Create Term Loan (W5)

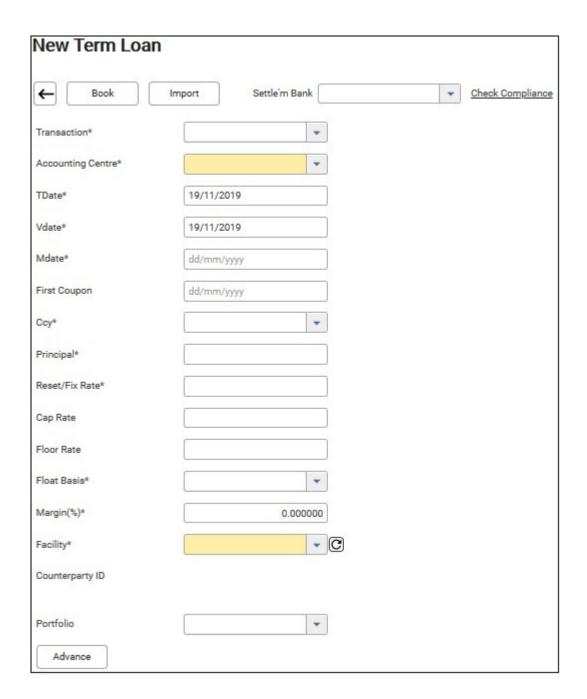
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PURPOSE

This document explains how to create a new term loan transaction.

PROCEDURE

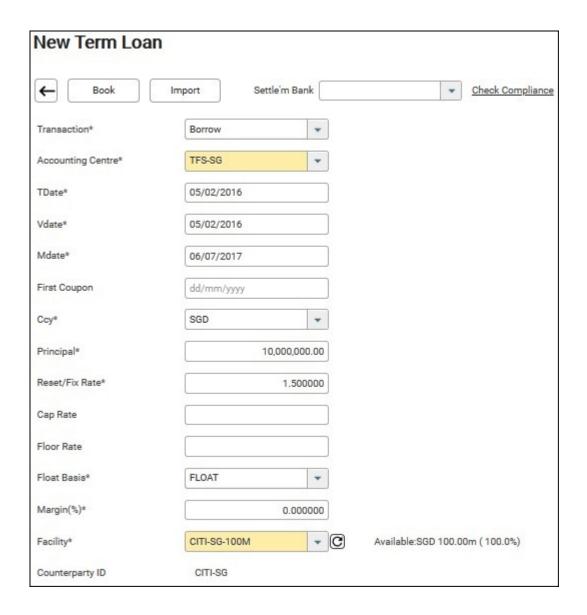
1. From the main menu, select Transaction > Term Loan. The New Term Loan screen is displayed.



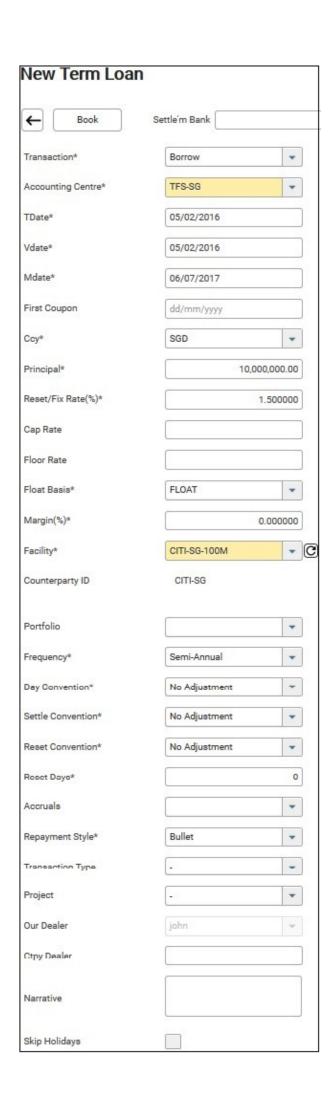
- 2. Fill out the mandatory fields. These have the asterisk (*) next to the name.
- 3. Select the Transaction to borrow or lend. In this example, we will book a Borrow transaction.
- 4. Accounting centre would have been defaulted to the user's accounting centre. If not, it would be left blank. Choose the proper Accounting Centre.
- 5. Fill in the Transaction Date (TDate), Value Date (VDate), and Maturity Date (MDate). The TDate and VDate are defaulted to the system date. You may change it to an earlier date.

TDate cannot be a future date. VDate must be on or after the TDate. MDate must be after the VDate.

- 6. You can choose to input the first interest repayment date by filling in the First Coupon field. The system will book the first interest repayment to this date, and subsequent repayment dates will be computed from this date. For example, if the first coupon is set to 15-Feb-2016 and interest is repaid every month, the next interest repayment date will be one month from 15-Feb-2016. This field is optional. If this is left blank, the first interest repayment date is computed from the VDate of the loan. For example, since the loan's VDate (start date) is on 5-Feb-2016 and interest is repaid every month, the first interest repayment date is one month from 5-Feb-2016.
- 7. Choose the currency in the Ccy field.
- 8. Fill in the principal amount.
- 9. Input the interest rate in the Reset/Fix rate field. The rate inputted is the All-in-Rate.
- 10. Choose the Float Basis. In this example, FLOAT is chosen. This is a user-definable field; to set it up, <u>click here</u>.
- 11. Input the Margin. Default is θ . This is for information only.
- 12. Click on the Refresh Button next to the Facility field. This will populate the facility in the dropdown list.
- 13. Select the Facility. In this example, TFS < CITI-SG will be selected. Once chosen, the Counterparty ID will be filled. At the same time, the system calculates the available facility limit and the percentage.



14. Click on the Advance button to continue.

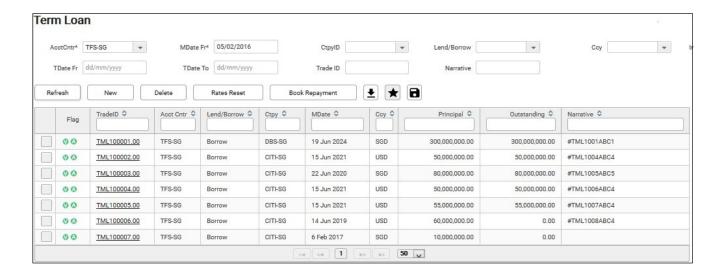


- 15. Fill in or change the settings for the additional fields as required. Those with an asterisk (*) are mandatory.
- 16. Choose the repayment frequency for the term loan. You can choose to repay semi-annually, quarterly, annually, etc., from the Frequency field dropdown.
- 17. Set the Day and Settle Convention to tell the system how you wish to adjust the repayment schedule dates when they fall on a non-business day. For more explanations on the convention settings, see <u>Day Convention for Dates Generation</u>.

Field	Description	
Day Convention	This setting adjusts the End Date when the End Date falls on a non-business day.	
	End Date is used for interest computation.	
Settle Convention	ettle Convention This setting adjusts the VDate when the VDate falls on a non-business day. \	
	is the settlement date.	

Note that VDate (start date), First Coupon date and Maturity date will not be adjusted.

- 18. Left blank, the Accruals field will follow the accruals convention in the Currency set up. You may choose to use another accruals convention here. For more explanations on accruals conventions, see <u>Accrual Methods</u> Definition.
- 19. Select the repayment style whether is bullet repayment or regular principal basis. For bullet repayment, interest is repaid periodically and principal is repaid on maturity. With the regular principal basis, the size of the principal payment is the same for every payment. It is computed by dividing the amount of the original loan by the number of payments. Interest is computed on the amount of the unpaid balance of the loan at each payment period.
- 20. Click Book to complete the transaction.
- 21. The Term Loan screen will display the newly entered term loan transaction.



Note: Principal and Outstanding column shown in the table listing above is the principal and outstanding balance as at the system date. If a new term loan's VDate is after the system date, principal will show as 0.

FREQUENTLY ASKED QUESTIONS

FA001. I cannot create a new term loan transaction.

Authorization is needed to create a new term loan. Contact your administrator to grant you rights 12011 Create New Term Loan (basic) and 12016 Create New Term Loan (advance).

RELATED INFORMATION

<u>Amend Term Loan and Repayments</u>

CHANGE HISTORY

Date	Ву	Changes
15-Feb-2008	-	Created
28-Jul-2015	CS	Included section for FAQ
22-Feb-2016	Clarissa	Reformatted. Rewritten.
14-Jun-2016	Douglas	Proofread.
10-Jan-2018	Anuja	Added note after step 21.
19-Nov-2019	Lyra	Updated Screenshots