



▶ pennApps Lending Factory (PLF)  
Lending Simplified

# Loan Management Features Overview

# Is your Lending System meeting the demands of the New-age Consumer?

The lending Industry is at the cusp of a huge transformation. With digital financial services on the rise, consumer expectations are a lot to keep up with. For a bank or a financial institution, successfully managing lending systems with multiple modules including loan origination, loan management/servicing and collections, can be a very complicated endeavour with in-house legacy systems and traditional processes. Presence of multiple systems and modules raises complexities, leads to challenges and increases operational inefficiencies.

Moreover, traditional silo-based lending solutions for each the product category or line of business creates a heterogeneous application mix with varied technologies and capabilities, which often create chasms between business processes across the disparate systems. This leads to numerous hand-offs between departments or functional units resulting in-

- Higher turnaround time (TAT)
- Inconsistent information to the consumer
- Poor consumer experience
- Inability to handle complex changes due to application limitations e.g Repayment Schedules
- Workflow inefficiencies due to fragmented lending processes
- Non-compliance of norms
- Data/Process Redundancy
- Higher cost of maintainability

In the age of digital customer, with the shift to self-service channels and a new normal of 24/7 availability of service, the question confronting financial institutions is how best to transform their lending systems for delivering seamless operations and frictionless customer experiences.

## pennApps Lending Factory Lending Simplified

pennApps Lending Factory (PLF) is an integrated lending platform, encompassing the end-to-end lending lifecycle, that can future-proof your business and its operations. A future-ready, single-platform-based solution, the product leverages a unique concept of functional factories and business process driven execution engines to deliver the required modularity, flexibility and componentisation.

Lending Factory effectively integrates and extends the digital ecosystem by embracing diverse and dynamic needs to deliver superior customer experience from loan origination to receipt posting of collections.

With its novel concept of business process driven execution engines with multitude of functional factories, Lending Factory allows a bank/financial services company to define, deploy and manage the business processes without any dependency on vendor or internal technology teams. Business users can define processes, users, departments and products with minimal technical expertise leveraging the built in controls and history tracking capability to safely implement changes.

# Why Lending Factory?

- One Solution for all your loan product needs across business lines including Personal loans, Consumer, Auto, SME, Commercial, etc.
- Deliver superior customer experience across the loan life cycle through self-service channels, 'always on' omni-channel presence, etc.
- Drive Product Innovation with accelerated time-to-market leveraging the unique functional factories e.g Rules Factory, Solution Factory, Accounting factory & Fees & Charges Factory.
- Increase operational efficiencies by leveraging enterprise-grade workflows and best-in-class BPM capabilities.
- Adapt your operations to the dynamic needs of the business through a highly configurable lending solution with a composable architecture and technology.
- Cloud-ready technology solution, with future-proof architecture, that is agnostic to the platform, database, device and browser.

Lending Factory offers a componentised and modular solution that separates product configurations, business rules, product rules, processing rules, and accounting definitions into individual functional factories. This separation offers a high level of configurability enabling banks and financial institutions to configure the loan products as per market needs and with improved time-to-market



## Modules

Lending Factory is divided into three modules namely- Loan Origination, Management & Collections. It's suitable for banks, credit unions, Non-Banking Financial Institutions (NBFC), or any other financial institutions.

**Propel your Lending Performance with a Powerful and Innovative Solution**

# Loan Management/Servicing

Multiple, siloed loan management systems are barriers to growth for a bank or a financial institution. Built for flexibility and performance, the Lending Factory offers a complete digital loan life cycle management solution for Banks and financial institutions to meet the varied and ever-changing needs of today's consumers.

## Repayments

Repayments forms an important part of a loan management operations and offers the flexibility to setup various repayment types for customer's ease. Lending Factory supports manual repayment, automatic instalment recovery and mandate based repayment options. Some of the options will require integration into payment systems/clearing systems to get the repayment status

You can setup the following repayment options: Schedule payment, Part payment, Early settlement with an option of cash/cheque/DD/ online etc.

### Change Repayment

Lending Factory offers users the flexibility to change the planned schedule payments as needed, input new repayment amounts and plan how the remaining schedule should be regenerated/ recalculated due to the repayment amount change

**Repayment Hierarchy: Also known as apportionment hierarchy. The order in which the dues (Principal, Interest, Fees, Overdue, Manual Posting, Bounce, Late payment) can be knocked off is also configurable. Lending Factory also supports apportionment across EMI dues.**

## Loan Restructuring

Loan restructuring facility in Lending Factory offers the flexibility to update suitable reasons for loan restructuring request, to differentiate across categories. The functionality provides the user to classify the requests across different categories such as EMI Holiday, Tenor Extension etc.

## Rate Reviews

Rate change functionality is simulated, rate review frequency and floating rate reviews can also be set as per the requirement in Lending Factory. This facilitates you to perform rate changes in bulk cases based on benchmark rate change. Future rate changes can also be updated with this functionality.

## Supply Chain Financing

In a typical buyer-supplier payment dynamic, suppliers require cash for raw materials payment, labour manufacturing and expenses. Buyer needs this cash to extend payment terms and hold cash to optimise working capital.

This gap may create a problem but with Lending Factory's Supply Chain Finance (SCM) Flexibility, you are relieved of this payment tension and it helps maintain ease of payment and flexibility. It allows a tri-party arrangement and ensures timely payment process. As a result, the risks and costs are lowered in the supply chain.

## Simplified and Comprehensive Schedule Management & Payment Options System

Supports manual payments for instalment recovery, completed schedule dates and/or partial early settlement. In addition, you can go for early settlement, which allows a customer to clear all dues including future scheduled payments completely and mark the finance as closed & matured. The system will calculate the total "payment amount" which is to be paid by the customer.

Lending Factory supports partial payment to settle loans partially and further provides multiple options for the adjustments of the future schedule as per the customer demands.

## Rescheduling

Lending Factory's rescheduling functionality helps in advance regularisation, declassification and supports multiple re-scheduling options.

It can happen in two ways, namely:

**Full Reschedule:** Complete rescheduling with new terms, new EMI, new frequency, new rate, and Pollution under Control (PUC).

**Schedule Maintenance:** individual schedule maintenance to meet various customer demands like changes in the EMI, rate change, extending the maturity, etc.

## Limits

Limits management in loans is a critical part of credit risk component. It allows the maximum amount of credit that you can extend to a customer with risk-adjusted rate of return and acceptable parameters.

With configurable limit management, you can offer flexibility to customers by making payment changes as per requirement. Some of the types of limits include institution risk limit lines, customer risk limit lines, limit utilisation. You can assign utilisation limit depending on the organisational parameters. For example, for institution limits, the financial institution can configure Lending Factory for the required limits based on the branch's locational loan limits and loan amount requests.

## Bulk Processing

It can be done in three ways, namely- Disbursement Process, Mandate Registration Process, and Presentment Process, with suitable parameters as and when required for a flexible and seamless loan management operations.

You can setup the mandate as required with ease for bulk upload/download, upload manual advise and upload bulk fee waiver. These file parameters are customisable.

## Audit Module

Lending Factory provides a systematic, in-depth investigation of systems, operations, data and field implementation to diagnose credit risks and keep the audits transparent. Based on each financial transaction being performed by the user, all details are stored / maintained and can be easily retrieved.

These financial data / or change in financial data, along with user performing the transaction, will also be stored in audit. Separate module is also available which shows the TAT and the details of the user who actually performed the transaction.

## Recalculate

Lending Factory's Recalculate functionality allows user to recalculate the instalment amount from the selected date as per the Finance Schedule method. While doing recalculation, user can instruct the system to keep the interest intact. The system will recalculate the rate, keeping the interest as that before the instalment recalculation.

## Past due Management

When a finance installment is not settled/paid on the due scheduled date, finance is considered as in a past due state. Finance status is marked with some predefined past-due days buckets, which can be configured by the bank. Lending Factory allows various penal interest and penalty (fixed or percentage) amounts to be configured as applicable.

## Accruals & Amortisation

Lending Factory supports multiple Accrual & Amortisation mechanisms, including discounting and reducing methods. Accounting engine can also be configured for defining accounting entries required for Accruals and Amortisation.

## Non-Performing Asset (NPA)

NPA functionality is one of the most important methods for successful and effective loan recovery for an organisation. Legacy loan management systems devoid of NPA functionality in loan face issues when a debtor falls under this criteria.

With Lending Factory you can effectively recover delinquent loans and systematically bring down NPA by configuring the parameters. NPA reports along with visual dashboards allow stakeholders to analyse and monitor these movements throughout your organisation and its individual branches.

## Reports

Lending Factory's loan management module offers financial institutions detailed dynamic reports and dashboards that help them get complete information. By selecting different parameters, the user can generate customised reports that can interface with BI 2.0 tools like Tableau.

# Tools

Lending Factory is bundled with numerous right-fit technology tool kits to support the objective of high configurability. These modules will provide the required technical framework for various business transactions. In addition, these modules enable customers to manage the configuration on their own with minimal dependence on the vendor

The solution accelerators further help our customers in quickly configuring the products as per the market needs, or to quickly configure the process or operational changes to adapt to the organisational changes

## Workflow Editor

Web-based inbuilt workflow editor, to define business processes, workflow editor is also combined with rules to offer complete flexibility and routing. Supports the centralised and decentralised processing through configurable options.

## Dashboards

Offer extensive reports of business transactions and administrative actions to offer better monitoring. They are available as widgets and enable the user to add the appropriate widget as per user-preference. Additionally, enhanced dashboard functionality with feature-rich graphs and charts for the senior management offers flexibility to the bank to define any new charts or graphs as per their requirements.

## Extended Fields

Defining an unlimited number of fields, for customer details and loan details, or by asset class, that cater to the needs of the business.

Lending Factory offers best-in-class application security & administration features that include:

- Active Directory Integration
- Role-based security to control access to various levels of modules, functions
- Authentication & Authorization
- Password management
- Session management with timeouts
- Comprehensive audit logs with complete logging of user actions

## Rule Builder Engine

Used for defining rules for various functional factories. Rule builder helps create rules and simulate the rules to cut-down implementation timelines. Advanced users will also be able to view the generated Java Scripts for reviewing the generated scripts.

## Health Check Monitor

Overlooks data integrity and reconciliation. For example, outputs are prone to issues, due to programming bugs, process gaps, incorrect system configurations and/or manual data patches applied over time as a temporary solution, before the permanent fixes are developed for bugs or to fill process gaps.

The corrective process includes GL recon monitoring, Data Anomaly Monitoring, checks data across various financial tables and then throws an alert for any difference in data.

## System Observability Services

System observability in Lending Factory refers to telemetry produced by services and divided into three major verticals.

Metrics provide quantitative information about processes running inside the system, including counters, gauges and histograms.

Tracing aka distributed tracing, provides insight into the full lifecycles, aka traces, of requests to the system, allowing you to pinpoint failures and performance issues and Logs provide insight into application-specific messages.



Want to transform your lending operations? Drive growth and cost savings?  
Contact us: [sales@pennanttech.com](mailto:sales@pennanttech.com) or

Find out more at: <https://www.pennanttech.com/lending-factory/>

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#### About Pennant

Pennant Technologies is an agile, innovative financial technology company that powers the lending operations of global banks and financial institutions. Its suite of future-ready lending products and solutions offers banks composable features and scalable capabilities to deliver differentiated loan origination, servicing, and collections experiences for their customers. Trusted by leading banks and financial institutions in Asia, Pennant's award-winning lending platform has managed more than 10 Million loans and facilitates 50 Million loan transactions per year.

**Pennant is a Great Place to Work® Certified Company**

