# Manage Repayment Instructions

Overview

The following procedure is used when a customer request is received to create; amend or delete repayment instruction on their loan account.

The Manage Repayment Instructions is used to process a Direct Debit Request for repayments where the repayment amount changes each month ege.g. minimum monthly repayment amount for Principal and Interest or Interest Only repayments.

The Repayment Instruction is initiated on the loan account to draw funds from an external account only. A Hogan deposit account is considered an external account for Ignite loans.

Guiding Principles

## Pre-Requisites

The following pre-requisites must be completed before commencing this procedure:

| Summary | Pre-Requisite |
|---|---|
| **Tasks** | Ensure Customer Search completed and profile viewed in CRM. Confirm Refer to procedure: **Search and Prepare Customer/Party Profile** |
| | Customer has been identified and authenticated**. Refer to Procedure: Identifying a Customer – Branch & Phone** |
| | The **Manage Loan Account** procedure has been completed |

## Rules:

The following rules must be understood before completing this procedure:

| Summary | Rule |
|---|---|
| **Direct Debit Request Form** | For Store requests, a **Direct Debit Request** Form must be completed to add, edit or delete repayment instructions |
| **Repayment Accounts** | Only one repayment account can be set up with 100% appropriation with an External Linked account |
| **Repayment Instructions** | The Repayment Instruction cannot be added on the day of the loan settlement/disbursement |
| | The Repayment Instruction should not be added on the last day of the loan term as the payment cannot be pulled on the next day as the loan will not be active anymore |
| | The Repayment Instruction can be added if the Loan is in Hardship |

| | |
|---|---|
| | The Repayment Instruction will include any arrears amount due on the repayment due date of the loan |
| | The Repayment Instruction will pull out the outstanding balance of the loan  on the maturity date of the loan |
| | Manage Repayment Instructions is used to process a minimum repayment amount and can only be set up as a monthly frequency |
| **Payment Dishonours** | The dishonour letter will also be auto generated at the same time the dishonour is processed to the loan. If no manual payment is received form the customer within the 3 day grace period or no funds are available to be pulled from the RPA bucket within the grace period, then the Arrears Admin Fee or Default Interest rate (Unregulated Loans) will be applicable to the loan |
| | The funds will always be pulled from the Linked account first, irrespective to the status of the RPA. If there are no funds in the linked account, **Ignite** will utilise the funds from the RPA balance if available |
| | There are no auto retries to pull the funds from the linked account |
| **Customer Phone Request** | For Contact Centre requests, a customer can Add, Edit or Delete the Repayment Instruction details via a phone request providing the Customer Locate and Customer Identification requirements are met and details of the change are recorded in CRM |

## Cautions

The following cautions must be understood before completing this procedure:

| Risk | Caution |
|---|---|
| **Customer Experience** | Failure to follow this procedure correctly could cause delays,  result in a breach of privacy and the Code of Banking Practice and create a poor customer experience |
| **Financial Loss** | Although the Direct Debit is processed to the loan, the payment can still be dishonoured by the other financial institution e.g. insufficient funds |

## Related Items

The following tools, folder locations, websites or documents, are required for this process:

| Tools, Folder or Document | Location |
|---|---|
| **Ignite** | *Intranet Home Page>Tools>Tools for Banking>Systems/Sites(A-O)>Ignite* |
| **Direct Debit Request Form** | *Intranet Home Page>Banking Portal>Info Sites>Home Lending>Forms>  Direct Debit Form*<br>*Or*<br>*Ignite> Manage Loan Account> Generate Documents button>* |
| **LM MailTrack** | *Intranet Home Page>Tools>Tools for Banking>Systems / Sites(A-O)>LMMailTrack* |

## Related Tasks

The following procedures are linked as related processes within this procedure:

| Procedure | Procedure Manual |
|---|---|
| **Generate Ad Hoc Documents** | *Ignite Procedure Manual* |
| **Manage Loan Account** | *Ignite Procedure Manual* |
| **Search and Prepare Customer/Party Profile** | *Ignite Procedure Manual* |
| **Search/Retrieve & Upload Ad Hoc Document** | *Ignite Procedure Manual* |
| **Set Up Linked Account/Payee/Beneficiary/Biller** | *Ignite Procedure Manual* |

### Step 1: Confirm Customer's Request

| Step | Action | Notes |
|---|---|---|
| **a** | Confirm Customer's Instructions. | |

| If | Then |
|---|---|
| Creating a new Repayment Instruction | **No Payment Instructions** will appear under the **Instructions** section.<br>Proceed to Step 4 |
| Amending an existing Repayment Instruction | **Payment Instructions** will appear under the **Instructions** section.<br>Proceed to Step 2 |
| Deleting an existing Repayment Instruction | **Payment Instructions** will appear under the **Instructions** section.<br>Proceed to Step 3 |

### Step 2: Amend an Existing Repayment Instruction

| Step | Action | Notes |
| --- | --- | --- |
| **a** | • Click on the **Edit** hyperlink to display the Account Payment Instructions section<br>• Click on Retrieve Instructions button<br>• Click on expand arrow<br>• Click on the red cross under the **Action** column<br>• Click **OK** on the message box to delete the Repayment instructions<br>• A new repayment instruction will now be required to be created<br><br>Proceed to Step 4b | If the Instructions have been edited on the Repayment Due Date, the funds would have been pulled with the earlier Instructions.<br><br>If the **OK** (green ticked) is selected then the following error message will display: Settlement has not been set up for the following transaction. At least one settlement mode must be present. Click Ok to close the message box. |

## Step 3: Deleting an existing Repayment Instruction

| Step | Action | Notes |
| --- | --- | --- |
| **a** | • Click on the **delete** hyperlink to delete the Payment Instructions<br>• Message box will appear if Repayment instruction are to be deleted<br>• Click **OK** to confirm | If the Instruction is deleted on the Repayment Due Date, the funds on that day would have already been pulled. |
| **b** | • Click **OK**<br><br>Proceed to Step 5 | Ensure that the Direct Debit Request Form has been completed and signed |

## Step 4: Create a new Repayment Instruction

| Step | Action | Notes |
| --- | --- | --- |

| | | |
|---|---|---|
| **a** | <ul><li>Click on the **Edit** hyperlink to display the **Account Payment Instructions** section</li><li>Click on Retrieve Instructions button</li></ul> | |
| **b** | **Settlement in AUD** section<ul><li>Select the **Percentage** Radio button</li><li>Select **Linked Account** from the **Settlement Through** drop list</li></ul> | Do not select **Ledger** |
| | **If** / **Then** | |
| | There is no Linked Account available → Refer to Procedure: **Set up Linked Account/ Payee/ Beneficiary/ Biller**<br>Return to Step 4a | |
| | There is a Linked Account available → Proceed to Step 4c | |
| **c** | **Collections** section<br>*100%* is populated into the **Appropriated by** field<ul><li>Click on the **Search** icon by the **Account Number** field to display the **Search and Result Dialog** pop up box.</li><li>Select an Account from the list</li><li>Click **Ok** to close the **Search and Result Dialog** pop up box</li></ul>The below fields will now be populated. Confirm details displayed are as requested on the Direct Debit Request form or verbally with the customer<ul><li>**Account Number**</li><li>**Counter Party Name**</li><li>**Institution identification Type**</li><li>**Bank Code**</li><li>**Branch Code**</li><li>**Region Code**</li><li>**Institution Id**</li><li>**Bank Name**</li><li>**Branch Name**</li></ul>Do not alter the following fields:<ul><li>**External Reference number (On the Customers statement this will default to Loan Account number and date of payment)**</li><li>**Trace Account No (On the Customers statement this will default to Loan Account number)**</li></ul> | If The Repayment instructions are added on the Repayment due date, it will pull the funds from the next due date onwards as the pull payment will occur at the beginning of the day. |
| **d** | Click on the **Save** button | If **Ok** is not selected then the previous account will |

| | | |
|---|---|---|
| | The **Settlement in AUD** section will display the following information<br>• **Sr No**<br>• **Settlement Through**<br>• **Percent**<br>• **Details**<br>• **Action**<br>• Click **Ok**<br><br>The Operation completed successfully message box will display<br>• Click **OK** to close the message box<br><br>**Payment Instructions** will now display under the **Instructions** section of the **LN100 Manage Loan Account** screen. | continue to be the linked account. |
| **e** | Advise the Customer the following information:<br>• The Loan repayment will start on the next due date<br>• The repayment amount will be the due amount (Instalment amount arrears if any)<br>• Dishonour fee may be charged by the other financial institution if enough funds are not available<br>• Last Repayment due date will pull the full amount due on the account maturity<br>• Funds in RPA may not be available for Loan Redraw, until the Direct Debit payment has cleared<br><br>Proceed to Step 5 | A 30 day Notice letter will be sent out to the customer informing about the due amount on the Maturity date of the loan |

| If | Then |
|---|---|
| A completed Direct Debit Request Form received | Proceed to Step 5 |
| Completed Direct Debit Request Form requires to be produced from Ignite | Click on the **Generate Document** button to produce the Direct Debit Request Form for completion<br>Refer to Procedure: **Generate Ad Hoc Document**.<br>Proceed to Step 5 |

Step 5: Record details of repayment instructions

| Step | Action | Notes |
|---|---|---|
| **a** | Identify the channel in which the customer request has been received. | |

| If | Then |
| --- | --- |
| Completed and signed Direct Debit Request Form received | Proceed to Step 6 |
| Via the phone<br>Contact Centre /Broker/ other Team | Record **Notes** in the customer's **CRM** profile confirming request was received via phone.<br>• From the customer's profile, locate the **Heads Up** display bar and click on the **Notes** link<br>• Click on **New**<br>• **Subject** = **DDR**<br>• In the **Comments** field, include the following DDR details:<br>• **Start Date**<br>• **End Date**<br>• **Frequency**<br>• **Amount requested**<br>• **External BSB** and **Account details** (new request)<br>• Reason for Cancellation/Change (close request)<br>• Click on **Save**<br>The note will now appear in the Customer's profile. |

Step 6: Upload Direct Debit Form into Ignite

| Step | Action | Notes |
| --- | --- | --- |
| **a** | Upload the signed **Direct Debit Form into Ignite**<br>Refer to procedure: **Search/Retrieve & Upload Ad hoc Documents** | |