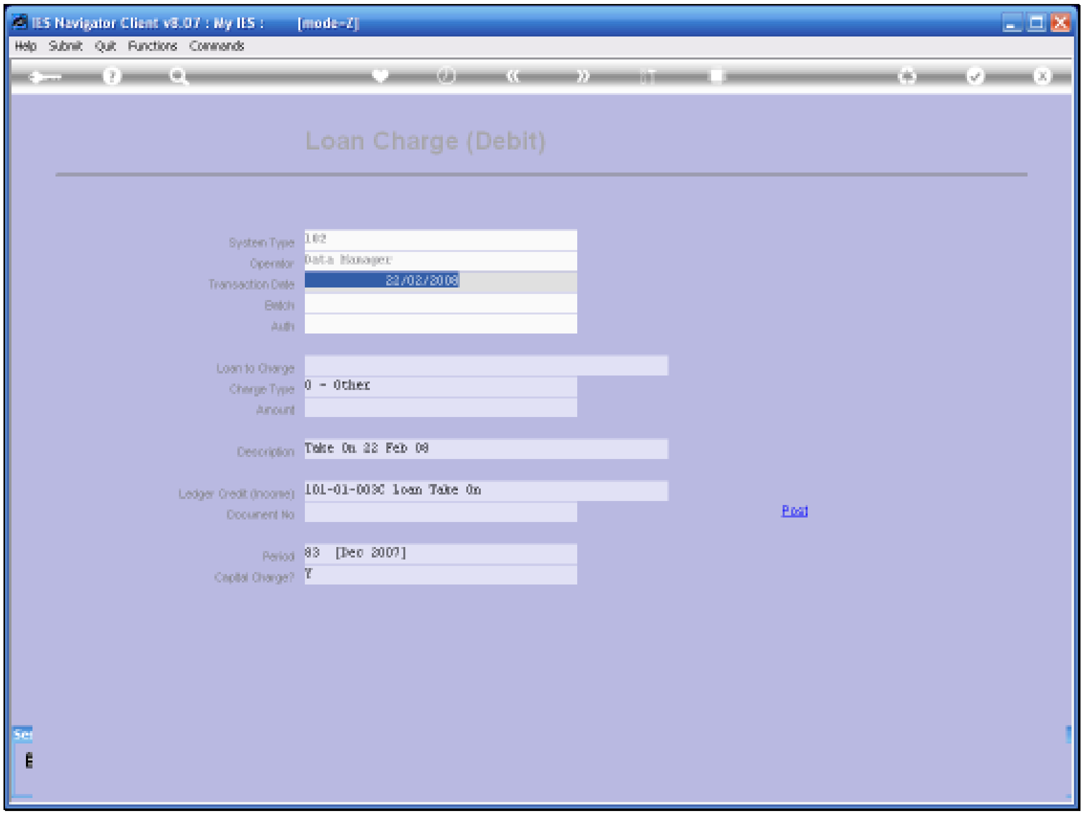
Slide 3

We are not going to perform a Cash Draw down because the Loan is already in existence and it has a Current Balance that we wish to Take-On.



Slide 4

And so we use a Loan Charge Option.

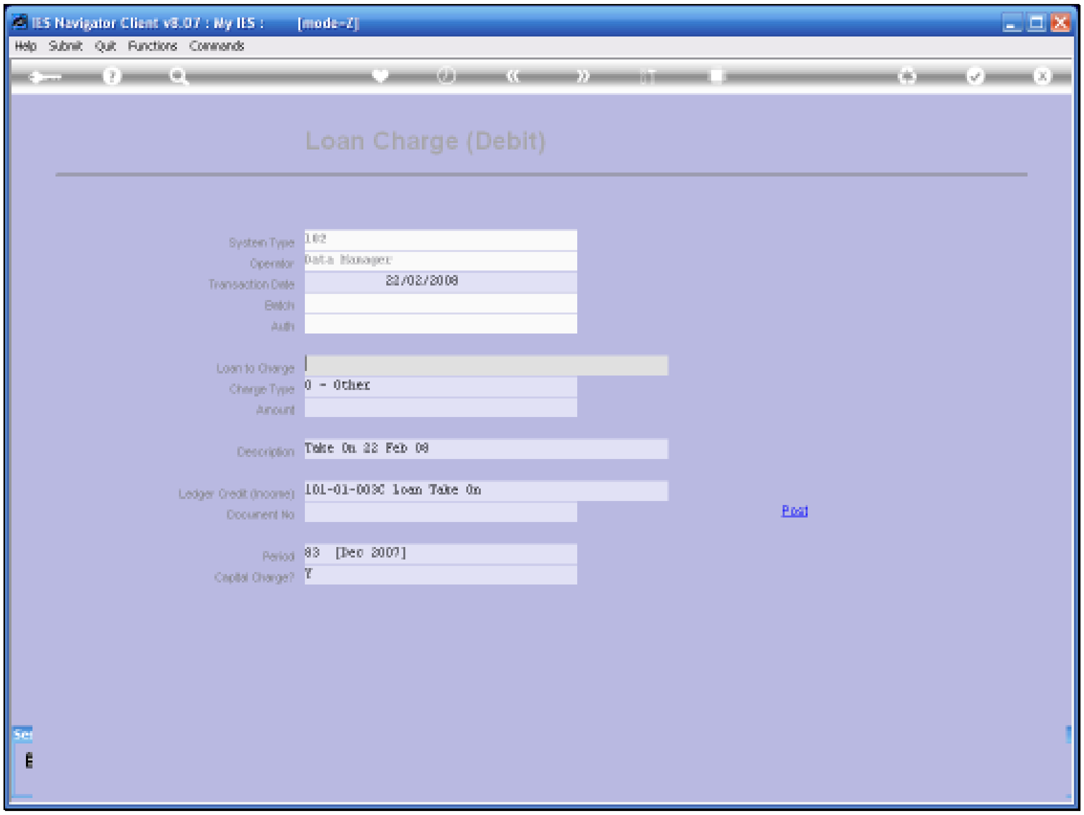


Slide 5

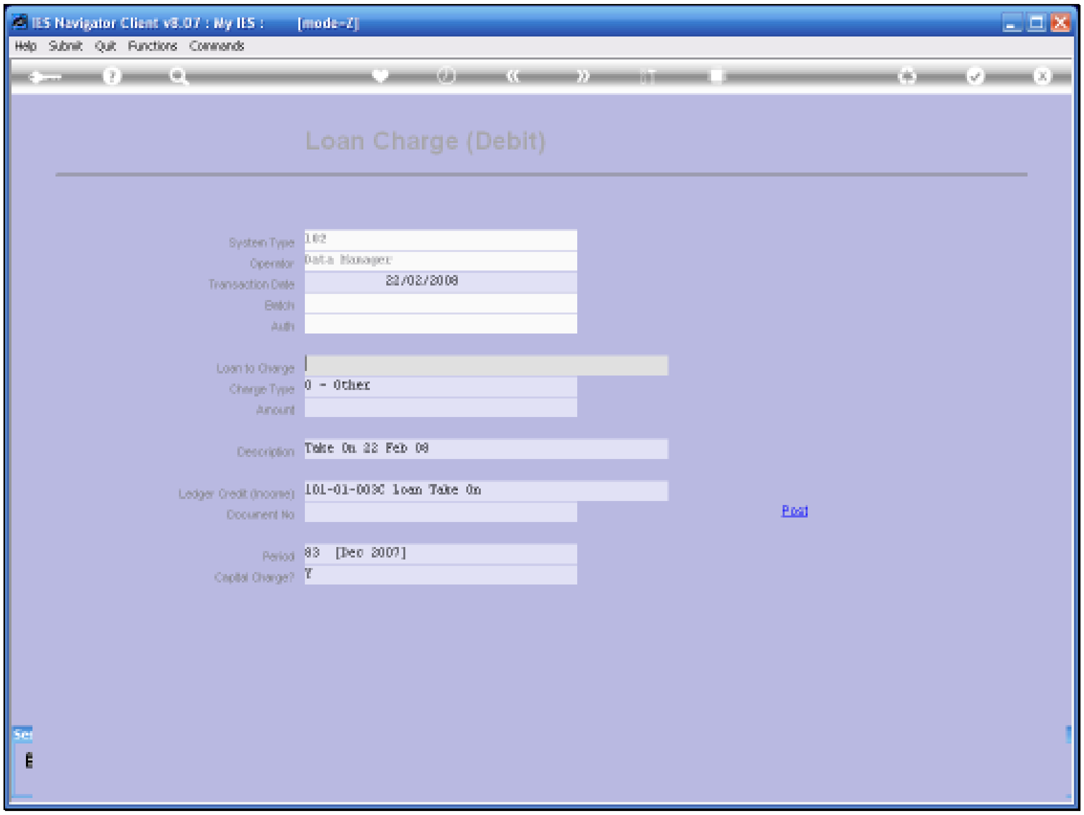
The Transaction Date that we use will be the Date of Taking Over the Loan Balance and the Loan Balance as at this Transaction Date must include all Interest up to, and including this date.

Therefore we will usually probably use an end of month date.

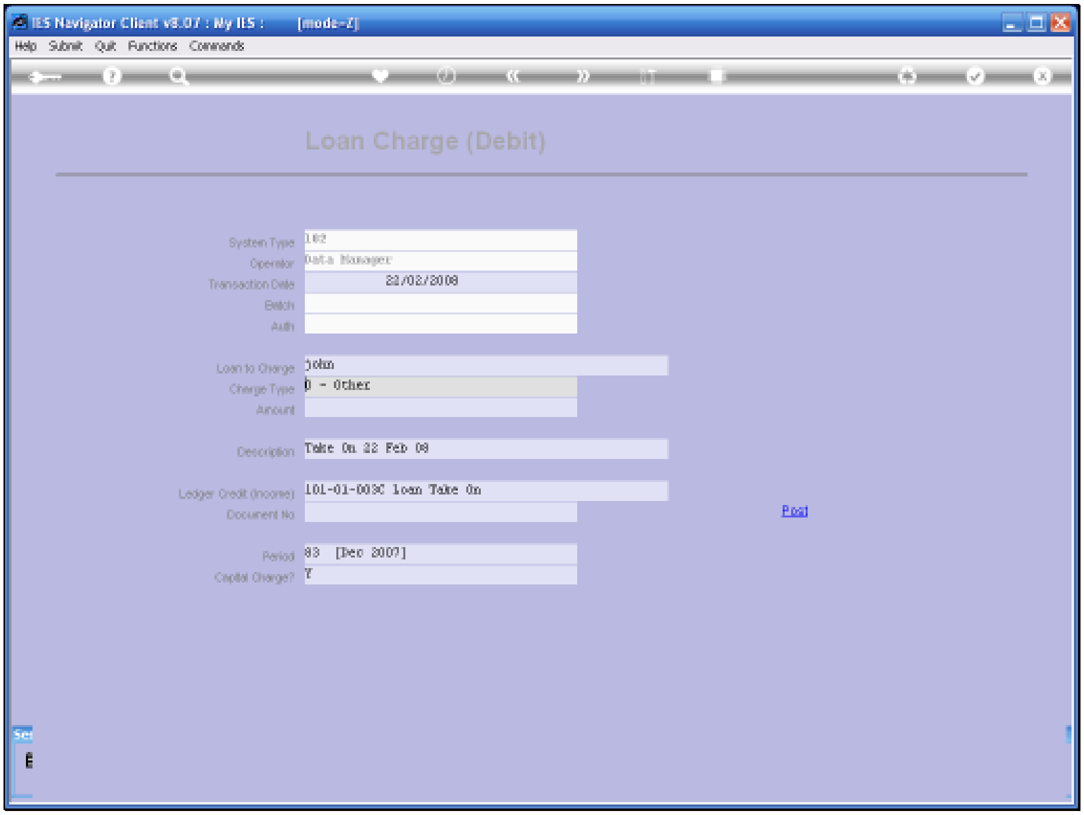
In this example I am using 22nd February.


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge
Charge Type 0 - Other
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

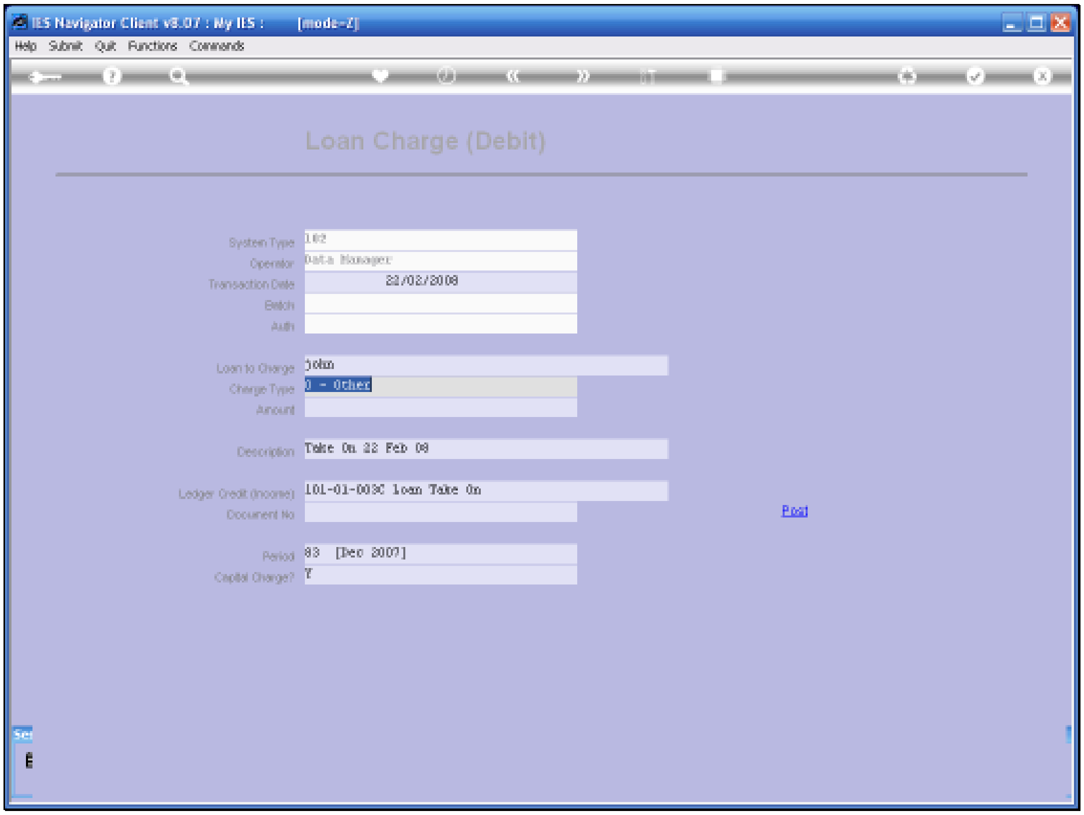
Slide 6


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge
Charge Type 0 - Other
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-0030 Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

Slide 7

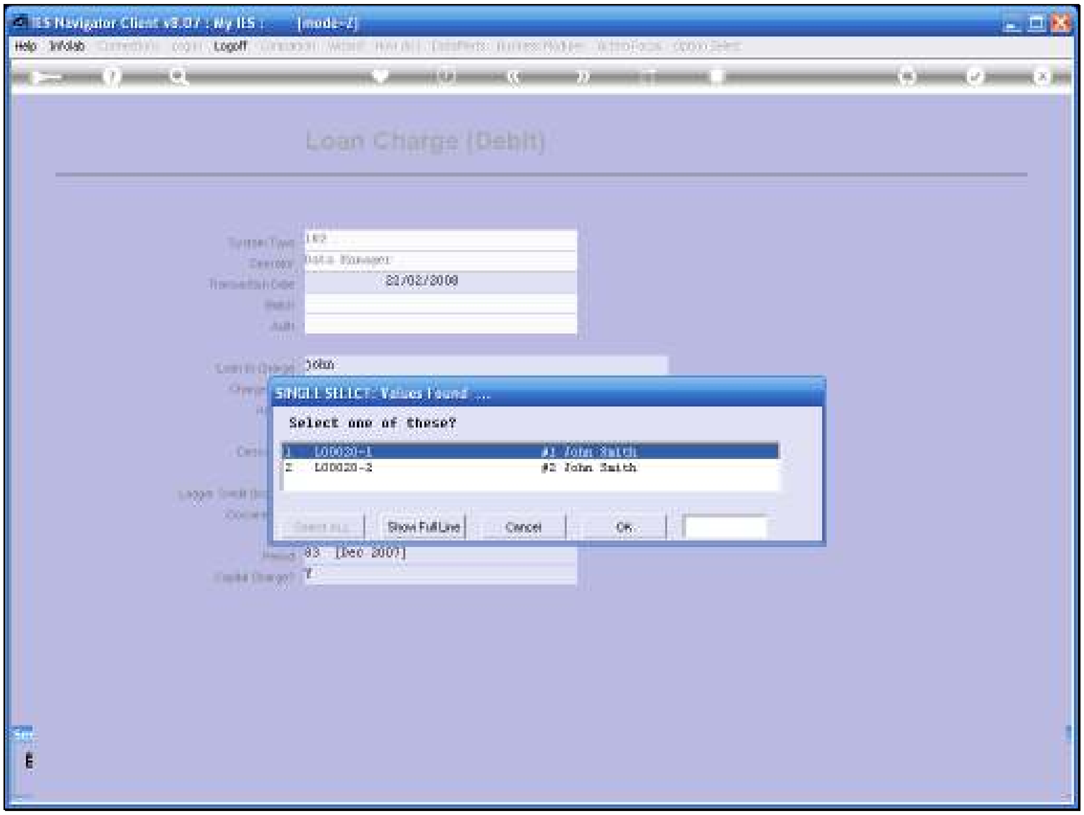

IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge John
Charge Type 0 - Other
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

Slide 8

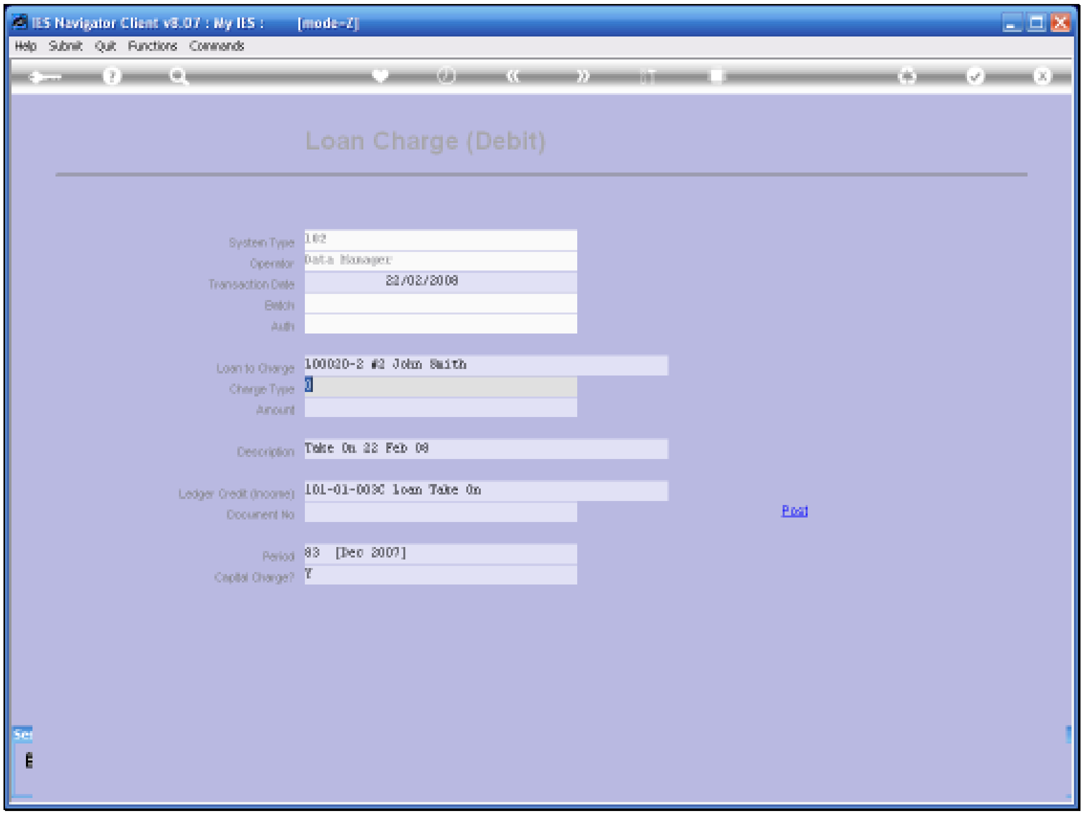


Slide 9

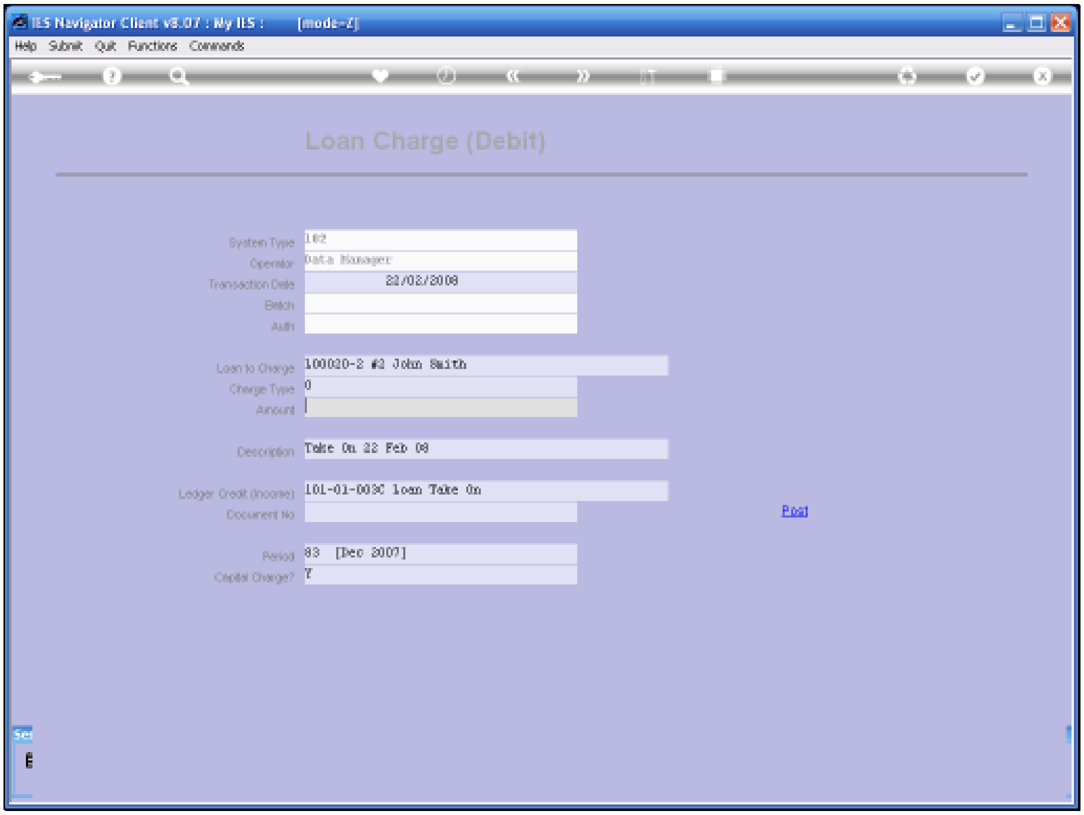
There are different Charge Types that we may apply and in this case we would usually use the Charge Type “Other”.


Loan Charge (Debit)
SINGLE SELECT: Values Found ...
Select one of these?
1 LO0020-1 #1 John Smith
2 LO0020-2 #2 John Smith
Show Full Line
Cancel
OK

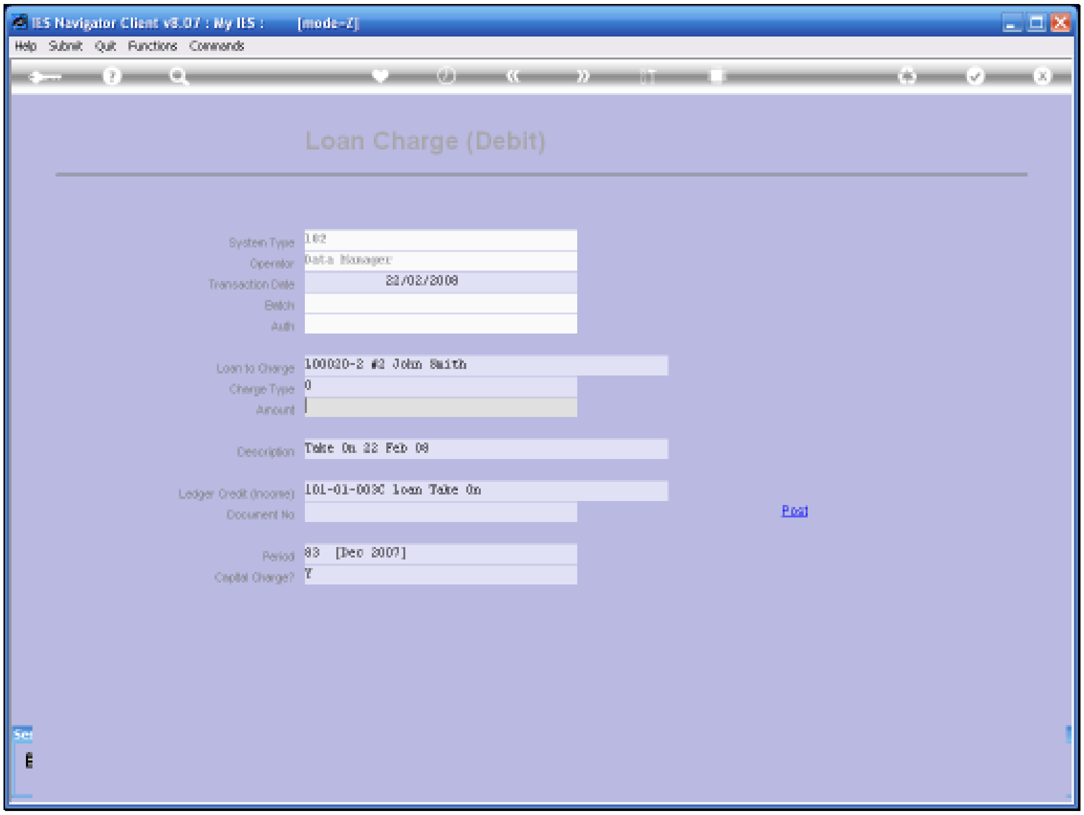
Slide 10


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

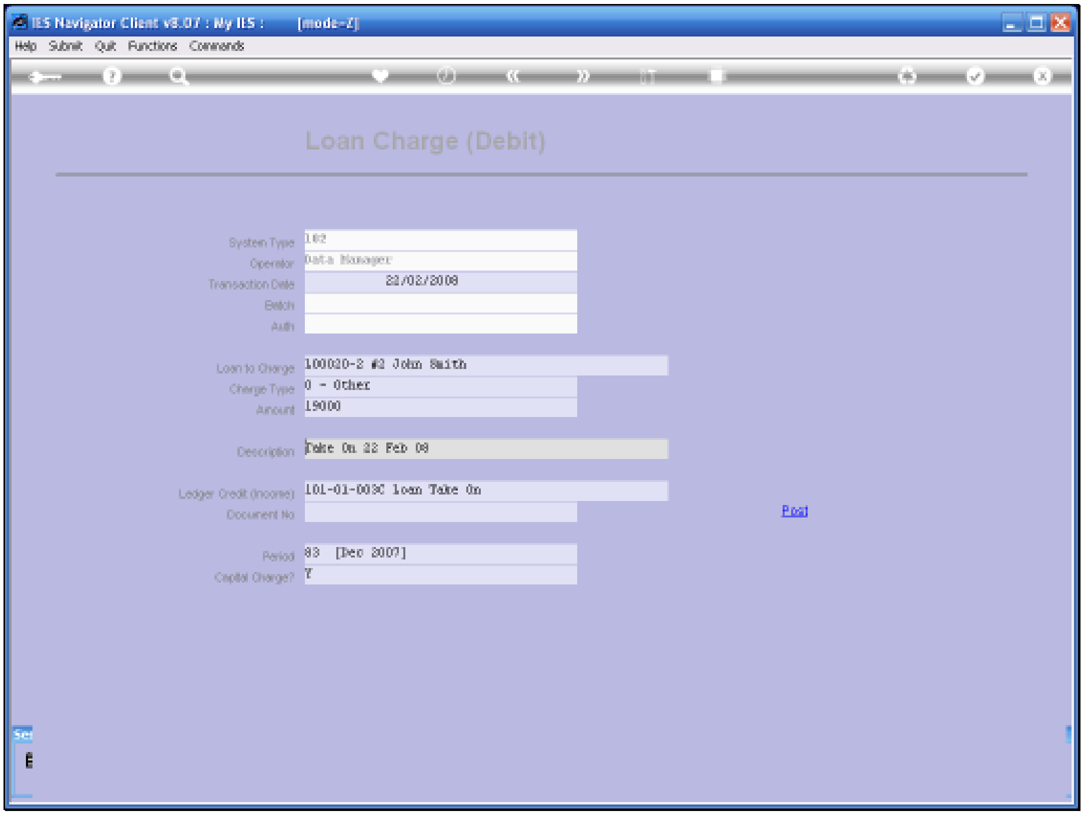
Slide 11


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

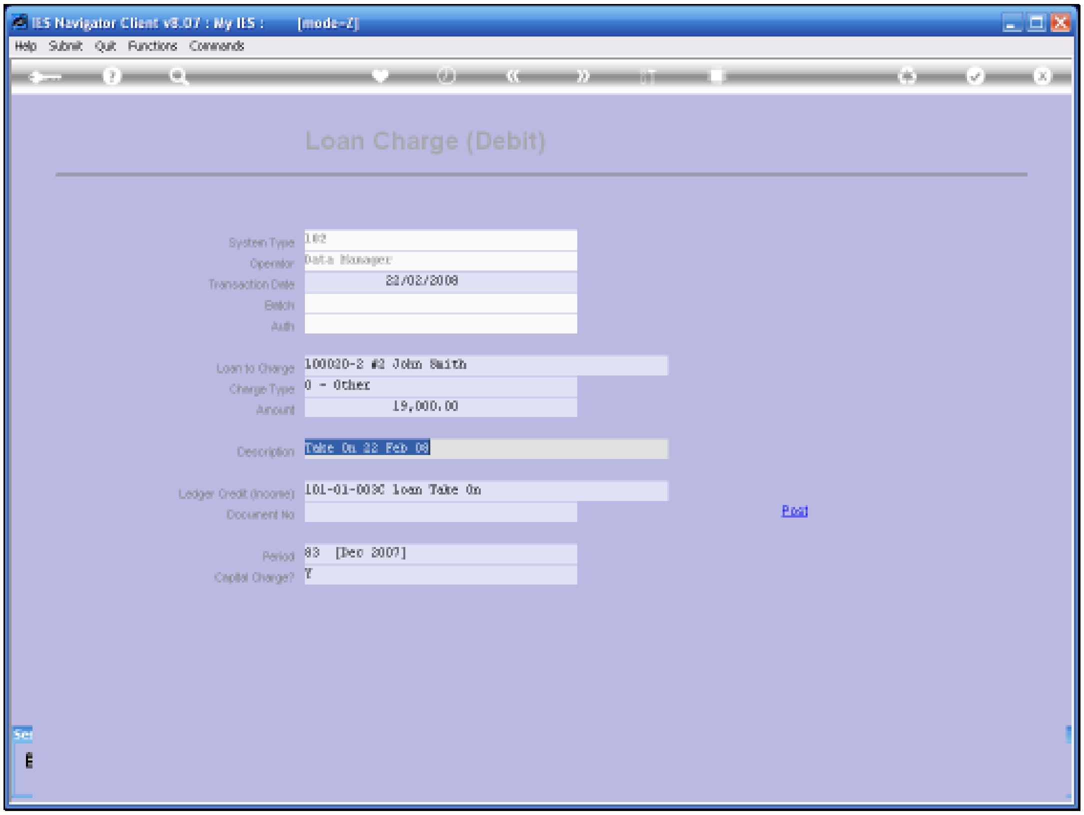
Slide 12


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

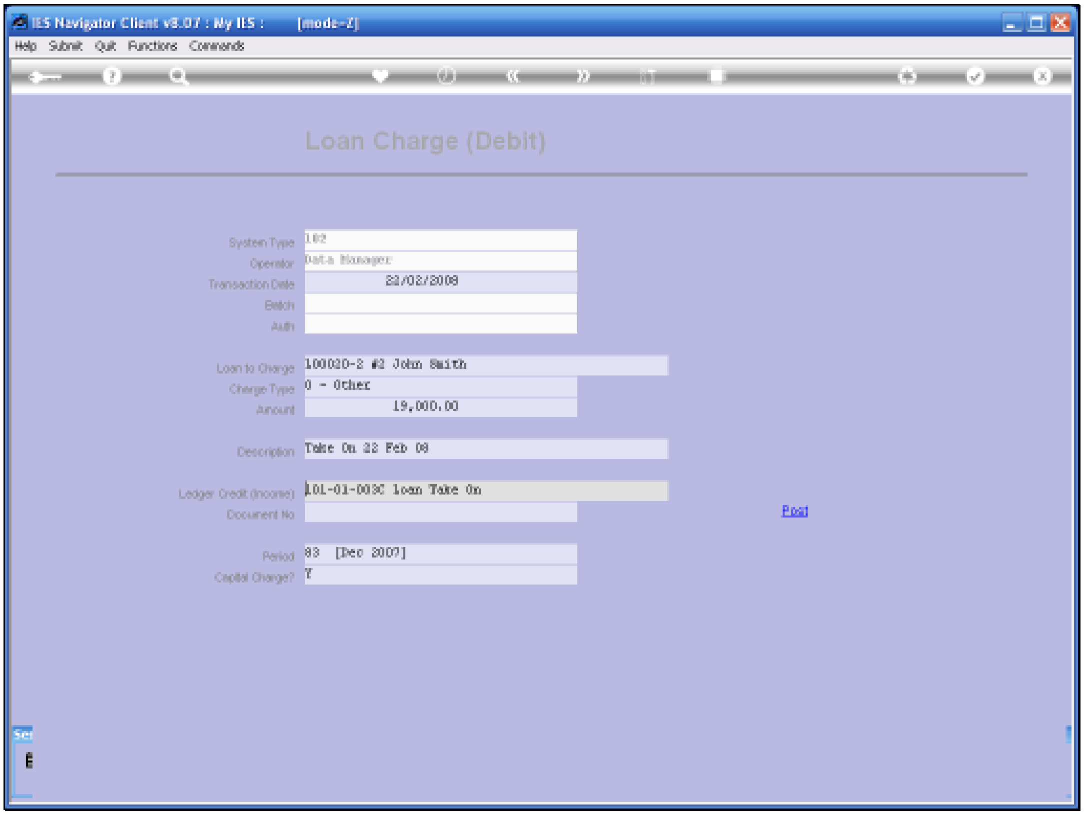
Slide 13


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19000
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

Slide 14

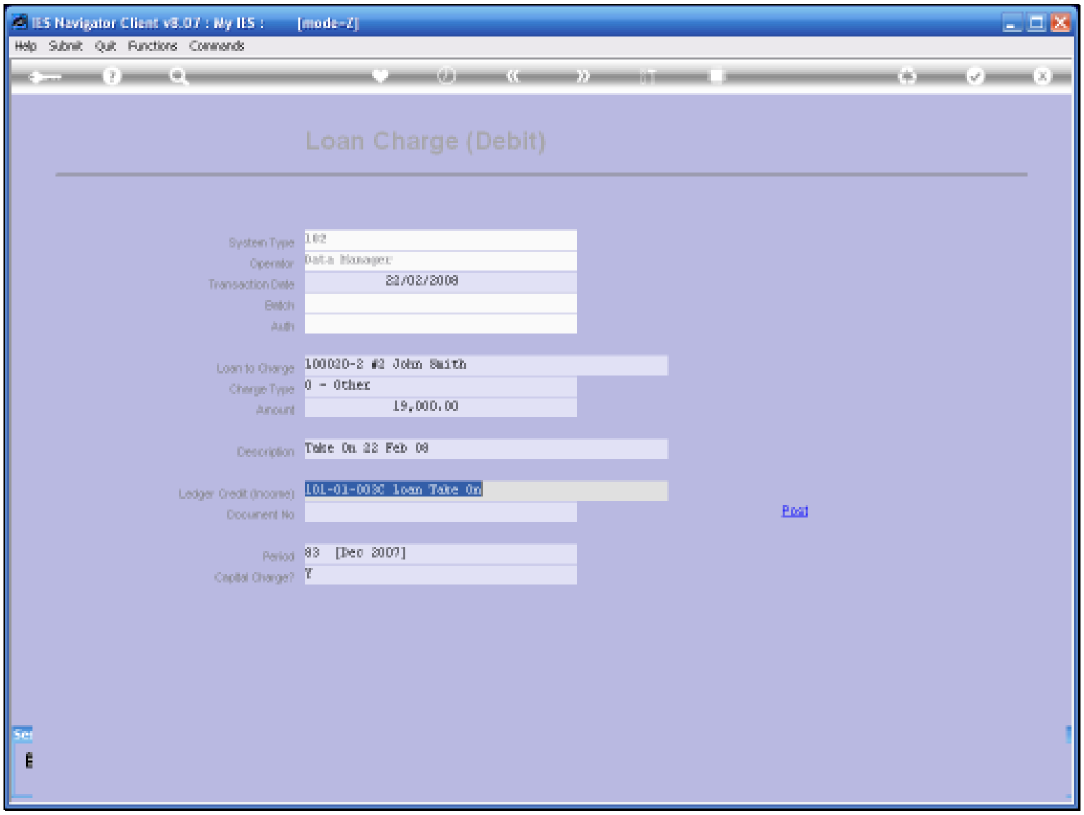

IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

Slide 15

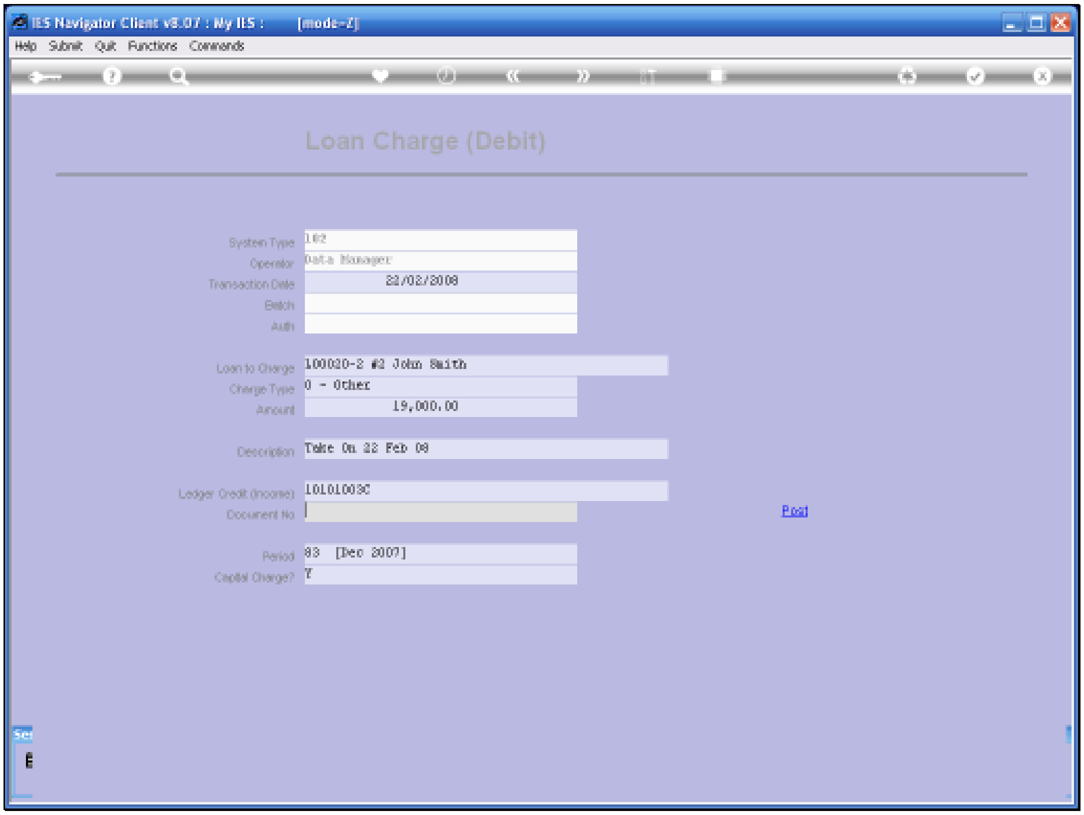


Slide 16

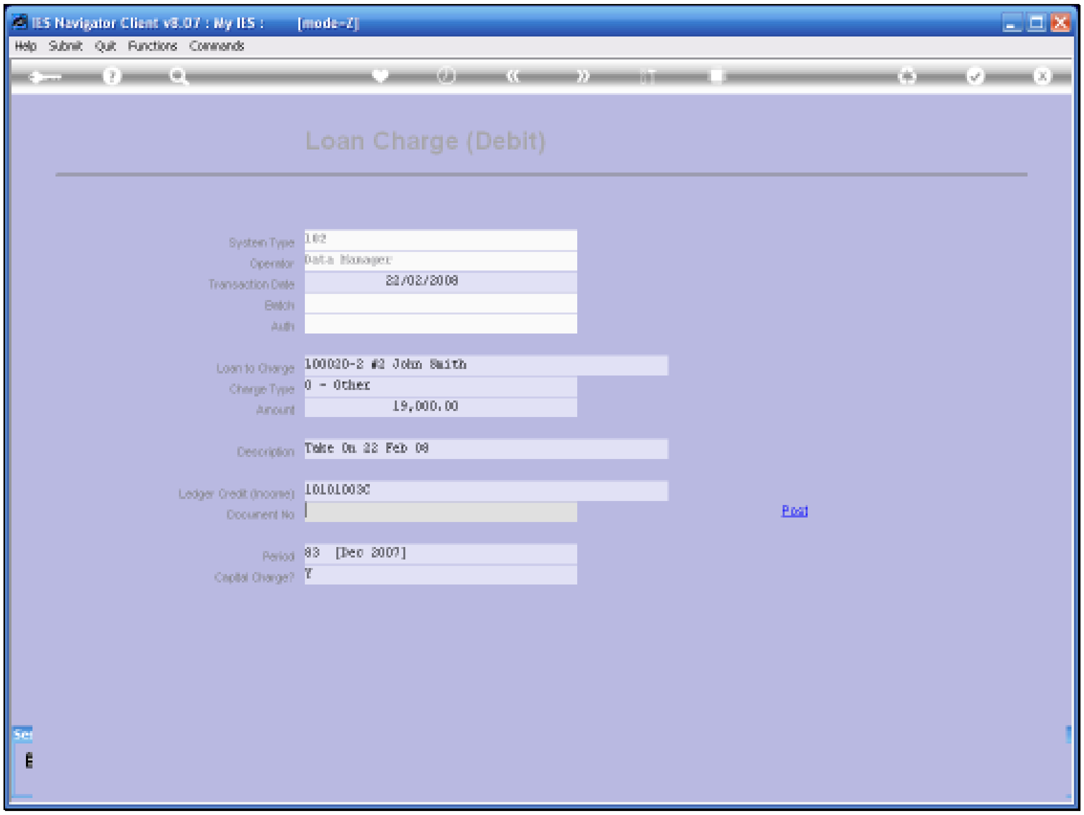
Note that we need a Ledger Contra for the Taking-On of the Balance and this will usually be a Balance Sheet Account that we use as the Balancing of the Taking-On of the Balance.


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-0030 Loan Take On
Document No
Post
Period 83 [Dec 2007]
Capital Charge? Y

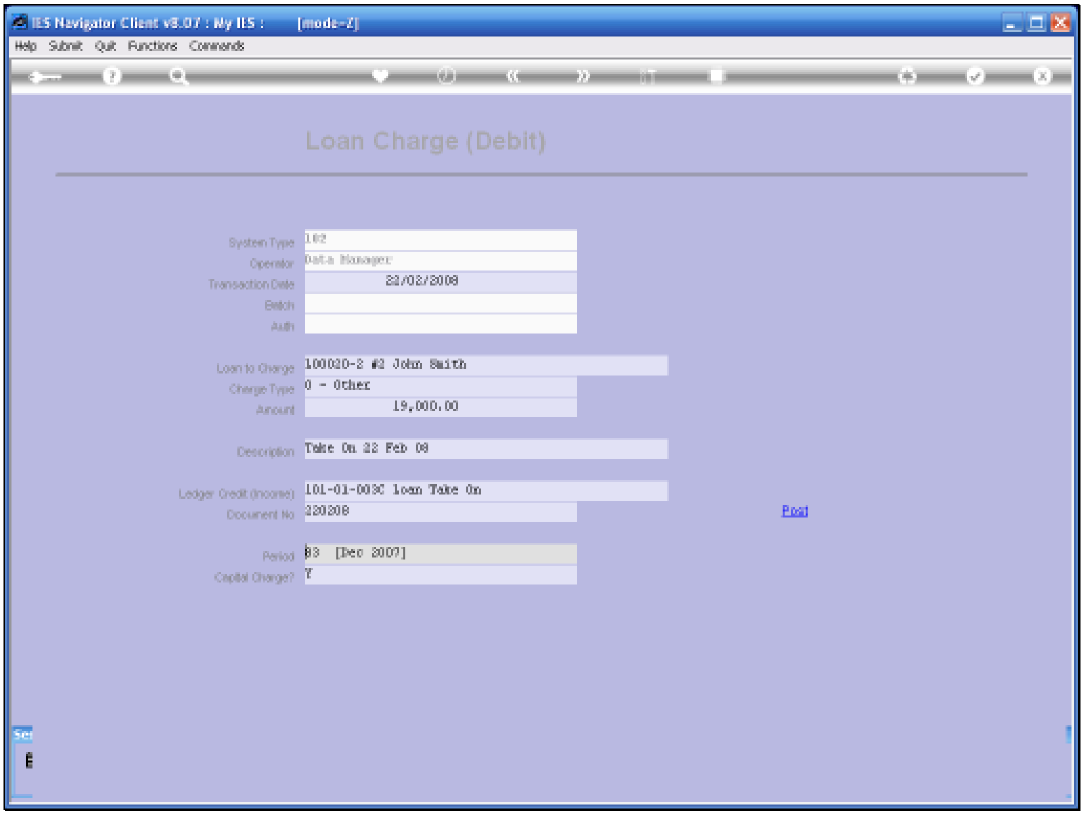
Slide 17


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 10101003C
Document No
Post
Period 03 [Dec 2007]
Capital Charge? Y

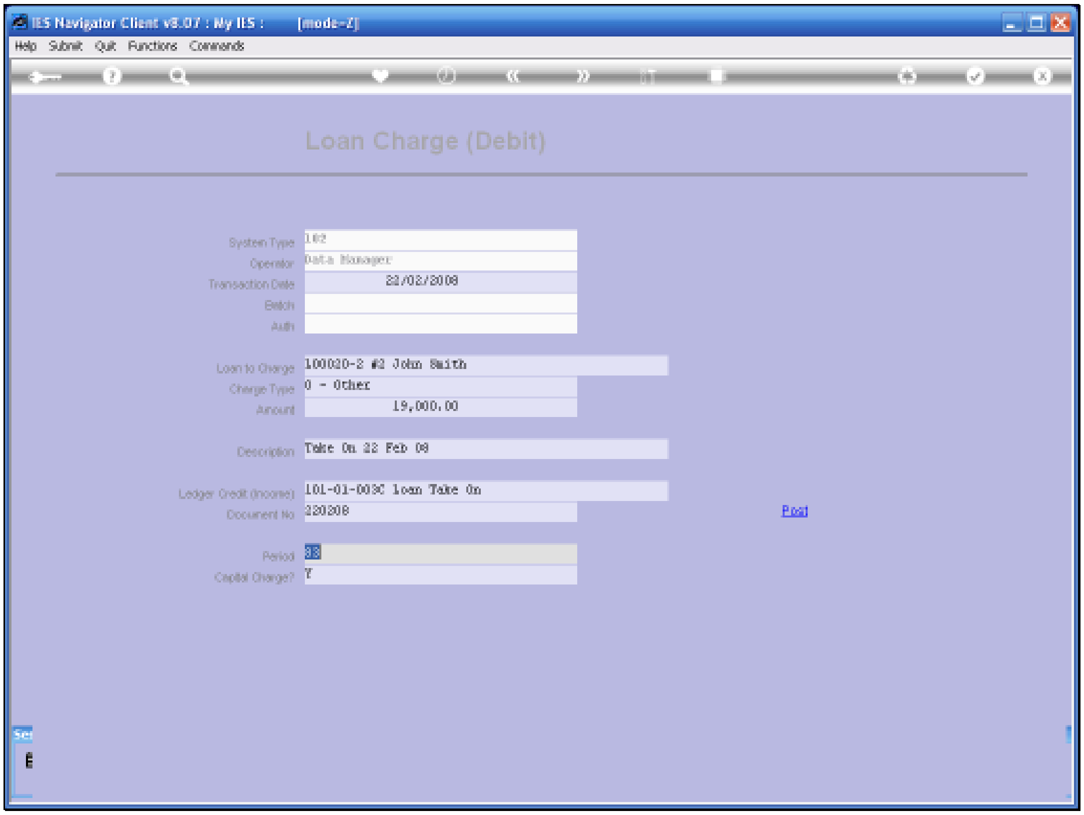
Slide 18


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 10101003C
Document No
Post
Period 03 [Dec 2007]
Capital Charge? Y

Slide 19


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No 220208
Post
Period 03 [Dec 2007]
Capital Charge? Y

Slide 20

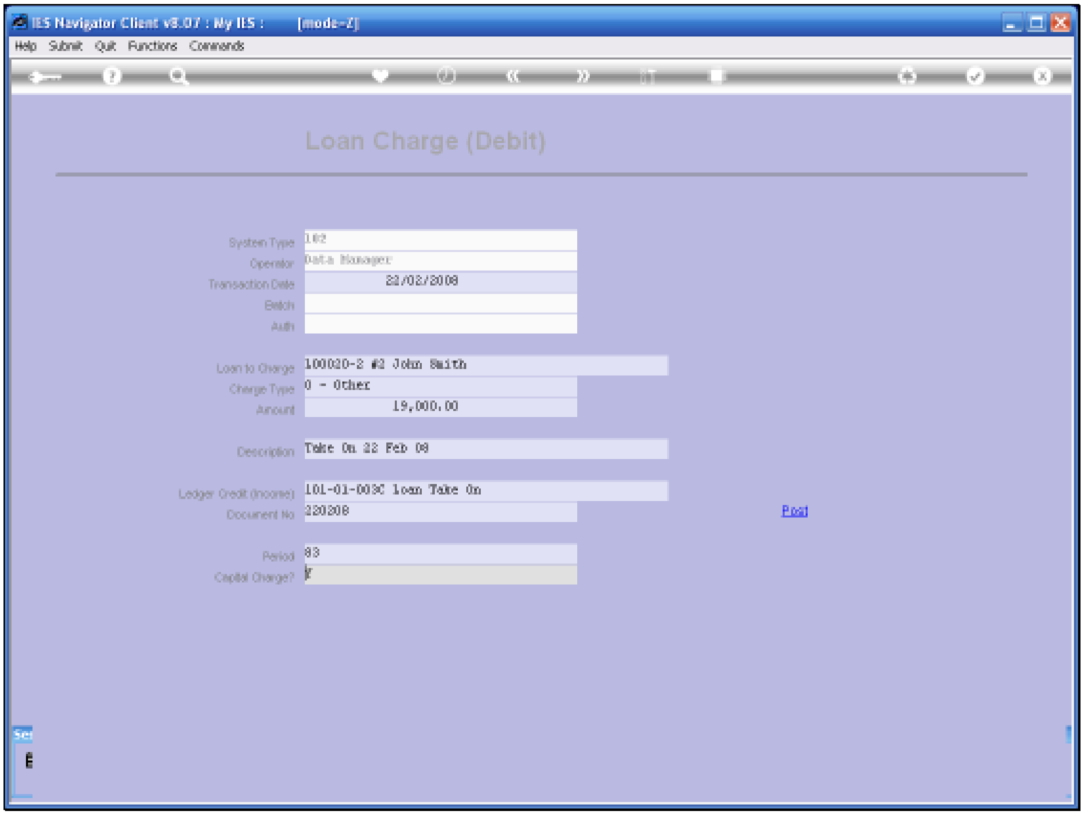


Slide 21

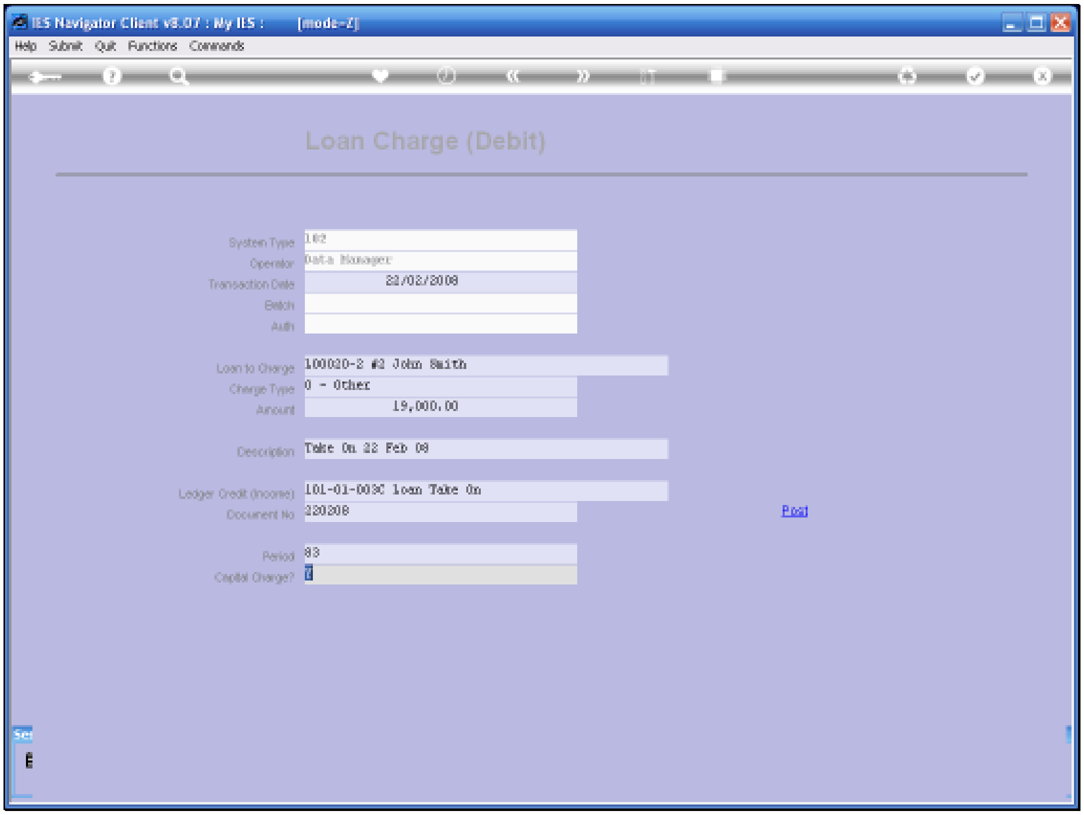
The “Transaction Period” is the Period in which we Record this Transaction.

In this case I am using Dec 07 (period 83).

More appropriately it probably should have been Feb 08.


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No 220208
Post
Period 03
Capital Charge? Y

Slide 22



Slide 23

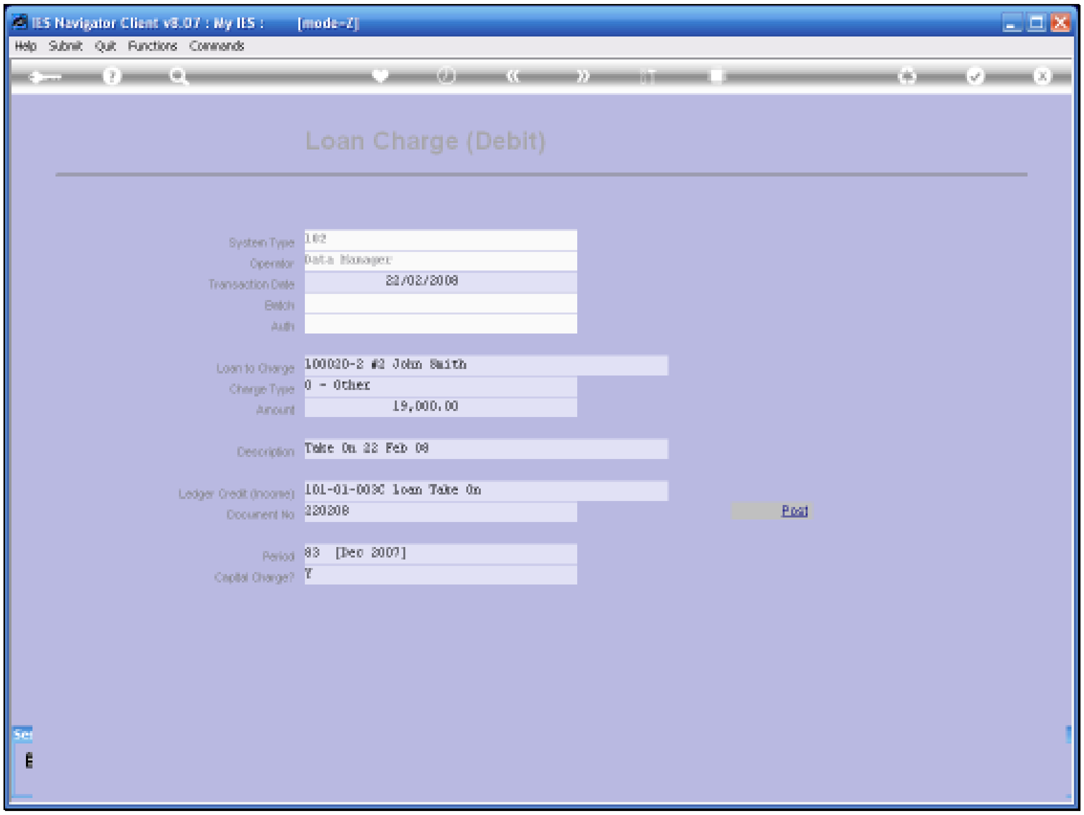
Now note that in this case I am using Capital Charge as "Yes".

In other words the Full Balance of 19.000 is going to be recorded against the Capital of the Loan.

Now what if we have this Loan Balance of 19,000, but 500 is actually an Installment that is Overdue, i.e. Current. In that case we would have charged 18,500 against Capital and then we would do another Transaction where we say Capital Charge is "No".

In other words the other 500 would then be posted against Current.

In this case we are saying there is nothing in Arrears at this point in time. So on the 22nd February the Loan Balance of 19 000 actually represents the Capital Balance.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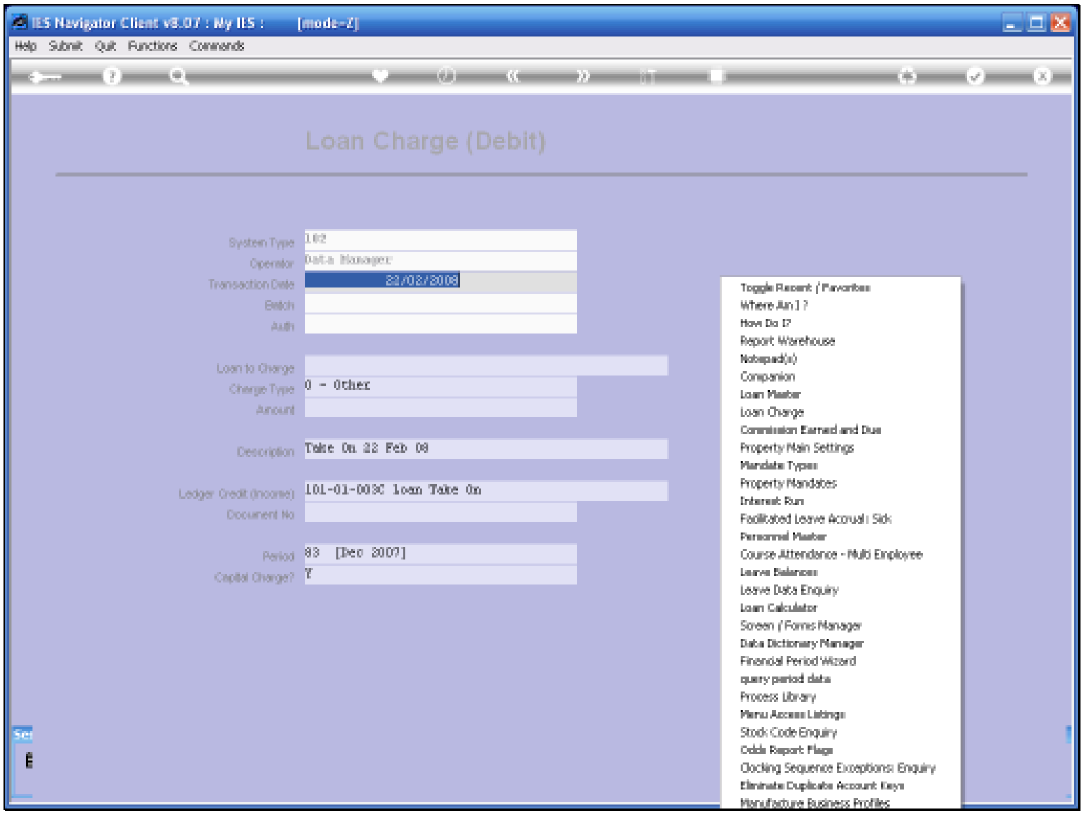
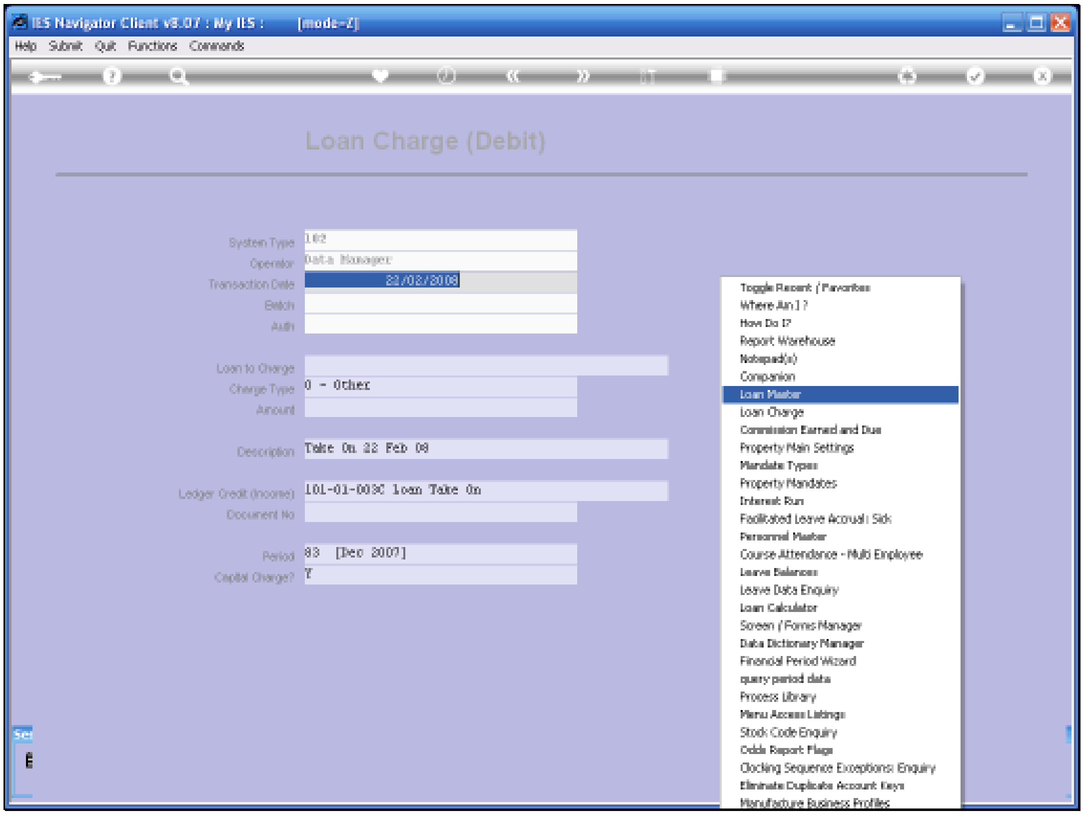
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge 100020-2 #2 John Smith
Charge Type 0 - Other
Amount 19,000.00
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No 220208
Post
Period 83 [Dec 2007]
Capital Charge? Y

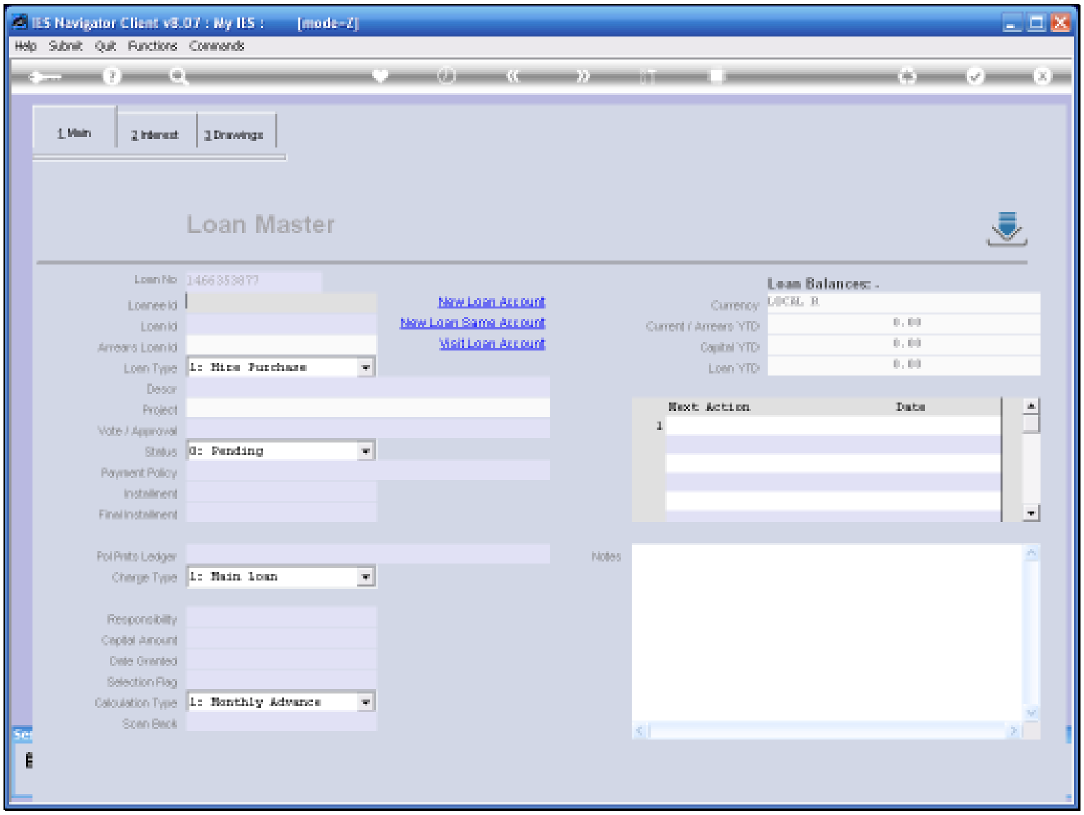
Slide 24


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge
Charge Type 0 - Other
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-003C Loan Take On
Document No
Period 83 [Dec 2007]
Capital Charge? Y
Toggle Recent / Favorites
Where Am I ?
How Do I?
Report Warehouse
Notepad(s)
Companion
Loan Master
Loan Charge
Commission Earned and Due
Property Main Settings
Mandate Types
Property Mandates
Interest Run
Facilitated Leave Accrual: Sick
Personnel Master
Course Attendance - Multi Employee
Leave Balances
Leave Data Enquiry
Loan Calculator
Screen / Forms Manager
Data Dictionary Manager
Financial Period Wizard
query period data
Process Library
Menu Access Listings
Stock Code Enquiry
Odds Report Flags
Clocking Sequence Exceptions Enquiry
Eliminate Duplicate Account Keys
Manufacture Business Profiles

Slide 25


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
Loan Charge (Debit)
System Type 102
Operator Data Manager
Transaction Date 22/02/2008
Batch
Auth
Loan to Charge
Charge Type 0 - Other
Amount
Description Take On 22 Feb 08
Ledger Credit (Income) 101-01-0030 Loan Take On
Document No
Period 03 [Dec 2007]
Capital Charge? Y
Toggle Recent / Favorites
Where Am I ?
How Do I?
Report Warehouse
Notepad(s)
Companion
Loan Master
Loan Charge
Commission Earned and Due
Property Main Settings
Mandate Types
Property Mandates
Interest Run
Facilitated Leave Accrual: Sick
Personnel Master
Course Attendance - Multi Employee
Leave Balances
Leave Data Enquiry
Loan Calculator
Screen / Forms Manager
Data Dictionary Manager
Financial Period Wizard
query period data
Process Library
Menu Access Listings
Stock Code Enquiry
Odds Report Flags
Clocking Sequence Exceptions Enquiry
Eliminate Duplicate Account Keys
Manufacture Business Profiles

Slide 26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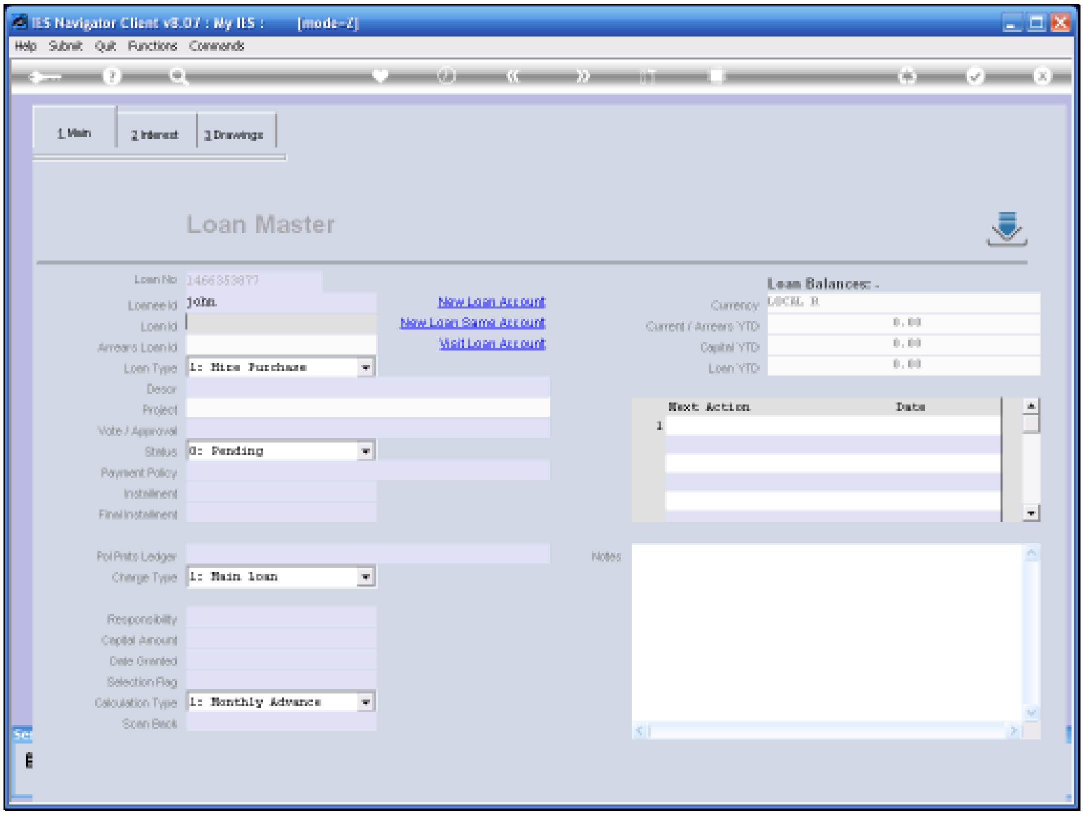
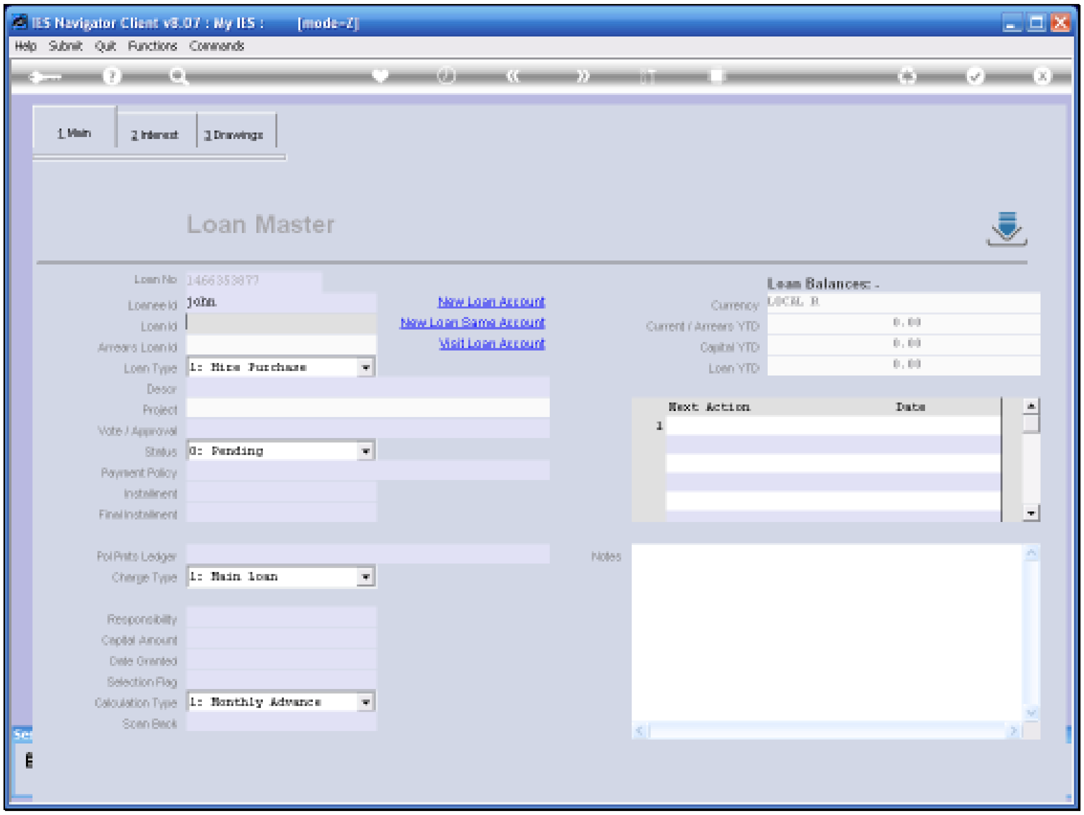
Help Submit Quit Functions Commands
1 Main
2 Interest
3 Drawings
Loan Master
Loan No 1466353877
Loanee Id
Loan Id
Arrears Loan Id
Loan Type 1: Hire Purchase
Descr
Project
Vote / Approval
Status 0: Pending
Payment Policy
Instalment
Final Instalment
Pol Pmts Ledger
Charge Type 1: Main loan
Responsibility
Capital Amount
Date Granted
Selection Flag
Calculation Type 1: Monthly Advance
Scan Back
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances: -
Currency LOCAL R
Current / Arrears YTD 0.00
Capital YTD 0.00
Loan YTD 0.00
Next Action
Date
Notes

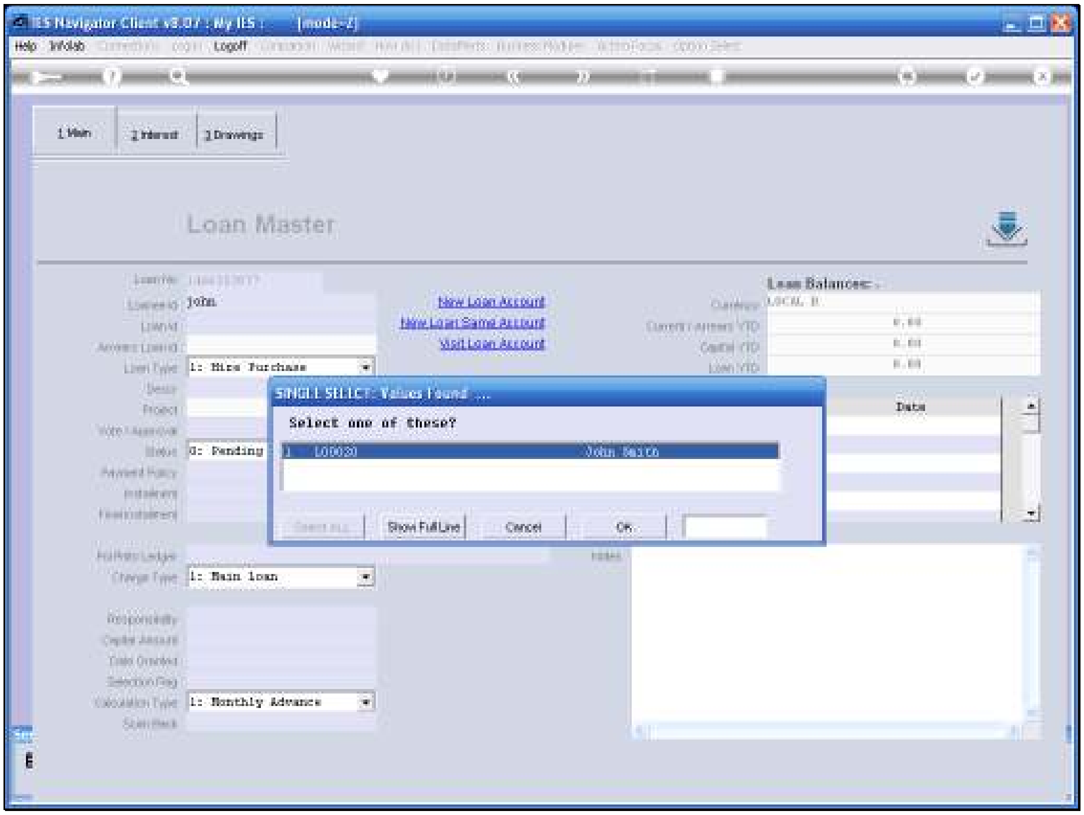
Slide 27


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
1 Main
2 Interest
3 Drawings
Loan Master
Loan No 1466353877
Loanee Id john
Loan Id
Arrears Loan Id
Loan Type 1: Hire Purchase
Descr
Project
Vote / Approval
Status 0: Pending
Payment Policy
Installment
Final Installment
Pol Pnts Ledger
Charge Type 1: Main loan
Responsibility
Capital Amount
Date Granted
Selection Flag
Calculation Type 1: Monthly Advance
Scan Back
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances: -
Currency LOCAL R
Current / Arrears YTD 0.00
Capital YTD 0.00
Loan YTD 0.00
Next Action
Date
Notes

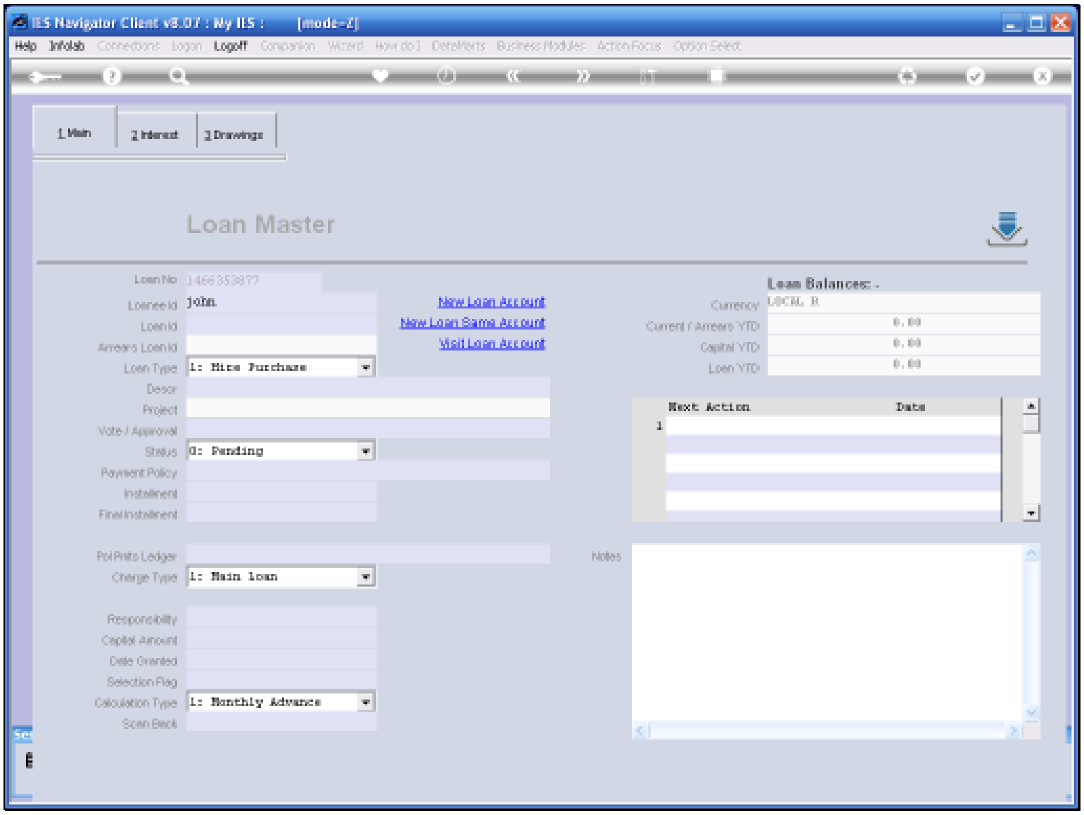
Slide 28


IES Navigator Client v8.07 : My IES : [mode-Z]
Help Submit Quit Functions Commands
1 Main
2 Interest
3 Drawings
Loan Master
Loan No
Loanee Id
john
Loan Id
Arrears Loan Id
Loan Type
1: Hire Purchase
Descr
Project
Vote / Approval
Status
0: Pending
Payment Policy
Installment
Final Installment
Pol Pnts Ledger
Charge Type
1: Main loan
Responsibility
Capital Amount
Date Granted
Selection Flag
Calculation Type
1: Monthly Advance
Scan Back
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances: -
Currency
Current / Arrears YTD
0.00
Capital YTD
0.00
Loan YTD
0.00
Next Action
Date
Notes

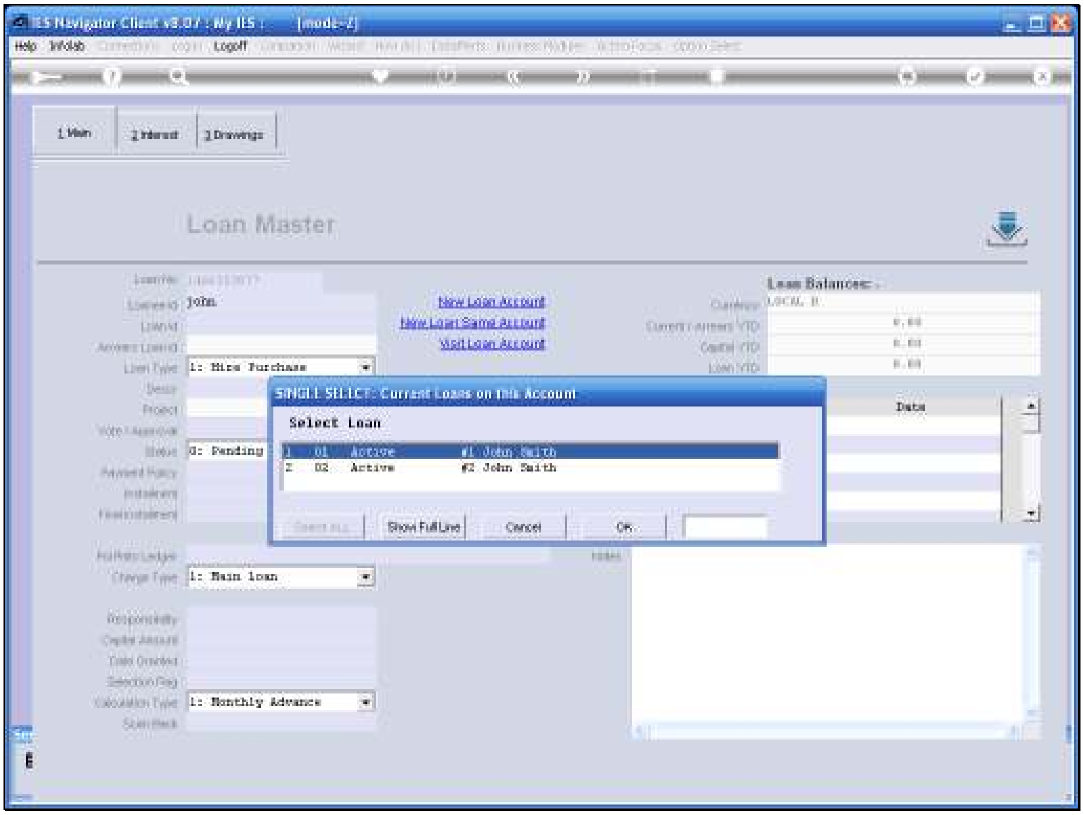
Slide 29


Loan Master
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances:
SINGLE SELECT: Values Found ...
Select one of these?
Show Full Line
Cancel
OK

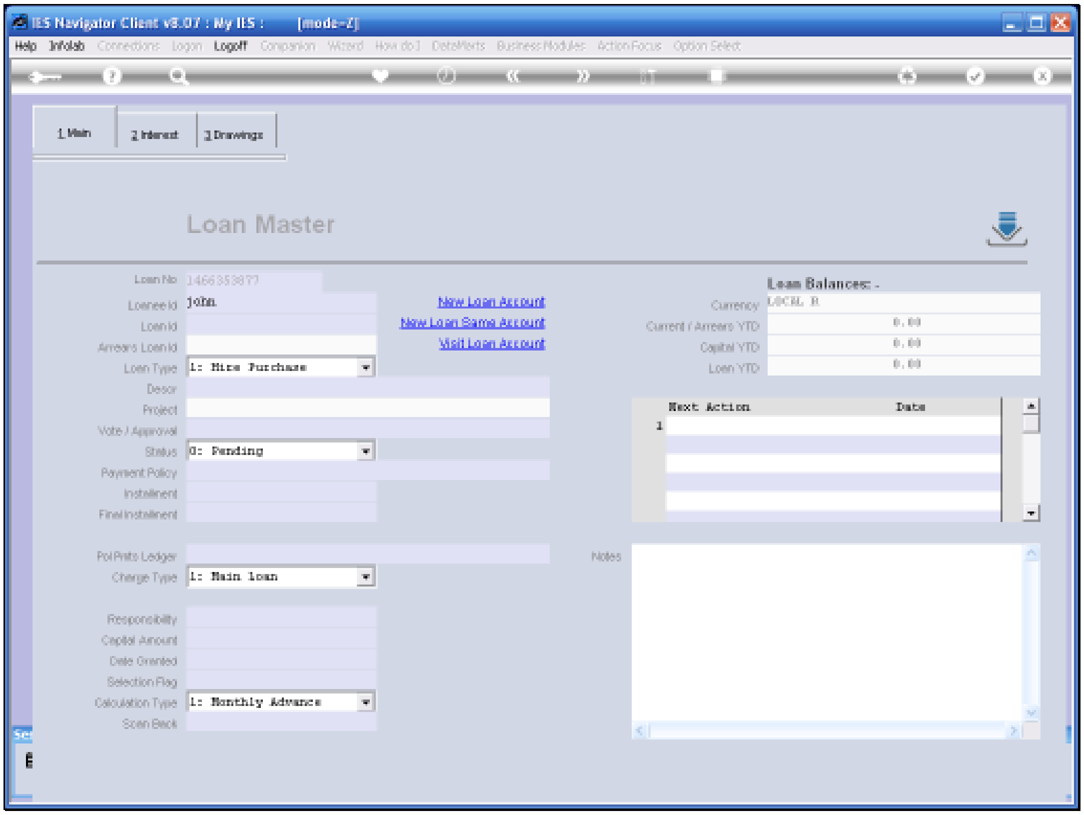
Slide 30


IES Navigator Client v8.07 : My IES : [mode=Z]
Help Infolab Connections Logon Logoff Companion Wizard How do I DataMarts Business Modules Action Focus Option Select
1 Main
2 Interest
3 Drawings
Loan Master
Loan No
Loanee Id
john
Loan Id
Arrears Loan Id
Loan Type
1: Hire Purchase
Descr
Project
Vote / Approval
Status
0: Pending
Payment Policy
Instalment
Final Instalment
Pol Prds Ledger
Charge Type
1: Main loan
Responsibility
Capital Amount
Date Granted
Selection Flag
Calculation Type
1: Monthly Advance
Scan Back
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances: -
Currency
Current / Arrears YTD
Capital YTD
Loan YTD
Next Action
Date
Notes

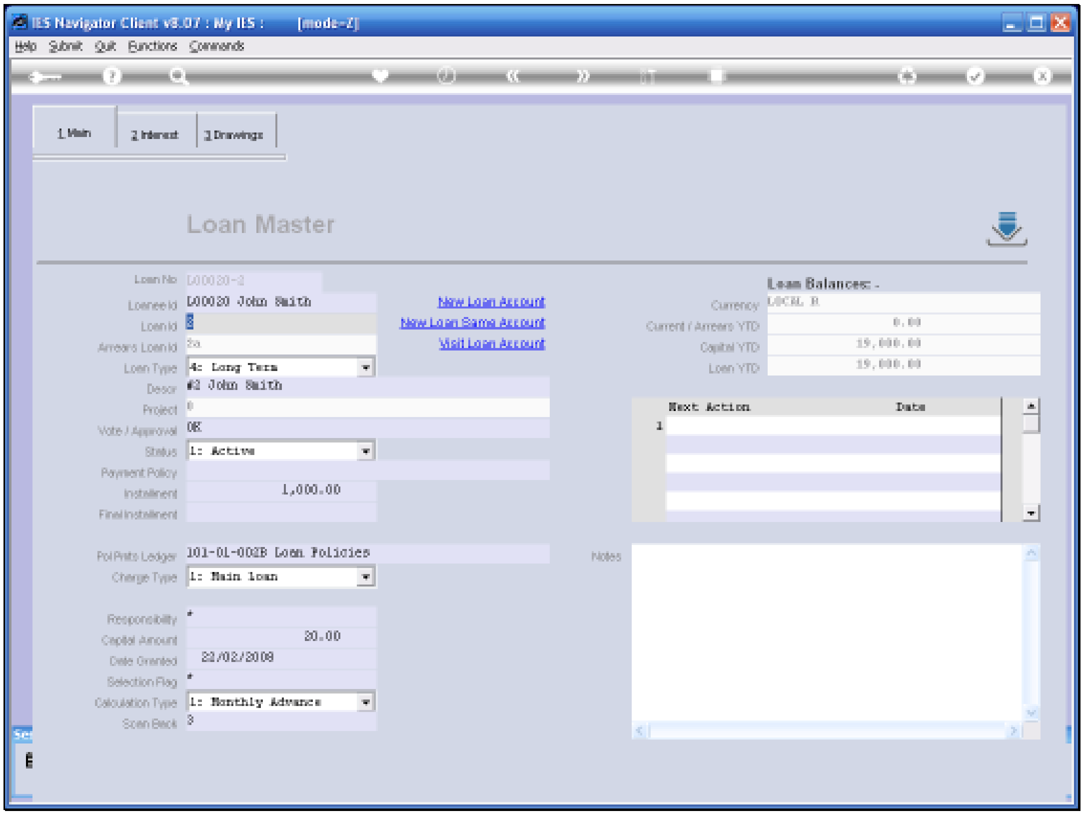
Slide 31


Help
Infolab
Logoff
1 Main
2 Interest
3 Drawings
Loan Master
John
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances:
1: Hire Purchase
SINGLE SELECT: Current Loans on this Account
Select Loan
1 01 Active #1 John Smith
2 02 Active #2 John Smith
Show Full Line
Cancel
OK
Date
0: Pending
1: Main loan
1: Monthly Advance

Slide 32


IES Navigator Client v8.07 : My IES : [mode=Z]
Help Infolab Connections Logon Logoff Companion Wizard How do I DataMarts Business Modules Action Focus Option Select
1 Main
2 Interest
3 Drawings
Loan Master
Loan No 1466353877
Loanee Id john
Loan Id
Arrears Loan Id
Loan Type 1: Hire Purchase
Descr
Project
Vote / Approval
Status 0: Pending
Payment Policy
Instalment
Final Instalment
Pol Prds Ledger
Charge Type 1: Main loan
Responsibility
Capital Amount
Date Granted
Selection Flag
Calculation Type 1: Monthly Advance
Scan Back
New Loan Account
New Loan Same Account
Visit Loan Account
Loan Balances: -
Currency LOCAL R
Current / Arrears YTD 0.00
Capital YTD 0.00
Loan YTD 0.00
Next Action
Date
Notes

Slide 33



Slide 34

If we now return to John Smith’s Loan, we can see that we have a Loan Balance of 19,000 and all of it is against Capital.

So that is how we will perform a Take-On transaction for a Loan Balance, where the Loan is already in existence and has been for some time.