

Agency Servicing: Effective management for large, complex multi-lender deals

Syndication is all about minimising risk through sharing it. However, as the size and number of participants in a syndicate grow, for agent banks, minimising risk is equally about how well the servicing is managed.

The Misys Loan IQ™ Agency Servicing Module is an industry leader for managing the servicing of syndicated deals. Seamlessly integrating support for origination and trading with servicing, it is your comprehensive, robust solution of choice.

The Misys Loan IQ Agency Servicing Module manages the relationships, processes and other activities required to effectively service syndicated loans. Fully integrated into Misys Loan IQ, it provides a complete solution – enabling process automation and an enhanced user experience for improved productivity, greater timeliness, reduced error and increased accuracy and accessibility of vital information.

The result is a system designed to minimise risk, maximise efficiency and protect your reputation.

Scalability and flexibility for large, complex syndicated deals

To meet the demands of today's growing marketplace, the Misys Loan IQ Agency Servicing module supports many hundreds of lenders in any given deal.

Moreover, it is designed with the ability to accommodate complex portfolios that are constantly changing as a result of secondary trading activity. This is one of the key qualities that makes Misys Loan IQ the leading platform for agency servicing today.

Functionality at a glance

- + Scalability for hundreds of lenders
- + Dynamic amendment and restructuring capability
- + Saleability protection
- + Automated management of interest and fee accruals
- + Intelligent governance of drawdowns
- + Comprehensive management of payments
- + Automated notifications
- + Industry standard fax server interoperability



The Misys Loan IQ Agency Servicing Module includes

- + Flexible amendment and restructuring capability
- + Safeguards for saleability
- + Automatic processing of accruals and interest
- + Intelligent checking to secure and govern drawdowns



Designed with amendments and restructuring in mind

The Misys Loan IQ Agency Servicing Module makes it easy to perform changes stemming from amendments or waivers to the original deal structure. Moreover, it enables the complete restructuring of deals if necessary.

Syndicate members and participants automatically receive notifications when restructuring is required to reflect the new terms and conditions. In addition, a complete history of all events – for a deal or facilities – is maintained to ensure a comprehensive audit trail.

Safeguards for saleability

The Misys Loan IQ Agency Servicing Module enables the recording and maintenance of all the conditions that may affect the saleability of a deal. For instance, portfolio and syndicate managers can set factors such as the minimum or maximum amount your organisation has targeted to hold on its books, and how interest and fees will be shared with lenders.

In addition, the credit agreement can be used to drive validations in the system and include restrictions surrounding:

- + Whether participations or assignments are permitted
- + Whether the borrower requires lenders to execute a confidentiality agreement
- + How lender voting rights are structured
- + Primary offered pricing to establish at the deal level the flow down to all lenders involved

The Misys Loan IQ Agency Servicing Module results in more accurate and effective management of your syndicated deals. The ongoing accuracy of the loans is ensured because the initial credit agreement forms the rules for loan activity processing. Being able to enforce the contractual agreement in this way helps your organisation comply with stringent industry and government regulations.

Automatic processes for interest and accruals

With the Misys Loan IQ Agency Servicing Module, interest and fee accruals are calculated and posted as part of a daily batch process.

When a borrower requests a drawdown on a commitment, the module verifies the amount available under the facility. The calculation will take into account both existing and outstanding loans, and any transactions awaiting approval for the release of funds. The system also ensures time verification for all activity, and validates that the drawdown effective date, re-pricing, interest payments and maturity dates fall within the specified availability period.

To provide your organisation with complete visibility, Misys Loan IQ automatically generates borrower drawdowns, rate settings and re-pricing notices and sends them to lenders over the entire deal lifecycle.

LenderBridge – IntraLinks™

The Misys Loan IQ LenderBridge Module integrates with the IntraLinks document distribution platform for syndicated loans through the Misys Loan IQ LenderBridge module. Enabling the timely distribution of documents such as amendments, contacts are synchronised between Misys Loan IQ and IntraLinks so that all lenders are notified.

To ensure consistent information is maintained, the Misys Loan IQ LenderBridge module updates IntraLinks whenever there is activity or changes to contact information in Misys Loan IQ.

Intelligent checking to secure and govern drawdowns

The Misys Loan IQ Agency Servicing Module derives each lender's share of the drawdown accurately, based on the credit commitment. Should there be a change, there is the option to override these pro-rata shares to reflect the changing nature of the bank group.

The module also performs edit checks that govern the drawdowns. One example of these checks is for secured facilities, where the module will automatically verify the collateral sufficiency. Should there be any exceptions to these verifications, notifications will automatically be generated for users working on the portfolio, and any related transaction will be halted until proper authorisation is granted.

Complete system for handling payments and fees

Misys Loan IQ automates the process of collecting fees from the borrower and distributing them to the lenders. In fact, the system dynamically calculates and manages each lender's share for all principal, interest and fees.

The Misys Loan IQ Agency Servicing Module also monitors accounts and the fees received in line with FASB (Financial Accounting Standards Board) and IAS (International Accounting Standard) regulations.

Automated notifications with full fax server integration

The Misys Loan IQ Agency Servicing Module handles all notifications and approval processes connected with deal activity.

Communication with each of the syndicate members is managed through automated notices generated by Misys Loan IQ. Numerous notices keep lenders informed of all activities that take place over entire deal lifecycle, including borrower drawdowns, interest payments, rate settings and re-pricings.

This functionality is interoperable with all key industry standard fax servers – including RightFax and FACSys – enabling faxes to be sent to all lenders, even if the bank group numbers in the hundreds.

For further information on how Misys Loan IQ can help you, please contact: tcm.marketing@misys.com or visit: www.misys.com

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